

JNK India Limited

(Formerly known as JNK India Private Limited)

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Date: February 21, 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: Q3FY25 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 Q3FY25 Earnings Call held on Tuesday, February 18, 2025 at 02:30 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

Company Secretary and Compliance Officer

Encl: a/a



“JNK India Limited
Q3 FY25 Earnings Conference Call”
February 18, 2025

**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 the JNK India Q3 FY25 Earnings Conference Call hosted by IIFL Capital. As a reminder, all participant line will be in listen only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the 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. Akshit Gangwal from IIFL Capital. Thank you, and over to you, sir.

Akshit Gangwal: Thank you, Sejal. Good afternoon, everyone. On behalf of IIFL Capital, I welcome everyone to JNK India's Q3 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, Akshit. This is Arvind Kamath here. Good afternoon, everybody, and welcome to JNK India Q3 FY25 Earnings Call. I sincerely appreciate your time and continued interest in our company.

The third quarter of FY25 was centred around project execution with several key assignments reaching their almost final phases as -- although revenue recognition was lower during this stage due to milestone-based billing, while fixed costs remain high, impacting our margins. While the quarter did not see major order inflows, our commitment to efficient execution remains strong.

For the 9M period of FY25, total revenue was INR 295.1 crores, reflecting almost a 16% year-on-year growth. As of December 31, 2024, the order book was INR 1,226 crores, providing a strong revenue visibility and reinforcing our execution pipeline going ahead.

Entering Q4 FY25, the momentum has picked up with a significant order secured in January 2025 from JNK Global Company Limited Korea. This contract for the Pengerang biorefinery project in Malaysia includes a residual engineering, procurement, fabrication and supply of critical fire heaters along with assistance in erection, commissioning and performance testing.

This order represents another step in strengthening our global presence and demonstrates our ability to win high-value international projects and this will be the first order for JNK India to Malaysia.

Financial strength was further reinforced with an upgrade in our credit rating by CRISIL in January 2025. The long-term rating improved to A- from the earlier BBB+, while the short-term rating has been upgraded to CRISIL A2+ from CRISIL A2. This enhancement reflects the company's sound financial discipline, operational efficiency and ability to scale effectively.

Looking ahead, our confidence remains high in trying to achieve a significant revenue for the fourth quarter of FY25. Supported by a strong order book, strategic diversification and a focus

on operational excellence, the company remains committed to executing ongoing projects efficiently, expanding into new markets and delivering long-term value for all stakeholders.

I will now hand over to our CFO, Mr. Pravin Sathe, to provide a detailed financial overview. Thank you.

Pravin Sathe:

Thank you, Mr. Kamath, and good afternoon, everyone. This is Pravin Sathe, CFO of JNK India Limited. I'm pleased to present the financial performance of JNK India for Q3 and 9M FY25.

For the nine months ending December 31, 2024, total revenue increased by 15.6% year-on-year to INR 295 crores, supported by steady project execution. Operating profit came in at INR 98.2 crores with a margin of 33.3%. EBITDA for the period was INR 37.3 crores with a margin of 12.7%. Profit after tax was INR 17 crores with a margin of 5.8%.

During Q3 FY25, the total revenue reached INR 96.9 crores, reflecting 9.7% sequential decline. Operating profit for the quarter was INR 29.3 crores with a margin of 30.2%, while EBITDA was INR 9.75 crores, with a margin of 10.1%. Profit after tax was INR 2.8 crores with a margin of 2.9%.

This quarter primarily focused on project execution with several projects in the final stages where fixed costs remain the same, but revenue realization was lower, which has impacted margins. As a result, EBITDA margins were moderated due to the cost absorption along with higher employee benefit expenses, which includes ESOP-related costs.

However, it is important to note that ESOP-related costs will conclude by the end of FY25, providing a clearer margin outlook going forward. Heating equipment continues to dominate our order book at 82% with waste gas handling systems and process plants contributing the rest. Geographically, 92% of our orders remain domestic, while international markets account for 8% of the order book.

