

JNK India

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to JNK India Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mahesh Patil from ICICI Securities. Thank you, and over to you, sir.

Operator: Thank you. Good morning to all. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 earnings call of JNK India Ltd. On the call, we have with us Mr. Arvind Kamath – Chairman and Whole-time Director, Mr. Deepak Bharuka – CEO and Whole-time Director, and Ms. Anne Verghese – Senior Manager, Investor Relations. We will begin with opening remarks from the management, which will be followed by a Q&A. Thank you, and over to you, sir.

Management: Good afternoon, everyone, and thank you for joining JNK India Ltd.'s Q1 FY27 earnings conference call. I hope you have had an opportunity to go through our financial results and investor presentation, which are available on the company's website and on the stock exchanges.

Before I discuss the business outlook, I would like to highlight an important aspect of our quarterly performance and the inherent seasonality of our business. Our revenue recognition is typically back-ended, given the project-based nature of our business, the engineering and procurement cycle, vendor supplies, and the timing of project execution. Historically, Q1 contributes about 10–15% of our full-year revenue, while H1 contributes 30–35%. H2 accounts for the remaining 60–70% of our annual revenue. Therefore, sequential improvement in revenue through the year is a normal feature of our business, with Q3 and Q4 being significantly stronger than the first half.

We continue to work towards making execution more uniform. However, the project cycle and supply timelines mean that some degree of seasonality will remain. Our order book as of June 30, 2026, stood at 1,801 crores, providing us with a very healthy base of executable projects for the year. Our revenue growth guidance of around 20–25% remains intact. We also maintain our full-year EBITDA margin guidance of about 12–14%.

We are progressing on projects such as the BPCL Bina project, where execution is underway and a significant portion of the project revenue is expected to be recognized during FY27 and also in FY28. This provides us with a good base of revenue visibility as we move throughout the year.

We continue to see encouraging traction across both domestic and international markets. Our current overall opportunity pipeline is more than Rs. 6,000 crores, with a broadly balanced 50–50% mix between international and domestic opportunities. While heating continues to remain a core strength for us, about 60% of the current opportunity pipeline is related to heating equipment, while the remaining 40% comprises process plants, other special fabricated equipment, and adjacent technology-led EPC opportunities. This diversification is strategically important for us because it allows us to leverage our existing engineering, project execution, and qualification capabilities across a much broader opportunity set.

On the export side, Africa remains an important market for us, particularly countries such as Nigeria and Ethiopia, where significant investments are being planned across refining, petrochemicals, and

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fertilizers. We also continue to see opportunities across the Middle East and other international markets.

As we have highlighted earlier, the qualification and execution of large and technically complex projects provide us with an important advantage, as successful execution strengthens our ability to qualify for similar projects with other customers and licensors. Alongside this opportunity pipeline, we also enter FY27 with a healthy execution base, with several large projects already underway.

At the same time, we remain focused on disciplined order selection and execution. Our objective is not simply to grow the order book but to build a sustainable order pipeline with healthy margins, manageable execution requirements, and attractive long-term opportunities.

At the same time, we are taking further steps to diversify our business into new and adjacent opportunities that can become important growth avenues for JNK India over the medium term. While heating equipment continues to remain a core strength for us, we are increasingly leveraging our existing engineering, fabrication, and project execution capabilities to address opportunities beyond our traditional areas of operation. Our upcoming avenues include the offshore and metals and minerals industries, with a focus also on renewable energy. Importantly, this is an extension of capabilities that we already possess, rather than an entirely new area for us. We have the required engineering and execution capabilities, and our focus now is to strengthen these further for the specific requirements of offshore applications and leverage them to address the larger opportunity emerging in this segment. We believe that these adjacent opportunities can help us expand our addressable market while building on the capabilities and expertise that we have developed over the years. This is an important part of our broader strategy to gradually diversify JNK India beyond its traditional heating equipment business and reduce our dependence on large capex-based orders in the refining and petrochemical business.

I would also like to provide some context around the recent order cancellation. The large export order received on June 8, 2026, was subsequently cancelled solely due to the technical approval requirements. The international EPC contractor that had awarded the contract to JNK India was confident of securing the required technical approval from the licensor. However, the approval did not materialize in time. Importantly, the cancellation happened at a very early stage, and we had not incurred costs against this order. Therefore, this cancellation does not result in any material cash loss for the company. I would also like to emphasize that this is an exceptional and rare occurrence and is not related to our execution capability, technical performance, efficiency, or commercial competitiveness. Licensing and regulatory approvals are an inherent feature of the industry in which we operate and, in many cases, themselves constitute an important entry barrier. In this instance, the cancellation was primarily driven by the end user's licensing and approval requirements and not by any issue with JNK India's capability or execution.

