



January 30, 2023

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Subject: Transcript of Earning Call held on 24th January, 2023 at 04:30 P.M.

Dear Sirs,

This is further to our letter dated 23rd January, 2023 w.r.t the Q3&9M FY 23 Earning Call intimation for the financial results with the investors and analysts.

In terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the above said Earning Call. The same is also being uploaded on the website of the Company at the following web link:

<https://www.jslstainless.com/financials/earnings-presentation>

You are requested to take the above information on record.

Thanking you,

Yours Faithfully,
For **Jindal Stainless Limited**



Navneet Raghuvanshi
Head Legal & Company Secretary

Enc. as above

Jindal Stainless Limited

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“Jindal Stainless & Jindal Stainless Hisar Limited Q3
FY-23 Earnings Conference Call”

January 24, 2023



MANAGEMENT: **MR. ABHYUDAY JINDAL – MANAGING DIRECTOR OF
JSL & JSHL**
MR. ANURAG MANTRI – ED & GROUP CFO, JSL
MR. GOUTAM CHAKRABORTY – IR TEAM
MS. SHREYA SHARMA – IR TEAM

MODERATOR: **MR. RAJESH MAJUMDAR - BATLIVALA & KARANI
SECURITIES INDIA PRIVATE LIMITED.**

Moderator: Ladies and gentlemen good day and welcome to the Jindal Stainless and Jindal Stainless Hisar Limited Q3 FY23 Earnings Conference Call hosted by Batlivala & Karani Securities India Private Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajesh Majumadar from Batlivala & Karani Securities India Private Limited. Thank you and over to you sir.

Rajesh Majumdar: Thanks Ryan. Good day everyone and welcome you all to the Q3 FY23 earnings call of JSL and JSHL. The management is represented by Mr. Abhyuday Jindal – Managing Director of JSL and JSHL, Mr. Anurag Mantri – ED and Group CFO of JSL and Mr. Goutam Chakraborty and Ms. Shreya Sharma from the IR Team. Congratulations sir on a healthy set of numbers. I now handover the call to Mr. Goutam Chakraborty for opening comments. Over to you Goutam.

Abhyuday Jindal: Good evening, everyone. This is Abhyuday Jindal. On behalf of the management team let me wish you all a very happy and prosperous year ahead. I would like to welcome everyone to the Q3 FY23 Earnings Call for Jindal Stainless Limited and Jindal Stainless Hisar Limited.

I would first like to discuss the key business highlights of the eventual quarter following which Anurag will take you through our operational and financial performance.

Global stainless steel market scenario remains challenging in Q3 FY23 as well backed by ongoing, tough macroeconomic parameters in the US and Europe energy issues, renewed concerns over COVID in China. Though the distortion in level playing field in between Indian manufacturers and subsidized foreign imports continued throughout the quarter. However strong economic activities in infrastructure that is consistently pulling up the core sector demand has been helpful for the domestic market. Our agility and adaptability to the changing market dynamics continued to help us align our sales volume to the domestic markets. As a testimony to this around 95% of our sales volume catered to the domestic customers for the second consecutive quarter.

Let me give you a brief about the segment wise scenario:

In railways the wagon industry has been doing quite well. The production of wagon in the first nine months of the current fiscal year has already exceeded the full year production of previous year. Our sales to the wagon industry has gone up by 12% quarter-on-quarter basis. We expect strong performance from this segment in the coming quarter also. Focus on Vande Bharat train set and Metro coaches continue to support stainless steel demand further in the coming future.

In the pipe and tube segment after a robust Q2, the sales continue to increase in Q3 as well. Our cobranding scheme Jindal Saathi has played a major role in improving the sentiments and value creation for us and our MoU partners. Our infrastructure segment outlook remains positive with

strong growth potential in structural applications. In the automotive segment sales of special grades continued to increase and we expect a stable outlook especially in the four-wheeler segment. As you know, during the middle of the quarter gone by, the government revoked export duty and we are thankful to the government for the same. During Q3 FY23 and the nine-month FY23 combined exports stood at only 4% and 10% respectively. With the removal of export duty, we expect a gradual ramp up in exports depending upon the demand in the international market. We have already started booking export orders and we will be in a better position in leveraging our agile business model and sales planning.

