JNK India Limited
(Formerly known as JNK India Private Limited)
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Date: August 19, 2026

To, **BSE Limited,** **The General Manager,** Department of Listing Operations, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	To, **National Stock Exchange of India Limited,** **The Manager, Listing Department** Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Scrip code: **544167**	Security Symbol: **JNKINDIA**

Dear Sir/Madam,

Sub: Q1FY27 Earnings Call Transcript

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Q1FY27 Earnings Call held on Wednesday, August 12, 2026, at 12.00 PM

The transcript is also available on the website of the Company at https://www.jnkindia.com/

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For JNK India Limited

ASHISH SONI

Digitally signed by ASHISH SONI
Date: 2026.08.19 11:57:56 +05'30'

Ashish Soni
Company Secretary and Compliance Officer

Encl: a/a

"JNK India Limited

Q1 FY27 Earnings Conference Call"

August 12, 2026

E&OE - this transcript is edited for factual errors. in case of discrepancy, this transcript uploaded on the stock exchanges and company's website shall prevail.

MANAGEMENT: **MR. ARVIND KAMATH – CHAIRPERSON AND WHOLE-TIME DIRECTOR – JNK INDIA LIMITED**
MR. DIPAK BHARUKA – CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR – JNK INDIA LIMITED
MS. ANNIE VARGHESE – SENIOR MANAGER, INVESTOR RELATIONS – JNK INDIA LIMITED

MODERATOR: **MR. MAHESH PATIL – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to JNK India Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your 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.

Mahesh Patil: Thank you. Good morning to all. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 Earnings Call of JNK India Limited. Today, we have with us from the management, Mr. Arvind Kamath, Chairperson and Whole-Time Director; Mr. Dipak Bharuka, CEO and Whole-Time Director; and Ms. Annie Varghese, Senior Manager, Investor Relations.

We'll begin with opening remarks from the management, which will be followed by a Q&A. Thank you, and over to you, sir.

Arvind Kamath: Good afternoon, everyone, and thank you for joining JNK India Limited'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% to 15% of our full year revenue, while H1 contributes 30% to 35%.

H2 accounts for the remaining 60% to 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 time lines mean that some degree of seasonality will remain.

Our order book as on 30th of June 2026 stood at INR 1,801 crores, providing us with a very healthy base of executable projects for the year. Our revenue growth guidance of around 20% to 25% remains intact. We also maintain our full year EBITDA margin guidance of about 12% to 14%. We are progressing on projects such as BPCL Bina project, where execution is underway and a significant portion of the project revenue is expected to be recognized during FY27 and also on 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 INR 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 the heating equipment, while the remaining 40% comprises process plants and 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 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 provides 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 entered 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 avenue are 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 the dependency on large capex-based orders in the refining and petchem businesses.

I would also like to provide some context around the recent order cancellation. The large export order received on June 8, 2026, was subsequently canceled solely due to the technical approval requirements. The international EPC contractor who 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 industries 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 licensing and approval requirements and not by any issue with JNK India's capability or execution.

Now moving on to our joint venture of JNK Chemdist Technologies. 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 in operating losses.

However, the JV has contributed 8.8% to the group revenue in the Q1 of FY27. However, as the business scales up through the upcoming quarters, we expect the operating leverage to improve 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 financial year '27, we see a healthy combination of projects already under execution, a sizable and increasingly diversified opportunity pipeline and new avenues that can expand our addressable market over the medium term. Our focus remains on executing the existing projects efficiently, converting the domestic and international opportunity pipeline into quality orders and continuing to build capabilities in adjacent and technology-led areas.

Coming to consolidated financial performance. Our order book as on 30th of June stood at INR 1,801 crores. Consolidated revenue grew by 80.6% year-on-year to INR 186 crores in Q1 FY27. EBITDA for the quarter grew by 3.1x year-on-year to INR 21.9 crores in Q1 FY27, with the margin standing at 11.8% in Q1 FY27 as compared to 7% in the last year.

However, as a standalone for JNK India, the EBITDA margin stood at 14% over the last year's 7% compared to Q1FY26. PAT for the quarter grew by 8.5x year-on-year to INR 9.6 crores in Q1 FY27 with PAT margin of 5.2% in this quarter as compared to 1.1% in Q1FY26 on a consolidated level.

So, with this, now we are open for any questions, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kamlesh Bagmar from Lotus Asset Managers.