Now moving on to our joint venture, JNK-ChemDist Technologies. JNK-ChemDist is an important part of our long-term strategy as we expand beyond our traditional engineering and heating equipment business into green hydrogen, sustainable fuels, and chemicals. The business has a relatively high fixed-cost base at this stage, and therefore the lower revenue typically seen in the Q1 results results in operating losses. However, the JV contributed 8.8% to group revenue in Q1 FY27. As the business scales up through the upcoming quarters, we expect operating leverage to improve

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meaningfully. More importantly, we remain confident about the long-term potential of this business, particularly given the technology capabilities and opportunities we are pursuing in green hydrogen, sustainable fuels, and related areas.

Overall, as we look at FY27, we see a healthy combination of projects already under execution, a sizeable and increasingly diversified opportunity pipeline, and new avenues that can expand our addressable market over the medium term. We continue to build on our core strengths while strategically positioning JNK India for long-term growth and value creation.

Thank you very much. We are now ready to take your questions.

Operator: Thank you. Ladies and gentlemen...

Management: Our focus remains on executing the existing projects efficiently, converting the domestic and international opportunity pipeline into quality orders, and continuing to build capability in adjacent and technology-led areas.

Coming to consolidated financial performance, our order book as of June 30 stood at 1,801 crores. Consolidated revenue grew by 80.6% year-on-year to 186 crores in Q1 FY27. EBITDA for the quarter grew by 3.1 times year-on-year to Rs. 21.9 crores in Q1 FY27, with EBITDA margins at 11.8% in Q1 FY27 compared to 7% last year. However, on a standalone basis for JNK India, the EBITDA margin stood at 14%, compared to 7% in the same quarter last year. PAT for the quarter grew by 8.5 times year-on-year to Rs. 9.6 crores in Q1 FY27, with a PAT margin of 5.2% in this quarter compared to 1.1% in the last quarter on a consolidated level. With this, we are now open for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Kamlesh Bagmar from Lotus Asset Managers. Please proceed.

Kamlesh Bagmar – Lotus Asset Managers: Thank you for the opportunity, sir, and congratulations on the sound performance. I have one question. You have addressed the structural issues in the business and want to diversify it. I would not call it a structural issue, but we want to diversify our business further into recurring business rather than one-off projects. What is our target now on a medium-term basis? Over the next 2–3 years, what revenue levels are we going to target, given the renewed focus on other business segments as well?

Management: Hi, good afternoon, Kamlesh. We have given revenue guidance for this year in terms of growth of about 20–25%. That is the kind of growth we hope to achieve in the medium term as well. Year-on-year, that is the plan we have, and that is why we are diversifying into broader areas across other sectors and products, as well as technology-led EPC businesses, so that we can have this kind of uniform growth year-on-year.

Kamlesh Bagmar – Lotus Asset Managers: I understand that you have a target of 20–25% growth for this year, but I was thinking more on a longer-term basis, such as FY28 and FY29. Given the current

capacity, what maximum revenue can we generate? Entering new businesses will take its own time, so the revenue is not going to come in a very short period. What capabilities do we have in those other segments where revenues can be ramped up quickly? Where do we see growth beyond this year?

Management: We understand your question. You want to know more about our diversification strategy and the revenue targets we have for the medium term, perhaps over 3, 4, or 5 years. As Arvind said in his opening address, over a period of around 3–5 years, we want the non-heating segment to contribute around 40% of our revenue. That is the target we have. Accordingly, we are diversifying into various areas such as process plants, steel, metals and minerals, and many other businesses. As you rightly said, we would like to focus more on recurring business than on one-off opportunities, and these businesses have their own entry barriers. It will take time, and we will not be able to ramp up this diversification in a year or two. Going forward, we anticipate that in another 4–5 years, we should be able to achieve a healthy mix, with around 40% coming from this diversification strategy that we are implementing now. I hope I have answered your question.

Kamlesh Bagmar – Lotus Asset Managers: Lastly, sir, do you have any update on the Dangote order? Apart from that, regarding the reformer, where are we in terms of obtaining those orders, and what is our order inflow guidance for this year?

Management: On Dangote, as you know, we were the supplier for Phase 1. Phase 2 is still under discussion, and we stand a good chance of getting it. The obvious reason is that it would be a repeat order for us. However, it is still under discussion, and we do not have anything that we can disclose publicly until we receive some commitment or official commitment from the client.

Kamlesh Bagmar – Lotus Asset Managers: What is the guidance on order flows this year, sir?

