

Jindal Stainless Limited Q3FY26 Earnings Call

- **Moderator:**
 - Ladies and gentlemen, good day and welcome to Jindal Stainless Limited Q3 FY26 Earnings Call hosted by Prabhudas Lilladher Private Ltd. 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 call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.
 - I now hand the conference over to Mr. Tushar Chaudhari from Prabhudas Lilladher Private Ltd. Thank you and over to you, sir.
- **Mr. Tushar Chaudhari – Research Analyst, Prabhudas Lilladher Private Ltd:**
 - Thank you.
 - Good evening and a very warm welcome to everyone. On behalf of PL Capital, I am pleased to welcome you all on the Q3 FY26 earnings call of Jindal Stainless Limited.
 - We are happy to have the senior management of JDSL with us for the next one hour. Management is represented by:
 - Mr. Abhyuday Jindal, Managing Director
 - Mr. Tarun Kumar Khulbe, CEO, CFO and Whole-time Director
 - Ms. Shreya Sharma, Head of IR
 - And other senior management team.
 - So, we will begin with the opening remarks from the management followed by an interactive Q&A session.
 - With this, I hand over the call to Ms. Shreya. Over to you, Shreya.
- **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**
 - Thank you, Tushar.
 - Good day, everyone, and thank you for joining us for the company's Q3 FY26 earnings call. I hope you all had a chance to review the results and the accompanying presentation uploaded on the Exchanges and on our website earlier. Our discussion on this call will follow that presentation.
 - Before we begin, I would like to remind you that some of the statements made today may be forward-looking in nature and are covered by the disclaimer on Slide 2 of the earnings presentation.
 - Joining me on the call today is the senior leadership team who will take you through the key business developments and the performance for the quarter. After the remarks, we will open the floor for the questions.

- With that, let me hand it over to our Managing Director, Mr. Abhyuday Jindal to take you through the highlights.
- Over to you, sir.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
- Thank you, Shreya.
- A very good evening to everyone. I would like to welcome you all to the Q3 FY26 earnings call.
 - I will begin by outlining the key business highlights for the quarter ended December 2025 and the progress we continue to make across our priority sectors. Following that, Mr. Khulbe will take you through our operational and financial performance.
 - Continuing the positive momentum, our sales volume in Q3 FY26 grew by 11% year-on-year and remained steady quarter-on-quarter, supported by sustained domestic demand amidst stability in the export market.
 - In the domestic market, JSL performance was consistent, underpinned by the demand momentum from key sectors such as automotive, ornamental pipe and tube, railways, metro, lift and elevator, white goods.
 - Last quarter, we also launched the JSL Saathi Pragati, an initiative for the stainless steel pipe and tube segment, a key step in our commitment to empower fabricators and retailers to verify products instantly and to reward their efforts in enabling product authenticity.
 - Stainless steel demand in the passenger coaches segment also saw increased traction from design revisions in Vande Bharat and new orders on Vande Bharat sleeper blocks. The new thrust on Amrit Bharat coaches is expected to further boost stainless steel demand in the sector.
 - Higher activity in metro projects across the country also supported the delivery momentum.
 - I am pleased to report that our stainless steel has been accepted by ICF Chennai for the fabrication of external side walls of metro cars being supplied to the Kolkata Metro.
 - GST cut supported sector season demand from white goods segment, supporting strong deliveries during the quarter.
 - Sequentially, the auto segment also saw strong volume growth driven by lower GST rates on high combustion vehicles.
 - On the export front, global trade sentiments remain subdued due to ongoing uncertainties and the protectionist measures in key western markets, particularly the United States and European Union. In response, the company continued to strategically prioritize the domestic market with a focus on providing value-added solutions tailored to the needs of our long-term partners.
 - On the import side, subsidized inferior materials continue to enter our country. The temporary suspension of QCOs is definitely a matter of concern and poses a discouraging setback for quality focused domestic industry players. We remain hopeful that the government will strengthen and enforce frameworks that uphold quality standards to protect consumers, MSMEs and all.

- In this environment, Jindal Stainless retained its market share through its competitive pricing, robust distribution network, cross-competitiveness and customer-focused initiatives such as Jindal Saathi Seal and QR code and loyalty incentive programs.
- On sustainability front, I am happy to report that JSL achieved an S&P Global Corporate Sustainability Assessment score of 78 out of 100 for FY25, ranking us among the top 5% in the steel sector and securing 4th position globally.
- Securing one of the top global positions in the DJSI-modelled ESG ranking is a very proud moment for us.
- Our significant improvement over the past year scores reflects our continuous commitment to responsible growth grounded in transparency, innovation, care for our people and the planet.
- In parallel, our renewable power utilization at Jajpur and Hisar facilities has steadily increased, now 56% of our total imported power in Q326, making a significant step towards cleaner and more sustainable operations.

