



**Welspun Corp Limited**  
**Q4 & FY26 Earnings Conference Call**  
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**MODERATOR** **MR. SAILESH RAJA – 360 ONE CAPITAL MARKET PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Welspun Corp Limited Q4 FY26 Earnings Conference Call, hosted by 360 ONE Capital Market 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sailesh Raja from 360 ONE Capital Market Private Limited. Thank you, and over to you, sir.

**Sailesh Raja:** Yes. Thank you, Nitesh, and welcome, everyone, to the call. We would like to thank Welspun Corp., for giving 360 ONE capital, the opportunity to host this interaction today. Without taking much time, I would now like to invite Mr. Goutam Chakraborty to introduce the management team. Over to you, Goutam.

**Goutam Chakraborty:** Thank you, Sailesh, and good afternoon to everyone. Welcome to Q4 and FY26 Earnings Call of Welspun Corp Limited. On this forum today, we have Mr. Vipul Mathur, Managing Director and CEO; Mr. Percy Birdy, Chief Financial Officer; and Mr. Yashovardhan Agarwal, Director, Sintex. You all must have gone through the results and the investor presentation of the company, which are also available on the stock exchanges and on our website as well.

During the discussion, we may be making references to this presentation. So I request you to please refer to the Safe Harbor statement, which is there in our presentation. As usual, we'll start the forum with the opening remarks by Mr. Mathur. And post that, we'll open the floor for the Q&A.

With that, let me hand over the floor to Mr. Mathur. Over to you, sir.

**Vipul Mathur:** Thank you, Goutam. A very good afternoon to everyone. Let me welcome all of you for our Q4 and FY26 Earnings Conference Call.

To start with, I would just like to highlight the key performance, financial parameters for the quarter and the full financial year. Post that, we can have a more elaborative, detailed interactive sessions where I would be more than happy to answer any and every questions what you might have -- you might be having.

So the key highlights for this -- for Q4 and FY26 are as under. Our revenue from operations for FY26 was almost close to INR17,000 crores. Our EBITDA is close to INR2,370-odd crores. Our PAT is INR1,613 crores, which is a 42% up on a Y-on-Y basis. Our order book currently stands at more than INR25,000 crores, which is equivalent to \$2.5 billion.

Welspun continued to be a net cash company despite all the capex is what we are doing. I'm sure you would have seen our OCF and the free cash flow what we have generated over this year. And the improvement in our EBITDA margins, we have recorded a CAGR growth of 43% year-on-year basis.

Our EBITDA margins have been in excess of 14%. And our ROCE has been around 22.3%. If you recollect friends, at the start of the year FY26, we had given a guidance of INR17,000 crores of revenue and INR2,200 crores of EBITDA. As against that, we have been able to maintain our revenue guidance of almost INR17,000 crores and surpassed the guidance, which as against INR2,200 crores stands at INR2,371 crores.

The third guidance what we had given was that we will maintain our ROCE in excess of 20%, and we have been able to achieve that. And I'm also pleased to report, and I'm sure you have noticed that we have been able to maintain our EBITDA growth and EBITDA margins. These have been the key highlights -- financial highlights for this particular financial year.

The way -- the last year, we had performed -- we had seen a very strong tailwind in the businesses across all the geographies, especially in U.S., Saudi Middle East and in India. By our geographical positioning in all these 3 geographies, we have been able to make the most of it. As you are also aware that we have made significant investments, further investments in these geographies.

And looking at the current geopolitical situation and looking at the situation that each country is now deriving for themselves, we see a very, very strong tailwind for the next few years in all the 3 geographies, especially U.S. and the Middle East. Let me focus a lot more today on the growth part of it, and I would like to cover each and every continent just to bring in further clarity for all my friends here.

First and foremost, if you -- let's talk about the U.S., where we have a very significant dominant presence. Today, the U.S. oil and gas economy is seeing a sort of a paradigm shift -- is seeing a paradigm shift where we are seeing the gas and oil, both of them growing exponentially, resulting into a massive requirement for pipelines for the next couple of years, at least 5 to 7 years.

The key economic drivers, the key drivers, economic and business drivers for gas is the LNG exports. Today, as you are aware, U.S. has 2 or 3 very high producing basins and Permian means to be the biggest among a lot. While they are drilling for the oil, as you know, they are generating or they are producing a lot of gas. This gas needs to be transported to the Gulf Coast.

