



Welspun Corp Limited
Q4 FY 23 Earnings Conference Call

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Management: Mr. Vipul Mathur - Managing Director and CEO, Welspun Corp Limited
Mr. Percy Birdy - CFO, Welspun Corp Limited
Mr. Salil Bawa - Head, Group Investor Relations, Welspun Group
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Host: Mr. Abhineet Anand - Emkay Global Financial Services

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Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '23 Results Conference Call of Welspun Corp Limited, hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen only mode. And there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhineet Anand from Emkay Global Financial Services. Thank you, and over to you, sir.

Abhineet Anand: Thanks, Michelle and good morning to all the participants. I'd first like to thank the management for giving us this opportunity to host the call. And I will now hand over to Mr. Salil Bawa, Head-Group Investor Relations, Welspun Group. Over to you, Salil.

Salil Bawa: Thank you very much, Abhineet and good morning to all of you. I welcome all of you to the Q4 FY '23 earnings call of Welspun Corp. Present along with me today on this forum are Mr. Vipul Mathur, Managing Director and CEO; Mr. Percy Birdy, Chief Financial Officer of Welspun Corp Limited. I also have with me my colleague, Gaurav Ajjan, who leads IR for Welspun Corp.

You must have received the results and investor presentation of the company, which are also available on the BSE and NSE and on the company's website. As usual, we will start the forum with some opening remarks by our leadership team. We will then open the floor for your questions.

During the discussion, we may be making references to this presentation. Kindly do take a moment to review the safe harbor statement in our presentation. Should you have any queries that remain unanswered after this earnings call, please feel free to reach either of us. With that, let me hand over the call over to Mr. Vipul Mathur, Managing Director and CEO of Welspun Corp. Over to you, Mr. Mathur.

Vipul Mathur: Thanks, Salil, and good morning to everyone. Welcome to our Q4 FY '23 conference call. I really appreciate you all taking time out today morning to attend this call, and I hope all of you are doing well. As customary, I will first take you through the key highlights of our consolidated performance during the quarter and the year ended 31st March 2023. As Welspun Corp, we once again achieved a coveted 1 million ton global line pipe sales in FY '23. This is the eighth time in the 10 years -- last 10 years that we have breached this mark. This is only a clear reflection of our very stable and consistent performance in our line pipe business.

The revenue from operations stands at INR9,758 crores. It's a growth of almost more than 50% on Y-on-Y basis. EBITDA for this quarter is around INR483 crores and for the FY '23 stands at INR805 crores. We have also completed the acquisition of Sintex BAPL and the specified assets of ABG Shipyard. We are fully in control of these 2 assets.

On the sustainability side, we have been ranked in the top 7% in the steel industry in the DJSI Corporate Sustainability Index. On top of it, we also have a very strong order book of almost 1.1 million tons -- our global order book of 1.1 million tons valued pegged at INR14,600 crores. If I move to the quarter performance, for the quarter, the production and the sales volume in our

line pipe business, for our total operations, including Saudi, was 374,000 tons and 345,000 tons, respectively. We achieved a sales volume of 200-odd thousand tons in India. Out of U.S. was close to 30,000 tons and from Saudi operations, close to 100,000 tons.

Let me also give you some update and our assessment of the market outlook as we see for each -- as we see the key drivers for each of our businesses. As you know, Welspun Corp is now a conglomerate having interest in line pipes, in steel, in shipyards, in stainless steel, so it's a very diversified and that's the reason we want to give you a very clear market -- our assessment of the key market drivers for each of the business.

First, coming to the line pipes. The line pipe business has seen a robust performance with a global sales volume of 345,000 tons in Q4 and almost more than 1 million tons in one year. The overall environment for the oil and gas capex is very favorable across the world. In the beginning of April, Saudi Arabia and the OPEC+ oil producers announced oil output cuts of around 1.6 million barrels per day. The pledges bring the total volume of cuts by OPEC+ to almost 3.6 million barrels per day, which is equivalent to 3.7% of global demand. OPEC+ has been expected to stick to 2 million barrels per day cuts already placed in the year 2023.

These cuts is -- clearly reflecting the stability in the oil market. If you see the oil market is completely range bound between \$70 to \$90 per barrel at this point in time and for the last considerable time. The IEA also said the world oil demand is growing to -- set to grow by 2 million barrels in 2023 to a record of 101.9 million barrels, driven mostly by stronger consumption. Oil market balances are set to tighten in the second half of 2023, with the potential for a substantial supply deficit to emerge. On one side, being the production cut on the other side, the demand staying strong, I think so we are very confident, and we feel that this range bound oil -- the prices of oil will complete -- will stay range bound.

On the gas prices, we have seen that there has been a little softening, but then the demand has been extremely high. As regards to India, the target has been set to increase natural gas consumption from 6% to 15% in our energy mix by 2030. The vision of One Nation, One Grid provides for all necessary infrastructure in this regard. The length of the gas pipeline network in 2014 was around 14,000 kilometers, which has been increased to 22,000 kilometers. In the next 4, 5 years, the gas pipeline network in India is expected to reach 35,000 kilometers.

India is the world's third largest consumer of crude oil and depends on imports to meet over 85% of its requirement. According to the International Energy Agency, India's oil demand could rise from 4.7 million barrels per day in 2021 to 6.7 million barrels by 2030 and 7.4 million barrels by 2040. The country currently has a refining capacity of 250 million tons, and there are plans to increase at around 450 million tons per annum over the next few years as India's oil demand is expected to rise.

Energy scenario across the globe is also changing due to the geopolitics resulting in stock export demand. In the export market, we are in at -- all what I said until now was for the domestic side of it. We see that the domestic demand is going to be strong. We are contemplating that the investment in the oil and gas infrastructure will continue to happen as it has been happening for

the last 4 years. And we see for the next 4 to 5 years, this demand is bound to be there in the infrastructure space.

On the export market, we are in active discussions for several other orders across the world. As you are aware, we recently announced the award of an export order to one of the countries in the Middle East. It is approximately 83,000 metric tons. This pipes will be supplied for offshore production and transportation of gas, which will accelerate and enhance LNG export infrastructure in one of the largest LNG producing and exporting country in the world. There also has been a revival in the water sector by the strong pent-up demand after subdued growth over the past 2 or 3 years. Our wide geographical presence within India, which means our presence in West, Central and Southern India, along with a very robust supply chain is optimally -- will help us to cater to this emerging demand.

