



“Jindal Stainless Limited
4QFY26 Earnings Conference Call”

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MODERATOR: **MR. SATYADEEP JAIN – AMBIT CAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Stainless Limited 4QFY26 Earnings Conference Call, hosted by Ambit Capital Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Satyadeep Jain from Ambit Capital Private Limited. Thank you, and over to you, Mr. Jain.

Satyadeep Jain: Thank you, operator. Good evening. And on behalf of Ambit Capital, I thank the management team of Jindal Stainless for the opportunity to host their Q4FY26 earnings conference call. We have the following members of management with us today: Mr. Abhyuday Jindal, Managing Director; Mr. Tarun Khulbe, CEO, CFO and Whole-Time Director; Mr. Kapil Arora, Head of Finance; Mr. Angad Khurana, Head of Investor Relations; and Mr. Abhishek Tambi, who is the part of IR team.

I now hand over the call to Mr. Angad Khurana. Thank you all and over to you, sir.

Angad Khurana: Thank you, Satyadeep. Good day, everyone, and thank you for joining us for the company's Q4 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 the 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 this quarter. After the remarks, we will open the floor for 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.

Abhyuday Jindal: Thank you, Angad, and a very good evening to everyone. I would also like to welcome you all to our earnings call. I will begin by outlining the key business highlights for the quarter and year ending March 2026 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 FY26 grew by 8% year-on-year, supported by sustained domestic demand amid the volatility in the export market. In the domestic market, JSL's performance was consistent, underpinned by demand momentum from key sectors such as automotive, ornamental pipe and tube, industrial pipe and tube, railway, metro, lift elevator, and white goods. Last quarter, we had initiated a calibrated shift in our

brand strategy to complement our strong B2B leadership with a sharper consumer-facing presence.

The onboarding of Ranveer Singh as the company's first-ever brand ambassador and the launch of a nationwide multimedia campaign mark a structural step-up for our natural brand presence. The Jindal Infinity campaign focuses on authenticity and informed choice, addressing long-standing issues of counterfeiting and quality opacity in key segments such as pipe and tube, while reinforcing stainless steel relevance. In parallel, we have also associated with Sunrisers Hyderabad to leverage the cultural scale and emotional equity of cricket to deepen engagement with younger and mass audiences.

Together, these initiatives will help strengthen top-of-mind recall, support channel partners through co-branded outreach, and enhance long-term brand equity as consumption-led applications of stainless steel scale up across India. We believe the timing is appropriate as we enter our next phase of growth, with brand building acting as a strategic enabler of demand creation, differentiation, and sustained value creation. Stainless steel demand in the passenger coach segment also increased traction from strong growth.

The modern AC coaches, which use both shell and stainless steel underframes, will contribute to the demand for stainless steel for coach manufacturing. Higher activity in metro projects across the country also supported the strong delivery momentum. Going forward in FY27, several new metro projects are slated to go on stream in Bengaluru, Mumbai, Gurugram, and Delhi. With export demand for India-made metro coaches also picking up, the demand for stainless steel is expected to witness a jump of 2x to 3x over the next 3 to 4 years.

The Indian lift and elevator industry is expected to witness steady growth in FY27, driven by urbanization, infra development, and rising demand for efficient vertical transportation systems. Developments in the Middle East continue to influence energy markets and global supply chains. The ongoing situation has affected the availability of key industrial gases, including propane, LPG, natural gas, and ammonia. In parallel, disruptions in shipping lanes have resulted in route diversions, extended transit periods, and intermittent cargo delays, adding pressure on logistics and cost structure.

We are monitoring the situation closely for improved clarity around fuel allocations and the normalization of supply conditions. On the export front, global trade sentiment remains subdued due to ongoing trade and geopolitical uncertainties. Despite these headwinds, JSL demonstrated strong execution capability, delivering higher export volumes on a quarter-on-quarter basis, maintaining a focus on expanding into markets such as Japan, Korea, Taiwan, and Germany. Inferior imported materials continue to enter India at a large scale.

The temporary suspension of QCO is 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 and

MSMEs alike. In this environment, Jindal Stainless retains its market share through its agility, cost competitiveness, and a customer-first approach. On the sustainability front, JSL continues its streak of ESG excellence, achieving an EcoVadis score of 71 out of 100 in Q4 '26 with the bronze medal recognition.

In parallel, our continued commitment towards a cleaner and more resilient energy mix saw the partial commissioning of a 315-megawatt solar/wind hybrid power project in collaboration with Oyster Renewable Energy this quarter. At JSL, we remain steadfast and continue to march towards our long-term decarbonization goals.