While Q3 was largely an execution-focused quarter, we remain confident about achieving the targets for FY25. Our pipeline remains strong, and we expect the execution momentum to pick up in the coming quarters. Looking ahead, JNK India is well positioned to capitalize on industry growth and we remain committed to delivering value to our stakeholders.

In closing, I would like to thank you all for your time and continued support to JNK India. We now welcome any questions if you may have.

Moderator:

The first question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar:

My first question is, of course, you did mention about that Q4 should be a better quarter, but I would like to dwell on that more. How do you think about the execution in Q4? I think you had mentioned that you can still execute the entire opening order book of FY24, which was roughly around INR 6 billion for the full fiscal. Are we still maintaining that?

Pravin Sathe:

Our opening order book was INR 620 crores. And in the last earnings call, we did mention that our endeavor is to execute the complete order book in this financial year. Now certain projects

have got delayed due to various reasons, which are not under the control of JNK India. So we might suffer a reduction in the target by, say, 10%. And moreover, the projects are of PSUs and there are export orders also. So roughly 10% reduction expected in the target that we had placed before us for this fiscal.

Mohit Kumar: Understood, sir. That's very helpful. My second question is with EBITDA margin of 17% and 21% in the last two fiscal and -- do you think, given whatever we are expected to execute in Q4, we can achieve good margins in FY25 before ESOP expenses. And what were the ESOP expense for the 9 months?

Pravin Sathe: Yes. If you see the EBITDA margin for the 9 months before ESOP expenses was around 15.21%. And after ESOP, it was 12.7%. And that ESOP cost would go away in March '25. So far as the comparison with the previous year is concerned, definitely, the margins were 2, 3 points higher than what general guidance that we had given initially of 17% to 18%.

This year, due to various reasons, due to increased cost -- increased direct cost also and increase in number of employees, post listing effect of the ESOP results, we see that the guidance would come down by 3 to 4 points.

Mohit Kumar: Understood, sir. Sir, we had a very good Q1 in terms of order inflow, I think it was a superlative quarter. But after that, Q2 was -- like Q2 still had a decent order, but Q3 has seen hardly any order. How do you think in this context about the Q4 and next 12 months? How is the pipeline and prospect looking at -- looking like?

Arvind Kamath: Yes. Mohit, the pipeline looks actually very good, including India and exports, as we started off. Yes, quarter-to-quarter finalization varies considering the size and the quantum of the projects which we bid. So it is generally not uniform as we told last year as well. So it could come in one of the quarters significantly and some quarters, it could be a bit slow. But yes, this quarter also, there is at least a finalization of two important opportunities.

And going ahead for 6 months also, the pipeline in terms of the order inflows or the order pipeline is very healthy I must say because you also might be aware there are also significant projects announced in India as well in terms of the petrochemical opportunities, including BPCL Bina, IOCL Paradeep, Petronet LNG, in all of these projects, we have already received the inquiries and some of the projects we already submitted the offers and some, the inquiries are received, and we are in the process of submitting the firm proposals.

Mohit Kumar: If I can ask again, sir, do you think a lot of these opportunities will materialize in CY25 in terms of finalization of orders? Not for you, for the industry in general, do you see the finalization of orders happening for the industry so that we can benefit? That's the question. Or do you think there could be some delay?

Arvind Kamath: FY25?

Mohit Kumar: No, no, sir. I'll just rephrase, sir. Given that you just spoke about so many opportunities, in your opinion, a lot of these orders will finalize, get finalized in CY25 or we can see any delayed financial order, which means that CY25 could also be a weak year? That's what I'm asking, yes.