Coming to U.S., which is also one of the main stay in our earnings. We are seeing that a record LNG exports from U.S. has helped soften the blow to Europe from sharply lower Russian pipeline natural gas supplies in 2022 and will remain a vital energy source for the continent even in 2023. Rising global demand for the natural gas is growth opportunity for U.S. LNG producers and -- but delivering on this opportunity will depend on timely construction of natural gas line pipeline infrastructure to support new LNG gas supplies.

At this point in time, our spiral plant is fully booked until December of 2023. The current business environment is very favorable. We are seeing a lot of tailwinds and we are in active discussions to book new orders beyond December 2023, and we are very optimistic around the same. Coming to Saudi Arabia. I'm sure you all are noticing the exponential growth which is happening in Saudi Arabia. Today, Saudi Arabia has the highest annual growth rate among the world 20 biggest economies in 2022. And according to the latest data of OECD and have plans for a huge growth in infrastructure projects. Saudi Arabia is expanding its maximum sustainable oil production capacity to 13 million barrels per day by 2027.

In this regard, Saudi Aramco is greatly expanding the capacities of its offshore oil fields, which is a crucial element of its strategy to boost the country's oil production. Its own capital expenditure in this year is expected to be between \$45 billion to \$55 billion, with capex increasing throughout the decade for the next 10 years. In their recent quarter results, Saudi Aramco reaffirm the intention to move forward with their capacity expansion program. The long-term outlook remains unchanged as they believe oil and gas will remain a critical component of the global energy mix for the foreseeable future. Saudi Arabia is also expanding its gas production capacity and aims to achieve a 50% growth in the gas production by 2030.

So both oil, network, oil production and network and gas production network continues to be a key focus attention in Saudi Arabia. And as you are aware that recently our associate company in Saudi has signed a contract with Saudi Aramco for a supply of large-diameter steel pipes which is valued at almost INR4,000 crores. This is one of the single largest order our Saudi company has won from Saudi Aramco, and it represents a major share of the first package of Master Gas Phase 3 Program.

With this order in place, our plant is booked for the next one year, if not more. We are also seeing a robust demand in the water sector with multiple lines to carry desalinated water to be awarded shortly out of which we are, in any case, poised to win some more orders in due course of time. The water company, SWCC, is investing in increasing its capacity to desalinate, transport and store water to meet increasing demand and further enhance water supply security.

Given the vast geography of Saudi Arabia, the transportation of desalinated water to its demand center is of very key importance. Today, around 13.9 million cubic meters per day can be transported across the country. This capacity is currently being increased by additional 56% and a further expansion by 44% in 2030, which means there will be almost 100% capacity expansion between now and 2030. This was my outlook for -- on the pipe side of our business, the pipe vertical.

Now I would like to draw your attention to the steel side of our business. We have seen -- as you are aware that we have commissioned our blast furnace and our DIP plant. We have seen a steady ramp-up in our Hot Metal production, almost achieving our target production levels. Whatever we have targeted for, we have almost reached that production levels. All ancillary facilities around our blast furnace like Sinter, Coke Oven, PCI, and Oxygen plant have also reached their targeted production levels and aptly supporting the Hot Metal production.

There has been a steady ramp-up up in the volumes across the full production range and on expected lines in our DI pipes business as well. The quality and the timely deliveries are well accepted and highly appreciated by the customers. To make provision of potable water supply to every rural and urban households of the country by 2024, Government of India in partnership with states is implementing the Jal Jeevan Mission.

The impetus of water supply infrastructure is continuing with the JJM receiving an allocation of almost INR70,000 crores in the Union Budget of 2023, significantly higher than INR50,000 crores, what was allocated in the last fiscal year. For the DI, as you are aware, it is a business of all about approvals and accreditation. I am very pleased to say that we have already received all necessary approvals and accreditation in the state of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Punjab, which are our top priorities areas in any case.

We are seeing consistent demand from all the states coming up and I have already supplied and have a track record of supplying pipes in most of these states now. It is very clearly reflected in our performance. We have a strong order book of almost 140,000 tons valued at more than INR1,100 crores. And we are aiming that this year, we should be producing and -- selling anything between 175,000 to 200,000 tons of DI pipes, which will almost be 45% to 50% of our capacity utilization. It will be -- it is a ramp. This is a ramp-up. We are currently in a ramp-up journey. We are in the first 2 quarters. And as you would have seen, our quarter-on-quarter ramp-up has been absolutely on the expected line. I think so in the next 3 to 4 quarters' time, we will be there in terms of delivering the guidance what we are giving in terms of execution.

As regards to TMT bars, our newly commissioned state-of-the-art plant has started ramping up dispatches. The key target market is the state of Gujarat, where the estimated annual demand is close to 3 million tons. Within Gujarat, we have seen a healthy demand in the area of Kutch

where our plant is located. This will be one of the key priority market for us due to our strong presence. We intend to be a strong player in the B2C segment and our brand Welspun Shield, has been extremely well accepted in the Gujarat market. We are now considered as a Tier 1 suppliers within the producers of Gujarat on the basis of quality and service.

We have also created a unique and industry-first digital platform for distributors, dealers, retailers and influencers. This is not only creating a positive socioeconomic effect, but also helping us with a deeper penetration in the market to achieve our B2C goals. Our product has successfully expanded -- has successfully reached to 24 districts and 69 Talukas across Gujarat through 120 dealers and 6 distributors. This is bound to grow in subsequent quarters. Our target is to reach to every district and every taluka of Gujarat by the end of this financial year.

I'd now like to draw your attention to our company Welspun Specialty Steels, which is our stainless steel part of the company. The stainless steel business has seen a surge in demand in sectors like defense, petrochemicals, nuclear reactors and process industries. There is a strong potential in Europe and North America. Further, the anti-dumping duties on stainless steel pipes and tubes for cheap exports from China have come into effect, which has significantly improved the business prospects for Indian mills like us.

In the SS Bars business, the company has started offering expanded product range from 50 to 200-millimeter to 25 to 350-millimeter diameter. We are also working in further expanding this range. This range is a very unique range, which we possess and puts us into a very coveted position. Further, the Make-in-India initiative by the government of India is providing further impetus to this business. We have seen a strong turnaround in the performance, both operational and financial and I'm pleased to report that WSSL is an EBITDA-positive company in the last - in this financial year.