Management: This year, we have a pipeline of about 6,000 crores, Kamlesh. You might have seen that, and traditionally our hit rate has been 20–25%. We expect a similar hit rate this year as well.

Kamlesh Bagmar – Lotus Asset Managers: Great, sir, and best of luck. Thank you very much.

Management: Thank you, Kamlesh.

Operator: Thank you. The next question is from the line of Deepak Purswani from Swan Investments. Please proceed.

Deepak Purswani – Swan Investments: Congratulations on a good set of numbers, and thank you for the opportunity. I wanted to ask about the bid pipeline. It has increased from 4,000 to 6,000 crores during this period. Can you give us a broader sense of the key projects that have been added to the bid pipeline? Secondly, from the bidding stage to the awarding stage, how is the momentum at this point? How are we seeing the developments, and how are these opportunities shaping up? Are they progressing faster, or is there a slowdown because of the West Asia crisis? A broader sense of these aspects would be helpful.

Management: On the bid pipeline, as I mentioned earlier, export opportunities account for about 50%, or around 3,000 crores. These are mainly related to heating equipment, and as we also informed you in the previous question-and-answer session, these could likely be finalized soon. The

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other opportunities are domestic, amounting to more than 3,000 crores. They mainly comprise non-heating equipment businesses, technology-led EPC projects, and opportunities in renewable energy, metals and minerals, and oil and gas. These could be finalized in approximately 3–6 months or 6–8 months. Overall, we expect this entire pipeline to be finalized in this financial year.

Deepak Purswani – Swan Investments: Would it be fair to say that the bid pipeline has increased from the last time mainly because of the non-heating part?

Management: Yes, we agree with that. The increase is mainly because of the non-heating segment, as we are diversifying into other products.

Deepak Purswani – Swan Investments: Secondly, in terms of the non-heating segment, what would be our scope of work in these industries? Although you mentioned that this could reach 40% over a period of time, how large could the opportunity be from this segment? What about obtaining the qualifications and necessary regulatory approvals? A broader perspective on all these aspects would be helpful.

Management: Regarding the scope, most of these projects have a scope similar to that of our heating equipment business. It includes engineering, procurement, fabrication and construction, and commissioning. As we stated in the opening address, there are entry barriers, mainly related to technology. Our strategy is to tie up with major technology providers in this field and get ourselves qualified based on our experience in heating equipment or process plants, which we are currently executing. That is how we intend to proceed.

The skill set remains the same. It involves the same engineering, the same fabrication facilities, and the same construction capability. Although these opportunities are coming from the non-heating equipment segment, approximately 70–80% of our manpower, capabilities, and competencies remain the same. We are adding whatever capabilities are required over time because we are already executing projects in non-heating equipment. For example, we are executing one project for Tata, one for Tata Steel at Joda, and one for HPCL. Therefore, there is nothing different that we need to do as far as our competencies are concerned.

Deepak Purswani – Swan Investments: In the previous call, we had also mentioned some opportunities that we were exploring in the power segment. Can you give us a broader sense of that as well?

Management: NTPC. I am not able to recall any details about the NTPC orders or bidding for NTPC.

Management: However, that is not in the power sector. They are setting up a nano urea plant. It is more related to green hydrogen, green ammonia, and green urea. Therefore, it is not in the power sector. NTPC is also diversifying into some of these fertilizer and renewable fuel areas, and those are the opportunities we are trying to explore. They are part of our bid pipeline.

Deepak Purswani – Swan Investments: Finally, I wanted to double-check on the margin front. This time, our gross margin has improved, but the EBITDA margin has declined. One reason I can see is the increase in employee costs. Is this because we have increased manpower to ramp up the business, leading to short-term transitional compression in the margin, while the broader trajectory

remains intact?

Management: That is correct, Deepak. However, to clarify, as I mentioned in the opening remarks, if we break it down for JNK India alone, we achieved an EBITDA margin of 14%, which is in line with the guidance and what we are targeting. This is also positive because, even with comparatively lower Q1 revenue of about 170 crores, we were still able to achieve an EBITDA margin of 14%.

What happened is that JNK-ChemDist is in its first quarter and is still at the initial stage, resulting in an operating loss of about 3.6 crores. That is why the consolidated EBITDA margin came down to about 11.8%. Still, compared with the same quarter last year, it is a substantially better figure. Secondly, considering the lower Q1 revenue, given the cyclical nature of the business, I believe the figure we achieved is also good.

Deepak Purswani – Swan Investments: Regarding raw material prices and everything else, have we faced any issues, or is everything on track? Are all cost increases being passed on to the customer, or how should we interpret this?