– With this, I would like to hand over to Mr. Tarun Khulbe to discuss our operational and financial performance. Thank you.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

- Thank you, Abhyuday.
- Good evening, everyone. Welcome to the call.
- I would like to begin by providing a detailed overview of our operational and financial performance.
 - Our Q3 FY26 deliveries are at 0.65 million tonnes, with an increase of around 11% on year-on-year.
 - Our Q3 consolidated EBITDA increased by around 17% year-on-year and around 1% on quarter-on-quarter to Rs. 1408 crores.
 - While our consolidated PAT stood at Rs. 828 crores, an increase of around 27% on year-on-year and around 2% on quarter-on-quarter basis.
 - For nine months FY26, our deliveries stood at 1.92 million tonnes, with an increase of around 11% year-on-year.
 - Consolidated EBITDA increased by around 14% year-on-year to Rs. 4106 crores and consolidated PAT stood at Rs. 2350 crores with an increase of around 23% year-on-year basis.
 - We are pleased to report continued improvement in our balance sheet. As of December 31, 2025, our consolidated net debt has further reduced to Rs. 3451 crores, with a net debt-to-EBITDA ratio at 0.67, comfortably below 1, and a net debt-to-equity ratio of 0.18, reflecting our disciplined approach to financial management. This robust financial management continues to place us in a better position to navigate ongoing macroeconomic challenges.
 - Turning to subsidiaries front, all subsidiaries have shown improvement and contributed positively to the Group's overall EBITDA.

- Operationally, we are encouraged by the ramp-up at Chromeni and NPI, with both experiencing an increase in capacity utilisation.
- Our SMS project in Indonesia and aligned downstream capacity expansion in India are progressing well and remain on track as per the timeline.
- I would also like to inform that the Board of Directors have approved an interim dividend payment for FY26 of Rs. 1 per share with a face value of Rs. 2 each, aggregating to a payout of nearly Rs. 82.44 crores. The record date for the purpose of payment has been set as January 29, 2026.
- To further develop the stainless steel ecosystem and capabilities, we have signed MOUs with four government industrial training institutes in Odisha, Uttar Pradesh and Maharashtra to implement a 155 hours stainless steel fabrication course as a part of their curriculum.
- India's stainless steel demand is rising, in line with its economic and infrastructure growth. We are proud to support the shift towards this sustainable vendor ecosystem.

– With that, I conclude my remarks and invite the moderator to begin the question-and-answer session. Thank you.

– **Moderator:**

– Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

– **Q&A Session:**

– The first question is from the line of Amit Dixit from GS. Please go ahead.

– **Mr. Amit Dixit – GS:**

– Good evening, everyone, and thanks for the opportunity. Congratulations for a very steady set of numbers. I have a couple of questions.

– The first one is on essentially some kind of a protection mechanism. We have seen that in case of steel, finally carbon steel, the safeguard duty has been imposed. Now, we are also seeing an influx of imports. Though it has not surged, I mean, there was always a very steady, high level of import in the stainless steel industry. And I understand that we have been working with the government in making sure that we get some kind of protection at least against the unfairly priced imports. So, I just wanted to get an update on that - where are we? Is the government now more conducive considering that a step has been taken for carbon steel players?

– **Mr. Abhyuday Jindal – Management Director, Jindal Stainless Limited:**

– So, Amit, thank you for your question and all the good wishes.

– So, yes, as we mentioned last time also, safeguard --- because of the reason you mentioned, there was no surge in imports in stainless steel and it has been steadily at 30% plus. That's why safeguard was something that they were not in favour of going ahead. Anti-dumping duty investigation is on.

We are hopeful that the government will give us some relief. So, those are the lines we are working on. And on the other side, absolutely, we are pointing to them that once this QCO relaxation was given, import surges further happened again in the last few months. So, that is another area that we are constantly picking up with the ministry that a lot of circumvention is happening, import surge has happened. So, QCO is definitely required for the entire industry. It will uplift the sentiment. It will increase more investment in this industry for us. So, both sides we are working. One is on anti-dumping duty, which we feel next few quarters we should get some positive response. And the QCO relaxation should not be extended further.