- Arvind Kamath:** Yes. I mean actually, even last year, we were in a similar situation. So there are about 2 to 3 proposals, which the price bid could be opened any time and the order finalization could take place either in this quarter or it could happen in the first quarter of FY26. It becomes a bit difficult for us to exactly ahead of plan, yes.
- Moderator:** The next question is from the line of Nidhi Shah from ICICI Securities.
- Nidhi Shah:** So was there like an ordering stop in the industry in this quarter? Is that the reason why we did not see any orders coming this quarter or is it the finalization is getting delayed?
- Arvind Kamath:** Yes. I mean, the finalization has been delayed, and we actually didn't lose any significant order in the last quarter, Nidhi, if that was your question, I mean if I got it correctly.
- Nidhi Shah:** Yes. Also, I would really like to know what are the opportunities for JNK Global. Can you throw some color on how these opportunities will impact Global and then probably could transfer over to us?
- Arvind Kamath:** Yes. I mean, as I said, the opportunity pipeline is quite large. Like as I just said, we received the first opportunity for Malaysia. So same way, we have a big pipeline for many countries including U.S.A., Algeria and also in Middle East, other than India. And in India, there are projects, which are already announced, which we have received the inquiries as well, yes, which I already mentioned in the earlier message, yes.
- Nidhi Shah:** Lastly, just if you could call out the value for the ESOPs that has been there for 9 months and what are we expecting for the entire year in rupee amount?
- Pravin Sathe:** We are unable to hear you.
- Moderator:** Ms. Nidhi, would you please use your handset? Due to no response from the current participant, we will move on to the next participant. The next question is from the line of Charanjit Singh from DSP Mutual Fund.
- Charanjit Singh:** So sir, while you've talked about the prospect pipeline is pretty strong, so if you can just quantify the prospect pipeline and generally, what is the kind of hit rate which we have seen in terms of these order finalizations? That's my first question.
- And second is you also talked about certain new businesses, which you are targeting. What are these new businesses? And are they included in the prospect pipeline? Or do you think that they will be on top of that as we see that overall our prequalifications picking up in the new businesses? Those are the two questions, sir.
- Arvind Kamath:** Yes, yes, Mr. Singh. So basically, the bid pipeline is around in terms of the value, it is about INR 4,000 crores for exports. And it's about INR 4,000 crores for the domestic as well. So that's the kind of a bid pipeline we have, which is expected to get finalized in next about, say, 6 to 8 months or so, that's the -- once we bid, that's the timeline for finalization.
- So this is the kind of opportunities we have quoted for and mainly in the product lines of fired heaters, reformers, cracking furnaces, flares. And in terms of the new opportunities, not much is

included in this pipeline. So the other pipeline for hydrogen plant and also some of the CBG units or incinerators, which is a new product line, that pipeline is not so large as of now, but it could be to the extent of about INR 200 crores, INR 250 crores.

And our traditional hit rate has been around 20% or so in terms of the orders finalized, 20% to 30%. So we kind of -- we are quite sure that we will be able to maintain that hit rate going ahead as well.

Charanjit Singh: So sir, this 20% hit rate is for the domestic or for the export, how is that different, sir?

Arvind Kamath: It's generally for both put together.

Charanjit Singh: Okay. And sir, you also touched upon that there's a strong pipeline in U.S. market. So what are the kind of prospects there and with a lot of emphasis which is going to come on the oil and gas space in the U.S. market where JNK generally operates in a big way, how you see that market just now maybe going to shape up in the future?

Arvind Kamath: Yes, U.S. is -- yes, as you said, it is a very important market. And we are not really -- even including Korea, has not done practically any business in U.S.A. Whatever we received the order in Q2 of FY25 was the first order for the U.S. is from for JNK for a fire heater. And now we have about two proposals, two large EPC contracting companies for the projects upcoming in U.S.

And now more prospects we should be able to see with the new projects coming up further. But these two are also good size of projects. And I think they would only finalize in next about 5 to 6 months. So in the pipeline of the -- what I mentioned, exports, these two projects in the U.S. also are included.

