

January 25, 2024

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Subject: Transcript of Earnings call held on 19th January, 2024 - Disclosure under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”)

Dear Sirs,

In terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earning Call for 3Q & 9MFY24. The same is also being uploaded on the website of the Company at the following web-link:

<https://www.jindalstainless.com/financials/earnings-presentation>

You are requested to take the above information on record.

Thanking you,

Yours Faithfully,

For **Jindal Stainless Limited**



Navneet Raghuvanshi
Head Legal & Company Secretary

Encl. as above

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“Jindal Stainless Limited
Q3 FY'24 Earnings Conference Call”

January 19, 2024



MANAGEMENT: **MR. ABHYUDAY JINDAL – MANAGING DIRECTOR –
JINDAL STAINLESS LIMITED**
**MR. TARUN KHULBE -- CHIEF EXECUTIVE OFFICER --
JINDAL STAINLESS LIMITED**
**MR. ANURAG MANTRI – EXECUTIVE DIRECTOR AND
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**MS. SHREYA SHARMA – HEAD INVESTOR RELATIONS –
JINDAL STAINLESS LIMITED**

MODERATOR: **MR. RAJESH MAJUMDAR -- BATLIVALA & KARANI
SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Jindal Stainless Limited Q3 FY'24 Earnings Conference Call hosted by Batlivala & Karani Securities India 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. Rajesh Majumdar from Batlivala & Karani Securities. Thank you and over to you, sir.

Rajesh Majumdar: Good afternoon, ladies and gentlemen and welcome to the Q3 FY'24 earnings call of Jindal Stainless Limited. We have with us today from the management, Mr. Abhyuday Jindal, Managing Director; Mr. Tarun Khulbe, CEO; Mr. Anurag Mantri, ED and Group CFO; and Ms. Shreya Sharma, Head, Investor Relations. And first of all, congratulations, sir, on a decent set of numbers -- steady and decent set of numbers.

So without much ado, I shall hand it over to Mr. Shreya Sharma to take the call on forward.

Shreya Sharma: Thank you, Rajesh. Good afternoon, everyone, and a warm welcome on the call. Wish you all a very Happy New Year. We have shared our Q3 FY'24 earnings presentation with the stock exchanges, which is also available on the company's website. And today's call discussion will be on the same lines. Please note, some of the information on this call may be forward-looking in nature and is covered by the disclaimer on the Slide 2 of the earnings presentation.

Now I would like to hand over to our Managing Director, Mr. Abhyuday Jindal. Over to you, sir.

Abhyuday Jindal: Thank you, Shreya, and good afternoon, everyone, and welcome to the Q3 FY'24 earnings call. I wish you all a very happy and healthy year ahead. Let me first discuss the key business highlights of the quarter ending December 2023, following which Anurag will take you through our operational and financial performance. During the quarter, the global market saw muted demand, pricing pressures and destocking, coupled with geopolitical issues, such as one -- as the one unfolding in the Red Sea.

Despite these challenges, we managed to deliver fair volumes in the export markets. However, there is a slight dip in the overall sales volume on a quarter-on-quarter basis. This was due to a planned maintenance in the plant aimed at upgrading the output for an enhanced product mix and a faster ramp-up.

Domestic demand for stainless steel continued to be on the rise, with the auto sector witnessing growth in all segments, government push for stainless steel infrastructure and robust growth in the pipe and tube sector. Thus, domestic market is expected to witness overall healthy growth. And with our agility to switch volumes between domestic and export markets, we are poised to deliver good sales volume in Q4 FY'24. This is despite export expecting to be subdued.

I would also like to discuss the successful acquisition of Rabirun Vinimay Private Limited on an ongoing basis at the cost of INR96 crores. Rabirun has a P&T capacity of 4,000 to 5,000 tons

per month, and this acquisition will help to penetrate -- help us to penetrate deeper into the value chain.

Further, I'm happy to share, we have started production in Rathi Super Steel. This will help us widen our product offering through an addition of long products, like wire rods and D bars, who are existing -- to our existing product portfolio. The operations will further ramp up in FY '25.

