

JAIN RESOURCE RECYCLING LIMITED
(Formerly Known as Jain Resource Recycling Private Limited)



Date: May 25, 2026

JRRL/2026-27/0011

To,

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

SYMBOL: JAINREC

SCRIP CODE: 544537

Dear Sir/Ma'am

Subject: Transcript of Earnings Call held on May 18, 2026

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

In furtherance to our letter dated May 13, 2026 and pursuant to Regulation 30 and other applicable provisions of the Listing Regulations, please find enclosed herewith the transcript of the Earnings Conference Call held on May 18, 2026, in respect of the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2026.

The transcript can also be accessed on the Company's website at the following link:

<https://jainmetalgroup.com/results-announcements.php>

Kindly take the above information on record.

Yours faithfully,

For JAIN RESOURCE RECYCLING LIMITED

BIBHU KALYAN RAUTA
COMPANY SECRETARY AND COMPLIANCE OFFICER
M.NO: A31315



“Jain Resource Recycling Limited Q4 FY '26 Earnings Conference Call”

May 18, 2026

“E&OE - The transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 18th May 2026 will prevail”



MANAGEMENT: **MR. KAMLESH JAIN – CHAIRMAN AND MANAGING DIRECTOR – JAIN RESOURCE RECYCLING LIMITED**
MR. MAYANK PAREEK – JOINT MANAGING DIRECTOR – JAIN RESOURCE RECYCLING LIMITED
MR. HEMANT JAIN -- EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER -- JAIN RESOURCE RECYCLING LIMITED
MR. SANCHIT JAIN -- EXECUTIVE DIRECTOR -- JAIN RESOURCE RECYCLING LIMITED

MODERATOR: **MR. ABHISHEK MEHRA -- DAM CAPITAL**

Moderator:

Ladies and gentlemen, good day and welcome to the Jain Resource Recycling Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Abhishek Mehra from Dam Capital. Thank you and over to you.

Abhishek Mehra:

Good evening, everyone. Welcome to Jain Resource Recycling Limited Q4 and FY '26 earnings conference call. From the management side, we have with us Mr. Kamlesh Jain, Chairman and Managing Director; Mr. Mayank Pareek, Joint Managing Director; Mr. Hemant Jain, Executive Director and CFO; Mr. Sanchit Jain, Executive Director. Without any more time, I would hand it over to Mr. Kamlesh Jain for his opening remarks. Thank you and over to you, sir.

Kamlesh Jain:

Thank you Abhishek. And a very good evening to everyone. Welcome to Jain Resource Recycling Limited quarter four and FY '26 earning conference call. I'm Kamlesh Jain, Chairman and Managing Director of the company. Joining me today are Mr. Mayank Pareek, Joint MD; Mr. Sanchit Jain, ED and Head of Operations; Mr. Hemant Jain, ED and CFO; along with other senior members of our team and our investor relation advisors, SGA. Thank you for taking the time to join us and for your continued interest in Jain Resource Recycling.

FY '26 has been a landmark year for the company as we delivered our highest ever annual performance while executing multiple strategic growth initiatives across our recycling and value-added metal ecosystem. Despite geopolitical uncertainties, volatile commodity markets, and temporary global logistic disruption, we remain focused on disciplined execution, operational efficiency, and long-term value creation.

For FY '26, we delivered strong year-on-year growth across key financial parameters. Revenue grown by 48%, EBITDA increased by 53%, and EBITDA margin improved to 5.9%. Profit after tax grew by 56% with PAT margin expanding to 3.6%. This performance was supported by healthy volume growth and disciplined hedging practices, improved operating leverage, and better realization across our key business segments. Our strategy continues to be built around two clear pillars, volume growth and profitability growth.

While some of our projects are focused on expanding scale and strengthening sourcing capabilities, others are aimed at improving product mix, enhancing value addition, and delivering better margins over the long term. Copper remains our largest strategic focus area. During the year, we made significant progress on our forward integration roadmap through Jain Green Technologies.

Copper anode operations have already commenced, while the Copper cathode, Wire Rod, and Bus Bar projects are progressing steadily towards phase commissioning. These projects are strategically important as they move us higher up in the value chain into value-added products, which are expected to improve realizations, reduce earnings cyclicity, and strengthen our customer stickiness and enhance overall profitability.

In addition, our Ahmedabad joint venture project with C&Y Group marks an important step towards strengthening our copper sourcing and recycling ecosystem. This facility will significantly improve our scrap processing capabilities, support long-term volume growth in the copper business. In the lead recycling, our focus remains on maximizing value extraction from battery scrap streams and strengthening raw material security.

Following the successful scaling of tin recovery operations, we are now progressing towards antimony extraction capabilities, which we believe can become another important profitability

driver over the medium term through high-value recovery from existing recycling streams. Internationally, our strategic investment in Kuwait continues to progress well and remains an important milestone in strengthening our presence in the Middle East recycling ecosystem. This initiative will support supply chain integration, improve sourcing access, and further diversify our global raw material network.

From a sourcing perspective, we continue to maintain one of the strongest global procurement networks in the industry, with sourcing capabilities across more than 120 countries, and domestic sourcing also improving steadily, supported by India's evolving recycling ecosystem, increased formalization, and EPR-led policy initiatives. What differentiates Jain Resource Recycling is not only scale, but also integrated multi-metal recycling ecosystem.