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

Tarun Khulbe:

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. Despite geopolitical headwinds, our 4QFY26 deliveries were at 0.64 million tons remaining steady on a year-on-year basis. Our 4Q consolidated EBITDA increased by around 37% year-on-year and around 3% on quarter-on-quarter to INR1,455 crores. Our consolidated PAT stood at INR834 crores, an increase of around 41% on year-on-year and around 1% on quarter-on-quarter basis.

For FY26, our deliveries stood at 2.57 million tons with an increase of around 8% year-on-year. Consolidated EBITDA increased by around 19% year-on-year to INR5,560 crores, and consolidated PAT stood at INR3,185 crores with an increase of around 27% year-on-year basis. We are pleased to report continued improvement in our balance sheet. As of March 31, 2026, our consolidated net debt has further reduced to INR3,040 crores with a net debt-to-EBITDA ratio at 0.55x, comfortably below 1, and a net debt-to-equity ratio of 0.15, reflecting our disciplined approach to financial management.

This robust financial management continues to place in a better position to navigate ongoing macroeconomic challenges. On our subsidiaries' front, all subsidiaries have shown improvement and contributed positively to the group's overall EBITDA. The announced capex plan is progressing well and remains on track. The 1.2 million tons per annum at the stainless steel melt shop in Indonesia is successfully commissioned ahead of schedule, taking the company's total melting capacity to 4.2 million tons per annum, including 3 million tons per annum in India.

In parallel, downstream expansion projects in India are advancing as planned, including the upcoming commissioning of 1.1 million tons per annum HRAP line and 0.17 million tons per annum CRAP line at Jajpur. To further strengthen downstream integration, the company announced an additional INR900 crores commitment towards augmenting cold rolling capacities at Hisar and Kharagpur. With these investments, our value-added capabilities will

be enhanced, increasing CRAP capacity to 2.67 million tons per annum by FY28 and aligning the expanded melt capacity with downstream readiness.

This integrated expansion will support our sales volume target of 3.5 million tons per annum by FY29, translating into a robust double-digit compounded growth over the next 3 years. Jindal Stainless Steelway Limited, a subsidiary of JSL Group, has commenced operations at its first stainless steel fabrication facility in Patalganga near Mumbai. Built with an initial investment of approximately INR125 crores, the facility marks a strategic milestone in our journey towards offering an integrated end-to-end solution for India's infrastructure sector. This reinforces our positioning beyond material supply to value-added fabrication while supporting sustainable, long-life infrastructure development.

I'm pleased to announce that, in addition to an interim dividend for FY26 of INR1 per share, the Board has recommended a final dividend of INR3 per share with a face value of INR2 each, subject to approval of shareholders at the ensuing Annual General Meeting, aggregating to a payout of nearly INR330 crores in total for FY26. The quarter witnessed energy-related constraints emerging amid geopolitical uncertainties affecting West Asia; a key sourcing region for industrial fuels such as propane, LPG, and natural gas that are critical to stainless steel manufacturing.

Despite this, Jindal Stainless remains committed to maintaining operational resilience and supply chain stability. The company continues to proactively monitor global development and adopt its strategies to ensure sustained growth and business continuity in the times ahead. India's stainless steel demand remains resilient, supported by robust fundamentals. Stainless steel continues to have a bright future as India's inevitable materialistic rise continues to unravel.

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

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Parthiv Jhonsa from Anand Rathi.

Parthiv Jhonsa: Congratulations on good numbers despite gas disruption. So my first question is pertaining to the guidance. I believe Sir just gave guidance of 2029. Is it possible to give some volume growth guidance as well as EBITDA guidance for '27, because that's like very immediate? And considering the current global headwinds, if you can just give a guidance?

Abhyuday Jindal: So in terms of volume growth for FY27, we are expecting at least 8% to 10% growth -- 7% to 9% growth in volume this year. And for EBITDA per ton, looking at the kind of uncertainty there is, till H1 of this year, we are giving a guidance of INR18,000 to INR20,000 EBITDA per ton. And depending on the situation, maybe after 6 months we might revise this figure also.