To support the government's Make in India mission, it is a constant endeavor to substitute imports in critical areas. Our strong R&D efforts have created various grades to replace imports in important segments, such as aerospace, defense, petrochemical, thermal power.

On the import side, distortion in the level playing field between Indian manufacturers and subsidized foreign imports continued throughout the quarter due to high level of imports majorly from China and Vietnam. Immediate focus on the government will be necessary to get the situation under check and help the stainless steel ecosystem in the nation reach its full potential.

Jindal Stainless is committed to help this ecosystem flourish, and we are taking constant steps in this regard under our Stainless Academy initiative. You might be aware that this initiative is aimed at skill building and awareness creation about the benefits of stainless steel. During the quarter, we have trained more than 4,800 people through 46 fabricated training programs conducted.

On the ESG front, JSL showcased its decarbonization initiatives at the prestigious UN COP 28 Climate Summit for the first time. We also announced that we are set to achieve our midterm target of 50% carbon emission reduction well before the target year of 2035.

Our efforts toward sustainability and environmentally responsible operations were acknowledged at several industry forums. Jindal Stainless became a member of ResponsibleSteel, a global not-for-profit multi-stakeholder standard and certification initiatives.

We released our sustainability report for FY '23 last month. We also bagged several prestigious awards, like the India Green Awards 2024 for environmental excellence at the 23rd GreenTech Environmental -- Environment Annual Summit and Awards 2023, National Sustainability Award '22, '23 by the Indian Institute of Metals; Award of Appreciation for CPP at the Odisha State Energy Conservation Award 2023.

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

Anurag Mantri:

Thank you, Abhyuday. Good afternoon, everyone, and a very warm welcome on the call. I wish you a very happy 2024.

As highlighted by Abhyuday, we delivered a consistent performance, amidst the challenging global scenario. Let me discuss in detail the operational and financial performance during Q3 FY'24.

The volume increased by 28% on a Y-o-Y basis, with a slight dip of 6% on a Q-o-Q basis, as explained by Abhyuday earlier. The standalone revenue remained stable on a Y-o-Y to INR9,720 crores, despite the 32% dip in the nickel price. EBITDA and PAT increased by 8% and 41%, respectively, to INR1,021 crores and INR779 crores on a Y-o-Y basis.

The 9-month standalone revenue increased to 13% Y-o-Y to INR28,835 crores. EBITDA and PAT increased by 30% and 52% to INR3,208 crores and INR2,054 crores, respectively, on a Y-o-Y basis.

On the subsidiaries and associate sides, we are trying to further simplify the group structure. In this regard, the Board has approved divestment of 26% stake in JCL and increasing the stake in Iberjindal up to 100%. Divestment in JCL will further support our ESG commitment to achieve net zero carbon emissions by 2050 by integrating the sustainability into our business strategies and operations to create value for all the stakeholders, with minimizing the environmental impact.

I would also like to update that during Q3 FY'24, with the surplus available funds JUSL has also paid a dividend of INR200 crores to JSL.

I'm happy to share that all the 3 credit rating agencies, CRISIL, India Ratings and CARE, have revised the JSL credit rating to AA stable from AA minus. This change reflects our prudent capital allocation strategy for a strong business management. Despite engaging to both organic and inorganic capital expenditures, our leverage ratios remained among the industry's best range, with net debt to EBITDA at 0.7x and net debt to equity at 0.2x.

There is another good development. Lenders have also approved the long awaited promoter pledge of all the equity shares of the company. Now all the shares earlier pledged with the lenders have been released.

On the capex side, in our last call, we guided for FY'24 capex of INR3,300 crores. Now additionally, we acquired Rabirun for INR96 crores and expecting a prepayment of INR225 crores Indonesia NPI tranche from FY '25 to FY'24, as project is running on a fast-track basis. So we may have an additional capex of INR325 crores in FY'24, aggregating to INR3,600 crores versus INR3,300 crores guided earlier.

Accordingly, we were earlier anticipating closing net debt of INR4,700 crores. Despite this capex addition of INR325 crores, we expect March '25 closing debt level of INR4,800 crores only.

On the demand outlook, we are confident that domestic stainless steel demand will continue to rise, with robust economic activities and infrastructure-supported demand. And then project activities on process industry plant will further strengthen the stainless ecosystem.