Kamlesh Bagmar: Congrats for strong performance. Just one question, like you have addressed the structural issues in the business that we want to diversify it. I would not say it's a structural issue, but say we want to more diversify our business like say, more on a recurring business rather than having a one-off type of project. So like say, what is our target now on a medium-term basis, like say, over the next 2, 3 years, what revenue levels we are going to target given the fact that renewed focus on other business segments as well.

Arvind Kamath: Good afternoon, Kamlesh. Basically, see, I think we have given a revenue guidance for this year in terms of growth of about 20% to 25%. So I think that's the kind of a growth we do hope to achieve on a medium-term year-on-year. That's the kind of plan we have. And that is where we're kind of diversifying into a bit more broader horizons into the other sectors and also the product and the capabilities in terms of the technology-led EPC business so that we can have this kind of a uniform growth year-on-year.

Kamlesh Bagmar: Like sir, I do understand that you have a target of 20%, 25% growth for this year. But like say, in FY'28, '29. So given the current capacity, what maximum revenue we can do? Because like say, entering into new businesses that is -- that will take its own time. So it is not going to come in a very sooner manner. So what capabilities do we have in those other segments where the revenues can be ramped up on an expedited manner. So where do we see beyond this year?

Dipak Bharuka: Okay. Kamlesh, yes, we understand your question. So you -- basically, you want to know more about our diversification strategy and what targets we are having on the revenue side to come for maybe medium term, 3 years or 4 years, 5 years. So as Arvind told in his opening address, so coming to around 3 to 5 years, we want to move this non-heating segment to around 40% of our revenue should come from the -- and that is the target we are having.

And accordingly, we are diversifying in various items like a process plant, steel, metals and minerals business and many other businesses. So we -- as you rightly said, we would like to focus more on the recurring business than the one-off opportunities. And it has its own entry barriers. It will take -- we will not be able to ramp up this diversification in a year or 2. But going forward, we anticipate another 4 to 5 years' time, we should be able to get a healthy mix of around 40% from this diversification strategy, which we are implementing now and going forward. I hope I could answer your question.

Kamlesh Bagmar: Yes. And lastly, sir, any update on Dangote order? And apart from that, like the reformer, where are we in terms of getting those orders? And what is our order inflow guidance for this year?

Dipak Bharuka: Yes. See, on the Dangote, as you know, we had -- we were the supplier for the Phase 1. Now Phase 2 is still under the discussion, and we stand a good chance of getting it. Of course, by -- for the obvious reason, it will be the repeat order for us. But we are still under the discussion, and we do not have anything which we can disclose publicly until we get some commitment from -- or some official commitment from the client.

Kamlesh Bagmar: And guidance on the order flow this year, sir?

Dipak Bharuka: This year, we expect our order book...

Arvind Kamath: See, basically, we have a pipeline of about INR 6,000 crores, Kamlesh. You must have seen that. And traditionally, our hit rate has been 20% to 25%. So I think we're kind of expecting the similar hit rate this year as well.

Moderator: The next question is from the line of Deepak Purswani from SVAN Investments.

Deepak Purswani: Congratulations for a good set of numbers. Sir, just wanted to consider, just wanted to ask in terms of the bid pipeline it has increased from INR 4,000 crores to INR 6,000 crores during this time. If you can get a broader sense, which are the key projects which have been added in the bid pipeline?

And secondly, from the bidding to awarding stage, how has been the momentum at this point of time? How are we seeing the development at this point of time? How these are shaping up? Are they happening at a faster rate or this has slowed down because of the West Asia crises? If you can get a broader sense on these aspects, that would be really helpful.

Arvind Kamath: Yes, Deepak. See, basically, on the bid pipeline, as I mentioned earlier, the export opportunity is about 50%. That is around INR 3,000 crores. So that is mainly on the heating equipment. And as we already also informed in the previous question and answer, that these could likely get finalized soon. And the other opportunities are domestic, which is INR 3,000-plus crores.

They are mainly more of non-heating equipment kind of a business. So they are on technology-led EPC projects and in renewable energy, metals and minerals and also into oil and gas. So these could get finalized in anywhere about, say, 3 to 6 months or 6 to 8 months' time. So overall, we expect that all this pipeline should get finalized in this financial year.

Deepak Purswani: Okay. So sir, just continuing on this part, would it be fair to say this bid pipeline has increased from the last time to this time, mainly because of the non-renewable part -- non-heating part?

Arvind Kamath: Yes, we would agree with that. Yes, that's true, mainly because of -- and we're diversifying into the other products.