Management: Commodity prices are fluctuating. However, as far as ongoing projects are concerned, these fluctuations have already been factored into our costings. Most of the orders have already been placed, and we placed orders with our sub-vendors on a fixed-price basis. Therefore, the fluctuations are not having any major impact on our margins for the ongoing projects.

Deepak Purswani – Swan Investments: Thank you for answering the questions, and I wish you all the best.

Management: Thank you, Deepak.

Operator: Thank you. A request to all participants: please restrict your questions to 2 questions per participant. For more questions, please rejoin the queue. The next question is from the line of Shubham Burade from ICICI Securities.

Operator: The next question is from the line of {? Shubham ?} from {? [unclear] ?} Securities. Please go ahead.

Shubham Burade – ICICI Securities: Thank you for taking my question, and congratulations on a good set of numbers. I have 2 questions. First, can you please help us with the breakup of the 60-billion order prospects and the large projects included in the domestic and international opportunities? Second, why has JNK opted to open an overseas office in Iraq? What kind of order prospects do you see there in the medium term?

Management: As I mentioned earlier, we currently have about 3,000 crores of export bid pipeline and about 3,000-plus crores of domestic bid pipeline. Most of the export opportunities are related to the heating equipment business, while the domestic opportunities are mainly related to the non-heating equipment business. In terms of the order prospects, we are focused on various project-based opportunities in the renewable energy segment, metals and minerals, and other areas.

Regarding Iraq, the country is now developing a number of projects in oil and gas, refining, petrochemicals, and allied areas, which are also our areas of core competence. We are therefore looking at expanding our business there. As we have already conducted business in several countries, we believe Iraq could also be a good opportunity. We are evaluating the options, and that is why we have opened, or have obtained board approval to register, a branch office there. We also have an agent there, and there are some upcoming opportunities in the country.

Shubham Burade – ICICI Securities: That is all from my side. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Nikhil Kanodia from Sunidhi Securities. Please go ahead.

Nikhil Kanodia – Sunidhi Securities: Good afternoon, everyone. First of all, congratulations on the good top-line growth and the bid pipeline that you have. Although you have answered some of my questions, I have a few straightforward questions and a few broad strategic questions.

You are entering new businesses. Can you quantify the TAM, and what component of it is already included in the bid pipeline? Are we yet to see anything in that regard? What top line can we generate from the new businesses, what will the margin profile be, and when can we see a material contribution to the top line from those businesses?

Management: In the bid pipeline, mainly in the domestic bid pipeline, some smaller bids in the new areas you mentioned, such as metals, minerals, and offshore, are already included. The opportunities are in those areas. As we mentioned earlier, over the medium term we want to move towards 60% of revenue from heating equipment and 40% from allied businesses.

These businesses also have a number of entry barriers, and the size of the bids for which we can qualify depends on the technology partner. We do not want to take substantial exposure to start with. We would like to take up comparatively smaller opportunities so that we can also build confidence as we progress.

In terms of margins, we are targeting a range similar to our guided EBITDA margin, anywhere from 12–14%. We are very clear that in any business we enter, we will seek to maintain these margins.

Nikhil Kanodia – Sunidhi Securities: What could be the TAM? You said that in the businesses where you are already present, our right to win has been established through our qualifications and other moats. In these new businesses, what right to win do we have? What is the TAM or addressable market?

Management: The TAM is different for each business. In offshore, currently, only in India, the TAM is approximately 300–500 million dollars. In metals and minerals, it is about 500 million to 1 billion dollars. That is the current TAM only in India, without considering any export opportunities.

We are trying to obtain whatever opportunities we can. The sizes of the opportunities we are looking at range from projects of approximately 30 million dollars to 50–60 million dollars. Our advantage is that we are a mid-sized company focused on engineering, procurement, and

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construction. In this segment, for projects of up to 1,000 crores, there are not many good professional organizations that can handle these projects effectively.

Most companies that are well known in this industry, such as Larsen & Toubro, Technip, and others, are pursuing larger opportunities. They generally do not like to bid for opportunities of up to 1,000 or 2,000 crores. We believe this is a good segment for us, and that is why we want to focus on it.

Nikhil Kanodia – Sunidhi Securities: Since this will be a new segment for us, will the hit ratio be lower than the 20–25% that you are currently indicating?

Management: Yes, that is what we expect. Since this is a new sector, we will be somewhat cautious. We expect our hit ratio to be around 10–12%, and not more than that. It will take time to establish our qualifications because we will be bidding for many of these projects for the first time. It may take a couple of projects for us to understand the dynamics, qualifications, and details.