I'm happy to share, Jindal Stainless is one of the only two companies chosen from the iron and steel industry by the Ministry of Steel to roll out a pioneer project with the Make in India branding, Made in India branding for steel produced domestically and exported overseas. It will give a push to the government's Make in India ambition and help in fostering innovation across the manufacturing sector.

Let me now update you all along that with the Orissa Government:

We have laid the foundation stone for the stainless-steel industrial park in Jajpur which is likely to be developed in two phases in the next 6 years. The park is expected to create a robust ecosystem for the stainless-steel industry by strengthening upstream and downstream industry linkages. Also, I would like to share Jindal Stainless acquired Rathi Super Steel Limited. This will further widen our product portfolio offerings by adding long products such as wire rods and bars to our existing portfolio and strengthen our solution-oriented approach.

Continuing with our ESG goal, we have signed a contract with Renew Power to set up a 300-megawatt renewable energy project. This captive wind solar hybrid solution will meet the power requirement of the current expansion of Jajpur facility. We have also introduced electric vehicle for employees commuting to our Jajpur facility.

Finally, it gives me immense pleasure and pride to inform you all that P&G conglomerate facilitated us with a Grooming Excellence Award 2022. This is among more than 50,000 external business partners. The award recognizes P&G's top performing external business partners annually in the operational, innovative and relationship performance categories.

With this I would like to hand over to Anurag to discuss operational and financial performances. Thank you.

Anurag Mantri:

Thank you Abhyuday. Good evening, everyone and a warm welcome to all on the call today. Before I start, I would like to state that some of the statements made in this today's conference call may be forward looking in nature and disclaimer in this regard is available on our investor presentation. We have shared our investor presentation with the stock exchanges and today's call discussion will be on the same line.

Global macro scenario continued to be challenging during the quarter as highlighted by Abhyuday. However, continuing from our previous quarter, we have been focusing on our sales and operational planning that helped us to intensify the focus on domestic sales, enhancement of product mix through development and supply of niche value-added stainless-steel rates continue to remain our focus. With our agile business strategy, we could increase our sales volume significantly during the quarter catering to all major segments including railways, process industries, infrastructure, pipes and tubes, auto and lifts and elevators.

With this backdrop let me now discuss the operational and financial performance during the Q3 and nine months of FY23. The proforma revenue of the combined entity of Quarter 3 FY23 rose by 2% and 5% respectively on a YOY and QOQ basis to Rs. 9,073 crores. Proforma EBITDA and PAT increased by 37% and 58% to Rs. 951 crores and Rs. 568 crores respectively. For nine months the proforma combined revenue was recorded at Rs. 25,817 crores, higher by 13% on YOY basis. Proforma EBITDA and PAT for the combined entity for the same period stood at Rs. 2,477 crores and Rs. 1,404 crores respectively.

Global subsidiaries performance continued to remain under pressure due to tough global macroeconomic conditions as mentioned earlier. The performance of domestic subsidiaries on the other hand were remained relatively better. On nine-month FY23, the combined EBITDA of all the operating subsidiaries stood at Rs. 58 crores. As on 31st December 2022, the proforma net debt of the combined entity stood at Rs. 2,824 crores, down by 40% against March '20 level and 11% as compared to March '22 basis. Leverage ratios of the combined entity maintained at debt equity of 0.3X and debt EBITDA of 0.7X. This is despite the organic and inorganic expansion during the quarter.

I'm pleased to let you know that we have acquired Rathi Super Steel, which will strengthen our solution-based approach and widening our product offerings by catering to long product segment. I'm also happy to share that honorable NCLT on 22nd December 2022 confirmed that there was no objection to the scheme pending from any person including the sectoral regulator. We are now awaiting the order of the NCLT disposing of the petition and we expect the merger process to be completed within the current financial year. In case of JUSL acquisition we expect the transition to be completed within the committed timeline. Our operating and financial performance are testimony to our agile business strategy and strong focus on the balance sheet which will continue to remain in future also.

With this I would like to end my discussion and would request the moderator to open the floor for the Q&A session.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Our first question comes from the line of Amit Dixit from ICICI Securities.

Amit Dixit: I have three questions. The first one is on domestic sales volume. If we see it was a very sizable jump in this quarter. This is the volume that we possibly never had in the past. Now I know it

contains a fair element of destocking, but just wanted to understand apart from the traction from railways and pipes and tubes that you mentioned in your opening remarks what drove it and is it possible for you to quantify the opportunity size going ahead?