The current order book of this company stands at almost 3,500 metric tons, which comprises both of bar as well as pipes and is pegged at INR155 crores. The company has also received all certifications with respect to its Blooms and Ingots, Bars and seamless pipes and tubes. These certifications will cover the entire spectrum of their product offering into the market. This is an extremely favorable development for an integrated players like WSSL.

I am also very glad to inform that the company has booked its first order for a very high-value Nickel Alloy Grade 6625. As you know, this is a boutique business. And as you know, what's in the value chain, what are the value-added products you are servicing and 6625 is considered to be one of the most stringent and difficult and cash-accretive value grade of the product. And this company has -- our company has been able to book the very first order in this particular grade.

The company has also booked and supplied pipes and tubes order in other high-value grades like Alloy 800H, 8825 and Monel 500, etcetera. The company expects its improved performance to sustain on the back of several new customer approvals, accreditation, development of new products and penetrating into new markets.

Let me also now draw your kind attention to our recent acquisitions, which is about Sintex and Nauyaan Shipyard, which is erstwhile ABG. So let me just throw a little update on that as well.

As I said, we have taken full control of the asset at Sintex BAPL. Sintex continues to be a national brand with premium positioning. It is best known brand of water storage tanks in India, and the brand connect is synonymous with water tank. When you talk water tanks, it is Sintex. The company enjoyed a very robust distribution network of 900 distributors and 13,000 retailers. They stay intact and are going to act as catalyst for our growth.

The current market share of Sintex in water tanks is estimated to be above 9%. Every effort is now being made to increase this market share in FY '24 by re-energizing the distribution network, the product and brand positioning, bringing in supply chain efficiencies, reenergizing of a dealer and distribution network. We are extremely excited about its prospects in the subsequent quarters and years to come.

Nauyaan Shipyard, which is the erstwhile ABG Shipyard. As you are aware, we took the full control of that asset. And as I reported earlier, we are in -- currently in the process of liquidating the scrap, which is there. So we are moving steadily to monetize the scrap, which should be mostly completed by the end of this financial year. This will result in a steady cash flow. During this period, we will be incurring a very minimal fixed cost.

Further, I want to make it clear that we are not exploring any capital-intensive options like ship building. Instead, we are exploring options with respect to ship repair, ship recycling. In this regard, we are in discussions with various established companies in the world and doing our internal -- and doing a comprehensive assessment, which I expect to complete in next 2 quarters' time.

The endeavor will be to come up with a low capex, noncyclical business, high return and value-accretive proposition basis which we will formulate our business plan for the next financial year. So what we are trying to do, 3 things. Number one, we are trying to liquidate the scrap, so it gives us steady cash flow, number one. We have restricted our outflow -- our fixed -- we are keeping a very strong check on the fixed cost outflow. We are not doing any major -- we are not doing any capex at all and we are working in terms of finding out a value proposition and -- for which an exercise is being done, and we will be done in the next 2 quarters' time.

I also want to draw to the ESG initiatives which the company stands by. As you are aware, the company lays a strong emphasis on sustainability and governance and has been ranked in the top 7% in the steel industry. The DJSI score, which reflects this -- recognize this initiative has now significantly improved from 41% to 57% in FY 2022.

As regards on the balance sheet side of it, we have seen a sharp reduction in our net debt by almost INR700 crores in the quarter from -- on our debt -- net debt as on March '23, and it stands at around INR1,140 crores. Further, it will be our endeavor to utilize cash and it's further -- utilize cash in further reduction of gross debt. At the same time, we will also focus -- our focus will also be to utilize the free cash flow that we're going to generate over '23, '24 to reduce -- further reduce our net debt. We are confident to make a significant reduction in the same as well.

Looking at this performance, looking at the various companies which are now under the Welspun fold, right? We are -- I think it is fair on the market side to expect that what sort of a guidance

we are putting in place. Typically, when we were a stand-alone type company, we were always hesitant in doing that. But I think in order to bring confidence and give clarity to the market, we have worked out, and we are giving you a broad guidance for the FY 2024.

We are expecting our top line to be close to INR15,000 crores, which will be a growth of almost 50% from the current top line. We are also hopeful of achieving an EBITDA of close to INR1,500 crores, which will almost be a growth of 90% to 100% than our current levels. Our strong focus is on return on capital employed, and we are optimistic of generating a return of 16% plus in this FY 2023. We are also very focused that this year, we are not going to do any capex except for our maintenance capex. Our -- we will turn our strong focus in the performance of Sintex, DI pipes and WSSL. These are all the 3 new companies, which has come into our court and we will lay our maximum emphasis and time allocation in respect of growing these businesses.

Having said that, the focus on the pipe company will always be there, and it is, in any case, a very steady state and a consistent EBITDA producer -- driven company. Further, we will work on sustainability and to improve our DJSI score from current 57 to at least 60 plus.

If I summarize of all what I have just communicated, a, first we achieved a 1 million ton sales in the line pipe, 8th time in the tenth years -- 8 times in the last 10 years. We have a strong order book of almost 1.1 million tons valued at INR14,600 crores. We have provided a guidance for FY '24, which shows improvement on all key metrics, including turnover, EBITDA, ROCE, and also on the net debt side of it. We have ranked on the top 7% on the steel industry on the DJSI's Corporate Sustainability Index, and we will continue to improve our scores on that. We have completed our acquisition of Sintex BAPL and ABG shipyard. There will be no capex other than the maintenance capex in this current year.

The investments made in all these new businesses are -- will start accruing and we'll see the benefit over the next quarters in the subsequent years. The demand outlook for all these new businesses is extremely healthy, but works need to be done to scale them up from operations and cost point of view. We are firmly working towards 'Har Ghar Se, Har Dil Tak Welspun' by expanding channels within Sintex and TMT business. On the Sintex, we -- as I said, we are working in terms of improvising the supply sales, operations, brand, sales channels, marketing, dealer network.

They are all being worked upon, reinvigorated. The brand pull -- it is a national iconic brand. The brand pull is good. We are now almost 60 days, close to 60 days into the acquisition of business. And the first impression what we are getting is very, very favorable. The early signals are extremely positive, and we are enthusiast about the prospect of this particular business.

With this, I thank everyone for attending this call, and we'll be happy to take any questions if you have any. Open the floor for the questions, please.

Moderator:

We have the first question from the line of Miraj from Arihant Capital.