Deepak Purswani: Okay. And secondly, sir, if you can also just give a sense in terms of the non-heating part, what would be our scope of work in these kind of industries? And I mean, though you mentioned about over a period of time, 40%, but how big can be the opportunity from this part? And what about getting the qualification and necessary regulatory requirement? If you can just share the broader perspective on all these aspects, that would be really helpful.

Dipak Bharuka: Deepak, on the scope, as far as scope is concerned, most of the projects, we have a common scope like our heating equipment. It will be engineering, procurement, fabrication and construction and commissioning. as we stated in the opening address, there are entry barriers and entry barriers are mainly related to the technology. So our strategy is to tie up with the major technology providers in this field and get ourselves qualified based on our experience in the heating equipment or process plant, which we are currently executing.

And that is how -- otherwise, skill set remains the same. It's the same engineering, same fabrication facilities, same construction capabilities. So basically, though it is coming from the non-heating equipment, our manpower, our capabilities or competencies remains almost 70%, 80% same. Whatever little addition we need to do in the capabilities, we are doing over the period of time because we are already executing the project in the non-heating equipment like one for the Tata projects, we are -- Tata Steel, we are executing in Joda, one for HPCL, we are executing. So there is nothing different we need to do as far as our competencies are concerned.

Deepak Purswani: Okay. And also, I mean, in the previous call, we had also mentioned about some of the opportunity we are exploring in the power segment. So if you can just get a broader sense on that part as well?

Dipak Bharuka: MCT, I think MCT. I am not able to recall anything.

Deepak Purswani: About the NTPC orders, bidding for the NTPC.

Dipak Bharuka: Yes, but that's not in the power sector. That's in the -- they are putting up the Nano Urea plant. It's more on the -- green ammonia, green hydrogen, green urea. So it is not in the power sector. NTPC is also diversifying in some of these fertilizer and renewable fuel, and those are the opportunities which we are trying to explore. And we -- our plan is to bid for those opportunities, and they are part of our bid pipeline.

Deepak Purswani: Okay. And finally, just wanted to double check on the margin front. I mean this time, our gross margin has actually improved, but EBITDA margin has come down. And one of the reasons which I can see is increase in the employee cost. So just wanted to check it out, this is general for the ramping up the business where we have increased the manpower and which has led to the short-term transitionary compression in the margin. But on the broader side, it still remains intact for the broader trajectory?

Arvind Kamath: Yes, that's correct, Deepak. But just to clarify, as I mentioned in the opening remarks as well, if you break it down, for JNK India alone, we have achieved an EBITDA of 14%, which is as per the guideline, and I think which is what our kind of what we are looking at and which is also good because even with the comparatively lower revenue of Q1, about INR 170 crores, we still could achieve an EBITDA of 14%.

Now what has happened is with Chemdist being -- I mean, okay, it's being the first quarter and just the initial stages. So there has been a loss of -- operating loss of about INR 3.6 crores. So that's why the EBITDA has come down to about 11.8%.

But still it's comparing to -- I would say, last year QoQ, it's very, I think, substantially good figure, number one. Number two is also considering the lower revenue of Q1, which is a cyclical, the nature of the business is considering that also, I think it's a good figure what we have achieved.

Deepak Purswani: Okay. Eventually, from the...

Moderator: Sorry to interrupt you, Mr. Deepak, but can you please rejoin the queue as there are several participants.

Deepak Purswani: It was just a follow-up of the final question. Just wanted to confirm on this part. I mean, just continuing on the margin front from the hike in the raw material prices and everything, have we faced any issue on this part or still everything is on track and everything is passed onto the consumer? Or how should we read into it?

Dipak Bharuka: Yes, the commodities prices are fluctuating. But as far as ongoing projects are concerned, these are already factored in our costing. And most of the orders are already placed, and we placed the order on our sub vendor on a fixed price basis. So that whatever the fluctuation is happening, it is not having any major impact on our margins for the ongoing projects.

Moderator: The next question is from the line of Shubham Borade from ICICI Securities.

Shubham Borade: Congratulations on good set of numbers. I have 2 questions. First being, can you please help us with the breakup of INR 60 billion order prospects between which large project it includes in domestic and international? And second being why JNK has opted to open an overseas office in Iraq, -- like what kind of order prospects you can see in medium term there?

Arvind Kamath: Yes, Shubham. Basically, as I mentioned already earlier, we -- currently, we have about INR 3,000 crores of bid pipeline in exports and about INR 3,000-plus crores in domestic. And exports is most of them are related to the heating equipment business and domestic is mainly the non-heating equipment business, focused on various opportunities, various project-based opportunities in renewable energy segments, metals and minerals, etcetera.