Abhyuday Jindal: To quantify it? I didn't get the last part.

Amit Dixit: No, the opportunity size that we have.

Abhyuday Jindal: So, domestic market we see good growth. Like we keep discussing every time, the domestic market is growing easily at a 7% to 8% stainless steel market I'm talking about. The way that we were able to meet our domestic volumes is that we as a company were always focused on the higher end, high margin, high quality, high value-added sectors. But after the export duty came in we were forced to go into the lower quality, lower segment which we were leaving for the MSME smaller players, we started taking a bigger share and bigger pie there. So, that way we were able to maintain this volume in the domestic market. In the future also we can continue to do that but because export has again opened up and we see better margins, better potential and over long-standing customers that we have in US, Europe, Russia, we want to continue exporting. So, there won't be any requirement to put so much volume in the domestic market. Again, if there does come a time period then it's very easy for us. Secondly the sector where we are quite bullish on like I already mentioned, one was railway, pipes and tubes, then the infrastructure sector is rarely picking up in our country. That is where we see a good amount of stainless steel going to be consumed. We are becoming more I would say smarter in their material selection. We are looking at life cycle costing we are looking at corrosion, we are looking at ESG. ESG stainless steel is going to again have a very big play and a very big name there because already as compared to carbon steel and aluminum, our ESG score is much better because already we are recycling almost 95%, recycling now going to be backed by renewable power. So, from an ESG perspective also stainless steel will be a clear winner as against other materials. And Anurag if you can add anything that I missed out.

Anurag Mantri: So, also Amit as Abhyuday mentioned that sector is growing at 7% to 9%. But to relate to that our opportunity side, the most of the large part of the growth has been driven by railway and also which are our key segments. So, most of the growth is being captured by us, not the other imports and the lower end players. That actually creates a much larger opportunity size for us because otherwise if all the players share the 7% to 9% size then it looks and that particular segment, we are almost 75% to 80% market share. Therefore, these high-end value-added segments where the quality matters to the customers are growing at a faster pace and most of the space we have been able to capture because of our quality and the product range.

Abhyuday Jindal: So, to add to that there are the new sectors that are coming up also like we talk about ethanol plants, desalination plants, nuclear power is again being talked about in a very big way, new generation power plants, all your thermal power plants new generation ones will have much more stainless steel required in them. These are the other areas also where we see a good amount of opportunity coming up. LNG terminals, all of them now require more and more stainless steel.

- Amit Dixit:** Thanks for the elaborate answer. My second question is essentially now going ahead since export duty is gone now, so export volumes are also likely to increase. And at one point in time your export volume used to be 30% close to or close to that number on average. You already have elucidated in detail that the domestic market looks good, I mean you can pick and choose. What kind of volumes are you looking for in next year FY24 from standalone JSL perspective?
- Abhyuday Jindal:** Standalone JSL perspective, we will at least look at regularly month-on-month 20,000 to 25,000 tons per month from just from JSL perspective I am saying.
- Amit Dixit:** The third and the last question is, if you can let us know the share of imports in this quarter?
- Abhyuday Jindal:** Anurag do you have that figure?
- Anurag Mantri:** Share of imports in this quarter, around 40%, till November I have the data, December Amit I still don't have the firm data but it looks like almost 40, quarter if I put it based on this, it's almost 40% to 42%.
- Abhyuday Jindal:** It's been consistent now for this whole I would say for the last 2 years at around 40%, 35% to 40%.
- Moderator:** Our next question comes from the line of Ritwik Sheth from One-Up Financial.
- Ritwik Sheth:** My first question is related to the volumes in this quarter and JSL. We have clocked 3,30,000 tons. I believe it is much higher than our rated quarterly production. So, can you throw some light, where is this excess production coming from?
- Abhyuday Jindal:** We had extra capacity in our JUSL in our hot strip mill and we got some good opportunity of buying slabs from the international market which was at a better rate than we were getting by buying our own raw materials. That way we were able to roll little extra materials. There was also demand in the domestic market, so we rolled in the extra material, procured slabs from the international market and that is how you are seeing the volume is a bit higher than our rated capacity.
- Ritwik Sheth:** So, this could be an opportunity going forward or this is purely a one-off in this?
- Abhyuday Jindal:** No, it is a purely based on commercial aspect of it and if it continues to be like this, we can also look at it on a regular basis. It's not going to be one-off but it does not have to be regularly month-on-month.
- Ritwik Sheth:** Despite this buying slabs from the international market, we are able to do approximately Rs. 19,000 per ton. Can you give a color, would these be at a significantly lower margin or close to what we are doing when we do the entire process in our own manufacturing unit?