Charanjit Singh: Okay. And sir, lastly from my side, in terms of if you can highlight, one, what could be our expectation in terms of the growth going forward for the next financial year looking at all these prospects getting concluded? And in terms of the margin also, if you can touch upon how we should look at the margin going forward in the next financial year?

Arvind Kamath: See, as on now, our order book position is INR 1,220 crores. So at the end of March end, so the order book position would definitely be above INR 1,000 crores. So it depends on what is the order inflow in this quarter. So we would definitely have to gear up and deliver the growth far better in next year because this year, it has been a little bit falling short of what we wanted to deliver.

So this whatever the shortfall is there, we will have to catch up in the next year definitely because we also have a committed delivery time lines with the customer as well. So considering that, we look -- whatever the original projection for FY26 is there, so I think we should be able to maintain that.

And in terms of the margin profile, yes, generally, traditionally, we have always told that our margin is anywhere around EBITDA of 17% to 18%, and that's the EBITDA we should be able to maintain going ahead as well. So whatever the -- with that change which happened in last year

and this year, it's due to certain reasons. But now we would be -- should be in a position to maintain a pretty uniform EBITDA as well.

Moderator: The next follow-up question is from the line of Nidhi Shah from ICICI Securities.

Nidhi Shah: I wanted to ask could you call out the rupee amount for ESOP for the 9 months and what we are expecting for this year?

Annie Varghese: Nidhi, what are you looking for, 9 months?

Pravin Sathe: Nine months. We could hear a part of your question.

Nidhi Shah: What is the ESOP in rupee value for 9 months and for full year?

Pravin Sathe: Yes. The ESOP reserve for these 9 months is INR 7.51 crores. And for the entire year, it would be around INR 10 crores or so. So it's about INR 2.5 crores more in the last quarter.

Moderator: The next question is from the line of Mohit Jain from Kriis PMS.

Mohit Jain: Sir, how is the working capital cycle shaping up for us? And are we seeing any relaxation in the receivables side? Also, sir, I believe we were facing some issues in the collections from PSUs. So sir, can you throw some light on this?

Pravin Sathe: Yes, surely. See, typically, we have seen that our working capital cycle has been in the range of 120 to 140 days. At some stages, it got stretched up to 160 days also. But ideally, it should be around 120 days going forward. And if you see the receivables from the PSUs also, we have improved on the receivable days also. So in spite of the client being PSUs, we could now get after them somehow and push them to release our payments a little faster than what they used to be in the previous year.

And our utilization on the working capital line has also considerably reduced. So that will show that the working capital cycle has improved because the interest costs that we have borne for this quarter that Q3 is hardly INR 20 lakh as compared to the Q2 interest costs. So this shows that we are using the working capital lines also optimally. So things are improving for the better. Going forward, we see working capital cycle somewhere between 120 to 130 days.

Mohit Jain: Also, sir, in the first 9 months, we have done roughly around INR 300 crores of top line. And so we have guided for like INR 600 crores to INR 650 crores initially. So sir, are we on a right track to do like INR 300 crores in the coming quarter, Q4?

Pravin Sathe: So I think a couple of questions earlier, I have said about this that the target that we had kept for this financial year may get reduced by 10% or so because there are certain factors, which have resulted in delays in execution of the project. So there might be a slippage of 10% or so from the targets that we had kept for this financial year.

Moderator: The next question is from the line of Aashna from HDFC AMC.