In the heating segment, our traditional hit ratio has been 22–25%. In this segment, we expect a hit ratio of around 10%, at least to start with, over the next couple of years.

Nikhil Kanodia – Sunidhi Securities: My last question is about the parent, JNK Global. Can you provide some insight into the projects we are executing, how many projects we may have completed for the global parent, and, in the new businesses we are entering, what could come from the global parent? What standalone qualifications do we have across the TAM and bid pipeline that you have described?

Management: On the business side, as you know, we are executing BPCL Bina with JNK Global, and there are a couple of projects that we are bidding for along with JNK Global in India and overseas. There are 4 projects in our order book from JNK Global: BPCL Bina, the IOCL {? [unclear] ?} project, one USA project, and the Petronas {? [unclear] ?} project. They are all small projects, with BPCL Bina being the largest. I believe you had another question as well.

Nikhil Kanodia – Sunidhi Securities: Of the current orders, how much do you think JNK Global will contribute, including the royalty arrangement and related matters? How much order inflow are we expecting from JNK Global? Also, what is the current mandate regarding the projects we can execute on a standalone basis without a linkage to the parent?

Management: All domestic projects for which we are qualified can be executed on a standalone basis. All export projects will be executed together. JNK Global will receive the order and subcontract it to us on a back-to-back basis, as far as fired heaters, reformers, and cracking furnaces are concerned.

When it comes to incinerators and flares, we book those orders directly, both globally and in the domestic market. There is no tie-up with JNK Global, and JNK Global does not have a qualification in that field. This is the current arrangement.

Nikhil Kanodia – Sunidhi Securities: One last small question, if I can squeeze it in. Regarding Iraq, will the setup be a sales office, with exports and everything taking place from the Mundra facility? Is that understanding correct?

Management: Our current mandate is for this to be more of a registered paper office. Going forward, we will evaluate the opportunities. On a case-by-case basis, we will start with a proper sales office and then may add engineering and execution capabilities depending on the requirement.

In Iraq, it is mandatory to have a locally registered office to execute projects there. As a first step, we are planning to register the office there, and we have obtained approval to do so. We will not have any setup as of now. Going forward, our plan is to build a proper sales office, while the rest will depend on order bookings.

Nikhil Kanodia – Sunidhi Securities: Thank you very much for answering my questions. Those were my questions, and I wish you all the best for the future. It is very encouraging to see that we are continuing to increase the top line and diversify our business into sectors as opportunities arise. Thank you.

Management: Thank you very much.

Operator: Thank you. A request to all participants: please restrict your questions to 2 questions per participant. For more questions, please rejoin the queue. The next question is from the line of Ram Modi from PL Capital. Please go ahead.

Ram Modi – PL Capital: Good afternoon, sir. Given that our industry is somewhat working-capital intensive and our target growth rate is around 20–25% for the next few years, will we face any constraints on the working-capital side, or can we support our growth without raising funds?

Management: We have had, and are likely to continue to have, a couple of advantages. A significant portion of our business comes from companies such as Reliance and other private companies. Even in BPCL Bina, for example, the payment terms have been relatively more favorable, with limited negative cash flow. This helps us execute orders without putting too much strain on working capital. This has helped us in executing large orders.

The second point is related to JNK Global's role. BPCL Bina, for example, is being executed along with JNK Global, and some of the export opportunities we have bid for are also being pursued along with JNK Global. This helps us with working capital because JNK Global submits the bank guarantees and receives the payments, after which the payment is passed on to us. For us, working capital becomes easier without having to submit the bank guarantees ourselves. With these 2 advantages, we should be able to manage our working capital for quite some time.

Ram Modi – PL Capital: Will this be the same for our new businesses? If those are {? on our own balance sheet ?}, would we need to take the new businesses onto our balance sheet and execute the orders ourselves?

Management: We are quite conscious about that. To the extent possible, for any sizeable opportunities, we will take them only with staggered payment terms. Unless an opportunity is very small and we specifically want to pursue it to add to our references or for a similar reason, we would consider opportunities with comparatively lower advances or lower down payments.

Ram Modi – PL Capital: Our businesses basically will—

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Operator: Sorry to interrupt you, Mr. Modi, but can you please rejoin the queue, as there are many participants waiting?

Ram Modi – PL Capital: Only one last question from my side—

Operator: Sorry, sir, but there are many participants waiting. Please rejoin the queue. Thank you. The next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.

Sahil Sanghvi – Monarch Network Capital: Congratulations on a resilient Q1. My first question is whether you could give some examples of the projects you aim to undertake under the new diversification that you have announced in metals, minerals, and general engineering, so that we can better understand the type of projects involved.