With this, I would like to end my discussion and would request the moderator to open the floor for the Q&A session.

Moderator:

We have the first question from the line of Amit Dixit from ICICI Securities.

Amit Dixit: Congratulations for a good set of numbers. I have a couple of questions. The first one essentially relates to the loan that we have extended to NPI of around INR384 crores. So just wanted to understand the genesis behind it and the key attributes of this loan, when it will be returned and what is the interest rate, etcetera.

Anurag Mantri: Amit, okay. So shall we answer question by question or you want to ask all the questions? Okay. Let me answer the first question. So this INR384 crores loan, if you recall, the NPI total investment was \$158 million in a tranche. So we have right now kept the flexibility of sending the sending the money, it's been right now, partial as a loans. This amount has been set as loan to a Singapore entity, but we have a right to convert into equity later stage.

So we will see the best tax efficient capital structure at appropriate time and then accordingly decide. But right now, this investment has been done through a combination of debt and equity. It's basically shareholder debt, not external debt.

Amit Dixit: Okay. So just wanted to understand because we have marked already, I would say, paid whatever was due this year. So what was the need of extending this additional loan?

Anurag Mantri: No, no. So this is a part of that. There's no additional loan. It is part of the same consideration of \$158 million. Let me tell you, the total outflow on this project till now has happened close to \$121 million, which is around INR1,000 crores of amount, and balance amount is still due.

So the balance amount is due, which we're paying, as I have told in my opening remarks. Out of that, we are expecting \$26 million may get preponed. Because the project is on fast track, it may get completed much earlier than what we were anticipating. If -- because these are milestone-based plans, we may have to spend another \$26 million before March. But this is all within this \$121 million, which is a combination of this loan as well as the money send as equity.

Amit Dixit: Okay. The second question is regarding the couple of more early drivers that is Rathi Super Steel and Rabirun. So what kind of ramp-up should we expect on both of these operations? And what would the ballpark EBITDA per ton that we could expect for maybe FY '25?

Anurag Mantri: Rathi, as Abhyuday mentioned, we just started the Rathi production. The expected FY '25, we expect to have a 70% utilization. So it's a -- the capacity will depend with the combination of wire rod as well as rebar.

So if we make more rebar, the capacities come down. So overall, we are expecting 9,000 to 10,000 ton per month run rate in FY '25 to around 110,000 to 120,000 tons -- in FY '25 from Rathi.

On EBITDA side, right now, we are guiding in the range of INR4,000- INR 6.000 because it's a start and initial products coming out of the mill, so INR4,000 to INR6,000 per ton of EBITDA in FY '25.

On Rabirun, we just acquired the plant. It will take some time for it to start. So we are guiding that in H1 FY '25, we should be able to start the plant. Initially, the capacity currently is close to

4,000 to 5,000 tons per month at this day. Eventually, we want to make it to 8,000 to 10,000 tons pipe and tube facility, with the combination of decorative as well as industrial tube.

So we'll have to increase the capacity and also put up the functionality and some equipment for making the industrial tube. So initial volumes, I think, for FY '25, may not be high because we will be starting the operations in H1 '25. Out of this current -- because current plant, we will start with 1,000 to 1,500 per month to start with.

Amit Dixit: Okay. That's very elaborate. Any additional capex that we expect on both of these plants in FY '25?

Anurag Mantri: Rabirun, approximate INR75 crores capex to start the unit as well as to put up some of the decorative and industrial facilities. So initial -- these are initial capex. It could go further up. But FY '25, we are expecting -- next 9 to 12 months, we are expecting around INR75 crores to invest to start the facility.

Rathi, I think in next year, maybe around INR75 crores to INR100 crores capex will happen.

Moderator: We take the next question from the line of Bhavin Rupani from Investec.

Bhavin Rupani: Am I audible?

Moderator: Yes.

Bhavin Rupani: Yes. I just wanted to understand the significance of Spain operations. And also wanted to understand the reason for increase in stake if it's just -- even though it's just a loss-making entity as of now.

Abhyuday Jindal: So Bhavin, this loss making has only been because of the temporary situation in the last 1.5 years, actually, 1.5 to 2 years, because that's a service center that we have in Europe. And it has been in the history before that's been doing very well for us. And even in the future, we see very good demand.