- Parthiv Jhonsa:** Okay. So you are actually sticking to that INR18,000, INR20,000 range despite the overhang from the Middle Eastern crisis.
- Abhyuday Jindal:** Correct. We're still confident of delivering INR18,000 to INR20,000 and give at least 7% to 9% volume growth in the entire year.
- Parthiv Jhonsa:** Sir, just to take this particular question forward, I believe there would be some volume disruption due to this entire crisis in the month of March, right? What would be the volume disruption? And what is the quantum of gas you have started receiving or the impact is there especially for the first quarter?
- Abhyuday Jindal:** So, in terms of at least, because availability has picked up at a higher cost, we don't see availability as a challenge in the month of May, but cost has significantly gone up.
- Parthiv Jhonsa:** And what would be the impact, sir, from this 1 particular cost, like the cost increase on the EBITDA level?
- Abhyuday Jindal:** So again it's the same thing. We still stick to our blended guidance. Despite this cost going up, we're still confident of delivering INR18,000 to INR20,000.
- Parthiv Jhonsa:** And sir, quick question, just if you can give a breakup of the 200, 300, 400 series.
- Angad Khurana:** So for 4QFY26, 200 series was around 38%, 300 series was around 43% and 400 series is around 19%.
- Moderator:** The next question is from the line of Alok Deora from Motilal Oswal.
- Alok Deora:** Sir, just had a couple of questions. So first is on the export side. Export proportion has come down, and it's lower than what we used to do on a normal basis. So, I just wanted to understand what's happening there and where we can see some normalization? And if you can guide some export -- how much would be exports in FY27?
- Tarun Khulbe:** So export as we can see that for the year FY26, it is having a share of 8% of our total sales, which in FY25, it was 9%. So 1% lower, but on the expanded base. Now, the export market has a different time with different challenges, we can say uncertainty. But as a company, we are able to still sail through and maintain our share. We still want to -- we are still able to manage with our important market of Americas, both North and South America. We are trying to develop newer markets or trying to increase our footprint in the newer market.
- And right now, yes, due to this war again, the disruption happened, but still we are continuously working. Even with the CBAM coming and creating disruptions with whatever we have done and our relationship with the customers there, we are still able to manage a certain level of volume. And with all these efforts, we believe that even with our increased

guidance of 7% to 9% of volume, what we have given, still we should be able to manage a share of 8% to 10% of exports in that increased volume.

Alok Deora: Got it, sir. And sir, on the EBITDA per ton, I mean INR18,000 to INR20,000 range, which we have given for the 1H, and we are more than nearly 20 -- we are comfortably above INR20,000 in the current run rate basis. So is it that kind of pressure that we are seeing in the cost in the first quarter that we are scaling down on the EBITDA guidance for 1H?

Abhyuday Jindal: It's basically the uncertainty. See, as I said, the cost has gone up, and everything we are not able to pass on to our customers because our competitors, importers -- I mean the people who import material, those companies in those countries, the cost has not gone up. So definitely because of this, we feel that INR18,000 to INR20,000 is possible for H1.

Tarun Khulbe: And then we definitely review the whole thing because this cost increase has been very sharp and sudden. And it is not only in fuel, but also in the utilities like ammonia and acid, all these consumables were also impacted.

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

Amit Dixit: Congratulations on a good set of numbers this quarter. A couple of questions from my side. The first one is essentially the standard one on regulatory environment. While the stainless steel demand outlook looks good, there has been absolutely no, I would say, measure from the government for controlling imports. In fact QCO suspension, all these are quite detrimental for us and we are looking to expand further in Maharashtra.

And also, I just wanted to understand the thought process, your thought process in particular, given that we are in a dichotomous situation where we are expanding, but the government is not coming with any support. So what gives us so much confidence to expand? That is my first question essentially.

Tarun Khulbe: So, absolutely a very valid point and valid concern. This is true that this QCO, which was to ensure a certain quality level of product being produced and used within the country, suspension of that opens the gate for the import of substandard products as well and this definitely impacts the sentiment and creates a confusion among the stainless steel industry that what exactly they should be doing because there is a big portion of even MSMEs and small players who have spare capacities available with them. They believed that with the improved capacity utilization, they were also planning to expand and create more capacity, even with this kind of sudden policy change, even though it is for 6 months only, definitely creates a bit of confusion.

Now, coming to -- we, as a company, okay, we have -- the sentiments and all these things definitely impact, but we also have our strengths. We are working -- we have a diverse portfolio of products we work on each. We serve each area of the stainless steel consumption.

And beyond that, we have also been seeing that there is a ~~mind~~ mind shift, I will say, in the user that earlier, like there was -- we could see that earlier people used to make their consumption decision based on the L1 basis, lower cost.

Now we see that life cycle cost is -- normally, people are considering life cycle cost for making a decision while choosing a product. And stainless steel gets an advantage, and we could see many new applications where stainless steel is getting accepted and being used even in the infrastructure. And we believe that this trend should continue because people are interested in creating products when it comes to mobility, which are lightweight and more energy efficient; when it comes to infrastructure, which is long-lasting, maintenance-free.

So this kind of acceptance also gives us confidence that going forward, stainless steel will grow even beyond the natural growth it has. And we, as a company, believe that we should be ready to serve these requirements in the future.

