JNK India Limited
(Formerly known as JNK India Private Limited)
CIN: L29268MH2010PLC204223
203 to 206, Centrum, Plot No. C-3, S.G. Barve Road, Wagle Estate,
Thane (W) – 400604, Maharashtra, INDIA Tel : 91-22-68858000
Email: admin@jnkindia.com Website: www.jnkindia.com

Date: August 18, 2025

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: Q1FY26 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 Q1FY26 Earnings Call held on Monday, August 11, 2025 at 11:00 AM.

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: 2025.08.18 16:31:07 +05'30'

Ashish Soni
Company Secretary and Compliance Officer

Encl: a/a

"JNK India Limited
Q1 FY '26 Earnings Conference Call"
August 11, 2025

MANAGEMENT: **MR. ARVIND KAMATH – CHAIRPERSON AND WHOLE-TIME DIRECTOR – JNK INDIA LIMITED**

MR. PRAVIN SATHE – CHIEF FINANCIAL OFFICER – JNK INDIA LIMITED

MS. ANNIE VARGHESE – SENIOR MANAGER, INVESTOR RELATIONS – JNK INDIA LIMITED

MODERATOR: **MR. AKSHIT GANGWAL – IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the JNK India Q1 FY26 Earnings Conference Call hosted by IIFL Capital Services 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 telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Akshit Gangwal from IIFL Capital Services Limited. Thank you, and over to you, sir.

Akshit Gangwal: Thank you, Shruti. Good morning, everyone. On behalf of IIFL Capital, I welcome everyone to JNK India's Q1 FY26 Earnings Call. We have with us today, Mr. Arvind Kamath, Chairperson and Whole-Time Director, Mr. Pravin Sathe, Chief Financial Officer and Ms. Annie Varghese, Senior Manager, Investor Relations.

Without further delay, I will now hand over the call to the management for their opening remarks, which will be followed by Q&A. Over to you, sir.

Arvind Kamath: Good morning, everyone. I'm Arvind Kamath, Chairperson and Whole-Time Director of JNK India. Thank you for joining us today for our Q1 FY26 Earnings Call. We appreciate your continued interest and engagement as we begin the new financial year.

The first quarter of FY26 was centered around project execution. Our teams remained focused on delivering ongoing assignments across domestic and international markets. While the quarter did not see any significant order inflows, operational activities remained steady with delivery efforts aligned to client milestones.

Total revenue for the quarter stood at INR 1,030 million, reflecting a year-on-year growth of 13.5%. As of June 30, 2025, the company's order book stood at INR 9,828 million, comprising 79.4% from heating systems, 12.8% from process plants and 7.8% from flares, incinerators and other renewables.

Domestic orders accounts for 90.9% of the total order book, ensuring strong revenue visibility going forward. India's refining and petrochemical industry continues to report stable growth, supported by strong domestic demand and expanding infrastructure.

At the same time, the country's transition towards renewable energy and green hydrogen is accelerating, creating new opportunities for engineering and technology-led solutions in the energy and industrial sectors as well.

Aligned with these developments, the company has entered into a joint venture agreement post the quarter with Mr. Sunil Dhole and Mr. Tushar Wagh, founders of Chemdist Group to develop green hydrogen and other sustainable fuel technologies and also critical engineered equipment in chemical and pharma industry.

JNK India will hold a 51% equity stake in the newly formed entity. This initiative enhances our entry into the emerging green hydrogen segment and also chemical segment, enabling JNK India to expand its offering beyond conventional combustion equipment and into clean energy process infrastructure.

This JV will also provide access to international expertise, support technology, co-development and create potential for participating in upcoming green hydrogen projects in India and overseas. Looking ahead, we remain focused on delivering our existing order book with discipline and technical precision.

Our integrated capabilities across fire heaters, cracking furnaces, incinerators, flares and process plants enable us to serve the evolving needs of refining, petrochemical, fertilizer and clean energy sectors.

Backed by strong engineering depth and modular manufacturing at Mundra, JNK India is well placed to support complex energy infrastructure needs, both in India and select global markets. I would also like to highlight that in the existing execution of Reliance project at Nagothane, Bechtel has given us a special mention of safety for JNK India team.