Our capabilities across copper, lead, aluminium, plastic, tin, and now specialty metals recovery create strong operational synergies, better byproduct utilization, and highly efficient zero-waste eco-recycling platform. Combined with disciplined hedging mechanism, a global sourcing network, and strong execution capabilities, this positions us uniquely within the non-ferrous recycling industry.

Going forward, we remain confident about long-term opportunity in the recycling sector globally. The increasing focus on sustainability, circular economic practices, decarbonization, and supply-side constraint in the mined metals continue to strengthen the structural outlook for recycling business. India, in particular, is emerging as a high-competitive global recycling hub, supported by favourable economics, strong processing capabilities, and growth in domestic demand for non-ferrous metal.

With multiple new vertical expected to commence operation over the coming quarters, we believe the company is entering its next phase of growth with strong integration, improved product mix, enhanced sourcing capabilities, and increasing value addition across the business.

With this, I would like to hand over the call to Mr. Mayank Pareek, who will take you through the key business updates, project execution progress, and outlook. Mr. Mayank, over to you.

Mayank Pareek:

Thank you, Kamlesh ji. And good evening, everyone. Let me take you through the key business updates, project execution and outlook. While our core recycling business continues to deliver volume growth supported by strong global sourcing capabilities, we are now entering the next phase of value creation through forward integration into higher margin copper products. Our copper value-added product project under the Jain Green Technologies unit three has now entered the commissioning phase and represents a major milestone in our journey towards becoming a fully integrated non-ferrous recycling and value-added metals platform.

I am pleased to share that copper anode production has already commenced in March 2026 with an initial installed capacity of 800 metric ton per month. The second furnace with an additional 800 metric ton per month capacity is currently in the advanced stage of installation and is expected to be commissioned during quarter one financial year '27, taking the total anode capacity to 1,600 metric ton per month.

On the copper cathode side, civil construction has fully completed and the machinery erection activities are progressing well. Certain imported machinery deliveries witnessed temporary delays due to the geopolitical situation relating to Iran shipping corridor. However, the project execution remains on track and we expect phase one commissioning by quarter two financial year '27 and phase two commissioning by quarter three financial year '27 respectively.

Once phase two is completed, cathode capacity will scale up to 1,500 metric ton per month. The copper wire rod project is also progressing well. Civil construction is nearing completion and machinery erection is scheduled to begin in June 2026. We expect commissioning by August 2026 with an installed capacity of 600 metric ton per month. Similarly, our Copper Bus Bar and profile segment is moving ahead as planned. Civil work is substantially complete. Machinery erection is expected to commence in July 2026 and commissioning is targeted for September 2026 with a planned capacity of 1,500 metric ton per month.

These projects are strategically important because they materially improve our product mix, deepen customer integration, reduce earning cyclicality, and structurally enhance EBITDA per ton over the medium term. As we had highlighted earlier, these are profitability-driven expansions and are expected to support margin expansion for the overall business. Moving to our Ahmedabad joint venture under Jain C&Y Circular Solution Private Limited, execution activities have accelerated meaningfully.

The factory premises have been finalized on lease and project implementation is now underway in a ramp-up model. Processing of electric motor scrap and cable scrap is expected to commence from September 2026 onwards. Installation of the planned machinery and equipment is targeted for completion by December 2026.

The project remains strategically significant for us as it strengthens our copper sourcing ecosystem and adds scale to our copper recycling operations. Once fully ramped up, the facility will significantly enhance our processing capabilities for high-quality copper scrap streams. On the international front, the Kuwait battery recycling venture continues to progress operationally.

Civil construction at the site has been completed and the ordered machinery is ready at the supplier's facility. However, due to disruption in shipping routes arising from Iran-related geopolitical situation, dispatches have been temporarily delayed. The supplier remains ready for shipment with a 30-day notice once shipping routes are normalized. Despite this delay, we remain confident about the long-term strategic importance of this project for strengthening raw material security in our lead recycling business.

In our sustainability focused initiatives, we have also taken a strategic decision to establish a dedicated plastic recycling unit. Currently, both our copper and lead recycling facilities have in-house plastic recycling capacities. However, with rising processing volumes and the need for better operational efficiencies, we are now creating a specialized stand-alone plastic recycling plant.

The company has finalized around six acres of land for proposed shift of plastic recycling operations from the existing copper and lead recycling plants. This dedicated plastic recycling

unit is expected to streamline operations and help decongest both the copper and lead recycling facilities.

The new unit is targeted to become operational by quarter three financial year '27 and will entail an estimated capex of around INR15 crores, which will help us further strengthen our zero waste and circular economy model. With this, I will now hand over to our CFO, Mr. Hemant Jain, who will take you through detailed financial performance for quarter four and financial year '26 along with volume, margin, and working capital trends. Over to you, Hemant.