Abhishek Jain:

This is Abhishek Jain from Arihant Capital, Congratulations on good and improved set of numbers. Sir, I just want to understand what will be the sustainable inventory going forward

because I can understand because of entering into new business and -- so how much inventory we are going to see on a sustainable basis, how much inventory we are going to keep it?

Vipul Mathur:

Abhishek, I think so it's a very interesting question you have asked. We have seen an inventory increase in comparison to the last financial year. But you have to understand this inventory increase is because the growth in all the businesses. The major inventory increase is in our U.S. business, where we are executing a large order and the entire inventory has been procured and sitting with us. And it is already a paid up inventory in any case. But now we have also started execution of that order, and we will see now a gradual reduction coming up in -- on the inventory side of it in the U.S.

Further, we have inventories in ABG, which is almost valued at INR500 crores. As I said, that the scrap sale process is already on. And the moment -- as the process will continue, you will see a reduction in the inventory coming there. In WML, WDI, of course, the nature of the business is that you have to have maintained an inventory level of iron ores and fluxes and coal and all that stuff. So it's a fairly normal inventory level of almost INR500 crores will be maintained and it is pretty regular in nature.

On the WSSL side, we have inventory of close to INR200-odd crores, but this business also has an order book of almost close to 4 months' time and then inventory levels need to be maintained. On the pipe side of it, we have an inventory of close to INR1,000-odd crores, I think, which was on account of the export orders, what we have and as the export orders are now getting executed, so this will also start to go down. So we have to understand that the size of the balance sheet, the size of the operations have almost tripled, so I think so that is where you will see that there is inventory which is -- there has been a high inventory. But this is all against order and all -- as they and -- they start getting executed over quarter-on-quarter basis, you will see a gradual reduction happening there.

Abhishek Jain:

Sir, my second question is, as per our understanding, we can generate a healthy amount of cash flow in the next 3 years. So can we assume the next 3 years, we can be -- we can achieve at least a net debt free kind of status?

Vipul Mathur:

We can expect what, sorry?

Abhishek Jain:

Net debt free. What's your debt free status?

Vipul Mathur:

Abhishek, you have been following this company for a long time, right? As Arihant Capital, we know that you have been following this company. Our focus always has been to leverage our balance sheet very, very correctly. This is not the very first time that we will be doing this. Our strong focus remains on bringing our net debt to absolutely minimalistic level. We are absolutely on that track. I think so all the businesses, all the new -- old businesses, which is the pipe business and the new businesses, which are all shaping up and growing, I think so you're right, we'll generate sufficient cash flow and our endeavor would first be to reduce our gross debt at the company level.

Abhishek Jain:

Sir, I have Miraj here, we have one more question. I wanted to understand if you could give new highlights on the Saudi order that you've spoken of, which is INR4,000 crores, if you could give

us what the volumes would be for that? And how many more orders can we expect in the Phase 3 as since this is the first order in Phase 3.

Vipul Mathur:

So right now, coming to the Saudi part of it, this order, as you know, is from Saudi Aramco. It is for a project called Master Gas Phase 3, right? I think so the -- this Phase 3 order will be happening in 2 parts, one in this financial year and the other in the next financial year, right? For this financial year, I think they have mostly placed their orders, and we have got our line shares around that, right?

So -- and this will get -- this will -- and see that we will have a continuous run for almost 1 year. On top of it, we are also expecting some orders coming up from the water sector. And we will be absolutely looking those orders very, very closely so that we have a business continuity even after 4 quarters. So I'm very sure that we will be able to do that. Then it will be followed by Master Gas Phase 3 second phase. So I think there is a clear business continuity case in Saudi business for at least the next 2 or 3 years' time.

Moderator:

The next question is from the line of Nirav Shah from Geecee Investments.

Nirav Shah:

Congratulations on very strong profitability during the quarter as well as the deleveraging. So a few questions. Firstly, we are seeing that while the EBITDA has increased, our U.S. volumes haven't -- I mean, they've remained almost flat on a sequential basis. So the last part of the increase is coming from India line pipe operations as also DI is in the ramp-up phase. So if you can just give a broad breakup of the EBITDA during the quarter, that would be really good. And if the EBITDA is led by India line pipe operations, was it because of some, one of marquee high-margin orders or it's a sustainable number? That's the first question.

Vipul Mathur:

So Nirav, coming to your first question, U.S. operations are U.S. mill is under full production mode at this point in time. Of course, in this particular quarter, the dispatches was slightly on the lower side, but that they were as planned and as decided, right? I think so from this quarter onwards, you will see the major execution of the order what we have in hand will start and that they will start getting reflected into the quarterly numbers. As you know, we already have an order book of close to 400-odd thousand tons in the U.S. business at this point in time. And we have almost a firm visibility of the -- firm business in hand till December of this -- till the December of 2023.

In this particular quarter, I think to the India operations, the large -- the major chunk of the EBITDA came from the Indian operations because the product mix in India was very profitable. They had in the kitty, some very remunerative export orders which got executed. And moving forward, I think so the blend of the orders, they are building up in their own -- in the Indian kitty is also looking very favorable to me. And I think so we will see the benefit of that coming in the subsequent quarters as well. But as you know, these are just also to add a word of caution that it is also about the product mix on a quarter-on-quarter basis...

Nirav Shah:

And that changes depending upon execution.

Vipul Mathur:

That changes our blend a little bit, yes.

Nirav Shah: Got it, sir. Second question, I mean, you've given a broad indication of how the -- why the inventory has moved. But just coming to the U.S. operations of the INR5,000-odd crores of inventory, INR5,700 crores. How much would be sitting in U.S.? And also the payables have increased because of -- I'm assuming because of U.S. operations as well. So on a net working capital basis, will we see a reduction in the working capital at U.S.?

Vipul Mathur: So to your first question, I think sort of this INR5,700 crores, the large chunk almost close to INR3,400 crores, INR3,500 crores is sitting in U.S. only. And as I said, it is an inventory against an order. One, it has already paid up inventory because the payment terms are favorable there where you are paid upon buying the inventory. And more importantly, as you know, we are into the -- as the dispatches will start, you will see in the subsequent quarters, this inventory position going down.

Nirav Shah: Okay. And lastly, before I come back in the queue, sir, what's the scrap inventory in terms of tonnage that we are holding as of March at ABG.

