



August 02, 2023

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Subject: Transcript of Earnings call held on 27th July, 2023 - Disclosure under Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”)

Dear Sirs,

This is further to our letter dated 20th July, 2023 & 26th July, 2023 w.r.t the Q1FY24 Earning Call intimation for the financial results with the investors and analysts.

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 above said Earning Call. 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

Jindal Stainless Limited

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“Jindal Stainless Limited
Q1 FY ‘24 Earnings Conference Call”

July 27, 2023



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

MODERATOR: **MR. VIKASH SINGH– PHILLIPCAPITAL INDIA PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Stainless Limited Q1 FY '24 Earnings Conference Call hosted by PhillipCapital 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 and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh from PhillipCapital India Private Limited. Thank you, and over to you.

Vikash Singh: Good evening, everyone. Today, we have with us from the management side, Mr. Abhyuday Jindal, Managing Director; Mr. Anurag Mantri, Executive Director and Group CFO; and Ms. Shreya Sharma, Head, Investor Relations.

Without taking any much time, I will hand over the call to Shreya to take the call forward and also thank the Jindal Stainless management for giving us the opportunity to host the con-call. Over to you, Shreya.

Shreya Sharma: Thank you, Vikash. Good afternoon, everyone, and a warm welcome on the call. We have shared our Q1 FY '24 earnings presentation with the stock exchanges, and today's call discussion will be on the same line. Please note, some of the information on this call may be forward-looking in nature and is covered by the disclaimer on Slide 2 of the earnings presentation.

Now, I would like to hand over to our Managing Director, Mr. Abhyuday Jindal, to start the call.

Abhyuday Jindal: Thank you, Shreya. Good afternoon, everyone, and welcome to the Q1 FY '24 Earnings Call for Jindal Stainless Limited. I would first like to discuss the key business highlights of the quarter ending June 2023, following which Anurag will take you through our operational and financial performance.

Despite global challenges, we delivered a healthy sales volume growth in Q1 FY '24, up 8% on a quarter-on-quarter basis. Backed by continued growth in the domestic markets and government push on infrastructure, our sales volume grew across diverse segments. Demand has also grown on the back of new-age businesses like ethanol blending, renewable energy, process industries' demands such as thermal power plants, refineries, etcetera. Pre-festive season demand also picked up in consumer segments, which further contributed to the volume increase.

On the export front, our focus remained on servicing markets like the U.S. and Europe. Nevertheless, to push volumes and overcome the slowdown in Europe, we continue to develop new markets and products for exports. The export sales during the quarter increased by 45% on a quarter-on-quarter basis.

On the domestic front, the industry continued to struggle due to subsidized and substandard imports, which captured as much as 1/3 of the Indian market. This adversely impacts the MSME sector in particular. The industry is still awaiting a positive decision by the government on imposing a countervailing duty to curb dumping of mass and subsidized stainless steel in India by China.

Now, on a more positive front, I'm happy to share that JSL has completed the acquisition of JUSL by acquiring the remaining 74% equity stake, for a cash consideration of INR958 crores. This now makes JUSL a 100% owned subsidiary of JSL. This acquisition consolidates all the critical facilities of stainless steel manufacturing under one umbrella and would result in improved synergies between both the companies, thereby enhancing value for all stakeholders.

Further, with the aim to increase operational and delivery efficiencies, we entered into an agreement with Dassault Systems to strengthen our production planning, scheduling, and execution processes. This is another step towards creatively demolishing legacy systems and adopting new-age models of digitization and automation for faster decision-making.

Jindal Stainless is determined to give its customers the best-in-class service, and such improvements will go a long way in empowering our customer-centric approach. As an acknowledgment of our keen focus on providing tailored solutions to customers, I'm happy to share that JSL was recently honoured with the Expand Global Markets Award by U.S.-based Dana Incorporated. The award recognized Jindal Stainless among 1,800 nominations, spanning 29 countries for successfully supplying stainless steel solutions to Dana for more than 15 years in several countries.

Now, coming to the ESG front. We remain committed to a greener, sustainable future, fuelled by environmental responsibility. With manufacturing through the electric arc furnace, which enables 100% recyclability, we are already contributing to a circular economy. We also aim to reduce our carbon emission intensity by 50% until FY 2035 from FY '22 baseline levels, which were 1.91 tons of CO₂ per ton of crude steel and achieving Net Zero by 2050.