- Aashna:** Sir, despite this 10% slippage that we're talking about, even if we consider the guidance to be around INR 620 crores, INR 630 crores, so execution we planned around INR 580 crores for the full year. And that, again, brings us to around INR 280 crores, INR 290 crores of execution for Q4. So how confident are we of hitting that top line number?
- Arvind Kamath:** I mean, Aashna, just last 2 years, actually, if we see our historically, whatever we have delivered in 9 months revenue, the same revenue we have delivered in the last quarter as well, that is Q4. So that's our endeavor to do this year as well. But however, we just want to be considering the various situations because of the many executions or projects that are quite like far-reaching sites like Numaligarh and Paradeep, etc., Barauni. So considering all this, that's how we said it could fall short by about 10% to 12% than what had we anticipated for the complete years.
- Aashna:** Yes, sir. Sir, that's what I'm asking. Despite the 10% of shortfall, it still comes out to be around INR 280 crores, INR 290 crores of execution is what I wanted to understand. Would we be able to do that in Q4?
- Arvind Kamath:** I mean, yes, that's our endeavor to achieve that similar -- that kind of a number in the last quarter.
- Aashna:** Okay, sir. And sir, in terms of margins for Q4, for the full year, you mentioned that there might be a shortfall of 3 to 4 percentage points. So that again brings us to around 12% of full year EBITDA margin. Is that safe to assume?
- Pravin Sathe:** Yes, somewhere around 12% to 13%.
- Aashna:** Okay. So this shortfall has also you mentioned has been because of some increased direct costs and some projects getting delayed. So I'm understanding those projects are now back on execution and would get completed over the coming quarters?
- Arvind Kamath:** Yes, the projects have been getting executed. But since the projects are with the PSUs and the projects are on the remote sites, there are certain conditions, environmental conditions or the conditions which are under the control of the client, because of that, there have been certain delays. So projects were never stalled, they were getting executed and they are on track right now.
- Aashna:** Okay. Understood, sir. And just one last question in terms of the pipeline. You mentioned INR 4,000 crores for exports and INR 4,000 crores for domestic. These are two separate, is the understanding correct?
- Arvind Kamath:** Separate, correct.
- Aashna:** Okay. In exports, are there any specific -- like for domestic you're able to highlight 2, 3 key projects. So for exports, are there any large projects that are there in the pipeline which you might know of?
- Arvind Kamath:** Yes, there are mainly couple of projects in Russia, which are -- I mean, sorry, USA, Russia, there is there, but Russia, the finalization has been delayed. So we are not really focusing that much because there's been a substantial delay in the Russian finalization. But yes, now there are

a couple of important projects in the U.S., which we are -- the finalization is expected in the next 3 to 6 months. Other than that, there are 1 or 2 projects in Middle East as well.

Aashna: Okay, good to know. And sir, just one last question. The Reliance order which we get in Q1 this year, do you expect -- when do we expect the execution to begin and to conclude for that?

Arvind Kamath: The execution has already begun. We have already started booking some revenues as well, though they are small in nature but the execution completion is in the next financial year.

Aashna: So by March '26.

Arvind Kamath: Yes, March '26, correct. Yes.

Moderator: The next question is from the line of Mahesh Bendre from LIC Mutual Fund.

Mahesh Bendre: Sir, my questions have been answered.

Moderator: The next question is from the line of Varun Mohanraj from Skaniva Capital.

Varun Mohanraj: Sir, you've mentioned that your export pipeline would be around INR 4,000 crores. So in previous calls, we have mentioned that some of the export orders would be coming from the JNK Global Company? So I just wanted to know whether we would be having to pay any royalty or any fee for the export opportunity that comes through the JNK Global route?

Pravin Sathe: I mean, Varun, just whenever the order is received from JNK Global, they take care of their cost and whatever we bid, we receive the order at that price. So there is no separate loyalty to be paid to them. Like we already received our orders in this quarter as well for Malaysia that was from JNK Global.

So there is no separate loyalty to be paid when we receive the order from them itself. Only if we receive the order for exports directly from the customer, then we have to pay them up to 3% of the order value.

Varun Mohanraj: Okay, okay. And I think in one of the previous calls, we mentioned about the products being fired heaters, reformers and cracking furnace. So I just wanted to know if like the INR 1,200 crores order book is spread across these products? Or do we also have a wide range of SKUs?