Vipul Mathur: As I said earlier, I think that the total overall scrap was close to 150,000 tons in ABG. That's what we have told earlier as well. And that is what we are in the process of liquidating and it is a very steady manner. It is getting liquidated. But it will take almost at least 3 more quarters, if not 4, before everything will stand liquidated. So it will give us a sort of a steady cash flow for the next 2, 3 quarters and more importantly, Nirav, we have to understand that we have kept, as I said earlier in my call -- in the earlier part of my call is that we are keeping our fixed cost at a very, very low level. At this point in time, we are not pumping any money whatsoever in ABG so that just to give you the comfort.

Nirav Shah: Yes. And we mentioned that this year will be only maintenance capex. So on the entire operations with the addition of new businesses, what will that number be?

Vipul Mathur: Yes. Typically, when we used to do a maintenance capex when we only had a pipe business, it used to be in a vicinity of close to, like, say, INR70 to INR100 odd-crores. I think that this time, it could be close to INR250 crores, INR300 crores. Looking at all the businesses put together.

Moderator: The next question is from the line of Vikas Singh from PhillipCapital.

Vikas Singh: Congratulations on a very good set of numbers. Sir, I want to understand our bid book, which have increased basically 46% on a quarter-on-quarter basis. So what are the new geographies where you are seeing the new green shoots and some insight into the European market because after war, it was touted at a very good market but nothing has come from there as of yet. So if you could just give us some insight into that?

Vipul Mathur: Vikash, the growth in the bid book is largely driven from 3 regions. Number one, Southeast Asia, we are seeing an exponential demand in the Southeast Asian market, one. Two is the Middle East market. We are seeing a very buoyant Middle East market and at least economies in Middle East, which is Saudi and Qatar are absolutely firing up. So we are seeing a very pent-up demand from these 2 economies. And of course, third is also coming from our U.S. because we are seeing a lot of -- there's a huge traction in the U.S. market as well in the oil and gas sector. So this bid book increase of 46% is a reflection of the pent-up demand in these 3 geographies.

Vikas Singh: Understood, sir. And sir, my second question basically pertains to, sir, what is the out of 1.1 million of total order book, what is the outstanding Indian order in terms of tonnage?

Vipul Mathur: Yes. So right now, as I said, we have almost close to -- we have close to almost like 400,000 tons of an order book in our U.S. entity. We have almost close to 250,000 tons of an order book in our India entity, and we have close to 475,000 tons of an order book in our Saudi entity. So that is the breakup of the 1.1 million.

Vikas Singh: Okay. Sir, coming to Saudi operation, that is the most strong order book geography right now. So just wanted to understand the incremental cash flow, which would be coming from executing those orders basically. What would be the utilization of the same?

Vipul Mathur: So first, I would say that, a, Saudi order book and U.S. order book both are very strong. Saudi is at 475,000 and the U.S. is equal to 400,000 to almost close to 400,000 tons. Both of them have a very strong order book. And thirdly, coming to the Indian order book, at 250,000, we are still in very active discussions for some new orders, and this will also significantly grow up in subsequent quarters. So that's one.

Coming to the cash flow. As you know, we are a 35% stakeholder in our Saudi entity and still the largest shareholder. Whatever the earnings which will there in the proportionate, they will flow back as the dividends to us, and that is what we are estimating to come in FY 2023.

Vikas Singh: So effectively, that money would come in the form of dividend to us. Understood, sir. Sir, just one last question. In terms of basically overall visibility side, you have talked to us in the U.S. that it's very good etcetera. But then next year, usually, U.S. is going -- U.S. would have an election. And we have seen the election usually would be a little bit weaker. So has U.S. already started getting any signs because we are already in the middle of the 2023, so just some thought process on that, whether it would be the similar pattern or this time, it could be different because of the energy needs requirement?

Vipul Mathur: Vikash, we are seeing a little -- we are seeing a fundamental shift in the U.S. situation at this point in time. It is like oil and gas, I think, has been clearly identified as a key priority area, irrespective of the political dispensation. Be it the Republicans, or be it the Democrats, they have all clearly understood that oil and gas is going to be the major mainstay. So earlier, as it used to make a significant impact during the election year, we are not anticipating any such thing in this -- at least in this -- in the coming years.

And that is -- that sort of account, that is also bringing a confidence with all the E&P and the midstream producers out there because it is not agnostic, whichever political dispensation is in place. And that is one of the reasons we are seeing a steady inflow of inquiries coming up from the U.S. So to your question that the election year -- the next year election, is it going to slow down the whole process, we feel that it won't make much of an impact.

Vikas Singh: Understood, sir. And sir, just on your views on the European demand, when we expect that region to start picking up on the pipeline's order?

Vipul Mathur: See European demand will majorly now come in terms of the new energy businesses. There will be quite a few projects which will come up for carbon capture and hydrogen. And as you know that we have -- as Welspun, we are aggressively working in terms of -- that we are ahead in the curve in terms of our new energy businesses. So we will see that demand is coming up in the next 2 or 3 years' time on the new energy side of it.

As regards to oil and gas demand, I don't -- I think so it will be a muted demand because all the Russian gas is now completely supplemented by the U.S. supplies. And that is why we are seeing a huge traction of creating a gas pipeline infrastructure in U.S. so that they can pump in more and more gas and export more and more to the world.

Moderator: The next question is from the line of Aanchal Bagaria, an Individual Investor.

Aanchal Bagaria: Congratulations, sir, for a good set of numbers. Sir, can you -- actually, this question was already asked. I just want to get some more insight on this. The EBITDA proportion segment-wise, if you could give -- throw some light on that?

Vipul Mathur: I think so let's stay to the consolidated EBITDA. And I think so a one-on-one interaction, we can have a little more detailed breakup around that. But for this call, let let's keep it on an average EBITDA, please.

Aanchal Bagaria: Okay. And sir, can you provide some insight on like what are our raw material sourcing strategies, etcetera, currently?

Vipul Mathur: Raw materials, Yes, sure. As you know, on the line pipe business side of it, we are one of the largest line pipe producers in the world. We have a very robust supply chain and sourcing strategy in place. We are one of the top 3 players in the line pipe globally at this point in time, which means we play in an absolute niche segment of the line pipes where approvals and accreditation are extremely difficult. There are just 1 or 2 players in that particular segment in which we operate. And that also demands that our supply chain correspondingly has to be extremely robust, so which is -- we have almost a sort of a relationship with just about every steel mill in the world, and we have done extensive business with them.