At last, I would like to share, we are honoured to partner with ISRO for prestigious Chandrayaan-3 program by supplying critical special alloys. It is a matter of pride for us that we have indigenized various specialty steel and are the prominent supplier to almost all Indian missile programs, satellite launch vehicles, submarine rocket launchers and various combat equipment.

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

Anurag Mantri:

Thank you, Abhyuday. Good afternoon, everyone, and very warm welcome on the call today. As highlighted by Abhyuday, we have delivered a strong result on account of our diverse product mix, coupled with our agile supply chain, that has enabled us to capitalize on the new markets and products throughout the quarter. With this strategy, we have registered a 54% volume growth on a year-on-year basis, despite the global headwinds.

With this backdrop, let me now discuss the operational and financial performance during Q1 FY '24. The standalone revenue rose by 25% year-on-year and 6% on quarter-on-quarter basis to INR10,027 crores. EBITDA and PAT increased by 35% and 47% to INR1,118 crores and INR666 crores, respectively, on a year-on-year basis.

On the subsidiaries front, our global facilities moved in tune with the prevailing market condition across the world. Global stainless steel sales remained to be under pressure due to continued

subdued demand and reduction in prices. Performance of our domestic subsidiaries also impacted from negative inventory valuation due to the falling raw material prices.

As of June 30, the net debt on a standalone basis for JSL stood at INR2,956 crores. Despite the capex, the debt/equity is maintained at 0.2x and the net debt to EBITDA stood at 0.8x.

Now, the capex side, if you recall, for FY '24, we earlier guided for INR2,500 crores to INR2,600 crores in our last call. Now, looking at the progress of a few projects, we expect some of the FY '25 capex to be preponed in FY '24. This would be in the tune of INR500 crores-INR600 crores. This is broadly on account of NPI projects, equity infusion, Renew Power projects and few other ancillary projects. With this, the capex outflow of JSL is now expected at INR3,000 crores during FY '24.

–Combined with the remaining capex of JUSL of around INR250 crores, the total capex between JSL and JUSL is expected in the range of INR3,200 crores to INR3,300 crores in FY '24. The majority of same will be funded through internal accruals, and we expect the net debt could increase by approximate INR800 crores from March '23 level of INR2,591 crores.

On demand outlook, as Abhyuday already discussed, we are confident of domestic demand, with the government push on infrastructure spending, the PM Gati Shakti project is not only expected to reduce cost of logistics for our industry, but also generate some additional demand for projects like airports, station developments, freight corridor, TTC. Additionally, the PM's vision of a \$5 trillion economy, the pipeline project looks promising for the industry.

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

Moderator: Thank you. The first question comes from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Congratulations for a good set of numbers. I have a couple of questions. The first one is on the level of operations. We are already operating at -- if you see the annualized level of roughly 2.2 million tons. Considering the fact that this is a pre-election year, there could be further demand growth from infra push and, of course, export volume, as you mentioned, you are looking for newer market, and it is also reviving somewhat.

So what kind of volume growth can we expect in this year? If you could be more specific about the volume that we can expect this year and maybe the growth in next year, that would be very helpful.

Abhyuday Jindal: So Amit, definitely, we are very confident of achieving our guidance, which is 2.2 million tons this year, that we are very confident of achieving. We would not like to increase this guidance right now, because even though domestic market is supporting and there is a good demand, we are able to push material. It is still export, and Europe mainly, that is still down.

So until that picks up, which we are expecting next couple of months to start seeing some recovery, then I would like to consider a better or increased guidance for this year. So 2.1 million

tons to 2.2 million tons is what our guidance is for this year. And next year, we expect another 20% to 25% volume growth over this. So from a volume perspective, that is what we are quite confident of achieving.

Amit Dixit: Yes, that's very helpful. The second question is, essentially, now, we have a capacity of 2.9, operating at 2.2. And given the time that -- it takes certain time to actually put up capacity. And we have further scope of brownfield expansion. So when would you really think of capacity expansion at Jaipur? Given the long-term prospect in the country for stainless steel being quite sanguine. So, at what level of capacity utilization would you consider the next leg of brownfield expansion?