And then in form of energy, in form of LNG, it is exported to the -- is being exported to the European and the Asian market. This value chain is so strong at this point in time because on one side, we are seeing an excess of gas availability at a very, very cheap price. If you would see the Henry Hub price is around \$3. And the international price of LNG is hovering anything between \$15 to \$20.

So the arbitrage between \$3 to \$20 is giving a sufficient push for all the E&P companies or the midstream companies to create assets, build assets to transport this gas and monetize this EBIT. This is one of the key drivers, which is defining the growth of demand for line pipes in America.

The second key driver, which is defining the growth and the demand for the line pipes in America is the development of multiple AI data centers. There's a huge capital investment, as

you are aware, which is happening all across America in terms of creating indigenous data centers. These data centers requires uninterrupted power. They are power guzzlers.

And they -- and looking at the situation that the national grid reliability being poor, they are putting up independent power plants beside their data centers. And these power plants are gas-based power plants for which the gas need to be transported.

When the gas needs to be transported, you require pipelines. So with the upsurge of multiple data centers, which are happening in America, we are seeing a huge surge of pipelines coming up connecting the -- connecting the power center -- the power plants attached to these data centers. This is the second growth driver currently, which is happening.

The third growth driver in the American market is also after a long time, we are seeing the resurgence of oil. Today, U.S. is one of the largest producer of oil in the world. After having -- after factoring for their domestic consumptions, now they are into a surplus for exports. We are seeing a phenomena of oil exports also coming into the international market, especially to the Europeans and the Asian market as we are seeing the Russian oil and gas receding from the market.

So they seem to be capturing that particular market. So both oil and gas with the arbitrage what they have, currently, they produce oil around \$40-odd and with the pricing around in excess of \$80, the economic arbitrage is once again allowing them to invest into the oil pipeline. And this phenomenon is happening after a long time.

So the U.S. demand drivers primarily are coming from 3 factors. Number one is because of -- number one is on account of LNG exports, number two, on account of oil; and number three, the demand which is coming up into the AI data centers and which -- in which we are also a part of the value chain. These 3 -- this is a sort of a paradigm shift. This is a fundamental restructuring, which seems to be happening in America.

And we believe that this play is not a temporary play. Instead, this play is going to be for the next 5 to 7 years' time. We, as Welspun, have a major dominant presence in that particular economy. We currently enjoy more than 33% or 35% of market share.

We are seeing a lot of significant emergence of pipelines in the near future. And accordingly, as you are aware that we have made some more capital investment in terms of new plants, and I'm pleased to report that all of our plants are almost booked till FY 2028.

With the visibility, which seems to be emerging, with the projects what we are seeing, we are more than confident that this order book will only significantly grow from where we currently stand. If I now move to the Middle East. So some countries are working on energy security and some countries are riding the wave of having economic benefit deriving out of this energy deficiency in the global market.

Today, Middle East is also one of the regions where there is a huge energy availability. And they are also in the process of monetizing it significantly. They are intending to diversify their portfolio. They are intending to diversify their infrastructure in terms of producing more oil,

more gas and multiple points for evacuation. We have seen in the recent past that while they had sufficient oil, sufficient gas, but they were choked that they could not evacuate it.

I think so that learning has gone down deeply into the system. And just about every Middle East economy, oil and gas producing economy is now focusing on opening up the infrastructure segment and developing multiple evacuation points, which will also require massive pipelines coming up in times to come. As Welspun, we have a dominant presence now in Middle East, especially in the Kingdom of Saudi Arabia.

And given the projections what we are seeing and given the information what we are getting from the ground, I think so this market looks extremely, extremely promising for us. On the Saudi Arabia -- on the Middle East side, as oil and gas is critical, equally critical is the water sector for them. They are investing heavily. They have been investing heavily into the water infrastructure sector for many, many years, and that goes unabated.

We are seeing massive desalination projects still coming up on stream. We are witnessing that multiple pipelines will be required, large diameter multiple pipelines, which will be required for transporting this desalinated water to the cities. And on top of it, we are seeing when this water will come to the cities, there would be a massive distribution network, which has to be created in order to reach -- in order to ensure that this water reaches every household.

It is in this -- keeping this in view, the distribution network, friends, you are aware, we have invested into our company -- in a DI company. We are setting up a greenfield DIP project. And we expect to see the benefits of this distribution network in which primarily the DI pipe is being used to benefit out of the same. So in the Middle East, it is not only about oil, gas, but it is equally important about water.