Abhyuday Jindal:

Absolutely, Amit, as Mr. Khulbe said, and dialogue with the government is consistently on. So already, as he said, we are approaching the government as an industry that the MSME sector, the producers who are willing to expand and increase their capacity, will be negatively impacted. So QCO is protecting our borders from substandard material, which gives confidence to MSME to expand further.

We, as a company, as we always share, we are always at the higher end of the stainless steel value chain supply chain, and we continue to be present there and grow that market share as well. And on the other side, apart from QCO, we are also working on antidumping. So they are appointing verifiers in Q1 this quarter, and that antidumping investigation process should also continue.

Amit Dixit:

Okay. That's great to know. The second one is essentially on defense. Now you have highlighted in the press release that there have been a couple of -- we have been supplying to the defense sector. Now, typically, the defense sector involves a long approval process, and it's very heartening to know that you have crossed the bridge. Just wanted to ask because the defense prospects are quite bright in the country, with a lot of domestic platforms being built.

So, I just wanted to understand which new products or grades of steel we are developing and, if possible, which platforms we would be engaging in? And also if you have in mind something of like -- I know it's currently very small, but let us say 5 years hence, what could be the portion of revenue from defense segment?

Abhyuday Jindal:

So Amit, defense being such a critical area, I would not like to share on an open forum what kind of products or applications we are working on. But it's in a variety of areas, from land systems to air systems to drones in every area, to our -- always with our satellite launches we're all part of. And if I can say more, focus is more towards aerospace, that's where we see good traction coming in, and we see good volumes coming in. And defense, as I said already,

land systems, good work is happening. So because being very strategic and very critical, I would not like to share. But what I can say is that this year, we will also be showcasing some very interesting products made out of Jindal Stainless material.

Amit Dixit: Okay. So maybe I will discuss with you one-on-one on this.

Abhyuday Jindal: One-on-one is better. It's a little critical, and they also request that we not share.

Amit Dixit: Congratulations on a good performance and best of luck.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: Congratulations on a good set of numbers. Sir, I have a lot of questions. Sir, first, our balance sheet is in the best of shape. How should we look at incremental growth capex, specifically in Maharashtra? If you can also qualitatively help us understand how you are planning to start from downstream, then upstream, land acquisition. I think that's the first question. Second question -- sir, I'll just wait over here. I'll let you answer, then I'll come with the second question.

Abhyuday Jindal: Yes. So, absolutely, as you said, exactly the first process is on land acquisition, and a substantial portion has been acquired already, but we still expect most of this year to go into land acquisition. And then we will start, as you mentioned. First, we would like to put up downstream capacity, and subsequently, very fast come up with upstreaming as well. But I would still -- still every day this is being worked upon, and probably we need another few months to come out with a clear-cut plan. But absolutely, as of now, land acquisition is in full force in Maharashtra at the moment.

Ritesh Shah: Great. And sir, what should be the capex number that one should bake in for '27 and '28 overall at the company level?

Abhyuday Jindal: Not per se Maharashtra, you're saying, you're saying overall now.

Tarun Khulbe: For FY27, our capex guidance is around INR2,600 crores for FY27.

Ritesh Shah: And sir, for '28?

Tarun Khulbe: We will come back to you with that one.

Ritesh Shah: Sure. Sir, just moving to the second question. How should we look at the profitability of RKEF? I think it would be throwing amazing cash flows right now. Possible to give some color over here, its contribution at the EBITDA level. How should we read into it? That's the second question, first part. And the second question, the second part is 1.2-million-ton slab from Indonesia, basically, how should we look at the contribution on the numerator and the denominator when we look at incremental EBITDA per ton?

Abhyuday Jindal: So, RKEF business, that is the nickel business. Even in the past, we have discussed that when we made the investments, I mean just to recall that strategically it is more for the raw material security. But yes, from the return point of view, it's a bit of a volatile business. In the past, we had given guidance that anything from \$500 to \$1,500 per ton of nickel, which is the kind of EBITDA we can expect. But with the sharp increase in nickel in the last quarter, the actual EBITDA has come around \$3,000 per ton. But Ritesh, these things keep on changing very fast because Indonesian government also, they keep on adjusting the nickel ore prices also accordingly.

There are also formulas that keep on changing, but this is the current position on it, the current financial numbers are. Now so far as melt shop is concerned so we intend to bring the slabs over here and process in India. In a way, I mean it's like putting a melt shop there in place of over here, strategically placing ourselves in order to be at a place where the nickel is. So that whatever EBITDA guidance we are providing, that will have the value chain, including from the...

Management: Yes. So taking that into account, also we've given the 18 to 20 for H1 guidance.