Abhyuday Jindal: So Amit, to answer your question, firstly, we feel that 3 million tons melting for next couple of years is quite sufficient, 2 years to 3 years. Where we further want to increase our capacity is actually in our downstream processes. So cold rolling is one area that we further want to increase, and that would maybe the next sort of capital investment that we do.

From increasing our melting capacity point of view, we would still like to wait for another year, before we take the decision to see how our ramp-up happens, how the market reacts, is there more duties, less duties, what is the global scenario as well. Then we would like to take a call. But till then, definitely, we want to increase our cold rolling capacity.

Anurag Mantri: And Amit, just to put into perspective, the current sales is not entirely from our production, because we always have a window, as we explained last time, through buying of the slab and capturing the volumes in our sales. So, the new facility is ramping up gradually, not 100% ramp-up is still not achieved for the new facility. And we always have a flexibility of getting these slabs and rolling it out and maintaining our sales volume. So, we will take a call gradually on how we move.

Amit Dixit: Great. Just squeezing a bookkeeping question here. What would be the net debt as of now, if you consider JUSL acquisition I mean -- complete and everything? So, what is the net debt as of now?

Anurag Mantri: So, including JUSL you are talking about?

Amit Dixit: Yes, yes. Including JUSL.

Anurag Mantri: So, including JUSL, the net debt is -- today is at INR4,900 crores on June end. When I say today, it's June end. And so, basically, that INR2,956 crores was JSL and INR1,948 crores JUSL, so INR4,904 crores of net debt.

Moderator: Thank you. Before we take the next question, a reminder to all the participants. Please restrict yourself to two questions each. Next question comes from the line of Ritesh Shah from Investec.

Ritesh Shah: 2 questions. Sir, first is, if could please detail down the capex that we have for FY '24 and '25? If you could spell out the broader heads for JUSL debottlenecking for '24, '25? Second is NPI Indonesia, third is the maintenance capex, fourth, Rathi. Fifth, if there's any spillover capex of the ongoing expansion? And the renewable, what is our equity contribution? So, I think these

are the broader five heads, and how should one look at the incremental ROCE on each of the five heads? That's the first question.

Anurag Mantri: Okay. So Ritesh, you're talking about FY '24-25 or '24?

Ritesh Shah: Sir, separately for '24 and then for '25. That would be great, sir.

Anurag Mantri: Yes. So, currently, I would say, what our committed capex, especially, all these projects which you mentioned, Rathi as well as the ReNew Power, then other capex is all -- what we are saying is that close to INR3,200 crores to INR3,300 cores in FY '24 including INR250 crores of JUSL remaining capex. FY '25, I think it's a bit early to guide right now, because whatever the committed projects are there based on that, FY '25 capex may not be large at this stage.

But I think as we go along and how we spend this capex, then we'll be able to guide you better for FY '25. But in FY '24, the expected capex is in the range of INR3,200 crores to INR3,300 crores, but again this depends on the -- performance of these projects, how these projects progress.

So like there are milestone based payments in NPI project of Indonesia. The way its progressing, that's why we think that some of the capex which we were envisaging earlier in FY '25, may actually fall in FY '24 itself and eventually, if the project starts early, then it will be better for shareholder returns perspective. And similar thing for other projects. So that's what our guidance is for FY '24 capex.

Ritesh Shah: Yes. Sir, can you please break it up the on the INR3,300 crore number?

Anurag Mantri: It's multiple level of capex, as we said INR3,300 crores, JUSL was there, as you see INR958 crores. And NPI we are taking close to INR1,000 crores. Again but it's quite depending on the progress. There are milestone based payments. Maintenance and sustenance would be around INR500 crores. Then Rathi could range between INR75 crores to INR100 crores because we are just trying to see some of the additional capex.

Of that, ReNew Power as we said, there will be fixed equity infusion. We can't say exactly that number because of the confidentiality reason, but you can understand it would be in the range of around INR150 crores of equity infusion. So these are the broad numbers for the capex.

Ritesh Shah: Sir specifically, can you highlight what is the incremental ROCE that we are looking at? One is for Rathi. I don't know how to ask that same question for the INR150 crores of renewable -- ReNew Power equation? And I had a follow-up question on NPI, specifically to Indonesia. So Rathi basically, how should we look at the incremental capex -- to incremental ROCE?