It is just because of the subdued demand that is there in Europe at the moment is why our Spain service center has been at loss. But definitely, the European market will rebound. And when it does, we're very confident again Iber should start performing better.

And in FY '22 itself, we did an EBITDA of almost INR109 crores and a PAT of INR80 crores. So it is only because of the market conditions in Europe, while we're not able to perform. Otherwise, we're very bullish, and that is why we're also willing to buy back our partner's stake in the company. So it's only a temporary phenomenon. As soon as the European market rebounds, you will see Iber performing very well as well.

Bhavin Rupani: All right. Got it, sir. And my second question is related to Jindal Coke. We intend to divest 26% stake. Sir, can you provide us with the negative valuations for it? And what is the current debt and EBITDA run rate?

Anurag Mantri: So I think, basically, the Board has just approved it yesterday for us to explore the options of this. So I think it's a bit early to say on the valuation side of that right now.

On EBITDA side, last quarter, they did an EBITDA of INR56 crores of EBITDA, and the debt in the entity is close to IN350 crores. Net debt is around INR300 crores.

Bhavin Rupani: All right. Got it, sir. And sir, is it possible for you to provide the breakup of capex for FY'24 and '25?

Anurag Mantri: '25, I think it's a bit early, as we say, because we'll have to plan. Right now, I can tell you that, typically, maintenance and sustenance capex of annual INR500 crores - INR600 crores what we get, so that will be there in FY '25.

FY 25 besides that, there is INR500 crores to INR600 crores current project capex, that will -- which will be due in FY '25. But otherwise, there's no new capex, which we have actually right now planned at this point of time besides this.

FY'24 capex, as I guided that earlier, we guided for 3,300, which has now increased to INR3,600. It could go up to 3,600 because of 2 reasons. One is that INR100 crores of Rabirun investment and second is this NPI tranche of \$26 million, which is due in April, may get preponed in March itself. In that case, another INR225 crores may come from the NPI tranche. So close to INR3,600 could be the capex in this year.

Bhavin Rupani: Sir, is it possible for you to give breakup of INR3,300 crores. You mentioned about INR300 crores, 325 crores. But what about...

Anurag Mantri: I can give -- so, okay, let me tell you. So JUSL acquisition was INR958 crores, NPI we expected INR1,000 crores this year, so -- which has completely gone now. Maintenance and sustenance of INR500 crores. Ongoing capex is INR400 crores. Rathi was INR100 crores. The renewable power was INR150 crores. And besides that, JUSL expansion capex of INR250 crores. So that was INR3,358 crores net.

Moderator: We take the next question from the line of Kirtan Mehta from BOB Capital Markets.

Kirtan Mehta: I just want to understand from the perspective the consolidated entity, they have contributed INR225 crores this quarter. This has increased from INR68 crores a quarter ago. Which are the main drivers to this contribution?

Anurag Mantri: Sorry, Kirtan. Can you repeat your question? I haven't understood this.

Kirtan Mehta: I was saying that when we look at the consolidated management standalone EBITDA difference, that is INR225 crores in this quarter, which is higher than INR368 crores a quarter ago. So just wanted to understand which of the subsidiaries are actually contributing to this increase in this quarter.

Shreya Sharma: So there is -- if you look at it, Kirtan, there is a positive side on the global subsidiary. So last quarter, there was huge loss on Iber as well as on PTJSI. And this quarter, if you see EBITDA

breakeven for Iberjindal with better operational performance. We have booked quite a valuation loss to some extent.

So now going forward, we are not expecting further inventories loss on the available inventory over there.

Kirtan Mehta: And what -- yes. Sorry.

Shreya Sharma: Yes. Any further clarification you want on this?

Kirtan Mehta: In terms of the ongoing run rate for the operations outside standalone, what should be the ongoing run rate for those businesses?

Shreya Sharma: For Iber basically, Iberjindal? PTJSI is already...

Abhyuday Jindal: PTJSI, we're closing down operations there.

Anurag Mantri: Iber, typically, on an average, it's used to do INR600 crores to INR800 crores of the revenue. So basically, EUR 6 million to EUR 8 million. Hopefully, that should be effective.