And as your company has invested and have an absolutely local footprint now in place to capture these upcoming opportunities. Coming back to India, which is the third geography where we have a significant presence. We have seen in the last 2 quarters, a sort of a fairly muted growth for various reasons known to you. We expect this situation to continue to prevail for certain times.

We understand the country is facing -- will have some more different priorities at this point in time. And to that extent, we expect that the growth here in India could still stay muted. Nevertheless, having said that, India as a country will have to work around. They are working with respect to energy security.

We are -- there will be a network of oil, there will be a network of gas and there will be a network of CGD, which is the City Gas Distribution network, which has to be built. The pace might slightly vary, but I don't expect that this thing will come to a standstill.

The feedback, the government intent and the allocations what we are seeing is definitely supporting a sort of a consistent growth rather than an exponential growth what we could have expected, but we see a sort of a consistent growth in all the 3 sectors for the oil network, for the gas network and for the CGD network.

But having said that, the pipe -- the water requirement in the country, the investment in the water infrastructure in the country, we are very confident we'll see a sort of an exponential rise because water, again, being a sort of a scarcity and required for massive irrigation purpose, we are seeing some very large projects, which were announced the last year, they're now being coming on stream in this financial year.

So we see a growth coming up into the water sector where a lot of pipes -- large diameter pipes will be required. We are seeing that even -- we have seen that in the allocations under the Jal Jeevan mission have been fairly decent. We have seen that those -- the allocations have started trickling down to the state governments. The things which were more or less standstill in the last 2 quarters, we have started seeing traction and movement around that.

And I am expecting that keeping water as a priority, the government is absolutely focused in terms of giving a further push to this particular sector. I am sure that in maybe 1 or 2 quarters could be slightly muted, but the H2 part of the year, financial FY27 could see an acceleration once we have come out with this current geopolitical situation.

Lastly, I also want to give you an update with respect to the projects, what we have -- we are currently executing. As you are aware, we are executing 2 major projects in Saudi Arabia, one large diameter pipe plant another a -- the ductile iron plant for water distribution. The -- we are progressing well.

The geopolitical situation has not impacted the progress of these projects. For mine, there would have been some supply chain disruptions here and there. But largely, things are absolutely under control. And we would see that both these projects will come in stream in FY 2027. We will see the economic benefit, the revenues and the margins coming -- started trickling in, in FY 2027 itself.

Likewise, as you are aware that we have invested -- we are investing into 2 assets in America, one large diameter pipe plant, which is LSAW and also replacing our capacity of existing small diameter pipeline. Both these projects are absolutely up on track. One of them, which is the HFIW plant will come in stream by the end of Q1 of this financial year and which is absolutely as per the plan.

And our large diameter pipe plant, which is the LSAW plant will also come in stream in operations by the end of this calendar year. So we will see both -- all these assets started giving us some upside and margin accretion in this financial year. The full impact, the full benefit of these pipes of these investments, we would start seeing in FY 2028.

Keeping our business, keeping our business in hand, which is almost \$2.5 billion, keeping in view that these investments, which we have made in these 2 geographies are coming on stream, keeping in view the underlying dynamics of tailwind into the oil, gas and the water sector, the management is -- we are very confident that we would be doing exceedingly well in FY 2027, and accordingly, our very confidently we have given a guidance of top line of INR20,000 crores and an EBITDA of INR2,850 crores, which is almost a 20% jump on a year-on-year basis.

Friends, you will acknowledge and accept that in the challenging times, to make these commitments requires a lot of conviction, and I am pleased to say that at Welspun, looking at our order book, looking at our executional capability, looking at the premium segments in which we operate at, looking at considering that our global reach with Global customers, I am very confident that we will deliver, if not exceed the guidance what we have given.

Thank you for joining us. I sincerely appreciate you hearing me out, and I'm sure that you could have multiple questions around that. And with this, I would like to end my comments and open the floor for discussions for any question and answers. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Ritesh Shah from Investec. Please go ahead.

**Ritesh Shah:** Congratulations for a good set of numbers. Sir, if you could provide more color on the quality of the order book by region, I think that would be of great help. Sir, second, you indicated that we are completely booked until FY28. So I think there is a good and bad of it. Good is probably we would have already contracted our EBITDA per ton would already be fixed given the macro is improving, how should we look at it?