Anurag Mantri: Rathi, it's a new entry into long products. Right now, we would like to see how the markets and our products progress in the market. Our initial estimate is that the payback of Rathi would be, say, around 5 to 7 years. So we are giving a longer guidance for Rathi, because we also need to see how we penetrate on the various product lines in the Rathi. So I think because it's a plant, which we are now starting, the new product range, which we are getting into, that's why we are saying that 5 to 7 years would be the expected payback of Rathi.

But I think a better way to talk about Rathi is by the end of this financial year when we actually start the -- all the lines and then by the time, we assess the market.

Ritesh Shah: Sure. And...

Anurag Mantri: Go ahead, Ritesh.

Ritesh Shah: My second question was on the Indonesia investment. It looks good on the face of it. However, I find it honestly difficult to comprehend how we will repatriate the money back. So earlier, we had indicated pretty attractive 4 to 5 years of payback. So, if you could please give some colour, like, is the idea to procure metal or is the idea to get the money back, is it something which is viable, and is it allowed to export nickel or nickel matte right now vis a vis from Indonesia?

Anurag Mantri: Okay. So let me answer your first part. The repatriation route -- the way it is -- we are structuring. This JV -- operational JV will give the monthly dividend. Whatever their surplus, they actually distribute the monthly dividend in the ratios they will distribute. We will be routing it through Singapore, because between Singapore and India, there is a tax-efficient treaty. Whatever we receive as a dividend from Singapore entity, it will be taxable as dividend at our end.

But again, that will be compensated against the dividend, which JSL distributes to its shareholders. So, if simultaneously, we pay the dividend higher than the dividends received, which will be the case, because this is a smaller investment, so this entire dividend will also not be taxable in the hand of JSL.

Now, between Singapore and Indonesia, there is a 10% withholding tax. So, on net, the expected outflow based on the current law, it looks like around 10% of the taxation on a net basis, and with monthly dividend coming up from this entity to Singapore. Now, from Singapore to India, we can always see whether we want to keep paying monthly or how.

Ritesh Shah: Sure. And just last follow-up question. Specific to this project, is the ore supplies assured? How should we look at it? Like, does Tsingshan assure it, that the mining supplies -- the ore supplies are completely backed for the smelter? Is there any risk, or it's something, which we have already hedged for?

Anurag Mantri: No, it's completely assured by them. In fact, they have been running around more than 120 such RKEFs which are operational, and it's a very well structured model. And they have a similar charge for everybody. It's -- very transparent system. It's not that they do differential pricing of any of the input costs. So, it's quite assured and...

Abhyuday Jindal: Very well tried and tested model in the recent past. And before we went in also, we did a lot of study and we spoke to the other partners as well, and then we went ahead with this decision. So, from a raw material assurity, there is no challenge at all.

Moderator: Next question comes from the line of Kirtan Mehta from BOB Capital Markets.

Kirtan Mehta: Sure. Just wanted to understand the sales mix that will evolve during FY '24 in terms of the 200, 300, and 400 series, and how would we serve of that mix growth from FY '23?

- Anurag Mantri:** See, first let me just push a one guide. It's not that sales mix, which is target to achieve, frankly. It all -- what we target to achieve is the -- capturing the best -- with our supply -- agile supply chain and manufacturing process, capturing the best margin products from the various segments, irrespective of the particular grades. That's what our -- key focus area is that. So, it's not prudent to compare that how the year-on-year basis, this -- that mix is capturing. We can give you the mix of last quarter, just for your information.
- Kirtan Mehta:** Sure, sir.
- Anurag Mantri:** Last quarter, 200, 300, 400 series mix was 33, 46, and 21.
- Kirtan Mehta:** Right. And in -- another question was in terms of the global slowdown that we are seeing, that has an impact on the stainless steel price. So how would it play out on the -- our margins during Q2?
- Abhyuday Jindal:** See, we are still sticking to our guidance of between INR19,000 to INR21,000, and we are still going to stick to that. And this is again because of the inherent strength that we have created inside our organization, that we are not dependent on any geography, any sector, any industry to a very large extent.
- So that way -- that's why we are always able to and always are achieving our guided numbers, because we're able to transfer and increase sales in one sector, like Anurag was saying, that we are not pre-deciding that in the 200 series, we have to do 30% or 25%. It is depending on where we see the growth coming, where we see good margins coming in, then we're able to push material more to those geographies or industries.
- So, that's why our guidance we are still not changing, because we still not seeing any uptick in export front. So that's why between INR19,000 to INR21,000 is what we would like to say.
- Kirtan Mehta:** Right. And that can be achievable on a quarterly basis as well, not necessarily only on an annual basis?
- Abhyuday Jindal:** Full year is what average I am saying. But on a quarter-to-quarter also, it will be around this number only.
- Anurag Mantri:** But the guidance, what we would say is that like year-on-year basis, because there are always in that -- like this type of business, because there could be some time a quarter-end, if there are high fluctuations in raw material prices, there could be time lags. So with our range, we should be able to achieve this on a quarter-to-quarter basis, but our guidance is actually for full year basis.
- Kirtan Mehta:** Understood. So do you really see a pressure on this because when we look at the gross margin indicator, we see that there is a some bit of the -- gross margin indicator seems to be declining. Could there be a pressure on the Q2 or Q2 looks comfortable based on the -- sort of the sales booking that we have?