With this, I would like now to invite our CFO, Mr. Pravin Sathe, to take you through the financial performance for the quarter. Thank you.

Pravin Sathe: Good morning, everyone, and thank you, Mr. Kamath. I'm Pravin Sathe, CFO of JNK India. I will now present the financial performance for Q1 FY26. For the quarter ended June 30, 2025, the company recorded a total revenue of INR

1,030 million, reflecting a year-on-year growth of 13.5%. Operating profit for the quarter was INR 242 million with an operating margin of 23.5%.

The EBITDA stood at INR 72 million, translating to a margin of 7% compared to 13.4% in quarter Q1 FY25. And 13.8% in quarter Q4 FY25. Profit before tax stood at INR 20 million with a margin of around 2%, while profit after tax was INR 11 million, representing a margin of 1.1%. The margin compression during the quarter was primarily due to the legacy projects under execution, which impacted the overall profitability.

As mentioned in our earlier conversations, we have now transitioned our revenue recognition model to suit the evolving company from a fire heater company to the present day structure. Earlier, we followed the practice of output method and we adopted the input method in H2 of FY25. Hence, the projects awarded in FY25 were based on the new revenue recognition model.

In quarter Q1 FY26, the substantial revenue came in from earlier projects and the balance from the new ones. Similarly, the cost incurred for the earlier projects formed majority of the quarter's operating expenses, whereas the remaining cost attributed to the new projects. This highlights that there are no concerns in the operations and profitability as such, but it's a temporary pain due to some former projects which continue to incur higher costs.

Additionally, certain projects under execution continue to face delays, which have added to the cost. The impact of higher costs related to the earlier projects is likely to continue in Q2 FY26 as well. On the employee cost front, the employee cost net of ESOP expenses in Q1 FY25 as compared to the employee cost in Q1 FY26, there is an increase of 15.5% year-on-year.

We continue to focus on the disciplined execution, cost control and alignment of internal systems to support the timely delivery. The company remains committed to improving operating margins through the better project planning, engineering productivity and the scale benefits across our ongoing order pipeline.

Thank you for your attention, and we now welcome your questions.

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

Kamlesh: Sir, I had multiple questions. So firstly, on the revenue guidance and on the EBITDA margin guidance. So in last quarter, we had given a guidance of 40% to 50% revenue growth and margins of roughly around 12% to 13%. So are we sticking with that or has there been any change over there?

Pravin Sathe: The guidance for the yearly growth of revenue and the EBITDA margin remains the same. What you have mentioned, we still stick to that.

Kamlesh: Okay. And sir, any update on the orders like some order from this one, Oman Refinery and Bharat Oman Refinery, erstwhile Bharat Oman Refinery, which is now BPCL-owned. So any order update on that particular side or from Reliance or any other project?

Arvind Kamath: Yes, Kamlesh, I mean, okay, regarding the order finalization, in the quarter 1, there was one large finalization, which unfortunately didn't come in our way. And in quarter 2, there are 2 finalizations are expected any time, including the one which you mentioned, that is BPCL Bina and there's one more as well. So we are just waiting for the order finalization any time. So, these 2 orders are to be expected to be finalized any time now.

Kamlesh: Can you broadly guide us how much would be the size of that ballpark, not exact figures?

Arvind Kamath: See, both the finalization will be actually bid by the JNK Global from Korea based on the criteria in terms of the bid qualification criteria was involved. So, these 2 projects roughly could be anywhere between INR 2,000 crores to INR 3,000 crores.

Kamlesh: Great. Great. And sir, lastly, when we came out with the IPO, like your margins and revenue were like, say, in the boom state. And now if we see this legacy thing, so for a size of INR 1,000 crores order book, how can we have such legacy order book?

Because it's surprising that a margin from a level of 15%, 20% dips down to as low as 10%. So for a shareholder, so how can we guard or protect the shareholders from such a high volatility and when we have such a high precision in the technology and we have such a big upper hand over the technology? So how can these things happen of legacy order book where our margins like they go from double digit to single digit as low as 4%, 5%?