And in terms of answering your question about Iraq, Iraq now is -- we are coming up with a lot of projects in oil and gas and refining and petchem and allied areas, which is our core competence as well. So we are also looking at kind of expanding our business, like as we have done already business in many of the countries, so we feel Iraq also could be one good opportunity.

But yes, we are looking at the options, and that's why we have just opened -- or we have kind of taken a Board approval yesterday to register a branch office. And we do have an agent there, and there are some upcoming opportunities there as well.

Moderator: The next question is from the line of Nikhil Kanodia from Sunidhi Securities.

Nikhil Kanodia: Sir, first of all, congratulations on the great set of top line growth and the kind of bid pipeline that you have. While you have answered a few of my questions, I had a few straightforward questions and a few strategic broad-based questions. So the thing is that you are getting into the newer businesses.

So if you can quantify what could be the TAM and what component is already included in the bid pipeline? Or are we like yet to see anything in that sense? What could be the top line that we can get from the new businesses, the margin profile? And when can we see material contribution coming in, in the top line from those businesses?

Arvind Kamath: Yes. Hi, Nikhil. Basically, in the bid pipeline, mainly in the domestic bid pipeline, there are -- whatever the new areas we mentioned, metals, minerals and offshore, yes, some of the smaller bids are involved there as well now. So the opportunities are in that area.

And as we mentioned earlier, see, basically, we want to move wherein we are able to get in the midterm, we are looking at, say, 60% from heating equipment and 40% from the allied business because this business also has a lot of entry barriers and kind of with the technology partner, how large bid you can get qualified is also a question. And we do not want to take substantial exposure to start with, where we would like to take comparatively smaller opportunities so that we also gain more confidence going ahead

And in terms of the margins, we are always looking at in the similar margin range of whatever our guided EBITDA margins are there, anywhere from 12% to 14% in that range. So we are very clear that any business we enter, we kind of look to maintaining this margin.

Nikhil Kanodia: So sir, number one, what could be the TAM over there? And number two, you said that, obviously, in these newer businesses, I understand that in the businesses that you are already there, your right to win has already been proved with the kind of qualifications and the other moats that you have. So, in this business, like what is the right to win that you have? And what could be the TAM, the addressable market?

Arvind Kamath: Basically, the TAM every business has a different in, say, offshore, currently, only in India, the TAM is somewhere around $300 million to $500 million. And in metals and minerals, it is about $500 million to $1 billion. So that's the current TAM only in India, not mentioning about any of the export opportunities. And yes, so basically, we are trying to get whatever we could.

However, the sizes of these opportunities, what we are looking at is anywhere between something like, say, around $30 million to $50 million to $60 million kind of a project. So the advantage what we have is being a mid-sized kind of a company which is focused on engineering, procurement and construction, the capabilities what we have.

Today, in these segments, say, up to, say, INR 1,000 crores, there are not really many good professional organizations which can handle these projects effectively. Most of the companies which are known in this industry like Larsen & Toubro, for example, or Technip or these kinds of companies, they are going for larger opportunities.

They generally don't like to bid for the opportunities, which are up to say INR 1,000 crores up to INR 2,000 crores. So this is the kind of a segment which we feel is a good opportunity for us, and that's why we want to focus on.

Nikhil Kanodia: So sir, having said that, since this will be a new segment for us, so the hit ratio will be lower than 20%, 25% that you are claiming right now?

Dipak Bharuka: Yes, that is what we want to add. This being a new sector, we will be a bit cautious. So we are expecting our hit ratio should be anything around 10% to 12%, not more than that. And this will take time for us to prove our qualification because we'll -- many of these projects we will be bidding first time. So it may take a couple of projects for us to understand the dynamics and qualifications and nitty-gritty.

So we are not -- like for the heating segment, we have traditionally been 20% to 25%. Here, we are expecting around 10% as our hit ratio, at least to start within the next couple of years.

Nikhil Kanodia: Okay. Sir, one last question that I have is from the parent, JNK Global. So if you can throw some light as to what sort of projects are we doing? How many projects we would have done for the global parent and also in the newer businesses that you're getting into? So what can come from Global and what kind of a business do you have standalone qualifications as we speak from the entire TAM and the bid pipeline that you have said?