Pravin Sathe: It's about 50% of that is cracking furnace and about balance 40% is fired heaters and the 10% is the other products like flares, incinerators, etc.

Varun Mohanraj: Okay. And what's our vision with green hydrogen vertical and like 3 to 5 years down the line, how big a vertical or a revenue stream this particular product could be for us?

Arvind Kamath: So, see, typically, the green energy and the renewable energy is our focus. But currently, what we're doing is developing our expertise in this line so as maybe 3 to 5 years, we want that line to be at least, say, about 30% of our total revenue. That's our intention is.

As you know, there are a lot of, obviously, action taking place in that or there is a lot of work going ahead but actual orderings are not really happening in hydrogen -- green hydrogen or other allied areas. But wherever the opportunities are there, we just want to ensure that we are able to bid and we are able to get qualified and develop our capabilities in executing such projects as well.

Varun Mohanraj: Does our existing products have a synergy with the green hydrogen industry? Or should we go about developing newer -- completely newer products for this -- for this green hydrogen industry?

Arvind Kamath: No. I mean the existing, they do have a synergy, and that's also one of the reasons why we want to develop that expertise because even currently through the reformer, so we are producing hydrogen. So in terms of handling capability of hydrogen, we have already developed that over a period of time. So here instead of the reformer, we would be using the electrolyzer when we are actually producing green hydrogen, that's it.

Varun Mohanraj: Okay. And my last question would be on the Russian pipeline, which we mentioned in the previous call, that would be like INR 2,000 crores pipeline. So I think in the -- to the previous participant, you mentioned that there's been long delays. So do you think it would materialize sometime in the future or like I just want to know what is the -- I mean, the order finalization from Russia?

Arvind Kamath: Yes, I mean there are -- we are under active consideration, but unfortunately, there has been delays in finalization. We are in touch regularly. So if there is any progress happening, we will come to know. But as of now, yes, there are still delays in terms of the order finalization from Russia.

Varun Mohanraj: So the INR 4,000 crores pipeline is excluding Russia, which you are mentioning? Or is it including Russia?

Arvind Kamath: In the INR 4,000 crores export pipeline, certain amount of Russian proposals are also there, some proposals, yes.

Moderator: The next question is from the line of Sunil Jain from Nirmal Bang Securities Private Limited.

Sunil Jain: Yes. See, earlier, you were guiding for 17% to 18% margin and from the order visibility, you must have calculated that margin. So is there any change which has happened, some extra cost which has come that's why the margin has come down?

Pravin Sathe: See, we have already mentioned in our earlier calls also, that the project has different execution cycles. And at the initial stages of the execution cycle, typically, the margins are on the higher side. And during the middle stages, the margin dips. And again, at the concluding stages when we are doing the erection work or the services portion is built, the margin again rises.

So now in the current year, whatever revenue that is generated, that is generated out of the projects, those are in the stage wherein the margins are low. They are in the middle stages of their execution cycle. So that has resulted into dipping of the margins.

And last year, we did not book new orders significantly, in the last financial year. So typically, what happens is if you book new orders, then there are certain orders in the initial stage, which offset this effect when certain projects are in the middle stages. But this cumulative effect has resulted into reduction of margin.