But I think maybe, it may take another quarter for them to come back to those type of profitability zone because we still have most of the stock. So if you see last quarter, at least, that gets utilized. There is no loss in last quarter on a net basis.

Maybe we have still have some inventory left of 5,000 tons in that entity, which may have some losses incurred. And that right now, European markets are still weak. But I think next year onwards, starting FY '25 beginning onwards, we should start seeing that in a good positive development, as Abhyuday mentioned.

Kirtan Mehta: Sure, sir. Just one more question in terms of the acquisition into the pipe and tube. This basically appears to be a forward integration. You previously maintained the position that we wouldn't want to sort of get into the space of our customers. So is there any change in the sort of direction?

Abhyuday Jindal: So there is no -- see, there is a very large market for pipe and tube in our country. And what we keep seeing is that when substandard material is getting utilized left, right and center, then there has to be some stability, some kind of ask.

So there, from a lot of fronts, we're getting asked that a good quality player is required to stabilize the market. This opportunity came in front of us. We felt that we were the best company in place to take this up, utilize the facility and give the best in-class product in the market.

So with that strategy is why we entered. And it is not going to be that we're going to eat into our customers' market. We have a clearcut strategy. We will continue to support our customers who are in the pipe and tube sector. There is enough growth coming in, in our country, all across.

There is only going to be push towards infrastructure, airports, railways, so there is enough demand that's going to come. And with our good quality, we would like to showcase that to India to the world. So with that strategy is why we went ahead with this acquisition.

- Kirtan Mehta:** Right. And in terms of -- sir, if we look forward the next 5 years or so, how do we like this segment to develop from here?
- Abhyuday Jindal:** In the next 5 years, see, it is definitely going to grow at a CAGR of almost 10% to 12% with the infrastructure push that is coming in. So there is good and enough space for players like Jindal and for other entrants -- new entrants to come in. So I would say in all sectors in stainless steel that we are operating in, I see a good growth of close to 10% in each segment.
- Kirtan Mehta:** Right. My question was more from the perspective for the pipe and tube segment. Once you have sort of the -- we have gotten into position, would we be growing the capacity at this base and sort of enlarging -- trying to sort of enlarge our market share in the segment as well? Does the company have the opportunity to offer the brownfield expansion at this site?
- Abhyuday Jindal:** So it will totally depend on a lot of factors. First, we would like to reach to the 100% rated capacity this plant has. Then we will take a call depending on the market growth requirement, whether we want to further enhance and expand. So first priority is to get this plant 100% utilized. Then only we will plan for future expansion.
- Moderator:** The next question is from the line of Ritwik Sheth from One-Up Financial.
- Ritwik Sheth:** Sir, a few questions from my end. Sir, first of all, on the Rabirun acquisition, is it fair to understand that this 4,000, 5,000 tons of pipe and tube, the raw material will be supplied from our plant only.
- Abhyuday Jindal:** Yes, yes, 100%. There's definitely no one else's materials we will use.
- Ritwik Sheth:** Right, right. So basically, we can get another 50,000 tons of volume from selling into our subsidiary only for next year, probably.
- Abhyuday Jindal:** Yes, yes.
- Ritwik Sheth:** Right. And then you mentioned that you're looking to expand to 8,000 to 10,000 tons.
- Abhyuday Jindal:** Not from next year. You should not take it from next year. But because it's a journey but, yes, eventually, we can reach that.
- Ritwik Sheth:** Right, right. Sure. So you mentioned 8,000 to 10,000 tons you would target over the medium term. So any time line? And what kind of capex would be required to double this pipe and tube capacity?
- Abhyuday Jindal:** Ritwik, like I just answered, first, because there's already a rated capacity of close to 4,000 to 5,000 tons, first, we would like to achieve that. This plant was closed for 3 years. And by the time we start and everything so, first, you want to reach 100% capacity utilization, which we should be doing in about 2 years' time.
- Then we will look at further expansion if required. If there's enough land available there for us to expand, so then we can look at that.

Ritwik Sheth: Okay, okay. And sir, how is the ramp-up for the brownfield expansion, which we completed 6 months ago?