Dipak Bharuka: See, on the business side, yes, as you know, we are doing BPCL Bina with JNK Global. And there are a couple of projects we are bidding along with JNK Global in India and outside. Definitely, I mean, if I had to tell you that there are 4 projects in our order book from JNK Global, which are like BPCL Bina, project is there, then one USA project is there and Petronas Phoenix Project. But they are all small. Bigger is BPCL Bina. And what was your next -- I think you asked 2 questions. I forgot the second.

Nikhil Kanodia: So like in that sense, in the current orders, how much do you think JNK Global is going to contribute to like the setup that we have about royalty and all of those things. So in that sense, how much order are we expecting to come from JNK Global? And till as we speak today, what is the mandate as to like what sort of projects can we do on a standalone basis, wherein like we don't need the linkage with the parent?

Dipak Bharuka: See, all domestic projects, if we get qualified, we can do on a standalone basis. All export projects, we will be doing together. I mean, JNK Global will be getting the orders and they will be subcontracting to us. It is a back-to-back basis. As far as the fired heater, reformer and cracking furnace are concerned. But when it comes to the incinerators, flares, those orders we are booking directly globally or within domestic market. There is no qualification of JNK Global in that field. So this is how current arrangement is.

Nikhil Kanodia: Okay. Sir, one last small question, if I can squeeze in.

Dipak Bharuka: Yes. Sorry, you asked what is your expected order books from JNK Global? Yes, as we said, that export orders mainly are in the heating segment. So all those we are bidding through JNK Global and those are all expected from JNK Global.

Nikhil Kanodia: Okay. Sir, one last small question, if I can squeeze in. So the Iraq thing that you have told, so the setting up, so that will be a sales office that we will be setting up. And obviously, the exports and everything will happen from the Mundra facility itself, correct? Is the understanding correct?

Dipak Bharuka: Currently, our mandate is, this will be more of a registered paper office. Going forward, we will evaluate the opportunities based on case-to-case basis, we'll start with the proper sales office. And then we may add up engineering execution depending on the requirement. Because in Iraq, it is mandatory to have the local registered office to do the project there.

And as a first step, we are planning to register -- I mean, we have taken the approval to register the office there, and we will not have any setup as of now. But going forward, yes, we -- our plan is to build the proper setup as far as sales office is concerned. And rest of the things depends on the order.

Nikhil Kanodia: It's very heartening to see that we are still trying to increase the top line and diversifying our business through the sectors as and when we can.

Moderator: The next question is from the line of Ram Modi from PL Capital.

Ram Modi: Sir, just wanted to check our industry being a little bit on the working capital-intensive side and given our target growth rate of around 20%, 25% for next few years, where are we -- will we get constrained on the working capital side or we can support our growth with this -- support the growth without raising any funds here?

Dipak Bharuka: Yes. So basically, a couple of advantages what we have had and what we likely to have is also that mainly business is coming from companies like Reliance and also from the private companies. And even in BPCL Bina, for example, the payment terms have been quite, I would say, more friendly where not too much of a negative cash flow is there, which helps in terms of the order execution without putting too much strain on the working capital. This has helped us in the large order execution.

And second point also because as we were explaining about JNK Global's role, like BPCL Bina, for example, is through -- along with JNK Global. And now some of the export opportunities, which we have bid is also along with JNK Global. So this also helps us in terms of the working capital because they submit the bank guarantees and they get the payments and then the payment is passed on to us.

So for us, the working capital becomes easier without even submitting the BG. So I think with these 2 advantages being on the line, so we should be able to manage the working capital for quite some time now.

Ram Modi: And will this be the same for our new businesses because if those are -- will those balance, new businesses, would we need to take on our balance sheet and do those orders?

Arvind Kamath: I mean we are quite conscious about that. So to the extent possible where any kind of a sizable opportunities, we take them with the staggered payment terms only. Unless it is a very small opportunity which we really want to go to add on to our reference or something like that, only then we could look at those as with the comparatively lower advance or lower down payment.

Ram Modi: Okay. So our business is basically...

Moderator: Sorry to interrupt you, Mr. Modi, but can you please rejoin the queue as there are many participants waiting for their turn.

Moderator: The next question is from the line of Sahil Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: Congratulations for a resilient 1Q. And my first question is, could you give some examples of the kind of projects you aim to undertake under this new diversification that you've announced in the metals, minerals, general engineering side, just to get more sense of what kind of projects will these be?

Dipak Bharuka: So on the metals and minerals side, now we are first -- we are bidding for a couple of projects on the material handling side, for example. We'll not be able to give you the specific project details. But yes, the type of project is the material handling and processing or electric arc furnaces, which they require for the steel melting and ore melting. So those are the kind of projects we are looking for bidding in the first phase.