Management: On the metals and minerals side, we are initially bidding for a couple of projects related to material handling. We will not be able to give you the specific project details, but the types of projects include material handling and processing, as well as electric arc furnaces required for steel melting and ore melting. Those are the kinds of projects we are looking to bid for in the first phase. On the other side, including offshore—

Management: We are also bidding for some offshore EPC projects, as well as projects such as a nano urea plant being set up or proposed by some of the PSUs in India. Those are the opportunities we are exploring. We are also exploring phosphoric acid plants and a few opportunities on the petrochemical side. These are the opportunities we are exploring and planning to bid for.

Sahil Sanghvi – Monarch Network Capital: Will we need a past track record or a partner on this front, such as a technical partner, or can we scale up ourselves as we continue taking on new projects?

Management: For qualification, there are always 2 parts. One is technology, and the other is EPC experience. As far as EPC and financial experience are concerned, we are ready to proceed and have no problem. However, when it comes to technology, we need a technology partner, and we have already tied up with 3 or 4 such technology partners with whom we are currently bidding for ongoing opportunities.

Sahil Sanghvi – Monarch Network Capital: My last question is regarding {? ChemDist ?}. At what level of revenue should the entity become break-even?

Management: Our expectation is that by year-end we should be able to bring it into the green. I will not be able to give you an exact number, but based on our plan and projections, we should be able to be in the green by year-end. I am not referring to a particular quarter; I am referring to the overall year-end figures at the end of this year.

Sahil Sanghvi – Monarch Network Capital: Thank you, sir, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Umang Bang from Invest Analytics Advisory. Please proceed. As there is no response, I am taking the next question from the line of Shweta from I Thought PMS. Please proceed.

Shweta – I Thought PMS: Thank you for the opportunity, sir. I have one question. In our DRHP, it is mentioned that the cooperation agreement with JNK Global is for a period of 3 years and is to be renewed after that. Could you provide an update on whether it has been renewed and whether the commercial agreements remain the same?

Management: It has not yet been renewed, but I believe it expires after 3 years or continues until it is revised, if I am not mistaken. We will check it, but our agreement remains the same. There is no change in the agreement, and our plan and intent are also to continue under the same agreement. We are not anticipating or expecting any change in that agreement.

Shweta – I Thought PMS: It has not yet been renewed, correct?

Management: It has not officially been renewed yet, but we will check it. Our understanding is that it is already in force or will automatically continue.

Shweta – I Thought PMS: Understood. Thank you.

Management: Thank you, Shweta.

Operator: Thank you. The next question is from the line of Suyash Jayant from Mangaldas Bejani Chand Trade. Please proceed.

Suyash Jayant – Mangaldas Bejani Chand Trade: Am I audible?

Management: Yes, sir.

Suyash Jayant – Mangaldas Bejani Chand Trade: Thank you for taking my question. I wanted to know whether, in the JNK-ChemDist business, the company is pursuing technology licensing as a revenue stream.

Management: Yes, that is the ultimate aim. The reason we are together is mainly to develop the licensing and technology business going forward. The answer to your question is yes.

Suyash Jayant – Mangaldas Bejani Chand Trade: With this hydrogen project, what kind of profit and revenue are you expecting for FY27? Can you also provide guidance for FY28?

Management: Is your question related to JNK-ChemDist or to the company in general?

Suyash Jayant – Mangaldas Bejani Chand Trade: JNK-ChemDist, specifically the hydrogen business.

Management: In JNK-ChemDist, the current green hydrogen order being executed is worth about 50 crores. It should be completed almost entirely this year, although some portion might spill over into Q1 of next year.

Suyash Jayant – Mangaldas Bejani Chand Trade: What are the cost advantages of this hydrogen process compared with electrolyzer-based hydrogen production, in percentage terms?

Management: The process used by JNK-ChemDist produces green hydrogen as a byproduct. Essentially, we produce ethyl acetate from ethanol, and hydrogen is a byproduct. That is the major advantage. In terms of cost, it becomes much lower because we can also sell the ethyl acetate.

Suyash Jayant – Mangaldas Bejani Chand Trade: So you have the option to sell ethyl acetate—

Operator: Sorry to interrupt you, Mr. Suyash, but can you please rejoin the queue?

Suyash Jayant – Mangaldas Bejani Chand Trade: Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Amitabh Batya from Saadhan Ventures. Please proceed.