Abhyuday Jindal: So that ramp-up is progressing well already. That is one of the reasons why we took a minor shutdown in Q3 to enhance the productivity, product mix of our new expansion. So it's coming on track, and we should see good volumes coming from there in Q4.

Ritwik Sheth: Okay. And what would be the utilization for the -- currently for the brownfield for 1 million ton?

Abhyuday Jindal: Volume increase, we are seeing in FY'24 of 20%, 25% -- 20%, we can say, and a similar expectation is for next year that we should see another 25% volume growth.

Ritwik Sheth: Okay, okay. Right. And sir, my last question, similar to the previous participant, but you had mentioned in the last call that you plan to give an update for further brownfield expansion from 3 million to 4 million tons.

Abhyuday Jindal: You're absolutely right. I did mention that. And we are -- because of these few other acquisitions that have come up, right now, we are still working on our plans. I would really like to give a very concrete plan to all our investors and not overcommit or under commit something.

So we are still working on it. Just give us a little more time. I know I did commit, and I'm also pushing us all internally to come out clearly. But I don't want to overcommit something when I'm not confident myself. So it might take us another few months, but there's -- full work is happening internally on that. So just give us a little more time for this.

Moderator: We take the next question from the line of Mr. Rajesh Majumdar from B&K Securities.

Rajesh Majumdar: So I had a couple of questions. First, on the helping a facility, we have seen that nickel prices are now literally back to \$16,000. And there is a lot of talk on how much capacity Indonesia is putting up in nickel over the next 1 or 2 years. So in the light of that, I want to know the viability of -- on the facility, even at \$16,000 nickel. And what is your steady state outlook for nickel prices?

Abhyuday Jindal: Well, actually, this nickel price, right, you said that it is at \$16,000 levels, but this keeps on -- I mean, we all know that it's gone changing. We had estimated the -- that the payback for this capacity would be around 4 years and -- 3 to 4 years. And we still believe that once -- I mean, because the way the markets are moving, eventually, I mean, we still believe that we should be able to reach it.

Rajesh Majumdar: So at \$16,000, are we still viable in the project? That was my question, sir.

Abhyuday Jindal: Yes. Project is still viable. Definitely, the kind of margin that was there as when nickel was [20 to 21] has reduced. But because nickel being such a volatile raw material and, right now, the whole Europe and China is kind of -- there is subdued demand, and they're not operating at 100% capacity.

So when the metal, the industry, economy rebounds, nickel will also rebound. Price will pick up. That kind of viability will again be higher. So even at \$16,000, absolutely, it is viable. There

is no problem at all. But because of the volatility, we are still quite confident that within the 4 years that we've committed, the payback should be achieved.

Moderator: We take the next question from the line of Mr. Jatin Damania from Swan Investment Management.

Jatin Damania: I just -- I had a few questions. So one was with regards to the Rathi Steel. What is the capacity we are looking over in the incremental capex along these time lines for it. And could you talk a little bit about the operating metrics in terms of EBITDA we are working at Rathi right now?

Anurag Mantri: So Rathi, as I just mentioned that around FY '25, we are targeting approximately 70% utilization. But depending on the combination of wire rods and rebars, so close to 110,000 to 120,000 tons of full year sales volume in Rathi. And EBITDA per ton, since it's the start of the product, what we said is that 4,000 to 6,000 tons of EBITDA per ton.

Jatin Damania: Got it. And incremental capex, if you could talk about that?

Anurag Mantri: Incremental capex, so also -- okay, sorry, incremental capex, as we said that Rathi, what we mentioned was INR100 crores to INR150 crores of the capex we envisage, which is ongoing right now. Some of that has already been incurred. So we are in the journey of that.

Jatin Damania: Got it. And second question was with regards to the European unit, Iber. What is the strategical fit to our business of it? And how do we see it growing there?

Abhyuday Jindal: So in Spain, it's our service center. We send our mother coils from India. And there, we are servicing our customers just in time with the right sizing, with the right requirements that they have. So it has a huge value for us.

Because of having the service center, we have longstanding customers in Europe who, even despite COVID or any kind of duty or season, coming in. They're still going to be with us because we are part of the end-to-end supply chain.