And on the other like offshore also, we have -- as we said, we are also bidding for some projects on the offshore or EPC like some Nano Urea plant, which is being proposed by some of the PSUs in India. Those are the opportunities which we are exploring on phosphoric acid plant or a few on the petrochemical side. These are the opportunities which we are exploring, and we are planning to bid for these projects.

Sahil Sanghvi: Okay. Okay. So a follow-up on this would be that will we need some past track record? I mean, will we need some partner on this front or technical partner or some past track record or we can scale up ourselves as we keep on taking up new projects?

Dipak Bharuka: So there are always for the qualification, there are 2 parts. One is the technology and other is EPC experience. So as far as EPC and financial experience is concerned, we are good to go. We have no problem. But when it comes to the technology, we need a technology partner, and we are already tied up with 3, 4 such technology partners with whom we are currently bidding for the ongoing opportunities.

Sahil Sanghvi: Got it, sir. And my last question is with respect to Chemdist, what level of revenue should we expect -- should the entity become break-even?

Dipak Bharuka: See, we -- I mean, our expectation is that by year-end, we should be able to get it into the green. So I'll not be able to give you exact number. But yes, our plan or the way we are projecting it, we should be able to book by year-end. I'm not talking about a particular quarter. But if you see overall year-end figures at the end of this year, we will be in the green.

Moderator: The next question is from the line of Umang Dangi from Nvest Analytics Advisory. Are you there, Umang? As there is no response, I am taking the next question from the line of Shwetha from ithoughtPMS.

Shwetha: I just had one question. So in our DRHP, it is mentioned that the cooperation agreement that we have with JNK Global is for a period of 3 years, and it is set to be renewed after that. So could you just give me an update on whether it was renewed and the commercial agreements are still the same?

Dipak Bharuka: So okay, it is not yet renewed, but there is -- I think it has the expiry of 3 years or until it gets revised, if I'm not wrong. We'll check it. But our agreement remains the same. There is no change in the agreement. And our plan and intent is also to continue on the same agreement. We are not anticipating or expecting any change in that agreement.

Shwetha: Okay, sir, but it has not yet been renewed, right?

Dipak Bharuka: Okay. No, no, not officially renewed, but we will check it. Our understanding is it is already in force, or it will automatically be continued.

Moderator: The next question is from the line of Suyash Jaywant from Mangaldas Venichand Trades.

Suyash Jaywant: I wanted to know, in the JNK Chemdist business, is the company pursuing to do technology licensing as a revenue stream?

Dipak Bharuka: Yes. I mean that is the ultimate aim. The reason we are together is mainly to develop that licensing and technology part going forward. So answer to your question is yes.

Suyash Jaywant: Okay. So with this hydrogen project, what sort of profit and revenue you are seeing for FY27? And if you can give a guidance for FY28 also?

Dipak Bharuka: So your question is related to JNK Chemdist or?

Suyash Jaywant: Yes. JNK Chemdist hydrogen part.

Arvind Kamath: In JNK Chemdist, for the green hydrogen current order execution, what they are doing is about INR 50 crores. And that should get completed almost say, in this year and may get spilled over some to Q1 of next year.

Suyash Jaywant: Okay. So, I wanted to know what are the cost advantages with your hydrogen process compared to electrolyzer-based hydrogen production, in percentage terms?

Arvind Kamath: Yes. Basically, in the process what JNK Chemdist has, the hydrogen -- green hydrogen is a byproduct. So, it's basically from ethanol, we make ethyl acetate and hydrogen is a byproduct. So that's the major advantage. So, the cost-wise, it becomes much lower because anyway, we could also sell ethyl acetate as well.

Suyash Jaywant: Okay. So, you are -- you have option to...

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

Suyash Jaywant: Okay.

Moderator: The next question is from the line of Amitabh Vatsya from Sadhan Venture.

Amitabh Vatsya: My question is with respect to a follow-up on the last few con calls, with respect to our strategy in terms of export versus import because last time we have more bullish on export opportunities and the domestic orders were focused largely on the oil and gas side, not on the metals and mining side.

So one question is basically on the strategy part that since our qualification is increasing day by day, since we are catering to larger orders with JNK Global and standalone also. So our right to win is growing in terms of export opportunity because the size is not a limitation outside.