- Abhyuday Jindal:** Q2 looks comfortable. There is good demand in the domestic market. So Q2 looks comfortable as of now.
- Anurag Mantri:** Actually, gross margin, Kirtan, is because of the product mix. So, if we do higher 300 series, the raw material cost increases because it has high nickel content, so gross margin comes down. So that's how the gross margin -- so in our business, the gross margin is really not -- is completely subject to the product mix. It's not like steel, where the gross margin and EBITDA can be related.
- Kirtan Mehta:** Understood. Just one more follow-up, in terms of the 300 and 400 series, what would be sort of the expectation at this point of time? How do we see the growth in the market as a whole, in terms of the Indian market?
- Abhyuday Jindal:** 300 will always remain very strong, because that is the highest and the most common series that gets sold, but the highest growth we see coming more in 400 series. So that is where more and more -- we are also, as an organization, trying to push, and we see higher growth coming in 400 series.
- Moderator:** Thank you. Next question comes from the line of Vivek from DSP Mutual Funds. Please go ahead.
- Vivek Ramakrishnan:** I'll just ask my two questions sequentially. The first is in terms of the capex this year and then next year. But in terms of debt covenants, in terms of debt to EBITDA, on a consolidated basis, do you have any guidance in terms of where you will go? Because you've been very conservative so far. The second question is, there was another group company that was in the coking coal segment. Is there any plan of acquiring that? Those are my questions. Thank you.
- Anurag Mantri:** On debt/EBITDA, our guidance, in the sense, we are comfortable of around 1.5, but I know we are much below than that. But that's what we say, okay, 1.5 net debt/EBITDA, depending on what kind of project we get that is comfortable for us. But not that we will be -- right now, we are running at just 0.8. So we have enough headroom. So we'll always be cautious of our projects and the capex plan.
- The second question was -- JCL, no, because JCL is a coke oven. business.
- Abhyuday Jindal:** There is no requirement of coke in stainless steel production. So, we don't feel the need to merge JCL with JSL.
- Moderator:** Thank you. Next question comes from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund. Please go ahead.
- Renjith Sivaram:** Just an academic question, so if you look at. Some of this stainless steel pipe manufacturing companies, like a Ratnamani or a Venus, they are showing good...
- Shreya Sharma:** You're not audible. Can you please come closer to the mic and speak?
- Renjith Sivaram:** Am I audible now? Hello?
- Abhyuday Jindal:** Yes, a little soft also. A little louder would be better.