- Abhyuday Jindal:** No, we are giving because like we discussed, there are multiple grades, multiple sectors, segments, applications. So, the EBITDA keeps changing because of that. In total combined we give our guidance which is around 19,000 to 20,000 per metric ton.
- Ritwik Sheth:** My next question is on the expansion. We are nearing towards the end now. Are we confident that we'll start commercial production in Q1 FY24?
- Abhyuday Jindal:** Yes absolutely. We are on track with commissioning the plant from Q1 onwards.
- Ritwik Sheth:** Would you like to give any volume guidance for FY24?
- Abhyuday Jindal:** FY24, we expect a jump of at least 20% from FY23 volumes.
- Ritwik Sheth:** And one last question on Rathi Steel. Can you just enlighten us with the capacity, the timeline that we're looking to restart the operation?
- Abhyuday Jindal:** The capacity is around 1,62,000 tons per annum and basically it's still little early because we have just entered and it's a new sector completely long product for us. So, according to the market and the numbers that we have calculated, it should be around the 5 year payback period. But I'm sure with us getting in and with our efficiency that we bring in and branding we bring in payback should be faster.
- Ritwik Sheth:** So, will we have to invest anything other than this 200 crores?
- Abhyuday Jindal:** Yes, I believe so we are looking at, we have to invest some money. Anurag...
- Anurag Mantri:** Yes, immediately to start the plant, the investment would be around 60 crores and then depending on the equipments which we are just evaluating all the options but immediately it would be around 60 crores investment over the 205 Cr what we have done and just to add as Abhyuday mentioned on the commercial, the wire rod and this long product market has a tremendous potential. Gradually the projects have started demanding assets long products on this type of activity, so we could also see a good opportunity there. But right now, we are basing on the current estimates of the market.
- Moderator:** Our next question comes from the line of Chetan Shah from Jeet Capital.
- Chetan Shah:** Just two clarifications, one on the guidance which you said 19,000 to 20,000 EBITDA that is JSL-JHL combined entity, without including JUSL into it, is that the right understanding?
- Abhyuday Jindal:** Yes, that is correct.
- Chetan Shah:** Second question is you spoke about renewable power agreement signed for 300 MW. Can you give some detail that what will be the cost of this and what is the time frame we are looking at in terms of the CAPEX? That will be very helpful. That's it from my side.

- Anurag Mantri:** In this we will be only taking the 26% stake and that will be within the range of less than 150 Cr and then the timeline for completion of their project is close to 16 to 18 months for them. What else you want to know?
- Chetan Shah:** No that's it. I just wanted to know the cost side and the timeline.
- Moderator:** Our next question comes from the line of Ritesh Shah from Investec India.
- Ritesh Shah:** A couple of questions. The first question is on capital allocation. It has a few parts. The first part is we have given a press release on renewable power around 300 MW. Is it possible to give some color on indicative CAPEX and the potential impact it would have on P&L along with the timeline? That's one. The second is any thoughts on incremental expansion from 3 million tons to 4 million tons the optionality that we have in Orissa. The third part of the same question is, any thoughts from the management of the payout policy given the shape of the balance sheet is pretty good now. That's the first question. I'll come to the second question after that.
- Abhyuday Jindal:** I'll take the second part of it. From I think for 3 to 4 million at least right now Ritesh, we're quite comfortable with 3 million tons for the next 2 years looking at our expansion and looking at the market growth. Only after that looking at the way the market is growing, the export market if any government intervention comes or doesn't come then only, we'll be at a better place to take that decision. As of now for the next 2 to 3 years we are not looking at any volume expansion from 3 to 4 million. Anurag you can take the first part.
- Anurag Mantri:** On the renew power, Ritesh as I just mentioned we'll be taking only the minimum captive stake for us which will be less than 150 Cr for our stake in the renew power. So, that's what the renew power economics is. The rest of the is completely on the renew power side to raise debt and all this thing. It is nothing to us. We have only the captive status for us. They will only operate the plant. The third question you asked about the payout policy which we already announced that on the capital allocation that we will be dividend policy, which was approved by the board, that's up to 20% in a gradual manner. We surely look for hopefully once this merger is complete, based on that we will start looking at that allocation.
- Ritesh Shah:** Just a follow up. When we say 150 crores, does it qualify under group captive? Would that be correct?
- Anurag Mantri:** Yes.
- Ritesh Shah:** That helps. And just the operational question. Why have the losses at JSL consol minus standalone actually widened? Any particular reason?
- Anurag Mantri:** That's because both of our subsidiaries Indonesia as well as IBER are into losses right now because of the global market conditions.
- Ritesh Shah:** Any specific reason? Like was it inventory losses or something else?