Ritesh Shah: Sure. And Khulbe sir, just to get a clarification on the \$3,000 per ton number, I understand, please correct me if I'm wrong, 200 kt is 14% nickel content. So are we looking at 28 kt \$3,000 into our stake of, say, 50% or is that the right to look at it?

Tarun Khulbe: Ritesh, it varies. I mean, like it depends upon -- see, the ore quality also keeps on changing, and accordingly, the nickel output also keeps on changing. But whatever the nickel production comes out, for the last quarter it was around \$3,000 per ton.

Ritesh Shah: Sir, what I'm trying to appreciate is the underlying EBITDA per ton if we had to strip out this nickel volatility. So that's what I was trying to -- if you could help understand that.

Tarun Khulbe: Angad Khurana will get back to you with this calculation.

Ritesh Shah: Sure, sure. Just coming to the next question. Sir, you did indicate on incremental HRAP and CRAP capacities. Are we looking at some imbalance over, say, the next 6 months till the HRAP facility comes up in Jajpur, or if you could help us with the timeline by month for HRAP as well as CRAP, just to appreciate the mass balance.

Tarun Khulbe: Yes, Ritesh. So one thing I appreciate is your concern. But some of our equipment, which we have invested in the past, has the capability of doing both HRAP as well as CRAP. So that gives us the flexibility. And also depending upon the requirement, our investments in Indonesia give us the flexibility to get the coils in case of a slab. So, the possibility also remains with us. So we are confident of balancing our needs as the market demands.

Ritesh Shah: Sure. And just last question I'll squeeze in. Sir, you indicated a lot of gases in your starting remarks, which potentially had some impact on the operations. How are we looking to mitigate

this, assuming the Middle East situation doesn't improve? Any mitigation measures that you would like to highlight that would be?

Abhyuday Jindal: We already put our effort in asking, Mr. Ritesh.

Tarun Khulbe: So, Ritesh, it is like this. I mean when this disruption happened post the -- as soon as the war started, at that moment our primary gases and fuel in both our indicated steel plants at Jajpur and Hisar was propane and LPG. Whereas in our Chromeni, Mundra plant, natural pipe gas we use as a fuel. Then, what we realized was that on the LPG, the government straightaway put a ban because they wanted to keep it, or they allocated those quantities for public use, not for industrial use.

But on the natural gas, there was a disruption. They reduced the quantity, but now it has stopped. And very quickly we found them increasing the availability of the natural gas. Looking at this, we realized that we need to diversify ourselves in our Jajpur plant. Already, we have worked on using natural gas, and a portion of it, in fact, we have started using it, which we will gradually increase. We are working on it. Hisar plant also we are looking in the longer term what can be done. And even in Jajpur and other places, coal gasification plants and syngas are also. These are also the possibilities.

Abhyuday Jindal: East India, we will look towards coal gasification and syngas, pipe natural gas wherever we can include, and also to replace ammonia, we are going for green hydrogen. So already in Jajpur, the 600 mm cube plant will be up and running in June, July, and Hisar also at 90 will increase to 400 almost in the next few months. So that way on all fronts to ensure that this impact doesn't come, we're already working on it.

Tarun Khulbe: Even in our Ghaziabad plant, we are now working on that.

Abhyuday Jindal: Pipe gas for Ghaziabad.

Tarun Khulbe: So in a way, we have started taking actions on multiple fronts. So that in the future we are not impacted by any disruption. At least our risk is mitigated.

Moderator: The next question is from the line of Pinakin from HSBC.

Pinakin: Given the 1.2 million ton Indonesian JV has now been commissioned, can you again walk us through how that facility will be utilized, whether you'll bring it to India or sell it from there and how the accounting will work? I mean, should we assume that the entire flow through into EBITDA and then a minority interest going out, or a 50% attributable? Just trying to understand that.

Tarun Khulbe: So at this stage, our intent is to bring the slabs to India and then process them over here.

