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Date: November 21, 2024

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: Q2FY25 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 Q2FY25 Earnings Call held on Monday, November 18, 2024, 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: 2024.11.21 19:12:43 +05'30'

Ashish Soni
Company Secretary and Compliance Officer

Encl: a/a

"JNK India Limited

Q2 FY25 Earnings Conference Call"

November 18, 2024

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

MR. PRAVIN SATHE – CHIEF FINANCIAL OFFICER

MS. ANNIE VARGHESE – SENIOR MANAGER, INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day and welcome to JNK India Q2 FY25 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you and over to you, sir.

Mohit Kumar: Thank you, Siddhant. On behalf of ICICI Securities, I welcome everyone to JNK India Q2 FY25 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: Thank you, Mohit. This is Arvind Kamath here. Good afternoon, everyone, and thank you for joining us for JNK India's Q2 and H1 FY25 Earnings Call today. We appreciate your continued confidence and interest in our company as we progress on our growth journey. The first half of FY25 has been a period of diversification and strategic milestones for JNK India, demonstrating the resilience of our business model and our ability to adapt to a dynamic environment.

From a financial perspective, we delivered total revenue of INR1,981 million in H1 FY25, which is a year-on-year growth of 47%. Our order book remains strong at INR13,116 million, which is an all-time high with an inflow of INR8,782 million during the first half. This performance reaffirms our ability to execute and scale operations efficiently while maintaining trusted relationships in critical sectors such as oil and gas, petrochemicals and refining. The first half of FY25 has been marked by numerous significant milestones for us, including the introduction of and receipt of orders for new product lines, the transition from a private to a publicly listed company, and the establishment of a strong presence in the heating equipment sector.

During H1 FY25, we secured several major orders, both domestically and internationally. In Q1 FY25, we succeeded in securing cracking furnaces and incinerators. In Q2 FY25, we achieved a key milestone by securing our first order for a fired heater for the United States, thereby establishing a foothold in the U.S. market. This is the first order for JNK India and as well as JNK Korea for the U.S. market. Additionally, we won our first order for an HP TDAE process plant unit from HPCL for their Mumbai refinery. So this is also our first order for a process plant for us. And we also received a flare package for Adani Mundra Petrochem Limited's green PVC project in Mundra, Gujarat. This underscores our ongoing commitment to providing sustainable solutions. To sustain this momentum, we continue to diversify and innovate.

Our expanded portfolio, including renewable energy solutions like solar, EPC, and hydrogen production infrastructure aligns with the growing emphasis on sustainability and clean energy. With our world-class manufacturing facility in Mundra, Gujarat, our strategic collaborations with JNK Global, we are well prepared to capitalize on emerging opportunities and navigate the complexities of the evolving market landscape. Looking ahead, we are focused on delivering sustainable growth by executing our strong order book, enhancing operational efficiencies, and strengthening our market presence.

I am confident that with continued support of our stakeholders, we will build on this momentum and achieve new milestones. In conclusion, H1 FY25 has been a period of growth, diversification, and strategic progress for JNK India. We look forward to continuing this trajectory and delivering consistent value to our stakeholders. Thank you for your time. I will now hand it over to our CFO, Mr. Pravin Sathe, for a financial overview. Thank you.

Pravin Sathe: Thank you, Mr. Kamath. Good afternoon, everyone. This is Pravin Sathe, CFO of JNK India Ltd. I am pleased to present the financial performance of JNK India for Q2 and H1 FY25. In Q2 FY25, the company achieved a revenue of INR1,074 million, marking an 11% increase year-on-year. Our operating profit for the quarter amounted to INR337 million, reflecting a margin of 31.4%. Profit after tax for Q2 FY25 increased by 21.5% quarter-on-quarter to INR77 million, with EPS at INR1.42.

Our order book, a key indicator of our future revenue potential, is valued at INR13,116 million as of September 30, 2024. With INR1,694 million in new orders secured during Q2 FY25. For H1 FY25, the performance is equally commendable. The total revenue increased by 47% year-on-year, reaching to INR1,981 million. Operating profit for the first half was INR690 million, with a strong margin of 34.8%. The profit after tax for H1 FY25 was INR141 million, with a margin of 7.1%. Our revenue mix continues to be dominated by the heating equipment, which contributed 83% of our order book. Geographically, 91% of our orders were domestic, while 9% came from the international markets. End-user industries such as petrochemicals and refining remain our key contributors, accounting for 63% and 28% of the order book, respectively.