But in India, we are kind of self-limiting to slightly smaller orders with a joint venture partner where the risk sharing and all would be slightly a difficult proposition to comprehend completely by management because the area would be new. So why we are choosing to go on a high-risk part rather than the well-thought-out plan, which we had earlier in earlier con call?

Arvind Kamath: No, I think -- no, that's not correct. I mean, basically, see, the -- still the plan is -- in terms of heating equipment, the focus is always there. And as we already mentioned, 60% of the business would be coming from heating equipment only even in terms of medium term, that is 3 to 5 years' time, correct?

So -- and even in India for heating equipment business, there's absolutely no issues, any size of orders and like we're already executing BPCL Bina along with JNK Global. That is domestic, one of the largest contracts, what we are executing. So this is in terms of the adjacencies is just to leverage our existing capability and in terms of engineering and project execution into the allied sectors, which can give us more uniform growth over a period of time.

And we could have the choice to select depending on the -- what are the opportunities available. So that's the only thing. And that -- these being new sectors, we are trying to go for smaller opportunities at the beginning. That's it.

Moderator: The next question is from the line of Rupesh Tatiya from Longequity Partners.

Rupesh Tatiya: Congratulations on good set of results. My first question, sir, is at JNK Global level, I think there is some fight going on between an activist investor, MJ Partners. And with the Board, I think matter has landed in the court. I think the crux of the matter is, I think he is questioning, I think, the legitimacy of the Board decisions based on my understanding.

So in that, and I think for Nigeria project bidding, a lot of bank guarantees and other financial things have to come from JNK Global. So do you see that this fight at JNK Global level impacting our order win probability, especially for the Nigeria project?

Arvind Kamath: Yes. Rupesh, just to give about Nigeria project or any project in Africa. See last time also we were -- JNK India was quite actively involved in the execution of the project. So I mean, first of all, we are not comprehending any issues at JNK Global. So though it is -- the matter is sub judice, we would not like to comment on that as of now. And also in case of any issues, JNK India itself is capable to execute any of these projects on our own as well. So that way, we don't see much of an issue.

Rupesh Tatiya: Okay. So then can we expect orders in Q2, Q3 for both refinery and the fertilizer?

Arvind Kamath: See, both refinery and fertilizer, the order finalization should happen in Q2, Q3. Yes, that's correct.

Rupesh Tatiya: Okay. Okay. So the second question, sir, I think in the presentation, there is one mistake. I think the operating expense for both standalone and consolidated issue on...

Arvind Kamath: Rupesh, I think we have already changed -- and I think the revised filing is going on. I think there was some kind of error in the standalone numbers.

Dipak Bharuka: Mainly profit after tax margins. Those numbers are more of arithmetic errors on the bottom few rows, and that is being corrected. And you will find -- by end of the day, you will find the revised filing there on the website.

Arvind Kamath: Regret the inconvenience. I mean it's...

Rupesh Tatiya: So the question...

Arvind Kamath: Standalone, yes.

Rupesh Tatiya: Sorry. So 2 questions on that part. One is what is the revenue we are expecting at JNK Chemdist this year? And what is the gross margin? It looks like a significantly higher gross margin than the rest of the business. That is one. And second question is, I think in one of the calls, you said that BPCL Bina order execution will happen in this year. So is BPCL Bina given the complexity of the project, higher gross margin project than current -- I mean, current whatever company average? And would we see significant 200, 300 basis point gross margin expansion through the year? These are the 2 questions.

Arvind Kamath: Yes. Basically, for JNK Chemdist, we are expecting the revenue anywhere about 10% to 15% of JNK India revenue in this financial year or next couple of years. And in terms of the gross margins, yes, we expect that they would also be in the similar line as around, say, 20% or so. And in terms of BPCL Bina, the execution would happen this year and next year, both the years uniformly. And overall, EBITDA would be in line with whatever we have guided for this year.

Moderator: The next question is from the line of Kamlesh Bagmar from Lotus Asset Managers.

Kamlesh Bagmar: Just one query or a question. What efforts we are taking with regard to qualifications or approvals so that episode which happened in the recently cancelled export order doesn't happen in the future?

Dipak Bharuka: See, as we explained, this is something not in our control, okay? This is our EPC, the company who has given us the order, they are supposed to take this approval, and we were also taken by surprise when this issue has been raised. We did our best. So subsequent to that, we had a meeting with the licensor.

Our team -- their team rather visited us and qualified us. We got the qualification letter. Only thing is they said that cannot be applied to something which is ongoing. So, for future projects, we have received the qualification from them. So, this is as far as this case is concerned, nothing could have been done by JNK as a company.