So this has created tremendous value. We still are very bullish on our Spain service center -- European service center. European market is also going to grow. And it's only currently right now, because of all the geopolitical situation and issues, Europe itself is not performing well.

The minute Europe rebounds, Iber will also rebound. So it has large -- it has huge potential for us, and that is the only way customers will stay with you, whether you are there and able to support their supply chain. So through this, we are part of their total supply chain.

Jatin Damania: Understood, understood. That was helpful. And my last question is with regard to...

Abhyuday Jindal: Another point I can add is we also give a lot of quality support. So that is one major difference between Jindal Stainless and more stainless steel majors in the world that we have very strong aftersales service and quality support.

So we have strong quality people, technical people sitting in our service center. The minute there is any requirement, they travel within a week to 10 days, and they're there across Europe. So that's another additional benefit we are able to give our customers. Yes, your second question?

Jatin Damania: Yes. This was with regards to JUSL, the United Steel Limited entity. How much volumes are being used for a captive in JSL and third party? And also with regards to if you can give some clarification with regards to the EBITDA?

Abhyuday Jindal: So captive consumption is almost close to 80% to 90%, JUSL, yes, 90%. And plus, only our capacity utilization is there right now. What was your second part to it?

Jatin Damania: So EBITDA margins were obviously the same.

Abhyuday Jindal: EBITDA margins around...

Anurag Mantri: So on a standalone basis, JUSL, typically, it's a job work model for INR4,500 crores of EBITDA per ton. So what we said is that if you convert on JUSL volume, it adds up to close to INR3,000 of EBITDA per ton of JUSL guidance.

Moderator: The next question is from the line of Tushar Chaudhari from Prabhudas Lilladher.

Tushar Chaudhari: And good set of numbers, congratulations. Sir, I just wanted to know, with the raw material prices are falling, nickel has fallen a lot, probably, Y-o-Y basis, 40-odd percent. Industry prices also coming up.

So in this light, how are the other raw material prices are moving, ferrochrome and ferromanganese? And is there any change in our EBITDA per ton guidance over the next, let's say, few quarters?

Anurag Mantri: So no. Good question, Tushar. So firstly, yes, nickel manganese have come down, but chrome has actually gone up. So -- and even scrap prices and all have not come down as sharply as nickel has. So I mean, it's a -- raw material will always be volatile. What was your second part to the question, nickel price and guidance?

Abhyuday Jindal: EBITDA per ton, we are still sticking to 19,000 to 20,000. Yes, definitely, there is pressure because of export not picking up and China dumping that is happening. But despite that, because we are so versatile and so spread across various industries, so we're able to maintain our EBITDA per ton between 19,000 and 20,000. And we see good growth and demand in the domestic market.

Tushar Chaudhari: Okay. And sir, second question is on Series 400 contribution. We were increasing it. So that is on track, right? And how much was this in the last quarter?

Abhyuday Jindal: Every quarter by 2%, 3%, it is increasing. I can tell you the figure in terms of -- yes, so it has gone up each quarter. If you can say last -- Q3 last year was around -- right now, 25%, you can say. But it is growing by 1%, 2% every quarter.

Moderator: The next question is from the line of Jahnvi Dodai from Aequitas Investment.

Nishith: Sir, Nishith here from Aequitas Investment. Sir, I have 2 questions. First one is in your press release, you mentioned that the sharp increase in dumping of 300 Series by 73% from China and Vietnam. Can you share the quantum in metric terms? And second, what are we doing to protect our domestic market share?

Abhyuday Jindal: Number, do we have that number? See, we would not like to exactly open to sharing these numbers. But definitely, see, now in terms of -- that is the whole game, the question that you asked.

What are you doing to mitigate against China? That is exactly what over this many years and months we have built on inherent strength. So we have a very strong distribution network. We have a very strong aftersales service. Our quality is considered to be anyway much superior to any Chinese player.

So these are inherent strengths being a domestic player. We get that benefit providing just in time -- we have almost 12 warehouses across the country, providing just-in-time services to our clients, maintaining their inventories for them. Plus, a lot of other awareness and R&D efforts are also keeping us absolutely competing with China.