– **Mr. Amit Dixit – GS:**

– Great, that's helpful. The second question is essentially on the profitability and volume side. Now, if you look at the last quarter, particularly towards the end, you know, nickel prices have been rising, ferrochrome prices have risen. Do you see some kind of impact of this, you know, on the finished steel prices as well through increased surcharges? And therefore, what kind of profitability can we expect in Q4? And also, if you could, you know, briefly let us know, I know in prepared remarks you mentioned about the demand environment, but on the overall volume growth, how do we see it, you know, in Q4 and going ahead as well?

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– So, yeah, rightly you indicated or you have said that the raw material prices on nickel in particular, which was otherwise has in fact on an average basis has gone down in Q3, but towards December it started going up and yeah, in the month of January also it is on the higher side. As all along we have stated that normally in the stainless steel, the prices are governed by the movement in the raw material prices. So, definitely aligned to that, we could see the movement in the prices of the stainless steel, not only in India, globally as well. So, there is a price movement into that.

– So, far as our profitability part is concerned, whatever guidance we have provided for the year, Rs. 19,000 to 21,000 per metric ton is what we had given. We have delivered in nine months an average of around 21,300 and we believe that this year on an average basis around this number we should be closing.

– **Mr. Abhyuday Jindal – Management Director, Jindal Stainless Limited:**

– Yeah. So, whatever guidance we had given in terms of volume growth and EBITDA per ton, we are extremely confident of meeting those numbers. It is still because of certain geopolitical situations, QCO relaxation, we would like to stick to this guidance only.

– **Mr. Amit Dixit – GS:**

– Understood. Thank you. Thanks a lot and all the best.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– Thank you.

– **Moderator:**

– Thank you. Our next question comes from the line of Alok Deora from Motilal Oswal. Please go ahead.

– **Mr. Alok Deora – Motilal Oswal:**

- Good evening, sir, and congratulations on decent numbers. Sir, just had a couple of questions.
- One is on exports. So, to highlight why the sharp drop in export contribution to the volume and how do we see that going ahead?
- And second is on any change in the mix in terms of HR and CR in the overall, because there also we are looking at some improvement in the mix. So, if you just hit on that.

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

- So, definitely as we are all aware, export is a very uncertain situation because of the geopolitical factors. Nothing to do with the company. We are still sticking to our supply chain. We are still supplying our customers. It is more from our customer side because of this lack of clarity that is there, whether Mr. Trump everyday wakes up and announces something new, plus CBAM is on our head, where even in December they changed certain rules or nomenclatures. So, it is the uncertainty that is not letting our customers book for their orders. We are absolutely geared up. We have been supplying, catering to them for decades now, and we will still continue to do that.
- And on the other side, as a company, which I have always stated, our goal is for EBITDA maximization, creating more shareholder value. So, if we are seeing that in the domestic market where there is good demand, then we would be more than happy to cater to the domestic market. So, export is more on account of global geopolitical situations.
- And to your second question, CR output has definitely increased. So, maybe Mr. Khulbe can add to that.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

- Yeah. And just to add to whatever you have given, because even on CBAM, so just to add that towards the year-end only or towards December-end only, eventually they came out with threshold levels and calculation methodology. But still, who will be verifying it and the verification methodology of this tax calculation still not has come out, which is again causing customers some of confusion or uncertainty into their mind.
- Now, coming to the mix of HR and CR, two ways we can look at it. If we look at our only CRAP percentage of the overall sales, so now it is at around 55%, which was at around 50% a year before. But then if you look only HRAP and CRAP ratio, then I can give you a 3-years trend. So, in Q3 FY24, it was around HRAP : CRAP 40:60, which changed to 35:65. And this financial FY26 Q3, it is 30 :70. So, somewhere our investments into the downstream, our acquisition of Chromeni, all that has helped us in improving this percentage of CRAP.

– **Mr. Alok Deora – Motilal Oswal:**

- Sure. Thanks for that. Just one follow-up on the export side. So, whatever volume guidance, whatever volume we are expecting for FY27, so even if exports were to be lower at say 5% to 6% in terms of contribution to total volume, we do not expect to have any major slippage in terms of overall volumes.

– **Mr. Abhyuday Jindal – Management Director, Jindal Stainless Limited:**

– Not at all. Absolutely not.

– **Mr. Alok Deora – Motilal Oswal:**

– Got it. That is all from my side. So, thank you and all the best.