Pravin Sathe: Yes, Kamlesh. As we said earlier that this legacy order book is likely to get over by the Q2 of FY '26. And we have explained earlier also that due to the output method of revenue recognition we were following, the margins quarter-on-quarter were not stable because it is based on the milestones and certain milestones have a high profit margins and certain have a lower profit margins attributable to the project life cycle.

So in order to iron out these variations, we already adopted the input or cost-based method for the projects that were awarded to us in FY '25. So going forward, you will see the impact on Q3 and Q4 revenues that majority of the revenue would come from these new projects and there will not be any volatility as such on the profit margin side.

Kamlesh: And going forward, all the orders which we are winning, so there 12%, 13% margins is we are factoring in there?

Pravin Sathe: Yes.

Moderator: The next question is from the line of Jainam Doshi from Kriis PMS.

Jainam Doshi: So just wanted to understand like what would be the execution time line of the current order book which we have? And what are the sustainable EBITDA margins we are targeting post the completion of the legacy orders which we have?

Pravin Sathe: The current order book would get executed up to quarter 1 of next financial year, that is Q1 of '27. And the EBITDA margin guidance that we had given of somewhere between 13% to 15%, that we can consider once these legacy projects are over.

Jainam Doshi: Okay. And sir, in the previous concall, you had mentioned that there will be some kind of a spillover effect from Q4 into the Q1 of this year. So if you can quantify the amount of that spillover in the current quarter, which we have executed?

Pravin Sathe: You mean the spillover from the old projects?

Jainam Doshi: Yes, spillover from the Q4 of the earlier years.

Pravin Sathe: Yes. The spillover from the earlier Q4 is the major portion in this Q1. And that is the reason the margin has also been impacted.

Jainam Doshi: So if you could quantify?

Pravin Sathe: We can get back to you one-on-one for this.

Moderator: The next question is from the line of Paresh Raja from IMAP India.

Paresh Raja: So you mentioned about forming a JV with 2 individuals for hydrogen and other technologies. Could you throw some more light in terms of what is the expected date of commercial production?

And what is the additional capex which is required? And what is the likely revenue in the first year? And what is likely -- what would be the peak revenue and what is the profitability in this JV?

Arvind Kamath: Yes, Paresh, we have entered into the JV agreement about 2 weeks back. We have signed a JV agreement with Mr. Sunil Dhole and Mr. Tushar Wagh. They were the founders of Chemdist Group. And Chemdist Group is already into engineering and manufacturing of critical equipments like reactors, distillation columns, scrubbers, et cetera, for the chemical and pharma industry.

And they're also developing green hydrogen technologies and also other sustainable fuel technologies. So we, as JNK see a large opportunity if we can support them and grow in a bigger way. And that's the basic essence of this JV.

And in terms of the financial, what you asked, we would be supporting them in terms of the working capital mainly. So, the extent of working capital support could be about INR 50 crores or so in the first year. And initial equity is about INR 51 lakhs and also the initial investment is about INR 10 crores in the company.

Pravin Sathe: By way of preference capital.

Arvind Kamath: Yes. This is by way of preference capital. And in terms of the revenues, they already have certain order book, which will be started in JV from this year itself. So, in this financial year itself, we would see a certain amount of revenue which could be about, say, around 8% to 10% of JNK India's revenue.

So going forward, in 2 to 3 years' time, we look forward to a revenue growth in the new company, the new JV business, which is about 10% to 15% of JNK India's revenue. And maybe up to 5 years, we can look at something like 15% to 25% of JNK India's revenue in the new JV business, which is focused mainly on the specialized chemical equipment and the special technologies of green hydrogen and other technologies. And they also export to countries like Saudi and other Middle East countries as well.

Paresh Raja: Okay. And what is the likely profitability from the projects that we'll do?

Arvind Kamath: The likely profitability of EBITDA could be anywhere between 10% to 12%.

Paresh Raja: Okay. My second question is pertaining to the orders which get routed through JNK Korea. You mentioned that there's an order finalization, which is likely to happen to the tune of maybe INR 2,000 crores, INR 3,000 crores. So would this be completely to JNK India? Or is it into multiple parts and we may get part of the order?