So on the pipe side of it, our supply chain raw material sourcing strategy has been extremely robust, and that has been one of the key factors for our success in the past years. On the -- coming on the other side of the business, which is the steel side of it -- of the business, it is the sourcing of iron ore or sourcing of the coal, these are commodities. And we are now a large buyer of these commodities. We are now an international buyer in these commodities. We have -- they are absolutely established players in this particular field. These all commodities are index-based commodities. So we have also now -- we started -- we are completely plunging to those, and we have now established a very, very efficient and a robust supply chain system of our iron ore and coal as well.

On the scrap side of it, scrap is again a commodity. We are again buying scrap. That is the third raw material which we buy or the 4th raw material which we buy. And for that also, we have established sources from which we are sourcing the scrap. So on the raw material side of it, I

think so we have laid a lot of emphasis. We have completely streamlined the process, and we have an absolute robust supply chain system now in place.

Aanchal Bagaria: And sir, just one last question. Like what is the market outlook pertaining to the steel side of the business, like the WML, WDI business, etcetera, what is the market outlook for the future that you are looking upon?

Vipul Mathur: Yes. As I said earlier in my call, the business looks very promising. What it matters to us is the DI pipe business. And as you see, the Jal Jeevan Mission is going full go at this point in time. There is a huge pull in the -- huge requirements across pan-India in this particular segment. I think so we are seeing a sustained growth for our next 5 to 7 years' time. And I think -- so there's a great demand, which is going to be there. It is -- we will have to take our own share out of that particular demand, and we are very confident around that.

Aanchal Bagaria: Okay. And sir, anything about WML on the Pig Iron side of the business?

Vipul Mathur: Pig Iron is not a product which we want to sell. Our whole purpose of having WML is to supplement the DIP. Our focus is to ramp up our DIP and convert entire Hot Metal into DIP, right? But it is a process, it is a journey. It takes its own time. And you see on a quarter-on-quarter basis of what significant improvements have been made. And I'm sure that in subsequent quarters also, we will be absolutely ramping up to our fullest potential, right? So as our DIP business will continue to ramp up, our Pig Iron business, which is -- it will continue to go down. We are not focused about Pig Iron, we are focused about DIP.

Moderator: The next question is from the line of Abhishek Ghosh from DSP Mutual Fund.

Abhishek Ghosh: Just a few questions. I don't know if maybe Percy can come here to just reconcile. I'm just looking at the cash flow statement. And if I see from the September balance sheet, you have reduced as far as the net debt is concerned, but there is a meaningful increase in the net working capital while you also generated some operating cash flow, but the entire increase in net working capital does not get offset by the own cash generation because the increase in inventory is far higher. So if you can just help me reconcile how has the net debt come down? Is it because of consolidation of Sintex assets? Or what is it, if you can just help me understand that?

Percy Birdy: Yes, Abhishek, this is Percy here. So net debt has come down indeed from -- if you look at from the December quarter, which was about INR1,800 crores to now about INR1,100 crores in March '23. And this is, of course, thanks to the strong EBITDA numbers also. So we had INR483 crores of EBITDA for this current quarter. And there has been some working capital unlocking also that has happened. So some of the export orders in from India, which have started getting executed. So there also, we have had some unlocking. And this unlocking will happen in the next fiscal year as well as we go forward.

So I think it's a mix of various things. Sintex acquisition also has been completed. You are right, and that has also turned out in a favorable way than what we had anticipated 1 year ago. So I think it's a mix of all these things. EBITDA, unlocking our working capital and the acquisitions getting completed. All these have resulted in a reduction in our net debt. It's a substantial

reduction, almost INR700 crores in 1 quarter. So I think it's a very good number that we have demonstrated.

Abhishek Ghosh: So just one clarification. The inventory levels in December quarter were already at similar levels from that of March.

Percy Birdy: Yes, December was very similar to March. You're right. If you compare with March '22 versus March '23, then yes, you will see there's a substantial increase, but that's, of course, various reasons we know. Our U.S. was hardly anything in March '22. And most of the revival in U.S. has happened in this last 3, 4 quarters. So that's the reason.

Abhishek Ghosh: Okay. Okay. And just in terms of how much of consolidation of cash has happened because of Sintex coming into the business?

Percy Birdy: So Sintex, as a company, they have cash on the balance sheet. Some of that cash, of course, will get utilized because the CIRP balances will get paid out. So that will come down. But otherwise, they have sufficient cash on the balance sheet to carry out their operations, business, their marketing, their brand spend, whatever is there, some balancing equipment that they need to arrange. So they have a very comfortable position as of now.

Abhishek Ghosh: Okay. And just in terms of the overall guidance that you have given about INR15,000 crores of top line on FY '24 and if you look at the current net working capital, it is broadly at about INR4,200 crores, just to get an understanding for that INR15,000 crores of top line, what will be the net working capital requirement?

Percy Birdy: So I think there is a substantial growth, 50% growth in the top line that we have guided from INR10,000 to INR15,000 crores. And you're right that there will be some working capital also that will be required to fund this growth. But we have seen some of the numbers like inventory numbers as of March '23, are also at a reasonably high level, and we will also see some unlocking of working capital happening.

So I think on the whole, it will balance out, some of the old inventory will get unlocked. And depending on how we get new orders and how we are able to reinforce our order book, we might have to get in some more working capital infused as well. On the whole, I don't think there's any going to be a very major increase or decrease. We should be able to deliver decent sized free cash flows.

Abhishek Ghosh: Okay. Okay. And just one more thing on the overall domestic pipe business, there's been a sharp increase in profitability, if one can help even going forward as this expectation of large amount of water orders coming through because also you have commissioned the new plant in Bhopal and other things. How -- and typically, water projects are relatively lower margin business. So how should one look at the margin profile as far as the domestic business is concerned?

Vipul Mathur: I think it will -- the domestic market -- the domestic business is a blend of export and domestic, right? And this blend also includes execution in the oil and gas, execution in water. And third is the export. So it is a blend of these 3 things. So this blend keeps on changing. It is a project

business at the end of the day, Abhishek. This blend keeps on changing on a quarter-on-quarter basis.