– **Moderator:**

– Thank you. Our next question comes from the line of Parthiv from Anand Rathi. Please go ahead.

– **Mr. Parthiv – Anand Rathi:**

– Hi, thank you for the opportunity. I hope I am audible.

– So, actually my first question is a very generic one. Just wanted to get a break up of between the series, if Shreya can help us out.

– **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**

– Yeah. So, Parthiv, I just used it in order of 200, 300 and 400.

– So, in Q3, it was 38%, 45% and 17%. And for the 9 months, it was around 36%, 47% and 17%.

– **Mr. Parthiv – Anand Rathi:**

– Perfect, that is quite helpful. Thanks, Shreya.

– So, my first question is just taking a couple of comments forward from the previous analysts.

– If you see right now, our blended ASP for Q3 was about 1,61,000, which was a fall of almost 4-4.5%, whereas your blended stainless steel market was down by about say 2%. I believe there is some aspect of export which plays out. I just wanted to get your understanding for say FY26 for the last quarter, and for '27, how do you expect the stainless prices and new realizations to improve going forward?

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– So, I think we have to look at it from the two angles.

– So, first question you had asked to Shreya that what is your series mix. So, the series mix, if you look sequentially, quarter-on-quarter basis, then there was almost 4% drop in 300 series and almost equal increase in the 200 series. This is one of the factors that there was a shift in the series mix. Another point is as we are always stating that stainless steel prices, that is the realization also eventually governed by the raw material movement. And already as we all can see that nickel in Quarter 3 was a bit softer and that is where that also impacted the realization.

– **Mr. Parthiv – Anand Rathi:**

– So, do you expect this to cross or stay over, say right now it is around, blended is about 1,90,000 to 1,91,000 a ton. Do you expect that to stay over around similar level for the remaining part of the quarter?

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

- So, it all depends. If the nickel remains on the higher level, the level at which it is, it will definitely lift the average realization than what we attained in Quarter 3.
- **Mr. Parthiv – Anand Rathi:**
- All right. That is actually helpful.
- So, my second question is on CBAM. We understand there were new threshold calculations which came out. There are certain ways we should look into it. However, just going by a couple of articles, whether it will be in India or globally, we have some calculation as far as the carbon steel manufacturers are concerned across the globe, right, whether it be China, India, so on and so forth. Have you done any calculation for our company, what is our CBAM impact, what is on a per ton basis?
- **Mr. Abhyuday Jindal – Management Director, Jindal Stainless Limited:**
- Yes, absolutely. We are tracking that very closely. And like I had announced, which I can repeat, we are actually scoring very high in most of the criteria, like in the S&P Global Corporate Sustainability Assessment, we scored 78 out of 100. That puts us in the top 5% globally in the steel sector with the 4th position. And in DJSI-ESG model, ESG ratings, we have secured the top position in the global. So, you know, whatever is available, whatever is an S&P or a well-approved body, we're already moving ahead, whatever is required for Indian ratings, like DJSI or by SEBI, we are doing all of that.
- So, as a company, we are absolutely geared up, everything is in place, it is more clarity that is required from European Union, that who is the verifier, when will the verifier come, you know, all that clarity from their side is required. But as a company, we are absolutely geared up, we are increasing our renewable capacity month-on-month, we've invested in green hydrogen, we are already a scrap-based company, so everything is there in place to ensure that CBAM does not impact us in a very negative manner.
- **Mr. Parthiv – Anand Rathi:**
- All right.
- So, do you suggest to get some clarity within say, next quarter or two, or it will take beyond that?
- **Mr. Abhyuday Jindal – Management Director, Jindal Stainless Limited:**
- My guess is as good as yours. You know, we are also waiting, and like I said, it is from the European Union to decide when they can send the verifiers, but the expectation is this quarter, they should be, because they were supposed to start from January, and we're already in the middle of the month. So, I'm expecting this quarter more clarity should come.
- **Mr. Parthiv – Anand Rathi:**
- Alright. And sir, if I may just raise a very quick one. I think as per a couple of articles, you know, the Indian stainless steel imports are hovering about 20-25... 22% to be precise of the production in last year. So just wanted to get some clarity on it. Do you expect this to go down or remain around the same level? Because I think as a series, 300 is the largest... we import the maximum under 300 series. So just wanted to get your overall picture on this, especially imports.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– Without any government intervention, I don't see these import numbers going down. Because again, what everyone has to understand and what we are trying to push to the government is that globally every country is trying to protect their manufacturers, trying to protect their borders, and India is relatively open. So I don't see this number going down without some kind of government intervention. But despite imports going down or going up, whatever we are committing to, whatever we have announced, we are very confident of achieving that.