- Anurag Mantri:** It's both. Because one is that the market in Europe is very tight right now and also therefore IBER had both inventory losses also because in terms of the inventories or inventory valuation, negative inventory valuation I must say not the losses because based on their mark to market thing because whatever the inventories were lying there, it's being a slow sales on those things. So, therefore, those are also hitting them. Similar is the case with some of the Indonesia of the difference between the current spot prices and the raw material. Overall, the sales have been low for them. Hopefully I think the situation should improve in 2-3 quarters later on depending on the market but right now that's what the condition is.
- Ritesh Shah:** Lastly sir I'll just squeeze this one, specific to JSL and JUSL and along the merger event that we have. Is the timeline say 2 months out? Would that be a fair assumption?
- Anurag Mantri:** Yes. For JSL-JSHL you asked?
- Ritesh Shah:** For both JSL-JUSL and JSHL, the merger and JUSL.
- Anurag Mantri:** Yes, both I think we should be able to complete in March because JSL-JSHL we are just awaiting the order and hopefully we get the order in a week's time. After that then also we are on track to complete it in the March. JUSL, we set the outer timeline of June but our endeavor is to complete. We are in the process of doing the process approval with the lender and hopeful to get it completed in March itself.
- Ritesh Shah:** Will there be any tax benefits on the back of either of the events which will actually help on the cash flows?
- Anurag Mantri:** No. JSL-JSHL now those losses have already been absorbed. JUSL will have it but it's not getting merged. It's only coming as a subsidiary. They will continue to enjoy their low tax period. There will not be any cash tax for JUSL on their own earnings.
- Ritesh Shah:** If I can squeeze, anything on PLI, any projects under that? Are we looking at that?
- Abhyuday Jindal:** Not in the current, not in the first set that we received. But there are discussions on having in other sets. So, in that we might have to take.
- Moderator:** Our next question comes from the line of Nishith Shah from Aequitas Investments.
- Nishith Shah:** I would like to understand our outlook on power and fuel cost.
- Anurag Mantri:** Can you elaborate your question further? What is the outlook mean?
- Nishith Shah:** So, how do we see our power and fuel cost going forward? So, are we still drawing power from the grid or are we getting coal from Coal India now?

- Abhyuday Jindal:** Jajpur is backed by thermal power. We're getting coal from mainly MCL which is part of Coal India. We are buying internationally as well wherever there is a good opportunity. Hisar is backed by the grid and further expansion that we are doing now in Orissa is going to be backed 100% by renewable power. We are not investing in any more thermal energy going forward.
- Nishith Shah:** So, is the coal cost coming down for us now?
- Anurag Mantri:** Yes, this quarter coal prices are coming down as you know. So, let's see, I think it should give us the benefit on captive power.
- Moderator:** Our next question comes from the line of Srikrishna from JM Financial.
- Srikrishna:** I just wanted to know your view about basically JSL acquiring JUSL. What kind of synergies you see in this transaction if you can highlight a bit on that?
- Anurag Mantri:** JUSL is the hot strip mill so which is also integral part of the entire SS process. It's completely, earlier we were getting the tolling done so there was a huge, related party transaction. All these now with JUSL coming in will go away and it's the integrated part of the stainless-steel making process.
- Srikrishna:** All right. The next question is how is your order size for this quarter for auto, if you can basically give a range of order sizes that you got?
- Anurag Mantri:** Order size, we have guided on the volume side that this year we will be sending with around 3% to 5% over the last year. So, it's not like, the business is not like a long order book sort of business. In fact, we keep our order book always in a range because to avoid any volatility.
- Moderator:** Our next question comes from the line of Rajesh Majumdar from Batlivala and Karani Securities India Private Limited.
- Rajesh Majumdar:** I just had a couple of questions. What is the current capacity at JUSL in the hot strip mill)?
- Abhyuday Jindal:** Current capacity is 1.6 million tons but it's already in the last phase of expansion, will go to 3.2 million tons.
- Rajesh Majumdar:** By?
- Abhyuday Jindal:** By April.
- Rajesh Majumdar:** My second question was we have done approximately 330 KT including the slab which we directly imported and using the hot strip mill. Will that kind of volume continue till we get our expansion plan, expanded capacity online say from 1Q?