Hemant Jain:

Thank you, Mayank sir. And good evening, everyone. I will now take you through the financial performance for the financial year ended on 31st March 2026. So, for the full year FY '26, the company has delivered strong growth across all key financial parameters. Consolidated revenue from operations stood at approximately INR9,543 crores compared to around INR6,429 crores in FY '25, representing a year-on-year growth of approximately 48%. Volume growth during this year stood at approximately 26.5%, while the remaining growth was driven by value realization.

EBITDA for FY '26 came in at approximately INR559 crores compared to INR365 crores in the corresponding period last year, translating into a growth of approximately 53%. The EBITDA margins also improved to approximately 5.9% in FY '26 as compared to 5.7% in FY '25, supported by better operating leverage, improved product mix, and stable operational execution. The profit after tax for FY '26 stood at approximately INR347 crores compared to INR223 crores in the FY '25, representing a year-on-year growth of around 56%, while the PAT margins improved to approximately 3.6% in FY '26 compared to 3.5% in the previous year.

Now, some highlights for the Q4 FY '26 consolidated financial performance. The consolidated revenue from the operations stood at approximately INR3,105 crores compared to around INR1,760 crores in Q4 of FY '25, representing a year-on-year growth for approximately 76%. The EBITDA margin stood at around 3.5% during Q4 FY '26. EBITDA per ton witnessed temporary compression primarily due to two external factors.

Firstly, there was a decline in sale realization formulas as a percentage of LME copper prices, which are largely an industry-wide phenomenon observed globally during the period of sharp increase in the price of the copper. As LME prices surged, customers across markets registered higher absolute pricing levels, leading to a temporary pressure on realization formulas across the value chain.

Secondly, the geopolitical disruptions arising from the Iran-Israel conflict impacted the global shipping routes and increasing logistic and fuel-related costs during March '26. This resulted in elevated liner and port discharge charges along with higher fuel costs linked to global energy prices, thereby increasing our processing cost during the quarter. However, we would like to highlight that these were largely temporary and external in nature.

Entering Q1 FY '27, shipping disruptions have eased considerably, logistics costs have started normalizing, and realization formulas are also witnessing gradual recalibration with stabilizing

LME prices. Accordingly, we remain confident that the Q4 margin compression was a transient and not structural in nature.

Coming to the business mix, from a segment contribution perspective, copper and copper alloy products has contributed approximately 55% of the total revenue, while lead and lead alloy ingots contributed 40%, and the aluminium and aluminium-related products has contributed approximately 5% of the revenue during FY '26. With respect to geographical revenue mix, 62% of the revenue was generated from exports, while 38% came from the domestic market during FY '26.

Coming to the return ratios as at March 2026, the return on equities stood at approximately 30.4%, while return on capital employed stood at approximately 25.3%. This healthy return ratios reflect our focus on capital efficiency, disciplined execution while scaling operations. We continue to remain focused on maintaining working capital efficiency despite the ongoing scale-up in operations.

Given the nature of recycling business, working capital requirements are structurally linked to raw material sourcing cycles, scrap inventory holding, export receivable timelines. And as per our historical trend, working capital days remain well under control and we continue to closely monitor inventory, receivables, creditor cycles, to ensure comfortable liquidity while supporting future growth.

As at March 2026, inventory days stood at approximately 62 days, debtor days stood at around 18 days and the creditor days stood at approximately 14 days. Accordingly, the overall working capital cycle stood at around 66 days.

Coming to IPO proceeds utilization during the year, from the primary issue of around INR500 crores, approximately INR375 crores was utilized towards repayment of the debts, while the balance amount was earmarked for general corporate purposes including the IPO expenses.

Out of this, approximately INR16.4 crores has already been utilized for IPO-related expenses. To conclude, the company remains focused on ensuring project execution stays within planned timelines and budgets while maintaining healthy leverage metrics. Thank you. Over to you, Abhishek.

Moderator: The first question comes from the line of Naman Parmar with Niveshaay Investments. Please go ahead.

Naman Parmar: Yes. Hi sir. Thank you so much for the opportunity. So, just wanted your whole understanding on how is the whole realization usually work for you? Like you specifically mentioned about the changes in the LME has typically impacted your realization. And your scrap sourcing realization would have been increased, that's why there is an impact on the EBITDA per ton. But if you can explain the process, how it is currently going on?

And in future there will be no such variation? Because the price of the copper and aluminium are quite very volatile in the current situation, and in future also there can be a very big movement. So how you are seeing this specifically?

Kamlesh Jain:

So, Naman, the point is that here we always have hedging mechanism back-to-back work. And in the copper, there has not been a long-term contract. It's always contracts are like 30 to 60 days delivery. So, when we don't have long-term contracts, the formula in the previous years is generally varied from 0.25% to 0.5%. Maximum then on a three-months average, it is varied only by 0.25%.

Formula don't move up and move down in the previous year, but this year copper was extraordinary rallied and the bullish trend in copper and the price went up to skyrocket from US \$10,000 to \$14,000. And because of that, a 40% increase in copper, the formula has impacted very big way.

So in the quarter three, we had tailwind where we have got benefited from the elevated buying and driven by exceptional demand from China. This resulted in formula-led margin compressions. – But in the quarter four, there was a structural mismatch because whatever the sales formulas gone up in quarter three is gone down little bit and because of that there was a declining in the margin.