– **Mr. Parthiv – Anand Rathi:**

– Okay. I'm just circling back to the CBAM question again. You don't have any numbers in mind, right? Or have you calculated any given number?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– We have calculated all the numbers. Again, like I'm saying, we are waiting on EU to clarify how they want us to calculate and show. So that's why those verifiers are required. Otherwise, like I mentioned, DJSI, S&P, SEBI numbers, GSI, they're all based on certain calculations, certain metrics, which we have already proven and shown.

– **Mr. Parthiv – Anand Rathi:**

– Absolutely. So is it possible to share a certain range, whatever is your internal understanding?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– I'll ask the team to get back to you. If we are allowed to, then we definitely will.

– **Mr. Parthiv – Anand Rathi:**

– Sure, sure. Thank you so much. I appreciate it. And best of luck.

– **Moderator:**

– Thank you. Our next question comes from the line of Vikas Singh from ICICI Securities. Please go ahead.

– **Mr. Vikas Singh – ICICI Securities:**

– Good evening, sir. And thank you for the opportunity. Sir, I just wanted to understand a little bit longer term growth path. So, looking at our capacity and probable 2.6 million ton of the volume in that, we would have another year of 10% kind of volume growth, and then we probably would have to wait until our Maharashtra plant picks up. So I just wanted your thought process that do we have a plan to continue to grow at least 10-15% for the next three years or another 10% growth in the next year, and then we have to wait a couple of years of waiting time for the next...

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– No. So let's see. We don't have to wait after this time for, let's say, till our Maharashtra project comes up. We are already forming up our plans of further downstream investment. And if you just give us one more quarter, then by Q4, I will come out with, let's say, next 2-3 year volume growth target and plans.

– **Mr. Vikas Singh – ICICI Securities:**

- Understood, sir.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
- So just wait for one more quarter. We will definitely come with that announcement.
- **Mr. Vikas Singh – ICICI Securities:**
- Noted. So my second question pertains to our subsidiary performance. Given the nickel prices have come down, usually thought process was the standalone would have been lower and subsidiaries, probably with the same volume, should have been maintaining the performance. The reverse has happened. Standalone performance was better, while subsidiary seems to be a little bit on a dip. Sir, if you could give us some idea what has happened, it would be really helpful.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
- No, not really. I don't see any... All our subsidiaries have actually done better from our service centre to lifestyle. So any particular subsidiary you are talking about, then I can discuss. But if I see the results of most of the subsidiaries from the international ones and the domestic ones, they have done better.
- **Mr. Vikas Singh – ICICI Securities:**
- Sir, I am talking about on a sequential basis. For example, JUSL from EBITDA of 205 crores went down to 190 crores, basically, which is even lower than the YoY basis. So anything which has happened in JUSL?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- Yeah, so in JUSL, there was a shutdown because this subsidiary essentially worked on a job-work model. So the volumes were lower, and that is one of the reasons. But at the same time, if you look at the numbers at EBITDA per ton and all that, you will find that there the things have, in fact, improved.
- **Mr. Vikas Singh – ICICI Securities:**
- This shutdown has been over, right?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- Yes, now it is over. Correct.
- **Mr. Vikas Singh – ICICI Securities:**
- Noted, sir. And so just lastly, on our debt side, basically, given there is still some time on the large CapEx to take place, what is our assessment in terms of the net debt at the end of FY26 or maybe FY27?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- So our net debt as of now at the end of the Quarter 3 is 3,451 crores. Now, when we had provided a guidance at the beginning of the year, we had estimated to be closing the year in the range of 3,500 to 3,700 crores. But now, looking at the current situation, we believe that this year we should

be closing somewhere around where we are already or maybe a bit even lower than what net debt position we have at the end of Quarter 3.