Amitabh Batya – Saadhan Ventures: Thank you for the opportunity. My question is a follow-up to last week's conference call regarding our strategy in terms of exports versus imports. In the previous call, we were more bullish on export opportunities, while the domestic orders were focused largely on the oil and gas side and not on the metals and mining side.

My question is about the strategy. Our qualifications are increasing day by day as we cater to larger orders with JNK Global and on a standalone basis as well. Therefore, our right to win is growing in export opportunities because the size is not limited outside India. However, in India, we are limiting ourselves to slightly smaller orders with the joint venture partner, where the risk-sharing arrangement may be difficult for management to fully assess because the area is new. Why are we choosing a high-risk path rather than the well-thought-out plan that we had discussed in earlier conference calls?

Management: I do not think that is correct. The plan continues to focus on heating equipment. As we already mentioned, 60% of the business will come from heating equipment even over the medium term, which is 3–5 years.

In India, there is absolutely no issue regarding the size of heating equipment orders. We are already executing BPCL Bina along with JNK Global, which is one of the largest domestic contracts we are executing. The objective in pursuing adjacent sectors is simply to leverage our existing engineering and project execution capabilities in allied areas that can provide more uniform growth over time. It also gives us the choice to select opportunities depending on what is available. Since these are new sectors, we are trying to begin with smaller opportunities. That is all.

Amitabh Batya – Saadhan Ventures: Understood. Thank you for the clarity.

Management: Thank you.

Operator: Thank you. The next question is from the line of Rupesh Tatia from Long Equity Partners. Please proceed.

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Rupesh Tatia – Long Equity Partners: At the JNK Global level, I believe there is a dispute between an activist investor, NJ Partners, and the board, and the matter has reached the court. Based on my understanding, the crux of the matter is that the investor is questioning the legitimacy of the board's decisions.

For the Nigeria project bidding, a number of bank guarantees and other financial requirements have to come from JNK Global. Do you see this dispute at the JNK Global level impacting our probability of receiving orders, especially for the Nigeria project?

Management: Regarding the Nigeria project or any project in Africa, JNK India was quite actively involved in project execution the last time as well. First of all, we are not anticipating any issues at JNK Global. Since the matter is sub judice, we would not like to comment on it as of now. In case of any issues, JNK India is also capable of executing these projects on its own. Therefore, we do not see much of an issue.

Rupesh Tatia – Long Equity Partners: Can we then expect orders in Q2 to Q3 for both the refinery and fertilizer projects?

Management: The finalization of both the refinery and fertilizer orders should happen in Q2 to Q3. That is correct.

Rupesh Tatia – Long Equity Partners: In the presentation, there is one mistake. The operating expense for both standalone and consolidated is shown as the same—

Management: Yes, Rupesh. We are revising the filing. The revised filing is already in process. There was an error, mainly in the standalone figures, relating to the PAT margins. Those numbers were arithmetic errors in the lower rows, and they are being corrected. By the end of the day, you will find the revised filing on the website. We regret the inconvenience. The error was in the standalone figures.

Rupesh Tatia – Long Equity Partners: I have 2 questions on that part. First, what revenue are we expecting from JNK-ChemDist this year, and what is the gross margin? It appears to have a significantly higher gross margin than the rest of the business. Second, in one of the calls you said that BPCL Bina order execution would take place this year. Given the complexity of the project, does BPCL Bina have a higher gross margin than the current company average? Would we see significant gross margin expansion of 200–300 basis points through the year? These are the 2 questions.

Management: For JNK-ChemDist, we expect revenue of approximately 10–15% of JNK India's revenue in this financial year or over the next couple of years. In terms of gross margins, we expect them to be broadly in line with the company's margins, at around 20% or so.

Regarding BPCL Bina, execution will take place in both this year and next year, with the execution distributed across the 2 years. Overall EBITDA will be in line with what we have guided for this year.

Rupesh Tatia – Long Equity Partners: Thank you for answering my questions. I will come back in the queue.

Management: Thank you.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Kamlesh Bagmar from Lotus Asset Managers. Please proceed.

Kamlesh Bagmar – Lotus Asset Managers: Thank you for the follow-up. What efforts are we taking regarding qualifications or approvals so that the episode that happened in the ADNOC project does not occur in the future?

Management: As we explained, this was not within our control. The EPC company that gave us the order was responsible for obtaining this approval, and we were also taken by surprise when the issue was raised. We did our best.

Subsequently, we had a meeting with the licensor. Their team visited us, qualified us, and we received the qualification letter. The only issue was that they said it could not be applied to an ongoing project. Therefore, for future projects, we have received the qualification letters from them.