In the last quarter, in this quarter, fourth quarter, it was extremely favorable. Moving forward, on a year-on-year basis, I think so it evens out. But on a quarter-on-quarter basis, it changes. So it's very difficult to say that is the performance going to get repeated in the next -- similar performance is going to get repeated in the next quarter, very difficult to answer because it is all dependent on the plan. I think a project company to that extent, will have a challenge like that. And probably rather than looking at quarter-on-quarter, let's look on the year-on-year business, please.

Abhishek Ghosh: Exactly, sir. So on an annual basis, your product mix will largely whatever margin shift and one should look at it from that perspective.

Vipul Mathur: Correct. Correct. Correct.

Abhishek Ghosh: Okay, sir. And just one last thing on the DI pipe perspective. You have seen a very good inflow over there. What's the status in terms of stabilization of the unit, you've also broken in even as far as EBITDA is concerned, but any just current update in terms of how are the ramping up of the new plant is happening?

Vipul Mathur: No, it's absolutely on track. It is absolutely on the expected line. I think, sir, we are very focused on the quality and serviceability apart from production, I think we are bucketing it into 3 zones and all the 3 buckets, which is production, quality and serviceability, I think, ramping up completely on the expected line. It's a journey. It's not going to happen overnight. We will -- to reach our fullest potential, we would still need a couple of more quarters, but it is absolutely on expected line. Rather much better than what we had expected.

Moderator: The next question is from the line of Ankur Agarwal from RC Wealth Solutions Private Limited.

Ankur Agarwal: Congratulations sir for good set of numbers. My question is regard your target for INR15,000 crores top line and INR 1,500 crores EBITDA. In March quarter, you have got INR4,000 crores and 12%, so that means your margin will reduce in coming year compared to the March quarter?

Vipul Mathur: Ankur, good morning. I think so this is the broad guidance what we are giving at this point in time. It is just -- it's a reflection of the intent of the Management. It is -- do not read too much into that, that it will go down or go up. I think so it is -- at the end of the day, it will be a quarter-on-quarter performance and the financial year performance, which will matter to us. But in terms of giving a guidance -- guideline that how are we seeing what direction the business is going to move, it is just -- it is only a reflection of that. So I think the let's read to that extent only at this point in time.

We are hoping that it is our internal target to deliver better than this in any case that is what our endeavor would be and we are very hopeful around that because all the businesses, the pipe businesses or the steel, our DIP businesses or our WSSL business and our Sintex business, all the 4 businesses, as you see, are seeing a huge tailwind at this point in time. And to the extent we will be able to leverage it, these numbers will only improve from here. So I think so let's

leave it at the guidance level at this point in time. And let's evaluate on, let's say, half yearly and yearly basis, please.

Ankur Agarwal: How much capacity utilization it presents in pipe business?

Vipul Mathur: The capacity utilization would be close to -- our U.S. capacity utilization will be almost close to 80%, 85% or let's say 100% because they have a confirmed order book for everything for the spiral mill.

In our Saudi business, our capacity utilization is 100%. In our India business, our capacity utilization, average capacity utilization, because we have longitudinal mills, we have spiral mills, we have ERW mills, so I will say that our average capacity utilization will be close to 50% to 60%.

Ankur Agarwal: This means the topline can add more subsidies...

Moderator: Sorry to interrupt Mr. Agarwal, I would request you to kindly re-join the queue. There are many other participants who are waiting for their turns.

We have the next question from the line of Hemish Shah, an individual investor.

Hemish Shah: Yes. So when you give the guidance of this INR1,500 crores of EBITDA, does that include the what you expect to receive in the scrap of ABG Shipyard and your Saudi operations, both?

Vipul Mathur: No, no, this is not -- this is excluding Saudi, number one. And of course, this is including the margins coming out of the scrap sales, yes.

Hemish Shah: Okay. Okay. And. I just want to understand from the broad perspective of over the next 2, 3 years, what will be your cash utilization look like? Because if you generating around INR1,000 crores of free cash flows every year, what will be the priority areas?

Vipul Mathur: See, we have always followed a very prudent capital allocation policy, right? We have -- our focus has been very clear that, a, number one, we have to invest in our growth if we have cash. Number two, we have to create reserves; and number three, we have to reward our shareholders. I think so we are -- these are our 3 pillars on which we always have utilized and, of course, delivered our balance sheets and all that stuff. So this is the broad framework under which we have always worked and we will continue to work in that particular framework. For us, all these 4 pillars are equally important.

Hemish Shah: Okay. And one last question, now that you have many businesses under one umbrella. Will there -- are you looking at any demerger in the medium-term, let's say, the next 3 to 5 years of any of the businesses?

Vipul Mathur: We are -- at this point in time, we are only focused on growth. These are all new businesses, all startups with huge potential. We are -- at this point in time, our fullest energy is dedicated in terms of growing these businesses. We are not exploring any other options at this point in time.

- Hemish Shah:** Okay. And how much of your sales on the DI side will be to -- will be from the group company, Welspun Enterprises?
- Vipul Mathur:** Negligible because I don't -- it could be very negligible. I don't think so that they are so active into this water distribution network. I think so they are more on the infrastructure side of it, roads and building and highways and -- so they are doing something on the water, but I think from a sales perspective, will be very negligible. But anyway, whatever it will be, it will be completely on a un-scale basis.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor Company.
- Saket Kapoor:** Coming again to the DI pipe of the story. Sorry, I missed your utilization numbers and your order booking for the segment, what are the quantities that we are going to execute for this year?
- Vipul Mathur:** Saket, you're talking about DI, right?
- Saket Kapoor:** Yes sir. DI pipe.
- Vipul Mathur:** As I said, we have an order book at this point in time of close to 140,000 tons of -- in the DI business. And this is why it designed and I think so there is enormous potential to even increase this order book, but we are calibrating it with respect to our execution capability. As I said, we are working on 3 parameters. One is productivity, other is quality and third is serviceability. These are the 3 key fundamentals on which we are working on it.
- And we think that this order book reflects -- is a very healthy order book at this point in time, one. Two, to increase the order book is going to be extremely easy. We can always do that. And at an appropriate time, we will again enter the market and increase it once we are -- once our -- the ramp-up which is happening at the right pace, we are able to accomplish our targets around that.
- Saket Kapoor:** And sir, our capacity for the DI pipe is? what is the number?
- Vipul Mathur:** 400,000 tons.
- Saket Kapoor:** 400,000 tons, correct sir. And with the lower coal and iron ore prices currently, do you think that there is a strong tailwind in terms of this DIP segment and wherein I think the realizations have also moved up, so if you could -- hence, the EBITDA pattern from the DIP segment, there is an incremental chance of having -- approaching higher margins. Is that understanding correct?
- Vipul Mathur:** That's a fair understanding, but you have to see -- you don't have to see on a month-on-month basis, you have to see on a year-on-year basis. Because typically, what you have is a raw material inventory of 2 to 3 months. So at some point in time, you will have a higher price inventory and then now the commodity prices have slowed down -- come down. Then you will buy a new inventory, which will be topped up by with a low price inventory, so the blend -- you will be able to see the blend advantage over a year's time. So -- but yes, the reduction in the commodity prices on the year basis is going to definitely help.