- **Mr. Vikas Singh – ICICI Securities:**
 - So no further reduction, and what is causing that? Because overall cash inflows seem to be pretty healthy for Q4 as well, because usually volume-wise that is the best quarter. So...
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
 - So I have already stated that that could be even slightly better position than where we are, because it also depends on some of the... I mean, we have to look at some of the possible payments and all that.
- **Mr. Vikas Singh – ICICI Securities:**
 - Okay, just let me rephrase this. How much of the CapEx we have spent in nine months and what is the fourth quarter target?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
 - Okay, so we had given a guidance of 2,700 crores as a CapEx for the whole financial year FY26. 2,200 crores we have already done and we are on course of completing or ending with around 2,700 crores of CapEx in FY26.
- **Mr. Vikas Singh – ICICI Securities:**
 - Noted, sir. That's all from my side.
- **Moderator:**
 - Thank you. Our next question comes from the line of Satyadeep Jain from Ambit Capital. Please go ahead.
- **Mr. Satyadeep Jain – Ambit Capital:**
 - Hi, thank you. Just another follow-up question on CBAM. What I am trying to understand is that it seems that you have not got the emissions verified. So whatever you are sending will be default... the emissions will be default emissions that the importer will have to use. Is that the current status? And given the order pipeline that you have, just trying to see how much... meaning of imports from Europe or your exports to Europe could be in the next quarter or two?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
 - No, what we said that in CBAM, the European Union has come out with threshold levels and calculation methodologies. But what they have not yet come out with the verification methodology and who is going to verify the calculations. Now in the absence of that, we have seen that a lot of changes, frequent changes are being done. Even with whatever they have suggested so far, we have found them changing. So that is why we are also waiting for this process to be absolutely clearer. Let them clarify how the verification will be done. Let them say who will be authorized to verify it, and then probably we will be making better discussion when all this happens.
- **Mr. Satyadeep Jain – Ambit Capital:**

– Just wanted to discuss this, because in the document that CBAM put out, they seem to suggest that many companies, during the transition phase, it's been a two-year transition, did get their emissions verified. So you're stating that there was nobody who reached out, your emissions are not verified. Anybody who is importing JSL steel into Europe will have to use default emissions till the emissions get verified.

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– That is the situation for every market. It is not that somebody in India has been verified and we have not been verified. There has been no verifier that has been appointed till now. So that is what we are waiting for.

– **Mr. Satyadeep Jain – Ambit Capital:**

– Okay. And there is no import order as the imports have totally dried up from Europe in the last few weeks.

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– Yes absolutely.

– **Mr. Satyadeep Jain – Ambit Capital:**

– Okay. And on the volume growth for FY27, just wanted to understand the HRAP towards the end of next year. Given you will have maybe shortage of HRAP throughout the year because the expansion comes in later part of the year, what kind of volume growth is realistic to assume for FY27? And let's say whatever excess SMS you have, how do you sell it if the HRAP comes up?

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– So like Mr. Jindal already stated that for FY27, give us some more time, and when we get on to the next call, we will be providing the guidance of FY27. But we are definitely aware of all the situations which constantly we are evaluating within the organization. What best can be done? Management is taking all those measures and possibilities and working on all these things. And we will come back to you with the numbers.

– **Mr. Satyadeep Jain – Ambit Capital:**

– Okay. Thank you so much.

– **Moderator:**

– Thank you. Our next question comes from the line of Ritesh Shah from Investec. Please go ahead.

– **Mr. Ritesh Shah – Investec:**

– Hi, sir. Thanks for the opportunity. Sir, couple of questions. One is, how are we looking at metal and scrap procurement in the marketplace? Given LME is high, we don't have much sense on physical market premiums on nickel. If you could highlight that.

– And a related question, given we are procuring something at a higher cost, how do we get comfort on the spreads into the next fiscal? If you could highlight like what percentage of our volumes have a costless mechanism embed? That's the first question, sir.

- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
 - So, Ritesh, most things, as you know already, we pass on to the customer with like maybe a lag of 30 to 45 days. So, whatever cost... And we do in our raw material buying, it's always a back-to-back hedging that we try to ensure. So, most of these disruptions are taken care of over the course of the entire year. I don't know if I'm answering your question correctly. Maybe Mr. Khulbe can further add.
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
 - No, I think you have answered it. I mean, that's what the apprehension is that right now the nickel is on the high and how are we taking care of it. But you rightly said, that we always... this is what we have been, over the years we have been stating, that in the stainless steel, this raw material prices movement, they get passed on to the product, to the consumer. So, that's what we...
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
 - I would say most of them are on those lines only.
- **Mr. Ritesh Shah – Investec:**
 - Sir, would it be fair to assume that 90% of whatever we sell will be back-to-back or if you could quantify that number?
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
 - So, difficult to quantify, but most of the nickel-bearing rate, definitely we can commit, maybe not in the non-nickel-bearing rate, but most of the nickel-bearing rate is back-to-back.
- **Mr. Ritesh Shah – Investec:**
 - Okay, that's helpful. Sir, second question was related to the SMS Xinxiang. I think the timelines over there, I think earlier we had indicated first half FY27. So, what is the progress over there? That's one.
 - Second is, I presume we will move that slab from Indonesia to probably Orissa and then if we have to get something on CR to Gujarat. Now, given the processing time over here will be longer versus what traditionally we have been doing, how would we look to hedge the commodity risk over here, given the turnaround time specifically for this movement or this volume will be larger?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
 - So, two things. First, to answer your question, it is on course and I think very soon we will be announcing the commissioning of the melt shop. It is definitely on track or, in fact, slightly better.
 - So far as your next question is concerned, see, you have to look at the situation like this, that whether we bring slab, otherwise we would have to bring in either scrap or MPI. And in that case also, everything would have gone to Orissa till we get any other melt shop, and then things would have come to Chromeni. So, it is more or less the same situation. It is not changing just because we are bringing in slab. In fact, it will help in reducing the cycle time a bit even shorter because nickel will be coming in the form of slab, because in India nickel is not available. So, for nickel, we have to import scrap, NPI or slab in any of the forms. So, I think more or less, the situation is very similar for us. Just bringing in slab is not changing any equation.

– **Mr. Ritesh Shah – Investec:**

– Sir, please correct me if wrong because there will be procurement time in Indonesia, processing time at SMS and then transit time by sea to get to Orissa. I would presume it will add at least a few days over here. Given the volatility in nickel pricing, what you are referring to is basically there is no change in turnaround time.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– Yeah, I am saying that if I do not bring in slab, then I will have to bring in scrap. And the scrap also then will come either from Europe or US or from any other country. Then the scrap will come. And in that case, the scrap will have to reach Orissa plant, then will have to be converted into slab, and then the process will start. So, here one step we are taking before.

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– Basically, end-to-end time would remain the same.

– **Mr. Ritesh Shah – Investec:**

– Remain the same, okay. Sir, third question is more, you explained it briefly, but are there any timelines specifically on ADD and clarity on QCO?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– So, QCO, they have given an extension till March. So, I would expect definitely by next month, we should be hearing something on whether they are extending it or not.

– On ADD application, the investigation is on. Investigators have been appointed. But I think in the first half of this year, we should get some clarity. Generally, they try to take around a year's time to implement, and we all know how slow government of India can be. So, we expect first half of this year because we applied for it in July last year, I believe.

– **Mr. Ritesh Shah – Investec:**

– Sure. And sir, last question very quickly, if you can highlight utilization levels for Chromeni, Rathi and RVPL, and what are the plans going forward?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– So, Chromeni is around, I would believe, 75% right now. Rathi is close to 80%. And the target, as always, is to further increase them to atleast 90-95% this year.

– **Mr. Ritesh Shah – Investec:**

– And RVPL?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– RVPL is maybe at a lower number at the moment because certain changes in our strategy we are working towards.

– **Mr. Ritesh Shah – Investec:**

- Sure. Thank you so much.
- **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**
- Ritesh, RVPL is only the finishing lines that we are running right now. So, no other production on the P&T side.
- **Mr. Ritesh Shah – Investec:**
- Okay. That helps. Thank you.
- **Moderator:**
- Thank you. Our next question comes from the line of Rajesh Majumdar from 360 ONE Capital. Please go ahead.
- **Mr. Rajesh Majumdar – 360 ONE Capital:**
- Yeah. Good evening, gentlemen. I had a couple of questions. Sir, one was on the line of the... by some other participants, in terms of the net debt. I mean, barring the Maharashtra project, if you look at our debt today and the kind of cash flows we will actually have in the next six months to one year, we will largely be net debt free by FY27 given our normal CapEx of say 1,500 to 1,800 crores. Is that a correct assumption?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- We will not be absolutely without debt. But yes, for sure, our position will only be improving. It won't deteriorate.
- **Mr. Rajesh Majumdar – 360 ONE Capital:**
- And secondly, my question was on the NPI venture. With nickel prices having moved to \$18,000, what is the kind of profitability swing that we can expect once the venture is fully operational in terms of... you know, on an EBITDA basis, either through capital consumption or through sales? What is the kind of benefit that we can look at in terms of the NPI venture?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- So, nickel has remained quite volatile. In fact, in the recent past, it was rather very subdued prices. But off late just from December onwards, it has again... nickel prices have gone up. But still, we had indicated for our nickel venture, we had given a guidance of around \$500 to \$1,500 range for metric ton of nickel. And Quarter 3, we have hit somewhere around \$900. And we expect, if the nickel prices remain high, so we should be on the higher side of this range.
- **Mr. Rajesh Majumdar – 360 ONE Capital:**
- And what is the nickel equivalent of that NPI venture? I mean, I know the total capacity. But what is the nickel equivalent in terms of tonnage that we can take for our calculations?
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- So, nickel equivalent... the plant capacity is around 28,000 tons of nickel design capacity, because we have around 50% or 49% of share. So, okay, roughly 14,000 at the 100% capacity utilization.