While our growth trajectory has been strong, our EBITDA margin for H1 FY25 decreased to 13.9%, mainly due to the increased operational costs as we scale up. These are the investments which are essential to support our growth. Looking ahead, our diversified portfolio and strategic emphasis on the sustainable energy solutions, we are well positioned to leverage emerging opportunities and deliver consistent value to our stakeholders.

In closing, I would like to thank you all for your time and attention today. We appreciate your continued support and interest in JNK India. We now welcome any questions as you may have and look forward to engaging with you further on our performance and strategy. Thank you.

Moderator: Ladies and gentlemen, we'll wait for a moment while the question queue assembles. The first question is from the line of Sagar Gandhi from Invesco Mutual Fund. Please go ahead.

Sagar Gandhi: Sir, my question pertains to the CFO, this first half. We've seen deterioration from approximately 10 crores in March'24 to negative 63 crores during H1 of FY25. So, can you throw some light on what I understand, it is predominantly due to increasing receivables and increasing payables. If you can explain this.

Pravin Sathe: Sagar, can you repeat later part of your question because I didn't get your voice.

Sagar Gandhi: Okay. So, my question is, sir, net cash from operating activities in H1 FY25, as per the press release, is at negative 63 crores versus positive 10 crores in March of 24. So, what I can understand is there has been some deterioration in working capital. Trade payables have gone up and trade receivables have gone up. So, if you can please highlight why this deterioration in working capital cycle has happened.

Pravin Sathe: Yes. So, typically for this H1, if you see, the major receivables are of the PSUs. And therefore, the receivable period has slightly gone up. And so far as the payables are concerned, they are in proportion to the increasing scale of operations. So, since the operations have gone up, the purchase, if you see, there is increase in direct cost. The purchases figure has gone up from the last H1, if you compare. Therefore, the payables have also gone up in that proportion.

Sagar Gandhi: So, sir, will this be because we are expecting superlative top-line growth for subsequent years. So, do you think this is the new working capital cycle?

Pravin Sathe: So, this will not be the working capital cycle going forward. Typically, in our case, what happens is in the initial stages of the project, the working capital cycle is a bit on the lower side. And in the middle stages, it typically increases. And towards the end also, when the service portion or the installation and commissioning happens, the payables portion reduces and the receivable portion increases. So, there are new projects coming in H1, when they will start generating the revenue, this working capital cycle will again come to the normal cycle that we have been projecting. So, this revenue consists of mainly those projects which are at the fag end. And therefore, you are witnessing such a working capital cycle in this H1 FY25.

Sagar Gandhi: Sure. Thank you for the clarification. The next question is, sir, does Q2 also contain one-time ESOP costs like it was in Q1? You reported INR5.5 crores of ESOP costs. Does Q2 also have that and what is that number?

Pravin Sathe: There were 5.5 crores ESOP costs in Q1. And now, since the closing share prices were lower as compared to the Q1 closing prices, the ESOP reserve has come down to INR4.45 crores.

Sagar Gandhi: Okay. And sir, as you highlighted last time, FY25 will see this ESOP cost. But from FY26 onwards, there will be no provision in this regard. Is that understanding correct or wrong?

Pravin Sathe: Yes. Based on the current ESOPs that have been given, the last option would be exercised in March'25. So, there will not be any ESOPs under the current scheme for FY 26.

Sagar Gandhi: Okay. Thank you so much, sir. That is it from my side.

Moderator: Thank you. Our next question is from Abhinav from ICICI Securities. Please go ahead.

Abhinav: Hi, sir. Thank you for the opportunity. So, my first question was that Saudi Arabia's petrochemical capacity is expected to double in the next five years from approximately 75 million tonnes to more than 140 million tonnes per year. So, how do you think about the market and our capability to cater to this market?

Arvind Kamath: Yes, hi. I mean, yes, thank you. So, basically, it's a very relevant question because we have a very credible offering as cracking furnace for petrochemicals and also fired heaters and flares. But as I told in the opening remarks, basically, we received, JNK India received the first cracking furnace order for the Reliance Petrochemical Expansion for their Dahej and Nagothane plant. So, this helps us in terms of, getting directly accessible and also having references for the cracking furnace in JNK India as well.