- Kapil Arora:** And from the accounting perspective, since it is a subsidiary so it will get line by line consolidated in our numbers. And as per the accounting standard, the minority share will be calculated and shown separately.
- Pinakin:** Understood. So does the FY27 guidance of 8% to 10% and INR18,000 to INR20,000 EBITDA per ton build into some volumes from this facility?
- Kapil Arora:** Yes. So our business plan is accordingly built. So the guidance of 7% to 9% on the volume and INR18,000 to INR20,000 on the EBITDA per ton factors that.
- Pinakin:** My second question is on Indonesia, right? There has been a lot of noise and news about policy intervention from the government, whether it is on nickel or on coal. So what is the company's view of the regulatory outlook or the framework over there? And what are -- are there any potential risks to the Indonesian operations from any change in policy?
- Abhyuday Jindal:** No. So that is exactly why, if you see, our timing was absolutely on point because we already started hearing the Indonesian government talking of restrictions, talking of duty, which is why at Stage 1, we went and invested in our RKEF. So that Indonesian government was talking about banning nickel ore export. So that way we invested in NPI. Now, the government is already talking about further valuation that should happen in Indonesia, further restrictions that you yourself are saying could come, which is why we took that step and went and invested in a steel melt shop there also -- stainless steel melt shop there also.
- And now even the Government of India is encouraging this kind of investment because they have realized that nickel is not available in the country. 70% to 75% of the world's nickel supply comes from Indonesia, so it was an absolutely logical step for a company of our size to go to Indonesia. And because we've taken these measures, we feel no restriction from the Indian government or the Indonesian government should come on Jindal Stainless.
- Moderator:** The next question is from the line of Vikash Singh from ICICI Securities.
- Vikash Singh:** Sir, my first question is, after all these renewable power things which we are doing, how should we look at the acceptability of our products in the European market, which is currently going through the CBAM process? Have we got any data or the -- like steel got EUR75 kind of the CBAM cost. Have we got anything like that?
- Abhyuday Jindal:** That is similar. I think the default value they're putting on all metal companies. So on steel, stainless steel at the moment is a similar kind of value, like you're saying. Apart from that, I think we are all waiting for verifiers to get appointed by the European Union. So that is something that has to be taken care of on their end. We, as a company, are completely geared up. Already 85% plus on scrap, moving more and more to renewable energy, green hydrogen, working with our suppliers already to work on their supply chain to add more green products.

So we are absolutely ready as a company. We have already gone and got scores of various agencies, domestic and international. So we're actually waiting for the European Union to give us some more information, show us more -- I would say show us more light of the way forward because we as a company have done pretty much everything, or most things are in the pipeline at the moment.

Vikash Singh: Noted, sir. Sir, my second question pertains to our basically mix. If I'm not incorrect, previously we were supposed to get the Indonesian slab, get it rolled here, and then sell it in the market. However, considering your guidance, it doesn't seem like either we are utilizing that facility fully or the domestic facility to the full extent. So, I just wanted to understand how we should think of it?

Abhyuday Jindal: See, the melt shop has just come online right now. So any melt shop does take time to stabilize and to give output. So that's why we are quite confident in our balancing, I would say, Mr. Khulbe. And we have that combo line. So we are -- the way the market demands, we are quite flexible to change our product range also.

Vikash Singh: Noted. Sir, let me put it in another way. So, if I should look at including the Indonesia capacity and the timelines between your Maharashtra facility may come up, shall we assume that for the next 3 to 4 years we would probably more like a 9% to 10% volume growth story before the Maharashtra comes in, even though the international situation normalizes?

Tarun Khulbe: So we have already given the statement that by FY29, we are targeting to be a player of around 3.5 billion, which takes -- which answers practically all your questions. Yes, 3.5 billion sales because all our capex whatever we have announced, they are aligned to that. And this is after taking care of all our investments declared in the past and recently, what we have announced. And all that is going to take care of it.

Moderator: The next question is from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund.

Renjith Sivaram: Just wanted to understand, like what are the cost pressures? If you can just give us some color on what our dependence is, how much of LPG or natural gas we are dependent on, and how much the cost of these has increased, and is there any quantification to that?

Tarun Khulbe: So, in terms of cost, as we mentioned, it has gone up close to 2.5x to 3x of what we were paying. I'm not understanding the first part in terms of how much we consume, you are asking?

Renjith Sivaram: Yes, yes. So that we are able to quantify that? You have told that...

Tarun Khulbe: No, honestly, I don't have those figures with me right now. And that is something that we possibly would not like to share. That's why even with this cost increase, I'm giving you the EBITDA per ton guidance of 18 to 20, factoring in this cost increase.

Renjith Sivaram: So we are able to pass on these prices. That's what you mean to say.