But going forward, yes, we will be more diligent and checking for this kind of approval because as Arvind said, this is very rarest of rare case rather in last 15 years, this is the first time we have gone through something like this. So -- but then not -- we can call it more of an accident than something which we can -- which we could have avoided. But yes, there are do's and don'ts which we are incorporating in our standard operating procedures going forward. So any such orders, we'll be testing through these parameters before we accept or before we go forward with the execution.

Kamlesh Bagmar: So now the licensor, which was FLSmidth, so now we are in the approved...

Dipak Bharuka: No, licensor was not FLSmidth.

Kamlesh Bagmar: Okay.

Dipak Bharuka: We cannot disclose the name of the licensor, but the one which you said is not correct.

Kamlesh Bagmar: Okay. And sir, secondly, like in the last con call, if I am correct, we were guiding roughly around 14% to 15% margin. So now we are saying 12% to 14%. Can you clarify on that? Because does it include the other income earlier was including other income or this time around 12% to 14% is without other income? So just a clarification on that point.

Dipak Bharuka: For our understanding, what we have announced was 12% to 14%. But for some reason, we are missing something, these numbers, we'll recheck them.

But there is no change from like what -- from the last 3 months or 6 months, nothing has changed on -- as far as our margin projection goes. It remains the same.

Kamlesh Bagmar: Okay. And mostly a bookkeeping question, sir, other income, which is like roughly around INR 6-odd crores. What are the constituents of that? One, I believe, is interest income on the fixed deposit -- because in earlier years, we had some reversal of ESOP cost as well. So can you bifurcate what was the part? Was it more of a natural other income or operating other income? Or how -- what was the classification, if you can highlight that?

Annie Varghese: Kamlesh, I can share these numbers with you eventually.

Moderator: The next question is from the line of Rupesh Tatiya: from Longequity Partners.

Rupesh Tatiya: One accounting question is what does contract assets and contract liabilities consists of because FY'26 annual report is not yet out. I was looking at FY'25 annual report and this contract asset and contract liability breakup is not there.

Annie Varghese: Yes. So again, Rupesh, again, I can provide this to you and then it will be a matter of time where the annual numbers or the annual report with the breakup of the schedules would be provided.

Rupesh Tatiya: No, no. So maybe the broader question to ask is, I think we changed accounting from output method.

Arvind Kamath: Yes. Basically from that perspective, to answer you, Rupesh, is that basically, it's whatever now we are going on the input method. So whatever the expenses we billed, so we -- kind of do the revenue recognition based on that. So that's how the contract assets and contract liabilities come into play basically.

Rupesh Tatiya: Sorry, the contract asset would be something that came to unbilled revenue, right?

Annie Varghese: Correct.

Arvind Kamath: Correct.

Rupesh Tatiya: So what is the unbilled revenue for Q1? That is one question. And then I don't understand the contract liabilities part. I mean contract liabilities number was also quite big in at least FY'25 annual report. So what consists of contract liabilities?

Arvind Kamath: Yes. See, unbilled revenue is around INR 200 crores as on end of Q1 basically.

Rupesh Tatiya: And what was the number for March?

Arvind Kamath: March was also around -- I'll check the exact number for March, but I think should be in the...

Annie Varghese: Rupesh, I can give you clarity on the numbers. This quarter is around INR 200 crores to INR 221 crores.

Rupesh Tatiya: Okay. So now just in unbilled revenue, we -- I mean, there is a change in the recognition of the revenue. It looks to me it's a bit early now compared to output method. So how does that change the working capital cycle? Because unbilled revenue is also receivable eventually.

Arvind Kamath: Yes, yes, it is, but it doesn't change the working capital cycle per se, Rupesh. Because all the payments from the customers goes in line with the payment schedule agreed with the customer. That does not change.

Rupesh Tatiya: So then, just to conclude, no significant debt raising, no significant fundraising, at least, let's say, next 4 to 6 quarters. That's a fair conclusion?

Arvind Kamath: Yes, debt raising, I mean, yes, absolutely. I think that's a fair conclusion. But from the contract receipt point of view, we might need a bank guarantee limit enhancement basically. To that extent, we might have to approach the banks for the new contract, in terms of the bank guarantee limits, non-fund-based limits, we might need to execute certain projects. depending on the project requirements and whether it is directly on us from India, from exports and depends on the milestones, etcetera.

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

Arvind Kamath: Thank you, everyone, for joining us today. We hope we've been able to address all your questions and provided 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.

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