JNK Global, as such, has supplied many cracking furnaces in Korea and other parts of the world. So, all these petrochemical complexes, we see a huge opportunity in the next five years. So, for example, the petrochemical projects which are already kind of going ahead are at BPCL Bina and IOCL Paradip, which have already started licensing and working on. And we are already in touch with them to ensure that we also are in the bidding stage for these projects.

Abhinav: Understood. So, my next question is regarding CPCL's Nagapattinam plant. When can we expect this tender to come up?

Arvind Kamath: This project, as you may be aware, was under hold for the last one, one and a half years. We had also bidded some significant fire-heaters opportunities for this project. But now there is some traction, and I think as IOCL board is likely to give a clearance, we hope and expect that this should also get a clearance in the next couple of months. But they might have to refloat all the tenders because the tenders have been quite old since earlier.

Abhinav: And so, my last question is, can you give guidance for the margins for the full fiscal year, considering that the EBITDA margins on a quarterly basis have been volatile to some extent? So, for the full fiscal year, what can we expect in terms of the margins?

Pravin Sathe: See, so far as the guidance for the margin is concerned, we have been striving hard to keep it as near as 18%. But the cost of operations has increased due to the increase in scale and due to the ESOP reserves also, the margin has got affected in the last two quarters. But now the revenue from the new work orders that we have received in Q1 and Q2 will start coming in from Q3 and Q4. So, we anticipate it to get better as we go on in Q3 and Q4.

Abhinav: Understood. Thank you and all the best. Thank you.

Moderator: Thank you. Our next question is from the line of Gaurav Uttrani from IIFL. Please go ahead.

Gaurav Uttrani: Hi, sir. Thank you for the opportunity. Sir, my first question is on the order which you mentioned in the initial remarks for the first order which JNK India and JNK Korea received from the US. So, could you just highlight like what is the opportunity which we are seeing in the US market and what is this all order about? And similarly for that in terms of how we are seeing the margins of these orders and execution timeline for the same?

Arvind Kamath: This is for basically a small refinery expansion called CVR Energy. The order is through the KBR. KBR is one of the globally renowned and largest licensor in the US.

So, the significance is that though this is a small order for us, as I mentioned this is the first order for JNK, not only for India, for JNK Korea as well for the US market. So, basically getting accepted in US itself is a very significant milestone for us because generally US market has been taking this critical equipment either from US or from Europe mainly till date. So, I will say this is one of the first opportunity wherein a Korean or an Indian company has got to supply this fired heater to them.

So, that's the significance of that. So, this delivery period for this order is about 15 months because this is a comparatively small fired heater. It's only a supply part of the job and the margin is as a normal export order margin for this job as well. We have received one more enquiry from KBR now for the US market. One more opportunity has come up. So, that's the basic advantage. Once we get approved and we supply, the other opportunities also open up. Okay.

Gaurav Uttrani: So, we expect similar sort of orders in the coming orders because see the change in government, they will be promoting more production and manufacturing in the US country itself rather than procuring from countries like India. So, we expect similar sort of trajectory to continue post the approval is what you are trying to say.

Arvind Kamath: I mean basically see what happens even in US, there are many projects which are coming up, could be like Sustainable Aviation Fuel opportunities or allied petrochemical opportunities which are coming up, even including the green ammonia or ammonia synthesis loop which we are also in talks actively with KBR. So, these opportunities will give us the new opening opportunities for the US market as well.

Gaurav Uttrani: Okay, sir. And secondly on the inflows, in the last quarter also you mentioned about one of the big orders which we are expecting from the Russian markets for the fertilizer industry and that time was really big. So, are we still L1 in that and when can we expect that order to materialize? Will it be in FY25 or will it shift to say for FY26?

Arvind Kamath: Yes, we did mention that the opportunity of the Russia is still alive for the fertilizer but even in the last quarter we mentioned that the finalization is expected in the third quarter or fourth quarter of FY25. So, it's in that schedule only even now.

Gaurav Uttrani: Okay, and sir what would be the quantum of the same?

Arvind Kamath: I mean in Russia the total opportunities what we have is almost like 2,000 crores in the big pipeline what we have.

Gaurav Uttrani: Okay, so is it going to come in a one go or it will be like broken up in parts?

Arvind Kamath: There are about 3-4 opportunities. One is a large opportunity; the other one is comparatively smaller opportunity.