- Sunil Jain:** And the same situation will be there in the fourth quarter also? That's why you are....
- Pravin Sathe:** Yes, that's what we said that somewhere the EBITDA would be in the range of 13% to 14%. And from the financial year '26 onwards, you will see that the margins will get stabilized.
- Sunil Jain:** So the last execution part will come in FY26 and then we will have a better margin.
- Pravin Sathe:** Yes.
- Sunil Jain:** And sir, second question related to interest cost. This quarter, the interest cost came comparatively higher at over INR 5 crores. And you said that the actual interest in that is only INR 20 lakhs. So what is the rest of the cost? Is there any one-off in that?
- Pravin Sathe:** It is not the interest cost, it is the finance cost and the finance cost includes apart from the interest, see, in the last year for the December '23, we were having credit facilities of INR 150 crores. Coming this December, we have credit facilities of INR 457 crores. So we have availed additional limits of INR 307 crores from the last Q3 to this Q3. So this has resulted into the loan processing fees and the stamp duty charges.
- So if you take that into consideration, that itself is around INR 2.75 crores out of this. And also, there are bank guarantee charges. We have issued bank guarantees to get the advances as regard the orders from the Reliance. So around INR 85 lakhs is towards the bank guarantee charges. So if you add these three figures, they are -- they will come to around INR 3.5 crores out of that. So typical interest cost is not the entire component of this finance costs.
- Moderator:** The next question is from the line of Raj S Vyas from TM Investments Technologies Private Limited.
- Raj S Vyas:** I just wanted -- to what will be the absolute ESOP cost for FY25 as you have mentioned...
- Pravin Sathe:** Absolute ESOP cost, I have answered this in my earlier -- towards the earlier question also. For 9 months, the absolute number is INR 7.51 crores and about INR 2.5 crores additional cost will come in this Q4. So roughly, it is around INR 10 crores for this fiscal.
- Raj S Vyas:** INR 10 crores for this fiscal. And other thing is like in the earlier -- like in Q2, you said that H2 will be far better than H1, but I guess in terms of Q3 earnings, we've also seen the order book declining. So I'm understanding that this is because of some of the execution has played out in this quarter. Is this correct? If my assumption is right?
- Arvind Kamath:** Yes, if you see the quarter in isolation, you will feel that order book has declined. There is an execution, of course. But in the H1 itself, we back the orders to the tune of around INR 880 crores. And our target for this financial year was somewhere between INR 800 crores to INR 1,000 crores. So in fact, we are on the right track to achieve our target to complete the order

book. So as the orders get executed and till the time new orders are booked, the order book gets reduced.

Raj S Vyas: Okay. And do we stick to the revenue guidance of INR 600 crores as mentioned in the earlier like calls as well? Or is there some reduction in that as well?

Pravin Sathe: Mentioned also earlier that we are anticipating about 10% decline from the target that we had kept for ourselves for this fiscal.

Raj S Vyas: Okay. And have you won any new orders currently? If so, so can you elaborate on the same? And what will be the growth forecast for the same, the completion of the orders?

Pravin Sathe: For this quarter?

Raj S Vyas: Yes. Apart from the latest order...

Arvind Kamath: We have already received one orders, which we mentioned in the earlier thing as well. And there is the likely finalization of about two opportunities, one domestic and one export. But we wouldn't know exactly they would get -- in terms of the actual ordering would happen in this quarter or the Q1 of the next year. But those two large opportunities are under finalization that way, one for the domestic and one for export opportunity.

Raj S Vyas: Any tentative figure of the same?

Pravin Sathe: See, we cannot give a tentative figure of order finalization because we will always anticipate that we will get all the orders that we bid for, right?

Moderator: The next question is from the line of Anshul Jethi from LKP Securities Limited.

Anshul Jethi: Yes. So as per your one of the filings that Suntech Infra has filed an arbitration petition against you for the contract related at Dahej site, right? Is it related to the Reliance project only?

Pravin Sathe: Yes, yes, it is related to the Reliance project.

Anshul Jethi: So has there -- does this affect any execution timeline or that goes on as guided by you previously?

Pravin Sathe: That doesn't affect the execution timeline because we have already engaged another contractor to carry out the same work. And there, we have mentioned clearly in our disclosure also that there would not be significant financial implications out of this arbitration.

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

Arvind Kamath: Thank you all for joining our Q3 and 9M FY25 earnings call. We truly appreciate your time and interest in learning more about our company, JNK India. We value your support and look forward to continuing this journey together. If you have any further questions, please feel free to contact us, and we will be more than happy to address all your queries. Thank you so much.



JNK India Limited
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Moderator:

On behalf of IIFL Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.