So if you average both the quarters, it is getting normal. But because of the quarter three and quarter four there is a difference in formula pricing, and this is because of tailwind in quarter three, the quarter four margin was under the problem. There was also impact of geopolitical situation, which elevated the cost of oil, gas and chemical price compounded by war risk charges by shipping line.

And Iran conflict has laid further fuel to the cost pressure, which was not budgeted, but it has passed on in the next quarter. So there was a sudden shock from the geopolitical situation. And there is also a -- sometimes there was a -- generally the -- when the LME goes up, the sale formula drop and that was -- and then we don't hedge the formula because of the like lead we have one year or six month long-term contract.

The copper contract started, but we have changed the system now and we explained to our buyers. So in the future we will be working on a long-term hedging formula mechanism where the price of the formula which varies up and down won't affect our sale price. This is the correction we have done for the future. And we are sure that this volatility in the market when the copper like in every four-five years' time.

One time the copper cycle boom. And because of that boom cycle the price go skyrocketing and it will impact the sale formula. So after the correction, the formula get dropped also. But in the forward guidance, I'm sure that this can be maintained and with constant and steady margin from the quarter, next years. This has been one-time impact and I'm sure it will not get repeated because of the tailwind goes up or down. Next question please.

Naman Parmar:

Okay, understood. So now your hedging purpose will be very much sorted for the long-term contracts, right? That's the right understanding.

Kamlesh Jain:

Yes, yes.

Naman Parmar: Okay, understood. Secondly, on the volume side also. So if we compare from Q3 to Q4, there has been a more or less decline only in all division, copper, lead and aluminium. So it was due to the Middle East war only or it was some other factors?

Kamlesh Jain: Yes, it is because of the geopolitical war. There is a supply of the raw material has been constrained and a lot of containers got stuck in Dubai port. So we have a lot of material stuck in UAE port and we are not able to receive the material and that is why there was a problem in the raw material side so the volume has been little dropped. Which we have diverted now from the other ports, but the old material lying still stuck in the Middle East port and once the Hormuz Strait will open, then only those material come, but the future materials are getting diverted from other ports.

Naman Parmar: Okay, understood. And lastly, on the plastic recycling side, like you mentioned around INR15 crores of capex. So, it would be for specifically virgin plastics and all that you will be recycling or it's a byproduct for you?

Kamlesh Jain: No, it's always a byproduct recycling, we never do virgin product recycling. So it's always a byproduct recycling, what we are going to get from our factories. And that we will get recycled in our dedicated facility for the plastic which we were doing inside plant earlier, but now we have bought in bulk of the sheds and it will be dedicated plastic recycling premises.

Naman Parmar: Okay, understood. Thank you so much.

Kamlesh Jain: Next question please.

Moderator: Mr. Rahul Bhangadia, your line has been unmuted. Please go ahead with your question.

Rahul Bhangadia: Thank you for giving me a chance to ask this question sir. Just a follow-up on the previous question itself. So now given that there has been a slight change or a slight pressure from the customers to kind of accept a higher rate and you see that normalizing, what is it that we should take as a normal EBITDA per ton in the copper segment? Because we have now moved from a INR55,000 number to a INR42,000 and now this quarter we are at INR14,000. So what is it that a normal number should look like?

Kamlesh Jain: So, for forward guidance, I'm sure about excluding the exceptional tailwind of quarter three FY '26 and a confluence of one-time headwinds in quarter four FY '26, the management expects normalized EBITDA to stabilize at approximately INR32,000 to INR30,000 on a steady state basis. The quarter four FY '26 result is not considered representative of the business underlying earning capacity. So, more or less I feel it will be INR32,000 per ton for forward earnings.

Rahul Bhangadia: Okay, INR32,000 per ton. And you are saying Q3 INR42,000 that also had an element of one-time tailwind?

Kamlesh Jain: Yes, one-time tailwind.

Rahul Bhangadia: So one-time tailwind in Q3 '26 and then there was a one-time hit in Q4. So you expect the average to be INR30,000 to INR32,000 is what you are saying right now sir?