Gaurav Uttrani: And lastly on the margins which you mentioned that sort of cost of operation has increased for us and we are seeing a bit of decline in margin. So, when we calculate our margin what you have mentioned in that presentation it also includes the other income. But if you have to remove that, that margin would be less in the range of 10%-11% is what we have gained or say cropped in H1 FY25 for them. So, average ask rate for the second half would be somewhere in the range of 18%-19% for both the quarters what we have seen. So, 17%-18% of margin is still doable for the second half, or we can expect a decline of say for 200-300 bps from what you have guided earlier.

Pravin Sathe: As I said before, when the projects are at the closing stages the margin profile is bit on the lower side. So, lot of projects in the current order book are towards the closing stages, that is why it is reflecting on the margin like this. But in Q3 and Q4 as I said earlier the revenue from new projects will also start pitching in. So, the margin profile would get better even after you remove the other income it would get better.

Gaurav Uttrani: Okay, so sir when you guide for the margins you exclude that other income, right? 18% when you say for that, or you include that other income as a part of margins.

Arvind Kamath: Yes, that's right but the thing is the guidance of 18% and the history of 18% of turnover for last 3-4 years there was no ESOP reserve to the extent that is there now. So, we have to factor out that ESOP reserve also. So, if you add that back then the margin still works out to be somewhere near what we have been anticipating.

Gaurav Uttrani: Okay, and sir last question on the revenue front. So, generally you mentioned like we execute one third of our orders in the first half and remaining in the second half. So, the earlier what we are expecting that revenue of say for 680-700 crores. So, I think that can be achievable in the second half as we have done only 28% in first half for that revenue.

Pravin Sathe: See, last year FY24 we did about INR133 crores in H1 and still we managed to do 480 at the end of the financial year. So, going by the history we are hopeful to complete the opening order book in this current financial year which was around INR621 crores. That is what we are aiming at and definitely some part of the newer projects will also culminate into the revenue. So, we are still hopeful of achieving the targets.

Gaurav Uttrani: Okay sir, that's all from my side. Thank you for answering.

Moderator: Thank you. Our next question is from line of Hardik Doshi from White Whale Partners. Please go ahead.

Hardik Doshi: Hi. Thanks for taking my question. So, again just continuing on the margin volatility, I just wanted to kind of get some perspective. Are the margin profiles different for different end markets? Like for example, I think steel was a larger part of our revenues in this quarter. So, is generally the project in steel lower than that of refining or petrochemicals?

Pravin Sathe: So, typically it depends on what kind of project that is because if we are entering into a new market or new segment, then the pricing would be a bit aggressive, and the margin would be a little on the lower side. But if we are well established in that market, for example, in the heating equipment for the oil and gas, we are quite established. Steel, this has been our first project in the steel sector. So, definitely we can't have very high margins when we enter a particular new sector.

Arvind Kamath: Also, on what stage of the project the execution period is. So, the margin profile could be varied. At the beginning of the project, it's slightly comparatively better. But in the middle-stage, I mean later stage of the project, it gets a bit tapered down when the actual expenses at the site and all the complete supplies take place. And at the end, it could get slightly better again.

Hardik Doshi: In the end, it would get slightly better again?

Arvind Kamath: Yes, because there will be the revenues against the commissioning or against the final installation and things like that.

Hardik Doshi: And just a clarification, you mentioned last quarter the ESOP expenses were 5 odd crores and now that has fallen to 4 crores this quarter. Is that correct?

Pravin Sathe: Yes, because there has been a fall in the sales price of shares.

Hardik Doshi: Yes. Okay, now just clarifying. And so overall, I mean even if I look at first half, right, I understand the ESOP costs and I take those also out. You know, the margins are still substantially lower. You mentioned that there was expenses because of scaling up. Usually, when top line is strong, you get economies of scale. So, can you explain, what are these expenses as you scale up?

Pravin Sathe: Yes, I explained in my earlier answers that major revenue has come in this half year from the projects that are towards the end. They are in the stage of say 70% or 75% completion. So, as Mr. Kamath just said, when they are in the middle stages, when you cross the first half of the project, the margin profile is little bit on the lower side. So, lot of projects that are contributing to the revenue are at the similar stage. So, this is affecting the margin profile in this first half. But in the second half, when the new projects will start pitching in the revenue, there the margin profile will be a bit on the higher side. So, that will compensate.