- Anurag Mantri:** As Abhyuday just answered in earlier thing, it's a completely commercial based opportunity which we need to tap, so all this open blind tap is only for catering to domestic vanilla grade. We don't use this at all for the export market or anything because the quality is what we need to obviously cater it very carefully, both the markets depending on which segment we are getting into. So, it will completely be a based on the commercial opportunities for us. Neither we cannot take regular we can also not take its one off. We always keep looking for opportunity and depending on the best optimization possible in the plant capacity we will try to keep tapping these type of opportunity.
- Rajesh Majumdar:** It is conceivable, so that this added volume can come in even after the expanded capacity as your hot strip mill has excess capacity from April in any case, right?
- Abhyuday Jindal:** That is possible.
- Moderator:** Our next question comes from the line of Saumil Mehta from Kotak Life.
- Saumil Mehta:** Taking from one of the previous participants, in terms of overseas business now there have been losses for many quarters. Now I understand the global economy is not doing that well but can you help us with some of the efficiency measures and if at all what is the timeline to achieve a breakeven in the overseas subsidiary?
- Anurag Mantri:** Saumil, Spain subsidiary is more of a temporary thing as it remains generally in a profitable zone, so it's only because right now the offtake were low and they had some of the old inventories which could actually closing. Otherwise, Spain subsidiaries generally continue to do well for us. In Indonesia we already did an alignment to our entire fixed cost model and the capacity. Right now, again it looks more like a temporary because of the US and Europe market pressure. Hopefully once those goes up, I think we should be able to bring it back on track.
- Saumil Mehta:** So, is it fair to assume that very high probability of FY24 as a full year achieving break even in the overseas subsidiary at the EBITDA level?
- Anurag Mantri:** Your voice is not clear, can you come closer?
- Saumil Mehta:** No, I just want to check, is there a high probability of FY24, the overseas subsidiary which is achieving a break even at the EBITDA level.
- Abhyuday Jindal:** It should, totally again like Anurag mentioned, it totally depends on how if there is recession or not, US economy keeps talking about that, how European market reacts. It's still something to wait and watch and see. Because as for our assumption I think another two quarters it should take till it's back up to breakeven levels.
- Saumil Mehta:** Sure. In terms of taking the further expansion route from going from 3 to 4 at the consol level, do you have enough capacities to sweat. But I believe in the next 2 years assuming the demand is good as of now you will be achieving optimal utilization. So, at what stage do we at least start

planning or at least start ordering equipment? Because that itself will take about 1.5-2 years from the drawing board for the actual commissioning.

Abhyuday Jindal: Like I mentioned it's still too early for us. At least for the next 2 years we will not be doing any of that, post that if we see good healthy demand again from all our sectors, segments then we will start looking at that.

Saumil Mehta: So, for the next 2 years can we assume a substantial debt payment reduction given from operating cash?

Anurag Mantri: Let me put it this way. The moment we start, our first focus is to reach the optimum utilization. So, once we reach 70% to 80% of utilization of this expanded capacity then we will start thinking of it. It depends if we do the ramp up faster it could be much earlier if we do that. Depending on next 2 years when we reach the 70% to 80% utilization of this expanded capacity.

Saumil Mehta: And my last question in terms of the next 2 years given the strong operating cash flows what kind of debt reduction can we envisage in I mean assuming it's a normalized environment?

Anurag Mantri: We continue to be focused on a very prudent ratio. And as you have seen even despite, we are doubling our capacity, we are acquiring JUSL, we acquired Rathi. Even despite all this thing we are maintaining a ratio at 0.3X and 0.7X. That as such is really not a concern for us. We continue to maintain a very prudent balance sheet management and capital allocation towards it. We will always be weighing between the opportunities and which can actually do the more multiplier shareholder return and the debt repayment that's how we need to look at it.