It is only in the low-end segments, low-sector segment is where competing with China only at price becomes a challenge. But otherwise, we are much better than them in any other field, I can say.

Nishith: Understood. And sir, second question is because of this Reg-C issue, there is increase in freight rates. So are we able to pass on those increase in costs?

Abhyuday Jindal: Not at the moment, I think, because we are just waiting and watching if that is going to be a short-term phenomenon or long term. Short term, we are not. But the minute it moves to long term, we will be passing it on. But as of now, because it's a temporary issue, so we're not able to pass it on at the moment.

Moderator: We take the next question from the line of Mr. Kunal Kothari from Centrum Broking.

Kunal Kothari: Sir, my question is in regard to the Rabirun Vinimay Private Limited. So in that, of nearly 4,000 to 5,000 ton month of the capacity, what percentage will be the decorative pipe? And what percentage will be the industrial pipe capacity? And for that, we must -- we will be using our own HRC, right? And so what series of HRC will be used for the production of that product, 200 Series or 300, 316 Series?

Abhyuday Jindal: Okay. So firstly, yes, 100% material will be Jindal Stainless material that we will use. At Phase 1, it's going to be decorative pipe and tube. Because for industrial, some minor capex and changes are required.

So first, we will start only with decorative, and it's going to be 100% Jindal Stainless material. The grade of the series is generally 50% 200 Series, 50% 300 Series. That is the way the whole domestic market works, so -- which is what also we are targeting.

- Kunal Kothari:** And what margin and realization that we can look forward for this product?
- Abhyuday Jindal:** So margin, we are expecting close to 7,000 to 8,000 per ton at this moment, which will further increase later on.
- Anurag Mantri:** That's EBITDA per ton.
- Abhyuday Jindal:** EBITDA per ton.
- Kunal Kothari:** Yes, yes. And we can ramp up quickly in -- for -- in FY '26, at least.
- Abhyuday Jindal:** Yes. By FY '25 and '26, we should be able to. '26, we should be able to.
- Kunal Kothari:** To maximum level, like to 90%.
- Abhyuday Jindal:** Still too early to say because we have literally acquired it a month back. So still too early to give you a hard commitment, but looks promising and possible.
- Kunal Kothari:** Okay. And sir, any color on the industrial pipe segment also that you mentioned that you want to get into that segment as well? So what time line you see to set up debt capacity and the capex that you see for the same?
- Abhyuday Jindal:** So we're still working out those numbers at the moment, which market we want to target and at what capacity. So that's why I said first priority is to start with decorative pipe and tube, till the time we are working on our industrial strategy.
- Moderator:** We take the next question from the line of Mudit Bhandari from IIFL Securities.
- Mudit Bhandari:** Just one question. In JUSL standalone, what is the debt maturity? As far as I remember, it was just a single bullet maturity. So what will be the time line?
- Anurag Mantri:** No, it's not a single bullet payment in JUSL. It's close to a door-to-door maturity of 15 years with average tenor of close to 10 years -11 years.
- Mudit Bhandari:** Okay. So all equal payments of what rupees?
- Anurag Mantri:** Sorry. As I mentioned that, it's actually more ballooning towards end, and we have also prepaid some of the installments for the next 2 years. So that's the reason, if you see the door-to-door, it's average also comes close to 10.5, 11. So you can see that it's more rear-ended scheduled payments.
- Shreya Sharma:** Yearly scheduled payment modules are there in our quarter presentation also, if you want to see more details.
- Moderator:** Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Mr. Rajesh Majumdar: for closing comments. And over to you, sir.
- Rajesh Majumdar:** Yes. Thank you, ladies and gentlemen, for a nice Q&A session. I would like to hand over the call now to Mr. Abhyuday Jindal: for his closing remarks before closing the call.

Abhyuday Jindal: Thank you, Rajesh. And let me thank everyone for attending this call. I would like to reiterate that strong economic activities are pulling up our core sector demand across segments in the domestic market, and we are trying to make the most of these opportunities.

I hope that we have been able to answer all your questions in a satisfactory manner. Should you need any further clarification or if you would like to know more about the company, please feel free to contact our Investor Relations team. Thank you very much.

Moderator: On behalf of Batlivala & Karani Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.