Hardik Doshi: Got it, got it. So, this is nothing to do with like corporate expenses and, like this general opex overhead, right? This is more to do with the time period

Pravin Sathe: If you see, there is no much increase in the other operational expenses apart from the employee benefit expenses as compared to the H1 in the last year. Because the number of employees has grown in this year.

Hardik Doshi: Got it. Okay, thank you so much.

Moderator: Thank you. Our next question is from the line of Mohit Jain from Kriss PMS.

Mohit Jain: My first question would be, have we started this Dahej plant order that we received from Reliance regarding Gas Crackers?

Arvind Kamath: We have started the work, but we have not billed any revenue till date. We have only received the advance payment. And first revenue would be billed somewhat in quarter 3 little bit. And comparatively, but I would say more significant revenue will be booked in quarter 4 to start with in this year. But actually, the majority of the revenue will be billed in the next financial year.

Mohit Jain: Okay, sir. Thank you. And my next question is, have we started any revenue from CBG segment, compressed biogas, this quarter?

Arvind Kamath: Yes, regarding compressed biogas, we have not started any revenue till date. However, we are in the advanced stage of discussion with a couple of customers regarding the finalization of the order.

Mohit Jain: Okay, sir. Thank you for taking my question.

Moderator: Thank you. Our next question is from line of Nidhi Shah from ICICI securities. Please go ahead.

Nidhi Shah: Thank you so much for taking my question. My first question is on the Bina refinery. You mentioned last quarter that they are in the process of opening for orders. So, when can we expect these orders to close for Bina refinery?

Arvind Kamath: Yes, the Bina refinery, the enquiries have just started getting issued. Like first compressor order enquiry has been issued in the last quarter. And for furnace, the enquiries are expected in this quarter. Generally, these are long lead items. So, the order closing would generally take about six months after the issue of the enquiry.

Nidhi Shah: All right. And my second question would be on the margins. As you can see this quarter, the gross margins have declined a bit from last quarter. But at the same time, our employee expenses have fallen, giving us a better EBITDA margin. So, I just want to understand, is there a strategic shift in the way we are managing our operating costs or is it just something that has happened this quarter?

Arvind Kamath: It's mainly happened in this quarter because of the execution of the projects which are at the various stages. So, basically, maybe as you know, we didn't get any significant orders in the last year. So, most of the orders which are getting executed in this quarter were at the stage of, say, 60% to 75%, and that kind of a trajectory. So, that's the reason the operating costs have been comparatively higher.

Nidhi Shah: All right. Thank you so much.

Moderator: Thank you. Our next question is from Raj Vyas from TM Investment Technologies. Please go ahead.

Raj Vyas: Hi. Thanks for the opportunity. So, I just wanted to know the order wins which you have mentioned. One is the JNK Global order win which is first and the HPCL order win that you have won. So, what is the timeline for the completion of the order and the revenue potential for the company?

Arvind Kamath: HPCL timeline is about 18 months to 22 months. That's the period in which we are supposed to complete the HPCL project.

Raj Vyas: And for this JNK Global from the USA's alkalization generation project?

Arvind Kamath: The USA project, as I mentioned earlier, it's about 15 months. It's only a supply part. There is no erection or installation from our side.

Raj Vyas: Okay. And you talked about the EBITDA margins of 18%, which is the way that you have said it earlier as well. But the costs are increasing. So, what are the key things that you will take a note of to reduce the cost for the company?

Pravin Sathe: See, the costs are not increasing as such. If you see, the project expenses increase typically as compared to the initial stage of the project. The middle stage is always such that the costs are on the higher side and the margin is on the lower side. So, these are the projects which are the major contributors to the revenue, all those projects which are in these stages. Typically, all the projects are at the similar stages. That is why it is seen that operational costs have gone up.

Because as Mr. Kamath said, in the last financial year we did not get as much orders as we received in this financial year. So, when there are a lot of order inflows coming in, what happens is there is a typical mix of existing orders as well as the new orders in the revenue composition. So, some projects which are at the middle stages, they give a lesser margin. But those projects which are at the initial stages, they give a higher margin. So, the margins get compensated, and you see a better picture.

Raj Vyas: Okay. That is it from my side. Thank you.