- Saket Kapoor:** Sir, in the Saudi part, what portion we have got from the new city of NEOM sir, any order booking we have done from there? And what is the pillar from that geography?
- Vipul Mathur:** We have booked a significant portion of our orders coming out of NEOM. And as you know, that our Saudi mill is the largest and the best producing mill in the KSA and like the same is the case in Saudi and the same is the case in India. But -- and that is why we have the opportunity of servicing requirement under NEOM, there is a substantial requirement we are servicing at this point in time for that particular city.
- Saket Kapoor:** Right. And lastly, sir, for the seamless segment in the -- I think for the -- do we have a presence in the seamless pipe and the premium thread business also?
- Vipul Mathur:** No, we are not in carbon steel seamless. We are stainless steel seamless and we do not have -- we are not present into the thread segment. But having asked this question, I must say that this is a turnaround story of the group, a company which has been a perpetually loss-making company and this year, they have -- they're coming -- they are absolutely EBITDA and cash-positive and with a very -- extremely great future. They are doing extremely well.
- Saket Kapoor:** You are talking about the Welspun Specialty Steel?
- Vipul Mathur:** That's right. I'm talking about Welspun Specialty Steel. I'm sure you have seen their financials.
- Saket Kapoor:** Yes. Sir, I just go through them. Sir, lastly, on the share of profit and loss JV part. Percy sir, if you could...
- Moderator:** Mr. Kapoor, I'm sorry...
- Saket Kapoor:** Ma'am, if I could just complete, with your permission.
- Moderator:** Okay sir, please continue but this would be the last question.
- Saket Kapoor:** Yes this is the last, I will join the queue. For the share of profit and loss from the joint venture and associates if you could give more colour how is this going to shape up? And what are the key components of that? For the year, it is INR76 crores profit and for the quarter, it is INR29 crores.
- Vipul Mathur:** This share of profit is coming primarily from our Saudi entity. As you know, they have a robust order book, a very profitable order book, and I'm sure this is bound to increase as we executed.
- Moderator:** The next question is from the line of Vikas Singh from PhillipCapital.
- Vikas Singh:** Sir, just a small clarification. I mean, that 250 KT order book India, you're saying, that is exclusive of that 140 KT of DI or it is inclusive?
- Vipul Mathur:** Exclusive, we are talking pipe, line pipes.
- Vikas Singh:** Yes. And sir, secondly, on a previous participant's question, so is it that you have told us that the Sintex has closer to INR700 crores cash and consolidation of that would have brought down our

debt or is different basically? Because net working capital still seems to be on a higher side. So that's what we wanted to understand.

Percy Birdy: Yes. So Vikash, substantial of the cash, which was on the Sintex BAPL balance sheet has been utilized for payment of the consideration, the settlement of the lenders as well. Some part of the cash has been retained on Sintex balance sheet also because as we -- as the business grows, as they rebuild the brand, they will obviously need some of the cash for the business purposes, their expansion and growth and working capital financing also. But the short answer to your question is majority of the cash has been utilized for settlement of the creditors.

Moderator: The next question is from the line of Vignesh Iyer from Sequent Investments.

Vignesh Iyer: Congratulations sir on a strong set of numbers. I just wanted to understand, would it be fair to say that the -- I mean you are targeting a revenue of INR15,000 crores for the entire year. It will be more skewed towards H2 of the year considering the ramp up that is being done by the company?

Vipul Mathur: Vignesh, you are right. See this will be more skewed towards Q3 and Q4. Because generally, if you see in the project business, the Q1 is always a sort of a muted quarter, right? And then you start building up in Q2 and it reaches to its pinnacle around Q4. So that's the way it happens. And it is across all the B2B businesses, we are not agnostic to that. So -- but we are more than confident that we'll hit this number.

Vignesh Iyer: But even if we say that the Q1, Q2 is muted, on a Y-o-Y basis, we would be seeing a strong set of execution, right?

Vipul Mathur: Absolutely. Absolutely. Absolutely.

Vignesh Iyer: Right. So sir, second question from my side would be on this. The associate company of yours, which is in Saudi, which has received an order of, if I'm not wrong, INR4,000 crores. what would be the execution time line of that order?

Vipul Mathur: So this order will start getting -- right now, they are already having some pending order books, which they are going to execute till September. And this new order will come into execution from September, then we'll go to, let's say, May or June to the next year.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Vipul Mathur, MD and CEO of Welspun Corp Limited for closing comments. Over to you, sir.

Vipul Mathur: Thank you very much, gentlemen, all of you for attending this call today. I think so we tried to give you as much as information possible to quell any doubts or any questions you may have. But still, if you think that anything is still left unanswered and you really want to, you are more than welcome to circle back to us and Salil and Gaurav and Mr. Percy will be more than happy to answer all of your questions.

I just want to reiterate that this company is absolutely on the cusp of growth, all the businesses, the line pipe businesses, which is our mainstay, the steel businesses, the Sintex business and our WSSL businesses, all the businesses are poised to growth. I think so the performance of the last quarter is a complete testimony to that. The market pool is there, the demand is there. And I'm sure all the operating parameters and processes are in place. The complete leadership team is in place. The complete bandwidth is available, so -- and we are seeing also a tapering of the commodity cycle, which should help. All these factors put together, I think, so it's putting the company into a good position.

And you will see -- you will continue to see superlative performance moving forward in the subsequent quarters. And we will come back to you on a quarter-on-quarter basis to give you an update around that. but -- and we are very optimistic and confident to the guidance what we have given this time to the market, and we look forward for your continued support. Thank you very much for joining us today.

Moderator: Thank you very much, sir. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Vipul Mathur: Thank you.