As far as the ADNOC case is concerned, nothing could have been done by JNK as a company. Going forward, however, we will be more diligent and check for this kind of approval. As we said, this is a very rare case; in the last 15 years, this is the first time we have experienced something like this. We would describe it more as an accident than as something that could have been avoided. However, there are dos and don'ts that we are incorporating into our standard operating procedures going forward. Any such orders will be tested against these parameters before we accept them or proceed with execution.

Kamlesh Bagmar – Lotus Asset Managers: The licensor was FLSmidth. Are we now on the approved list?

Management: The licensor was not FLSmidth. We cannot disclose the name of the licensor, but the one you mentioned is not correct.

Kamlesh Bagmar – Lotus Asset Managers: Secondly, in the last conference call, if I am correct, we were guiding a margin of approximately 14–15%—

Rupesh Tatiya – Long {? City ?} Partners: We were previously guiding approximately 9–10%, and now we are saying 12–14%. Can you clarify this? Does it include other income? Was the earlier guidance including other income, or is the current 12–14% guidance without other income?

Management: Our understanding is that we announced 12–14%. If we are missing something for any reason, we will recheck these numbers. However, there has been no change from the last 3 or 6 months. Nothing has changed as far as our margin projection is concerned. It remains the same.

Rupesh Tatiya – Long {? City ?} Partners: This is mostly a bookkeeping question. Other income, which is approximately 6 crores, what are its components? I believe one component is interest income on fixed deposits. In earlier years, we also had some reversal of ESOP costs. Can you bifurcate the components and explain whether it was more natural other income or operating other

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income, and how it was classified?

Management: Rupesh, I can eventually share these numbers with you.

Rupesh Tatiya – Long {? City ?} Partners: Thank you.

Operator: Thank you. The next question is from the line of Rupesh Tatiya from Long {? City ?} Partners. Please proceed.

Rupesh Tatiya – Long {? City ?} Partners: Thank you for the follow-up. I have one accounting question. What do contract assets and contract liabilities consist of? The FY26 annual report is not yet available. I was looking at the FY25 annual report, but the breakup of contract assets and contract liabilities is not provided there.

Management: Again, Rupesh, I can provide this to you. The annual numbers and the annual report, along with the breakup of the schedules, will be provided in due course.

Rupesh Tatiya – Long {? City ?} Partners: Perhaps the broader question is that I believe we changed the accounting method from the output method to the input method—

Management: To answer your question, we are now following the input method. Whatever expenses we incur are used as the basis for accounting and revenue recognition. That is how contract assets and contract liabilities come into play.

Rupesh Tatiya – Long {? City ?} Partners: Under the new accounting method, the contract asset would be something akin to unbilled revenue, correct?

Management: Correct.

Rupesh Tatiya – Long {? City ?} Partners: What is the unbilled revenue for Q1? That is one question. I also do not understand the contract liabilities component. The contract liabilities number was also quite large in the FY25 annual report. What does the contract liability consist of?

Management: The unbilled revenue is around 200 crores as of the end of Q1.

Rupesh Tatiya – Long {? City ?} Partners: What was the number in March?

Management: March was also around that level. I will have to check the exact number for March, but I believe it should be in the—

Management: Rupesh, I can provide clarity on the numbers. Let me check them. However, the figure for this quarter, Q1, is around 200 crores.

Rupesh Tatiya – Long {? City ?} Partners: Now, regarding unbilled revenue, there is a change in revenue recognition, and it appears to be somewhat earlier than under the output method. How does that change the working-capital cycle? Unbilled revenue is also eventually a receivable.

Management: It is, but it does not change the working-capital cycle as such, Rupesh, because all customer payments are made in line with the payment schedule agreed with the customer. That

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does not change.

Rupesh Tatiya – Long {? City ?} Partners: To conclude, there will be no significant debt raising or significant fund raising for at least the next 4–6 quarters. Is that a fair conclusion?

Management: Yes, as far as debt raising is concerned, that is a fair conclusion. However, from the contract receipt perspective, we may need an enhancement in our bank guarantee limits. To that extent, we may have to approach the bank regarding new contracts, bank guarantee limits, and non-fund-based limits that may be required to execute certain projects. This will depend on the requirements of the project, whether it is directly undertaken by us in India or through exports, and the milestones involved.

Rupesh Tatiya – Long {? City ?} Partners: Thank you for answering my questions.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing remarks. Over to you, sir.

Management: Thank you, everyone, for joining us today. We hope we have been able to address all your questions and provide valuable insights into our performance and strategy. If you have any further queries or need any additional information, please feel free to reach out to our team or our investor relations advisor, SGA. Thank you.

Operator: Thank you. On behalf of JNK India Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.