Arvind Kamath: There is, I mean, yes, just considering the size of the projects, the large size of the projects, which is there. So it could be one job which is there, which is a smaller one, that will be on a complete back-to-back basis.

But the other larger job, which is under finalization, that would be on a part basis depending on the situation and depending on the process. Though we will be actively and majorly involved in the execution, JNK India will be doing a lot of things as well.

Paresh Raja: Okay. Can we expect the order finalization in the month of August?

Arvind Kamath: That would be a bit difficult to say, but we are quite confident that at least out of the 2 jobs, one job will get finalized in this quarter at least.

Moderator: The next question is from the line of Jainam Doshi from Kriis PMS.

Jainam Doshi: One question which I had is like as we might get some part of the bigger order and one of the smaller orders. So do we have the bandwidth in terms of the execution and also the existing capex is sufficient or we would require any further capex for it, if you could allude it?

Pravin Sathe: Yes. About the bandwidth, Mr. Kamath will enlighten. But so far as capex is concerned, I would like to inform you that there would not be any additional capex required.

Arvind Kamath: Yes. Just on the bandwidth, okay, depending on obviously the size of the project, there could be only bandwidth, what we would require more would be the people and certain softwares. And we are gearing up to that. And I think we will be able to handle it as it comes. It should not be an issue for us.

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

Kamlesh: Sir, regarding the order book, like we had highlighted that it would be INR 2,000 crores to INR 3,000 crores. So would it be our share, JNK India share or you are talking about the group share?

Arvind Kamath: Yes, Kamlesh, the INR 2,000 crores to INR 3,000 crores order finalization is on JNK Global. And our share, we will have to derive exactly depending on which project and what will be our exact activities for that particular project.

Kamlesh: But sir, usually on the past experience basis, how much share we used to get from the JNK Global?

Arvind Kamath: If the project is not in Korea, then it is 100%. But if the project is large and if it also involves a lot of BGs or the LCs and the foreign components, then it can range anywhere about 30% to 70%.

Kamlesh: But since it's an Indian project only, domestic project, so can we say that it would be around 90%, 100%?

Arvind Kamath: No, no. That way, it would be difficult to say, Kamlesh, because it also involves a lot of foreign components and certain things. And because of the size of the opportunities which are there, so it would not be to that extent.

Kamlesh: And sir, beyond this, how are we seeing the pipeline of orders going forward beyond these orders?

Arvind Kamath: So beyond these 2 finalization in this quarter, there is 2 more finalization lined up in the next quarter. So generally, pipeline, as we said in the previous call as well, is quite healthy. There are projects lined up in India and in the exports as well.

Kamlesh: Okay. So where do we see this pipeline of INR 950-odd crores order book to go up to, like, say, by the year-end?

Arvind Kamath: It's difficult to guide the exact number in terms of the order book, but there is an order finalization expected in this financial year, which is about, say, INR 3,000 crores or so. And out of that, now how much share we will get is what we'll have to see.

But what we have seen in last couple of years is we've been able to have a healthy order inflow and healthy order backlog as we are going, with the visibility of around 1.5 years to 2 years kind of a revenue. So we're quite confident that we should be able to achieve it in this year as well.

Kamlesh: And sir, lastly, with the given capacities which we have, so how much maximum revenue we can do?

Pravin Sathe: Capacities in the terms of -- Kamlesh, can you elaborate that?

Kamlesh: Like say, the working capital which we have and the 5,000 tons of capacity which we had highlighted in our presentation or the space which we have available, how much maximum or optimization of revenue we can do on a yearly basis?

Pravin Sathe: See, Kamlesh, current working capital facilities can be enhanced if we get the orders. So we can't say that, there is no staticness in that. So capacity as such is a flexible term.

Moderator: The next question is from the line of Mr. Akshit Gangwal from IIFL Capital.

Akshit Gangwal: Just wanted to check on the status of the 2 big projects, Reliance and HPCL. Are we on track? Last time, I think you had mentioned Q3, Q4 of this year. So are we on track with those projects?

Arvind Kamath: Yes, the project execution is going on in full swing and both the sites at HPCL and Reliance, we've deployed the necessary manpower at site to ensure that the things go on track and go on time. So definitely, would be delivering the revenues in terms of Q3, Q4. And worst case in the Q1 of next financial year, we'll be able to complete both the projects, yes.