- Kamlesh Jain:** Yes, yes. And the value-added formula will be different. This is only for the existing business. Whatever the value addition facility is going to come, that EBITDA will be separate from this EBITDA.
- Rahul Bhangadia:** Sure sir. And in general, what should we expect on the volume side? Let's say lead this year was total about 1.85 lakh tons and copper was about 54,000 tons. What should we expect there in terms of volume growth for '27 and '28? Let's say '27?
- Kamlesh Jain:** So we have already given the guidance earlier. And Mr. Mayank, can you just reply this question?
- Mayank Pareek:** Hello. Am I audible?
- Rahul Bhangadia:** Yes sir, you are audible.
- Mayank Pareek:** Could you just repeat your query please?
- Rahul Bhangadia:** What is the volume growth that we are expecting in lead and copper for FY27 from the 54,000 ton and 1.85 lakh tons, respectively?
- Mayank Pareek:** Lead and copper, as we see the trends coming in and if we don't let the international disturbances overpower the trends, a regular growth in two digits is always expected.
- Rahul Bhangadia:** Right sir. Okay, thank you for answering those questions sir. Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Sumant Kumar from Motilal Oswal. Please go ahead.
- Sumant Kumar:** Yes. So, my question is how much percentage of raw material we are getting from State of Hormuz, number one. If the raw material is stuck there, how are we going to -- do we have a hedging policy? Do we have -- are we going to hedge that material again, if it is going to be delayed? And how it is impact on our overall hedging cost and all?
- Kamlesh Jain:** Your first question is that how much material are getting from Hormuz? We are not getting any material from Hormuz. The material is getting transshipments. So what happened that when we buy the material from the US and South American countries and some of European countries, the transshipment of the major lines like MSC and Maersk, they take at UAE Jebel Ali port, which generally they do because of the refueling of the vessel and because of the sometimes they have to transshipment the containers also.
- Most of the time it's getting refueled now. Now this containers which are lying in the vessel is not able to unload and some containers got unload in the UAE port it's not able to clear. So, as we know Hormuz situation will be geopolitical and when it's get cleared we'll be getting the material. And there can be some war charges also for this holding of the material, but we will negotiate with the line and we'll get it reduced. But there are some material stuck there.
- And regarding this material called hedge , we have no risk on the price movement of this material and all this material is completely hedged and there is no risk for the price movement. And I feel

that we are in constant touch with the line and lines are doing the best to I mean negotiate with the geopolitical situation. When it's get improved, we'll get our material.

Sumant Kumar: If it is going to be delayed, we have to hedge again, right?

Kamlesh Jain: No, no. Hedging is for three months and it get rollover automatically. If you don't want to square off, it get automatically rollover. Like how we do in MCX.

Sumant Kumar: How much raw material is stuck there of the total?

Kamlesh Jain: The value and the figures I can separately email to you. Total I don't have right in mind.

Sumant Kumar: Percentage of the total raw material?

Kamlesh Jain: No, percentage I can't say but it's not that great percentage of raw material. There is some quantity got stuck, but I can give you all details by separate email, how many containers and what is the value of the material.

Sumant Kumar: And for copper, you are saying for the INR42 EBITDA per kg and INR32. So INR32 normal EBITDA per kg we are assuming for copper? Or higher than that?

Kamlesh Jain: Yes, if you see the average of the year, then it is coming to this extent only. Because what happen is the formula get volatile when the LME goes up and down. This year was exceptionally high for the copper volatility because 40% copper went up in four-five months and that has impacted the formula.

Generally formula does not move by 0.25% to 0.3% generally. It doesn't move much up and down. And it's been in that range. But this year because of the price movement of the LME, it impact the formula also. And in 5-year once this kind of things come where the copper move by 40% up and down.

During the COVID time, the copper had gone down by 30%-40% and again up by 30%-40%. That has been one of the volatile year after 6 years back when the COVID time was there. So -- but now we have changed the strategy also and it won't impact. And what was second question you asked?

Sumant Kumar: So the normal EBITDA per kg for copper, assuming normal case scenario?,

Kamlesh Jain: Yes, so now we are giving a guidance of around INR32,000 to INR33,000 per ton on yearly average. Some quarter can show even 36, 37. Some quarter can show even 30, 32. So but we'll try to control the gap and it will not be highly volatile. But on average EBITDA, we assume that it will be INR32,000 to INR30,000 apart from the value-added product which is separately coming from for cathodes and wire rods and other products.

Sumant Kumar: About formula, can you disclose that what is the formula you are talking about, their volatility is more than 0.5% and it is impacting EBITDA? So can you talk on that?

Kamlesh Jain: This is little complicated for you, Sumant. If you can call me or separately email, I can send you how it works. It's a complicated business dynamics, which you need lot and time to understand this. If I spent, it will go lot of time here. Why don't we discuss it separately? But more or less, I can tell you like we buy on 80% of copper LME cables and we sell around 98% to 99% of the LME.

So we get a gap of around 19%. In that gap, sometime the gap become 16%, sometime the gap has become 23%. So the gross gap get sometime change, which we have to control it now. That's more or less for you. You want detailed, we will let's speak separately.

Sumant Kumar: So what you said the LME prices and what is the gap?

Kamlesh Jain: I said the buying price and a selling price, the difference gap sometime goes up and down because of the formula change. So anything like the value addition product, on that copper content. So let's say 1% formula change will impact INR13 EBITDA per kg. For roughly, to understand, 1% of the formula change will impact INR13 of EBITDA.

Sumant Kumar: Okay, thank you.

Moderator: Thank you. The next question comes from the line of Pratik Singh with IIFL Capital. Please go ahead.

Pratik Singh: Hi. Thanks for the opportunity. Just wanted to delve a bit deeper, just get a clarification on the volume growth. Mayank sir said, I think, double-digit volume growth. In the past, I think, we used to talk about 20% to 25% kind of a volume growth. So when you say double-digit, can we assume it's higher than 20% or between 10% to 20%?

Mayank Pareek: So lead will be in the range of 10% to 15%, but copper, because the recycling is increasing and the application is increasing and availability of scrap is increasing, therefore copper could be even higher.

Pratik Singh: Understood. And what kind of economics can we expect from the copper value addition or copper downstream project? What kind of EBITDA margin addition or what kind of EBITDA per ton incrementally can we assume because of the copper downstream project?