Moderator: Our next question comes from the line of Ashish Kejriwal from Nuvama Institutional Equities.

Ashish Kejriwal: My question is, are we looking for any inorganic opportunities also in India and overseas? If yes, whether it will be confined to stainless steel or we can go for some mining projects also? That's my first question.

Abhyuday Jindal: Ashish, absolutely now as a company because we have the capability, so we are going to be looking at inorganic opportunities domestically and internationally. Nothing as of now is on the cards or we are involved in anything. We just finished acquisition of Rathi Super Steel and yes same way from mainly the stainless asset and we would also like to look at some mining opportunities if it does come our way. So, we are open to them. But there is nothing immediately on the cards or that we are working on right now.

Anurag Mantri: So, Ashish just to add further to what Abhyuday mentioned is that, basically when we say mining it's more a backward integration related to our stainless steel minerals and raw material. And also, we will not be doing mining on our own. It will be more like a tie up. Because it's not that we want to go out and start becoming a mining company, idea is not that. It's more to create a linkage which actually do the clear value addition to our business. Not become like a miner but more as an arrangement with the miner.

- Ashish Kejriwal:** One thing we can be rest assured of that whatever we will do, we will do within India. That too is related to stainless steel only, not other sectors we are trying to cater.....
- Anurag Mantri:** No backward integration as Abhyuday mentioned it could be outside India because backward integration India is only the chrome ore opportunity, nickel is only outside India.
- Ashish Kejriwal:** And secondly is it possible to share what's our volume break up because of industry wise because we have been highlighting again and again that railways and autos that we are 75% market share. How this market share or product mix will kick in your customer mix has changed over the last 3 years in terms of industry I'm looking at?
- Anurag Mantri:** I think segment wise we can always share with you. I think I would say Goutam and Shreya to share with you separately the segment wise.
- Abhyuday Jindal:** We are part of almost 30-40 segments. It's very difficult to say on this call like this.
- Moderator:** Our next question comes from the line of Kunal Kothari from Centrum Broking.
- Kunal Kothari:** Can you share the sales volume breakup on grade wise?
- Anurag Mantri:** Yes, we can give you the sales volume. I think Shreya and Goutam will give you separately. I can tell you the broad percentage of that. We can always tell you. Basically, you want for the last quarter or nine months?
- Kunal Kothari:** Last quarter.
- Anurag Mantri:** Last quarter was the 200 series was of close to say 35% to 40% range. 300 series was another 40% similar range and 400 series was close to 20% to 25% range.
- Moderator:** Our next question comes from the line of Amit Dixit from ICICI Securities.
- Amit Dixit:** Just a couple of questions. The first one is, were there any price hikes in this quarter?
- Anurag Mantri:** Sorry Amit.
- Amit Dixit:** Did you take any price hikes in this quarter?
- Anurag Mantri:** Price hike, stainless steel Abhyuday you want to mention about?
- Abhyuday Jindal:** Again, it is totally raw material business Amit. So, like now in the month of December molybdenum which is one important raw material for us that went up sharply, so at that point we do. We increase the price only if our cost and raw material cost goes up. Otherwise there has been no hike despite that.

- Amit Dixit:** The second question is while you give the export breakup in terms of shipments percentage wise, is it possible to share the export revenue in this quarter?
- Anurag Mantri:** Yes. We can give you the revenue.
- Shreya Sharma:** Amit it was around 7% for the quarter for both put together JSL and JSHL.
- Amit Dixit:** No, I'm asking only revenue, export revenue for JSL.
- Shreya Sharma:** Only for JSL, it was 4%.
- Amit Dixit:** No, 4% you are saying in terms of volume. I want in terms of revenue.
- Shreya Sharma:** In terms of value also it is around 4% only.
- Moderator:** Ladies and gentlemen we have reached the end of the question-and-answer session. I now hand the conference over to the management for closing remarks.
- Abhyuday Jindal:** I would like to thank everyone for attending this call. Our agile business strategy and product mix has been helpful for us to mitigate challenges and we will continue to strategize business as per market dynamics. I hope we have been able to answer your call satisfactorily. Should you need any further clarification or would like to know more about the company, please feel free to contact our investor relations team. Thank you very much.
- Moderator:** Thank you. On behalf of Batlivala and Karani Securities that concludes this conference. Thank you for joining us and you may now disconnect the lines.