- Renjith Sivaram:** Just on an academic level, if I look at some of the stainless steel pipe manufacturers like Ratnamani or Venus, they are showing good growth. They are planning capacity expansion and all. So, do we cater to their raw material requirement in terms of stainless steel billets? Because some of these players say that there is a shortage of that, and they import these billets...
- Abhyuday Jindal:** Renjith. Basically stainless steel billets, which is more about seamless pipes. Is that the question that you're asking?
- Renjith Sivaram:** Yes.
- Abhyuday Jindal:** So, definitely, we are increasing our billet production capacity, because that is one of the input materials into Rathi Steel as well. Per se, for our customers, directly I'm not able to answer, but in terms of are we enhancing our billet capacity, yes, that we are, and that input is going to be used for Rathi. If we see good margins and good demand coming up from these pipe manufacturers, then we'll be happy to supply to them. But as of today, because we're still in the construction phase, so no excess capacity is available at this point.
- Renjith Sivaram:** Okay. And any...
- Abhyuday Jindal:** I hope that is the -- that is what I understood from your question.
- Renjith Sivaram:** And I was just curious like, whether we will be also trying to forward integrate into any of these industries, because the kind of growth they are seeing. So will be also look into -- in future look into the stainless steel pipe manufacturing or something like that?
- Abhyuday Jindal:** We have no plans to forward integrate, because we are -- as a leader of the industry, we are catering to every sector every segment and generally, what happens is as we enter into any of our customer's area, they become very uncomfortable and they don't appreciate that at all. So, we more than getting into -- directly into some downstream thing, we prefer the Jindal Saathi structure that we did with the pipe and tube segment.
- That has worked very well for us. It has increased our sales volume, it has increased our margins also in that sector. So, on these cards, where we are actually an enabler for our customers to produce the best quality, produce the best product that they can make, that is approach we would like, and we feel more comfortable with that.
- Moderator:** Thank you. Next question comes from the line of Ritwik Sheth from One-Up Financial. Please go ahead.
- Ritwik Sheth:** Congratulations on a great set of numbers. Sir, I have a few questions. Firstly, if you can throw some light on the subsidiaries' performance? This quarter, we have seen a decent performance from the subsidiaries. So, what is the outlook there and has it stabilized, especially the overseas subsidiaries?
- Abhyuday Jindal:** So, actually, the domestic subsidiaries are doing well. It is more our overseas subsidiaries, which are still lagging behind, and that is only because they are export market dependent. So, our

service centre in Spain is totally dependent on the European market. We don't export from there at all.

So, we see the recovery happening in the next couple of months there as well, but both Indonesia and Spain are totally dependent on export markets. So when they pick up, their performance will improve. Domestic, our both subsidiaries otherwise, Lifestyle and Steel, we are doing fairly well and they will continue to perform at higher levels.

Ritwik Sheth: Okay. So this run rate, one can expect and if overseas turns around with export markets picking up, then...

Abhyuday Jindal: That will also improve, yes correct.

Ritwik Sheth: So the bulk of this INR70 crores, INR75 crores EBITDA must be coming from domestic subsidiaries. Is that a right way...

Abhyuday Jindal: Domestic subsidiary, our service centre subsidiary mix be.

Ritwik Sheth: Right. Okay, got it. Sir, second question is on the ramp-up of our Brownfield expansion. How has it been since commissioning? If you can throw some light, and did we do any volumes from that or not in this quarter?

Abhyuday Jindal: Yes., ramp-up is on track, and like we said that we will basically increase depending on the market, again, demand picks up in the export market, then further ramp-up, we will do. So as of now, it's not been major quantity from the new expansion we have been able to push. But from August onwards at least, I would say 4,000 tons to 5,000 tons of saleable every month start coming from the new lines. And it will pick up subsequently over the following months then.

Ritwik Sheth: Okay. Every month 4,000 tons to 5,000 tons, you said?

Abhyuday Jindal: Starting from August, will be 4,000 tons to 5,000 tons and depending on the market demand, we can increase or whatever required can be done.

Ritwik Sheth: Sure. Okay. Sir and couple of bookkeeping questions. What was the capex in Q1 FY '24 that we incurred?

Anurag Mantri: Around INR1,400 crores.

Ritwik Sheth: Okay. So basically about 50% of approximately the capex for FY '24 has been incurred in quarter 1 only?

Anurag Mantri: Because...

Abhyuday Jindal: JUSL.

Anurag Mantri: JUSL and some part of this and as well as large part of NPI first tranche was fee incurred.

Ritwik Sheth: Okay. So we have already paid for the INR958 crores for JUSL in Q1?