Mayank Pareek: Copper downstream project has potential to further increase the EBITDA margin from 2% to 4%. The copper value-added products range from starting from anode to cathode to wire rod to the profiles. Now when we come to the profiles, they are engineering products, although the development of business might be slightly slow, but those had good margins. So overall 2% to 4%.

Pratik Singh: Understood. And is it possible to quantify...

Mayank Pareek: I mean, on the copper that we produce here .

Pratik Singh: Okay, okay. And is it possible to quantify the impact of higher shipping, power and fuel costs in EBITDA per ton for this quarter, let's say for copper versus the sales formula change? So these two buckets, if we put the drop in EBITDA per ton, how much would it be from higher energy

prices and shipping disruptions and how much would it be from the sales formula change? Just a very ballpark percentage number also would be okay.

Mayank Pareek: Hemant, would you take up this question?

Hemant Jain: Yes. So with respect to the war situation, EBITDA per ton got impacted for around INR6,000 per ton. And with respect to the higher LME and drop in formula, it was nearing approx INR18,000 to INR18,500 per ton. So these two impacts were the large impacts, which has got EBITDA per ton for the copper coming down to this level.

Pratik Singh: Okay. And have we started to see a recovery or a fall in this INR6,000 per ton number due to the war in Q1?

Hemant Jain: Yes, that's already there in my speech. Now the shipping line disruptions have eased considerably. So this number has not become zero, but it has considerably come down and you will see that impact in the Q1 of FY27.

Kamlesh Jain: So I'll add it here. For the future shipments, we don't have any problem.

The shipments are coming now bypassing the Middle East port. And all the shipments, there is no future stuck. Whatever was stuck in the past is the problem. But now is zero problem. All the containers are coming bypassing the Middle East port.

Pratik Singh: Okay. And just one last question. Is there any option or are there any recyclers in Middle East to whom we can sell the stuck material to, or it's just not possible at all?

Kamlesh Jain: No, it is not possible because these containers are in the vessel. It is not got it unloaded. The vessels are parked in the sea, high seas. So this vessel has not been able to unload and not able to move and not able to berth also. So it is not possible.

Mayank Pareek: Moreover, Middle East does not have enough recycling capacities too. No, these will move because this is a global problem. I mean, this is not a problem just for us, for the shipping line, for the vessel owners, for the governments, for the port authorities, for everybody this is a problem. So they will move.

Pratik Singh: Understood. Thanks and all the best.

Moderator: Thank you. The next question comes from the line of Alisha Mahawla with Trust Mutual Funds. Please go ahead.

Alisha Mahawla: Hi sir. Good evening. Sir, what is the current capacity utilization in lead and copper?

Kamlesh Jain: Mayank, can you take this?

Mayank Pareek: Current capacity utilization on copper, what did you ask?

Alisha Mahawla: What is the current capacity utilization in copper and in lead?

Mayank Pareek: Your voice is echoing and capacity --- what did you say capacity?

Alisha Mahawla: What is the capacity utilization in copper and in lead?

Mayank Pareek: Copper and lead?

Alisha Mahawla: Yes.

Mayank Pareek: Lead has practically peaked and right now we are working on -- so lead we have, Hemant would be having exact number, but it is somewhere on 1,85,000 tons somewhere around and it is almost around that, maybe more than 95% something like that. Is it correct Hemant? 95% something like that?

Hemant Jain: Yes. If you want, I'll give you the numbers itself. So the copper, presently we are utilizing around 65% of the total installed capacity, while lead we are almost close to 97% to 100%, and aluminum is around 35% of the installed capacity. These are the numbers for the capacity utilization for the full financial year.

Alisha Mahawla: Yes, this is helpful. For copper, can we go beyond 65%?

Mayank Pareek: Copper, of course we can go beyond 65%. We will go beyond 65% because we have additional capacities and the copper volumes will be growing, so these capacities will be utilized over next 2-3 years.

Alisha Mahawla: Okay. And what is the total capex you're looking at doing next year? Because we spoke about the cathode, anode plant and are we expanding capacity in lead? So what is the total capex you're looking at doing in '27?

Mayank Pareek: So, Hemant, you have the figures, can you can you take it up?

Hemant Jain: Yes. So we have already given in our investors' presentation. So the copper cathode first phase is already over. Now coming to antimony project, it will be to the tune of around INR20 crores. For the plastic recycling plant, which we are putting a setup will be around INR15 crores. And the Ahmedabad project is estimated to be a number of around INR30 crores. Then the Kuwait one with another INR30 crores. So, this all put together plus the phase two of the copper value-added project will be around INR115 to INR120 crores.

Alisha Mahawla: Okay. So, about INR120 crores is what we'll be doing next year?

Hemant Jain: Yes.

Alisha Mahawla: Understood. And you've been mentioning on the call that you expect that Q1 EBITDA per ton in copper to improve, but freight rates are still high and copper prices are also going higher only.

So, are we confident that the number will be better sequentially or will we see some pressure before it gets better?

MayankPareek

: You mean the EBITDA.

Alisha Mahawla: Yes, the EBITDA per ton in copper?