Moderator: Thank you. Our next question is from the line of Aashna Manaktala from HDFC AMC. Please go ahead.

Aashna Manaktala: Hi. Good afternoon, sir. I understand there have been certain questions regarding the margins. But as you mentioned that we are close to completion of majority of our projects. So, shouldn't for the coming quarter or so, the margins should be on the other spectrum if our gross margins are still at the same level as our historical margins? So, would you stand by our 18% margin guidance for FY25?

Pravin Sathe: As I said earlier that 18% guidance was based on the historical figures for the last three to four years. And at that time, the ESOP reserve did not play any significant role. So, that also has an impact. But at the same time, we informed you that we have received new orders which will start generating revenue in Q3 and the significant revenue will come in Q4. So, definitely this will help us in improving the margin profile. So, what current EBITDA of 14% is there, we anticipate it to be on the higher side when we reach Q4.

Aashna Manaktala: Understood, sir. Then by FY26, we should expect that the ESOP cost should go away, and our normalization should come in terms of execution of the order as well. So, what is your view on the margins for FY26 then?

Arvind Kamath: Yes, correct. That's right. In FY26, we should go to the normal margins. Considering the order book and the current ESOP cost would go away next year.

Aashna Manaktala: Okay, sir. And one more question. In terms of raw materials, what proportion of raw material would be complete commodity, maybe steel, if you could give some view on that?

Arvind Kamath: The raw material would not be much in terms of what we procure directly. So, what we procure directly, the raw materials would be just about 8%-10% of the total procurement cost.

Aashna Manaktala: Okay. And what is that of the total procurement? You mean that the raw materials that you have booked for, let's say, first half, of that 8-10% is 4 commodities, what you're trying to say?

Arvind Kamath: Whatever the total purchase, suppose in a project of, say, $100, total procurement cost is, say, suppose about $60, then the raw material procurement would be about $6 for us, direct raw material procurement.

Aashna Manaktala: Okay. And that would largely, should I understand correctly, be steel?

Arvind Kamath: It would be steel or higher grade of steel, depending on the type of the equipment involved. You know, it cannot be exactly, it could be stainless steel or the alloy steel or the higher grade of steel, depending on the chemicals what we are handling.

Aashna Manaktala: Understood, sir. And, sir, in terms of execution for FY26, like for FY25, you are guiding that we should be closing or executing the opening order book. So, for FY26, if also you could give some guidance in terms of the execution.

Arvind Kamath: I mean, see, the current opening, our order book as on Q2 is INR13,116 million. So, basically, the complete order book, we will have to close it in this year and next year.

Aashna Manaktala: Okay. So, we're not seeing any spillover from FY25 to FY26 as of now. So, we are confident of…

Arvind Kamath: No, I mean, from the going by, whatever the contractual delivery dates are there, we, endeavour to close all these orders by the next financial year. There could be some spillover if there is some delay from the customer's end or something like that. But as of now, we do not really anticipate any delay.

Aashna Manaktala: Okay, sir. Thank you, sir, for your time.

Moderator: Thank you. Our next question is from the line of Anukool from InVed. Please go ahead.

Anukool: Sorry, I was looking on the PAT margins, like, what PAT margins can we expect for FY25 and FY26 if we can get some guidance on that?

Pravin Sathe: Okay. So, currently the PAT margins are around 7%. So, at the end of the financial year somewhere, it should go up to 10% or so.

Anukool: And for FY26, shall we expect the same?

Pravin Sathe: That depends on how much revenue the new projects will contribute in Q3 and Q4. If the component is on the higher side, definitely the PAT margins would be better.

Anukool: Okay. And we are expecting roughly INR670 crores to INR700 crores of top line for FY25. Am I right on that?

Pravin Sathe: See, what we are expecting is the opening order book of INR621 crores should get executed in entirety by the end of March'25. And some portion of the new orders should also get booked as revenue. So, if you take these two factors into account, the revenue would be somewhere between INR600 crores and INR700 crores.

Anukool: Yes. That's it. Thank you so much.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Arvind Kamath: Thank you everyone for joining our Q2 and H1FY25 earnings call. Once again, we appreciate your time in joining this call and learning more about our company JNK India. We look forward to your support and look forward to continuing our journey with your support. If you have any further questions, please feel free to contact us and we'll be more than happy to address your questions. Thank you.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. We thank you for joining us and you may now disconnect your lines.