Akshit Gangwal: Understood. And since these projects make up most of your order book, so I would assume that, and the newer ones as well. So these are the ones that will give you the margin jump going from Q3 onwards as well, right?

Arvind Kamath: I mean, yes, basically, we have changed the accounting methodology to ensure that we don't have that kind of EBITDA variation or EBITDA depending on the outputs or the deliverables so that we would see basically a constant EBITDA from Q3 onwards.

Akshit Gangwal: Right. But to achieve this, since the margins for Q1 were quite low and similarly for Q2 also, from what I gathered from earlier comments is that Q2 will also see some pain. But from Q3 onwards, we will need some jump in margins, right, to get to the 13%, 14% guided range?

Arvind Kamath: Yes, yes, yes. That's correct, Akshit. And also because of the revenues also would be larger. So that will also have a compensating effect because Q1, generally, the revenues are much lower.

Akshit Gangwal: Right. Understood. Understood. And sir, just the jump in the employee costs net of ESOP that you mentioned about 15.5%. So Q4 was a big drop. The reasons mentioned were change in employee remuneration plans, bonuses and all of those reasons. So why the jump again this quarter?

Arvind Kamath: So basically, the increment is given in the first quarter of the financial year. So that indicates the jump. And also, we have added more manpower in terms of the execution and also to gear up to the new pipeline.

So these are the 2 major reasons. And what you mentioned about the last quarter of the last financial year, it's because we didn't give incentives for the previous year, considering the overall performance.

Akshit Gangwal: Understood. So, going forward, net of these incentives now since Q1 is done with the incentives and no more ESOPs as well, what can be the expected employee cost range that we can consider?

Pravin Sathe: See, we can't predict the range as such right now because as Mr. Kamath said, these 2 big projects are getting finalized in this quarter. So we may have to hire certain critical personnel depending on the requirement. But we can say that the employee cost will be optimally managed. And as per the industry standards, the percentage will be within the limits.

Akshit Gangwal: Understood. Sure. And just one final question on the order pipeline again. So, you mentioned about INR 3,000 crores of order finalizations expected in FY '26. And since our current order book should get exhausted by Q1 FY '27, so what is the expected conversion ratio that you're looking at out of the INR 3,000 crores?

I understand you mentioned 1.5x, 2x of revenues. But still, I mean, going forward, if we have to build in our numbers based on what the order book could look like, what the execution cycle will be because the current order book getting executed by Q1 FY '27, then beyond that, given the project execution cycles, everything, how should we build our estimates, what could be basis no orders in the current quarter as well. So going forward are the ones that we'll see the newer ones coming in, right?

Arvind Kamath: Yes, Akshit, see, historically, our hit rate has been about 25% of whatever has been finalized. And just as I said, in the Q1, there was already one large finalization, which we have lost. So, the balance hit rate, I mean, like we expect better hit rate in comparison with that because we have already lost one job in the Q1.

And in terms of the execution, yes, I mean, Q1, but some of the commissioning and et cetera, could also spill to Q2 of next year. So that's why we are confident that we'll have enough order backlog by the end of this year.

Moderator: The next question is from the line of Paresh from IMAP India.

Paresh: Mr. Kamath, who would be the competitor companies who participate in this BPCL bid and also in the Reliance and HPCL bid?

Arvind Kamath: HPCL was Thermax and Reliance was Technip. And in BPCL Bina, it is Larsen & Toubro. So practically there was only one competitor in all these 3 bids.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Akshit Gangwal for his closing comments. Over to you, sir.

Akshit Gangwal: Thank you, Shruti. On behalf of IIFL Capital, that concludes the conference. I would like to thank the management for their time and giving us the opportunity to host the call. Thank you, everyone, for joining us, and you may now disconnect your lines.

Moderator: Thank you.

Arvind Kamath: Okay. Thank you, Akshit. Thank you, everyone.

Pravin Sathe: Thank you, everyone.

Moderator: Thank you. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.

2. Figures have been rounded off for convenience and ease of reference.