MayankPareek

: Right. Yes, so you mean because the quarter four EBITDA is subdued owing to the international factors. So, you want to know whether it is going to go up.

Alisha Mahawla: Yes, because those factors are continuing as on April and May also, freight rates are higher and the copper prices are have also not softened. So, will the pressure not continue in Q1 also?

Kamlesh Jain:

So, it is not the way you think. Copper EBITDA is getting settled because as I told you earlier, there was a one quarter three, there was a huge tailwind because the people in China were expecting that the LME will go up, so they keep on buying material at higher formula. Once their LME reached to level and their appetite also got over, they had dropped the formula.

So, it is because of one-time buying push from China, the formula gone up. In a stable market, this does not move up and down much. But now the LME is settled down, so the formula also got settled down. In is one of the quarters this will come like a peak movement of the LME. As an example of COVID time and after five years this super cycle, where this formula got impacted.

This is a one-in-the-case were happened in once in five years. So, this quarter three, was like this and quarter two was somewhat quarter two and quarter three middle, when the LME move started, this formula got impacted.

Alisha Mahawla: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Deepak Ajmera from IGE India. Please go ahead.

Deepak Ajmera: Sir yes, thank you for the opportunity. I wanted to ask that formula piece. What is that? How does that work? How does it impact us? Who determines the same?

Kamlesh Jain: This I have already explained to me by earlier question to when I explained to Motilal'sSumant , how the formula works. I have given example also that how formula works and how it is goes up and down. And I also explained that how the management will do in the future. And if you

have more questions, definitely we can do after the call because it will again repeat on same question.

But for your information, the formula what you ask is who decide this. This is the market determine and not by buyer and seller. Whatever the market determines the buying formula and selling formula, it works on that. So, like example I can give you one, we buy the raw material in one quarter because it copper cycle is four to five months cycle.

So, when we buy the material in one quarter, the shippers ship the material after 45 days and it take another 45 to 60 days to reach the material and 30 days for processing. And then we ship to China another 30 days. So, it takes around five to six months to rotate the formula. So, one quarter of formula can impact other quarter, but in two quarter average the value addition get settled down.

So copper cycle is long compared to lead, which is a short cycle of three months. And the formula got impacted only the once in a blue moon, which is like this time it happened when the copper LME move aggressively in three months to 40%. Otherwise, the formula is always stable. It does not move the market as more than 0.25%.

Formulas are not decided by buyer and seller. It's driven by market only based on demand, supply and LME of the material. And this is not like Jain. If you see for example, any oil refining company like example they call gross refining margin. And the Reliance Industries' example I'm just giving. They also get impacted because of the gross refining margin, get goes up and down. So basically that. So, any oil companies also get same thing. In commodities this is common, which moves up and down.

Deepak Ajmera: Okay. Secondly, our three-four new projects are getting live into this financial year. How should we expect the ramp-up?

Kamlesh Jain:

Your voice is not clear. Can you just...

Moderator: Mr. Deepak, could you please use your handset?

Deepak Ajmera: Yes. So, what I'm saying is our three-four projects are getting live this year. How should we expect the ramp-up?

Kamlesh Jain: Yes. So as Mayank has already explained in his speech about all the projects update, where the copper value addition project and then we have the Kuwait and then Ahmedabad and it got delayed by two-three months might be because of the West Asia crisis.

And otherwise, all on streamline, all on time. And we hope to complete in phased manner in this current year. So, I'm very convinced that whatever the impact was delayed, it's over now. And now it will get over in this year. We'll be getting this.

MayankPareek:

So, I add here, so you are asking about the ramp-up. So, the thing is the anode furnaces will start within this quarter. One has started and the other will start. So, then the cathode starts, then busbar starts and then finally the profiles start. But then as far as this project is concerned, even if we make anode and sell and even if we make cathode and sell, we would be creating additional volumes.

So, what I want to tell you is that we expect from the next quarter, additional volumes will come in, whether we sell anode or we sell cathode. So, the ramp-up will be quite quick.

Deepak Ajmera:

Okay. And we are coming up with antimony project. What is that? And what should we expect from that?

MayankPareek:

Antimony is a critical metal present in the lead which we use in the batteries, lead acid battery. And if you are able to separate antimony from the lead, then the free antimony has better value realization. So, this project is all about separating antimony from the lead present in the lead acid battery.

Moderator:

Sorry to interrupt, Mr. Deepak. I would request you to please come back in the queue for further questions. The next question comes from the line of Akhilesh Kumar from Emkay Global. Please go ahead.

Akhilesh Kumar:

Yes. Thank you for the opportunity. Sir, my question is on the copper front. So, after all of this value addition, how much of the EBITDA per kg, incremental EBITDA per kg we estimate like in a normal scenario you have given the guidance of INR30-INR32 per kg. So once all of these projects are commissioned, how much value addition do we see that to happen in per kg terms?

Mayank Pareek:

It has a potential. So, because it is a series of products starting from anode and then cathode and wire rod and finally busbar. So, depending upon to what stage we are reaching and which particular product we are actually able to sell more in the market, it will be between additional per kg at the present price rate, I mean at the present prices of copper, would be between INR25 and INR45 per kg.