- Tarun Khulbe:** No, I'm not saying that either. Some cases we are, some cases we are not. And we have to look at our competitors in mind also. So, leading to all these factors, like I said, sometimes we are, sometimes we are not, and that's why the blended rate is something that we're quite confident of achieving. And there's so much uncertainty that you don't know what will happen.
- Moderator:** The next question is from the line of Satyadeep Jain from Ambit Capital.
- Satyadeep Jain:** Sir, some follow-up questions to some of the earlier questions have been asked. So the Indonesian SMS is now up and running. The Jajpur HRAP will come later in the year. So you do have the capability to maybe get some coils. Just trying to understand the scenarios you're looking at for FY27. You're also looking at a possibility that you get some slab and give it on a job work basis till the HRAP comes. And is that part of the guidance you're looking at for FY27?
- Tarun Khulbe:** So, FY27 guidance, volume guidance, we have already provided, which is 7% to 9%, and that takes care of all these uncertainties. But already we made a statement that we have equipment which can do both HRAP as well as CRAP on one hand and also we are having the possibility of getting the calls from outside directly from Indonesia.
- Satyadeep Jain:** So basically you've given EBITDA per ton guidance for 1H. But if we look at the entire year, this getting slab because you have the capability will not impact EBITDA per ton on those volumes? Just trying to understand volumes.
- Tarun Khulbe:** So, the volume we have given is EBITDA H1. Probably when Mr. Jindal was giving, he also stated that there is so much uncertainty of the cost movements, this gas availability and movement, and that is why we said that we are providing this volume guidance for the whole year and EBITDA guidance for H1, but then we'll be reviewing it at the H1, and then basis the situation, we can revise the price.
- Satyadeep Jain:** Okay. And the 3.5 million ton you've guided to for FY29, if we look beyond FY29 also, do you need Maharashtra for further volume growth beyond '29 or with the existing capacity, how do we look at volume growth beyond '29?
- Tarun Khulbe:** Definitely after FY29, Maharashtra is going to be our major focus, but that doesn't mean that if there is any delay at the Maharashtra level, we will not be able to add further equipment in Hisar and Jajpur or even Mundra now. So we feel quite comfortable that we'll be able to maintain our market share in the future as well.
- Kapil Arora:** We'll keep on evaluating the situation and basis that.
- Tarun Khulbe:** There is potential to grow in other plants, but we would prefer that most of the growth after FY29 comes towards Maharashtra, but we are open to all kind of options.
- Satyadeep Jain:** And lastly, what's the status of the blast furnace?

- Tarun Khulbe:** So that is not part of JSL so we don't really discuss that on this call.
- Moderator:** The next question is from the line of Rajesh Majumdar from 360 ONE.
- Rajesh Majumdar:** Sir, my question is 2 parts. Firstly, for FY26, what is the breakup between 200, 300, and 400 series?
- Angad Khurana:** So for FY26: 200 series was around 37%, 300 series was 46% and 400 series was 18%.
- Rajesh Majumdar:** Yes. So my second part is that if you look at the 400 series, which I think a couple of years ago you were talking about as a very fast-growing space, and the infrastructure series, and we were quite optimistic on that. If you look at it over the years, it has come down from 27% to 18%. Now, while you highlight the infrastructure products, etcetera, in your presentation, is that a matter of concern that this 400 series is falling over the year?
- Tarun Khulbe:** Well, 400 series, definitely, we wanted to grow at the same time as the business evolves, as the market requirements and demand evolve, that also -- accordingly, we also have to change our product mix. So, under the current products, what we are dealing with, under the current market demand, what we have, and as you can see, that 92% of our market share is from the domestic, yes, that is not allowing us to go very aggressively on the 400 series. Eventually, we have to meet the requirements, but we'll keep working.
- Abhyuday Jindal:** And if you see already like a small example, but already the year average was 18, but already Q4, the 400 series picked up from 19 to 20. So as a company, our focus is EBITDA maximization and we have to fulfill the requirements of the domestic market and customers. And then always development efforts are towards 400 series. Auto is picking up, infra will pick up also in the next few years.
- Tarun Khulbe:** And just to add, while in terms of percentage for FY25, the 400 series was 17% and for FY26, it is 18%. So while you see only 1%, this increase is at a higher volume on a larger base. So that is also the situation.
- Rajesh Majumdar:** So would it be safe to assume that we can assume a creeping increase in this percentage over a period of time? Is that the effort for the 400 series?
- Abhyuday Jindal:** We have seen that in our performance also.
- Rajesh Majumdar:** And that would be positive for EBITDA per ton, right?
- Abhyuday Jindal:** Absolutely. Like I said, if it is not going to add value to our EBITDA per ton, then we would not do it only.
- Rajesh Majumdar:** Okay. My second question was you've talked about Jindal Defense and Aerospace separately this time in a commercial order. Now I was going to the website of this company and it has a

lot of potential. What is the size of this company and are we looking at -- and do we have any plan down the line?

Tarun Khulbe: That it's not a different entity. It's part of JSL only. So it's not a company that we've created, which is given to create a more of a presence and a branding kind of play. So it's part of the whole entire JSL setup.

Rajesh Majumdar: So it's not a separate company.

Tarun Khulbe: No.

Moderator: The next question is from the line of Mehul Panjwani from 40 Cents.

Mehul Panjwani: Sir, what is the expected timeline and ramp-up curve, and the cost advantages you have from the Indonesian plant?