- Anurag Mantri:** Part of it, not the full...
- Ritwik Sheth:** Part? Okay, sure. And sir, last question from my end. What is the EBITDA number for JUSL in Q1?
- Shreya Sharma:** So, EBITDA for JUSL in Q1 was INR205 crores.
- Ritwik Sheth:** INR205 crores? Okay.
- Shreya Sharma:** Yes.
- Moderator:** Thank you. Next question comes from the line of Ashish Kejriwal from Nuvama Institutional Equities. Please go ahead.
- Ashish Kejriwal:** Many consolations again, sir, for consistent good performance. I have three questions. One, after we have obviously successfully acquired the remaining stake of JUSL. So, after acquisition of JUSL and including their debt in our books, is it possible to share what could be the net debt figure now?
- Anurag Mantri:** Yes. So net debt with including of our JUSL as on June now was INR4,904 crores, including of JUSL.
- Ashish Kejriwal:** So -- but because INR3,300 crores was JSL and then INR1,950 crores something is for JUSL. And part, we have to pay for acquiring JUSL. So, that's what I was looking at. If -- or to put it other way, what could be your peak net debt by looking at the capex, which we envisaged and the cash flows, which we envisaged?
- Anurag Mantri:** Okay. So let me give you the number. So June closing net debt of JSL plus JUSL was INR4,904 crores. And as we mentioned, with all this capexes, though, largely will be internal accruals, but we expect the debt would go up by another INR800 crores. So the closing debt of March '24 could reach to INR5,300 crores in the range -- INR5,300 crores to INR5,400 crores.
- Ashish Kejriwal:** Okay. So, on this number then, you must be talking about the sharp increase in the working capital also? But I'll do the maths later on.
- Anurag Mantri:** Sorry. I haven't got your question, sharp increase in working -- yes, so increase in working capital, , because of the higher capacity of 1 million tons, which will require higher working capital. We have taken that also.
- Ashish Kejriwal:** Okay. And is it possible to share what's the gross block post JUSL acquisition?
- Anurag Mantri:** Gross block...
- Shreya Sharma:** See, gross block for JUSL was INR3,040 crores and plus the JSL gross block, so you need to add JUSL, INR3,040 crores.
- Ashish Kejriwal:** Okay. Fair enough. And lastly, in terms of ferrochrome, I understand that we don't sell ferrochrome, but over the last one year, definitely, our cost of production for ferrochrome must

have come down, because of lower coke and thermal coal prices. So, is it possible to share what kind of cost savings we have observed in ferrochrome versus last year?

Abhyuday Jindal: Ashish, that is a figure that we would prefer not to share, because it's a commercially sensitive information we are not comfortable with that.

Ashish Kejriwal: Sure.

Abhyuday Jindal: Because these are our efficiency practices and everything that we would not like to share.

Ashish Kejriwal: Sure, no issues.

Moderator: Thank you. Next question comes from the line of Vikash Singh.

Vikash Singh: Sir, just one clarification. As you said, you are doing well. So what percentage of our total sales could be trading volumes?

Anurag Mantri: Trading volume? We don't have...

Abhyuday Jindal: We don't do any trading.

Anurag Mantri: It's not a trading volume. It will be a more raw material strategy, whether through scrap or through slab. It's not really pure trading. Even slab, we do the rollings over here.

Vikash Singh: So, sir, just one clarification. Is it safer to assume, as we ramp up our and facing this outside purchase of slabs, so our margins could have some -- little bit of positive impact because, obviously, we would be foregoing some of the margins in purchase of those slabs?

Abhyuday Jindal: See, it's a factor of everything. It can go up, it can go down, depending because on sales, on nickel, our raw material is very volatile. So that's why it is difficult to say particularly on the slab front. That's why the best thing is to give the overall guidance. And we -- like we said that, because we are part of so many industries, so many sectors, that individual guidance becomes difficult. That's why overall guidance of between INR19,000 to INR21,000 EBITDA per ton is the best way to, I would say, study and look at it.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Vikash Singh for closing comments.

Vikash Singh: I would like to thank the JSL management for giving us the opportunity. Shreya, any closing comments?

Shreya Sharma: Yes. Mr. Jindal, please?

Abhyuday Jindal: I'd like to thank everyone for attending this call. I would like to reiterate that it is the strong economic activities that are pulling up core sector demand across segments in the domestic markets. Our agility in sales and operations planning and extensive use of digitization for faster and more efficient decision-making has helped us deliver a robust performance.

Going forward, we will continue to strategize business as per market dynamics. I hope we have been able to answer all your questions satisfactorily. Should you need any further clarifications or would like to know more about the company, please feel free to reach out to our Investor Relations team. Thank you, everybody, once again.

Anurag Mantri: Thank you.

Moderator: Thank you. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.