Akhilesh Kumar:

So, you are saying INR32 plus INR25. So somewhere INR56-INR57 per kg will be able to do EBITDA terms.

Mayank Pareek:

Yes.

Mayank Pareek:

Yes. Or more conservatively, we can say INR22-INR45 per kg.

Akhilesh Kumar:

INR22-INR45. Okay. Okay. So INR45 per kg is the upper limit what we can do?

MayankPareek:

Yes.

Akhilesh Kumar:

Okay. And my second question is on the again volume growth front. So, our lead guidance has been given at 10% to 15%. In copper, how much incremental volume do we see for FY27 and then for FY28?

MayankPareek:

So, on the growth side, I'd given my comment on this. And I mean, volumes depend upon many things but copper growth will be a good double-digit figure. It has potential to go beyond 15%.

Akhilesh Kumar:

Okay. Beyond 15%. Okay.

Moderator:

Thank you, Mr. Akhilesh. I would request you to please come back in the queue for further questions. The next question comes from the line of Chirag Khasgiwala with Neo Asset Management. Please go ahead.

Chirag Khasgiwala:

Yes, hi. So just wanted to understand regarding your operating cash flow. So, if you look at this quarter, this year it has gone to minus negative INR600 crores. And this looks to be mostly driven by a high increase in receivables and inventories. So, going forward, what is the path for the operating cash flow? Can it become again positive? How will the receivables be adjusted and inventories as well?

Hemant Jain:

Yes. So, Chirag, you should see that within this last three-four months, we've been discussing about the increase in the copper prices and the volume which has grown, you can see the overall growth of around 26% in the volume. We didn't avail any of the fresh bank borrowings within last three to four months.

So, all this requirement with respect to the working capital for stock and other things has increased because of the increase in the prices and the volume. So, whatever the internal accruals what we have earned during this period has been again deployed back for these current assets and the liabilities.

Now coming to your second question with respect to when it will become a positive. Yes, in a longer term we expect that we have already reduced the stock from comparing from Q3 to Q4 we have reduced the stock content and which will be our further policy to reduce the stock so that the working capital cycle which is around presently 66 days which should come down further below 60. So once that is achieved, hopefully we can see some positive working capital coming positive into the CFS from the Q2 onwards.

Chirag Khasgiwala:

But sir, my worry is more towards the receivables. It looks like you're able to sell but you're not able to generate cash out of it?

Hemant Jain:

In receivables, the major change in this time cash flow is because of the NFRA requirement by the institute and the Companies Act. So, whatever the receivables what we have discounted with

the banks or with any of the financial institutions, they have asked us to show the separately. Previously it was like a net-off figure which we showed to which was present in the financial.

So that is basically an accounting system which NFRA as per the requirements of NFRA we need to show that presently separately. Otherwise, the cash flows are healthy and you can see, the volume also has increased because of that the number of days receivable if you can see that 15 to 18 days it is well managed in the Q3 and Q4. So that is the only issue where you are seeing that the receivable part is increasing.

Chirag Khasgiwala: Okay, thanks.

Moderator: Thank you. The next question comes from the line of Aditi with Iwealth. Please go ahead.

Aditi: Hello.

Moderator:

Oh yes, Aditi. You're audible. Please go ahead.

Aditi: Yes, hi sir. Just wanted to ask about the cost structure like this quarter sequentially the other manufacturing costs have come down a lot. What could be the reason for the same?

Kamlesh Jain: Mayank, can you take this?

MayankPareek:

Yes, I can take this. But you have to repeat your question because you were not good audible.

Aditi: Hello. Now you can hear me sir?

MayankPareek:

Yes, what was your question?

Aditi: My question was that the other cost which we had this quarter sequentially they have come down a lot. So, what would be the reason for this?

MayankPareek:

The other cost came down a lot in the -- okay, better Hemant you take up, other cost you mean in, in the cost in the head other cost, the cost has come down?

Aditi: Yes, the other manufacturing cost, yes. It was INR52 crores last year same March '25 and that came down to 23.88. And even if we take the December '25 quarter, it was INR70 crores. So wanted to know like why has this come down?

Hemant Jain: Yes. So, you are referring from the other cost which schedule can you just...

Aditi: The P&L. Other expenses?

Hemant Jain: Okay. It is presently at INR238 crores for quarter ended on -- sorry INR23 crores for the quarter ended on March '26. Okay. You mean to say last year it was 70.

Aditi: Yes. In the December quarter it was INR70 and, in the March, '25 it was INR52 crores. So wanted to know like why was there such a steep decline in it?

Hemant Jain:

Okay. Yes. Correct. I'm just -- open that sheet.

Mayank Pareek: Or if you want to have a look at the figure and then response maybe we take up other question and then you respond Hemant.

Hemant Jain: Yes. So, you can take up. So basically, in this there was one another change which we have made into this other expense was maintaining this fair value of hedges. So, this was in positive M2M and because of that the other expense has come down during this financial year. We can give a breaker if Aditi requires we can help her with a separate email with the breakup of this other expenses.

Aditi: Okay sir. I'll email you regarding this then. No issues.

Hemant Jain: Yes.

Aditi: Thank you sir.

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

Kamlesh Jain: Thank you for the time and I thank everyone for joining this call.

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