Abhyuday Jindal: See, the Indonesian plant was purely for nickel resources and nickel-bearing grades. That was the reason we went to Indonesia with all the restrictions we foresee coming. And now they are like the world leaders in nickel production.

Mehul Panjwani: Sir, I was actually trying to understand how it will impact our EBITDA per ton margins over the next 12 months?

Abhyuday Jindal: We've already guided. See, with everything encompassing our Indonesia investment, our domestic investments, and expansion, all of that we're giving guidance of 18 to 20 till H1 of this year. And then closer to H1 of this year, again we will come back with fresh guidance if we see a big change happening. So Indonesia is factored in this EBITDA per ton.

Mehul Panjwani: So basically, sir, because I'm new to tracking this company, what kind of EBITDA per ton benefit will we see in the next 6 months?

Abhyuday Jindal: INR18,000 to INR20,000 EBITDA per ton for the entire stainless steel business, INR18,000 to INR20,000 EBITDA per ton is the guidance for the entire stainless steel business. I would maybe suggest you spend some time with the IR team to get up to speed with all the other things otherwise understanding will take little longer time.

Moderator: The next question is from the line of Rakesh Roy from Boring AMC.

Rakesh Roy: My first question is, sir, can you light on the Rathi performance for the whole year and Q4 in terms of revenue and EBITDA?

Tarun Khulbe: The Rathi for the whole year operated at around 80%, 85% capacity utilization. And in this plant, as we had spoken in the past, we intend to produce more stainless rebars, which for the last quarter was around 25% of the total volume. And this we are increasing gradually even as

we are finding even within the various agencies, the policy level decisions as well as coming for making in the coastal area usage of rebars mandatory. And otherwise, so far as the overall performance is concerned, Rathi is also a part of the total business EBITDA per ton, whatever we have given. All that is included in that. Subsidiaries, we have not been discussing separately.

- Rakesh Roy:** Right. Just to know, sir, Rathi is now EBITDA positive for Q4 or for your whole year?
- Abhyuday Jindal:** Yes, company is EBITDA positive.
- Rakesh Roy:** Right, sir. Next question just to know, sir, due to the shortage of sulfur or rise in sulfur prices, any impact on our Indonesia business in terms of production or anything?
- Tarun Khulbe:** No. So in our business of nickel production, sulfur is not directly used.
- Moderator:** The next question is from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund.
- Kirtan Mehta:** I wanted to understand the model that we want to pursue after the Indonesian slab becomes operational. We have been sort of utilizing around 85% scrap, and that gives us sort of the green advantage. At the same time, we are also now thinking about bringing the slab into India and using it in our process. So what is the intended scrap utilization post Indonesia becomes fully operational?
- Tarun Khulbe:** So the idea of going to Indonesia was because globally around 70%, 75% of stainless steel even today is produced using NPA as -- nickel in the form of NPI. And of course 30% approximately is produced scrap as an input. We as a company now have both possibilities because in India we have the capacity to use the scrap as much as possible, and now we have the possibility of bringing in slabs from Indonesia through the NPI route. So we will be balancing the 2 and depending upon our customer requirement, accordingly we can use the product and produce the product.
- Kirtan Mehta:** So we may not necessarily bring the entire 1.2 million ton slab into India. And in that case if you don't bring it to India, then what would be the alternate route of monetization and what kind of EBITDA we'll make on that? That will be on top of the INR18,000 to INR20,000, correct?
- Tarun Khulbe:** At this stage, our plan is to bring in. It has just started. So right now, whatever our plan is to bring the quantities to India.
- Kirtan Mehta:** It's a follow-up on the same. I was just checking in terms of what kind of -- out of the 1.2 million ton utilization, what kind of the throughput level that we are assuming for FY27 for the Indonesia melt facility?

Tarun Khulbe: So now the ramp-up has started. We believe that gradually the ramp-up will take place and up to 70%, 80% of the capacity should ramp up in this financial year.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to Mr. Abhyuday Jindal for closing comments. Thank you, and over to you, sir.

Abhyuday Jindal: Thank you, everybody. In closing, I'm proud to share that we achieved a stable and resilient performance despite the challenges of a dynamic external environment. Resilient demand across key sectors coupled with our sharp focus on value-added products and unwavering customer focus drove our achievements this quarter.

Despite uncertainties in global trade, we remain committed to our long-standing customer relationship across the globe. Our agile business model continues to differentiate us and help us deliver sustained growth in a volatile geopolitical environment.

I hope that we've been able to answer all your questions satisfactorily. Should you need any further clarification or would like to know more about the company, please feel free to contact our Investor Relations team. Thank you once again for joining.

Tarun Khulbe: Thank you, everyone.

Moderator: Thank you, members of the management. On behalf of Ambit Capital, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.