– **Mr. Rajesh Majumdar – 360 ONE Capital:**

– That's helpful. Thank you so much.

– **Moderator:**

– Thank you. Our next question comes from the line of Ritwik Sheth from One Up. Please go ahead.

– **Mr. Ritwik Sheth – One Up Financial Consultants:**

– Hi, good evening, sir. Sir, just two questions. So, what is the timeline for downstream expansion at Jajpur?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– So, like he said, Ritwik just give us the next quarter. We are in the middle of planning our expansion for downstream. So, by next quarter, I will be announcing. Or when I travel to Bombay, then we can meet and I can also give you the answers. But I think we still need maybe another two weeks report.

– **Mr. Ritwik Sheth – One Up Financial Consultants:**

– Okay, sure, sure.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– Just to add, whatever the projects we had announced before, on them we have announced some 2-20 high mills. They should get operation or should get commission in the middle of quarter... end of next year. End of FY27. End of FY27. We target Q3 in Jajpur.

– **Mr. Ritwik Sheth – One Up Financial Consultants:**

– Right.

– **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**

– And then in the same quarter, the HAPL also will start getting... the commissioning activities should get initiated. And beginning or in Q4, I think it should start ramping up. I mean, it should start producing. This is what is expected.

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

– So, just to add, I am actually sitting in Jajpur plant right now just to work out on all these things. So, full work is happening, and definitely we have bigger plans and more clarity in the next few months.

– **Mr. Ritwik Sheth – One Up Financial Consultants:**

– Right. Another way to look at it is in H1 FY27, the SMS plant from Indonesia will be commissioned and then the ramp up will happen. And then the downstream expansion at Jajpur gets commissioned. So, by FY27 end, we should be ramping up both these units, right? Would that be a reasonable understanding?

– **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**

- Yes, absolutely.
- **Mr. Ritwik Sheth – One Up Financial Consultants:**
- Sure. So, we can have volume growth shift beyond that of a million ton also depending on the demand.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
- Not in FY27, but yes, after that we definitely will. So, that is why I am saying, give us the next quarter and all these questions will be answered by then.
- **Mr. Ritwik Sheth – One Up Financial Consultants:**
- Got it. And one last question. Sir, what is the maintenance CapEx for our current asset base on an annual basis?
- **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**
- So, Ritwik maintenance...
- **Mr. Tarun Kumar Khulbe – CEO/CFO and Whole-time Director, Jindal Stainless Limited:**
- Yeah. Okay, Shreya, go ahead.
- **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**
- Yeah, it is around Rs. 500 crores that we have it for all the plants.
- **Mr. Ritwik Sheth – One Up Financial Consultants:**
- Okay, sure. Okay, thank you and all the best.
- **Moderator:**
- Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Ms. Shreya Sharma from Jindal Stainless Limited for closing comments.
- **Ms. Shreya Sharma – Head of Investor Relations, Jindal Stainless Limited:**
- Yeah, I'd request Mr. Jindal to please close the call.
- **Mr. Abhyuday Jindal – Managing Director, Jindal Stainless Limited:**
- Thank you, Shreya. And thank you all, in closing. I am proud to share that we achieved a stable and resilient performance despite the challenges of a dynamic external environment. Strong demand across key sectors, growing momentum in our value-added products and our unwavering customer focus, combined with the breadth of our sector presence, we drove our growth this quarter. Despite uncertainties in global trade, our long-standing customer relationship and differentiated value-added offerings hold us in good stead. We continue to closely monitor evolving tariff clarity and market development, while continuing to serve the sustained growth and demand in the domestic market.

- I hope that we have been able to answer all your questions. Should you need any further clarification or would like to know more about the company, please feel free to contact our Investor Relations team. I thank you all for listening in and joining in, and hope to see you all physically next time. Thank you.
- **Moderator:**
- On behalf of Prabhudas Lilladher Pvt. Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
- ***END OF TRANSCRIPT***