Typically, if we had some capacity free probably we could have -- we could have asked for more profits on the same order. I'm not sure whether that's the right way to look at it, but I would love to have your thoughts. And thirdly, sir, you indicated on the water projects in Middle East, if you could highlight certain countries, I just read about Jordan giving out a long large order.

I'm not sure whether we are there, but I presume we would be one of the beneficiaries over here. So I think those are 3 broader questions, sir. And yes, I will just stop over there, sir.

**Vipul Mathur:** Thank you, Ritesh. Thank you. I think so these are good questions. First and foremost, the question with respect to the quality of order book. I think so we have a strong order book at this point in time, which is almost close to \$2.5 billion. It is spread over India as well as in U.S.

In India, if I just give you a reference we would be having close to 1.2 million, 1.3 million tons of an order book at this point in time. And out of that, almost two-third would be out of U.S., one-third would be out of India. And this is a very, very high-quality order book. So in terms of the margins, this is -- these are fantastic orders what we have.

Coming back to your question that this is -- while this was good, but also that have we overcommitted ourselves and have we lost on the opportunity, my friend, the answer is no. As I said, we are -- we are one of the most dominant players in both these geographies, especially in America. The quality of order book, what we have is extremely good in comparison to what others would be having.

Number three, in terms of some added capacity, we still have some capacities, which are available on our large diameter side of it. We have strategically kept that open knowing fully that there would be an opportunity which will come up, and we would be able to leverage upon that.

So I'm very sure that we -- once we -- even if we have -- and we are saying that we have -- we have booked till FY28, we can still accommodate certain capacities in between if we can see -- if we can get a very high -- even a better value-added orders. So we have kept our flexibility in built into our system. And be rest assured that at Welspun, we will never let go very profitable opportunity.

Number three, coming back to the water sector, water projects, the water projects are growing mushrooming all across Middle East, especially in Saudi Arabia and all the neighboring countries as well, but Saudi Arabia taking the lead. We are seeing a massive growth -- urban growth happening in that country, which requires massive water distribution requirement, and that is where we are seeing the play of DIP.

And once we come in stream by the -- during the course of this year. we will see a huge fraction coming up around that. Also countries like Iraq, countries like Jordan, they are also pushing their water infrastructure project. We are participants in those particular projects. In some places, we are also in full positions.

And as and when they will materialize, we will keep you updated. But from -- in terms of an opportunity, these are the projects which are there, and we are present and we are there in a full position. I hope, Ritesh, that answers all the questions what you have raised.

**Ritesh Shah:**

Yes, sir. Sir, just a follow-up. Sir, you emphasized a lot on quality of order book being extremely good. Sir, is it possible to put some quantification over here or some more qualitative remarks to appreciate the quality of order book? Is it like very large dia pipes? Or is it -- is there an element of coating, testing, which is there? So basically, the idea is to not look at it on a per kg basis to appreciate what you do better or what we have in better, it will help us with that, sir.

**Vipul Mathur:**

Ritesh, all what we have is mostly large meter in the -- primarily in the oil and gas space, right? And if you see, especially if you won't see in U.S., I think so we are at this point in time, the entire order book, what we have is for the gas space.

Today, all the pipes that we are producing either are being used for LNG exports, as I said earlier, or being used for carrying gas to the powering the data centers. So that is our sort of -- and in these 2 segments, you deal with one of the top 2 or 3 players of that -- of the midstream companies in that economy.

And we have a historical track record with them, and we have orders from them only. So we are playing with the premium customers in the premium space, and that is where -- that is why I'm saying that we have a very -- the quality of the order book is good, and that is giving us the confidence, Ritesh to stick our neck out and give a clear cut guidance and reach even in rechallenging environments to give a clear guidance of more than 20% growth on a year-on-year basis.

**Moderator:**

Thank you. We have next question from the line of Chetan Sharma from Systematix Shares & Stocks Limited. Please go ahead.

- Chetan Sharma:** Yes. A couple of questions, sir. From our Middle East plant, are we exporting anything to nearby countries? If yes, then those shipments have experienced any delay? And the second one is that the shipping cost has increased, especially freight charges driven by the higher fuel and insurance costs.
- Vipul Mathur:** Chetan, good morning. I think so first and foremost, our Middle East plants are yet to -- they are in the process of being commissioned, as I said. They will come up in fully in operations during this year, during the end of this year. And so the question of currently exporting from there is not there. But to the larger question that will those plants will also be exporting to -- from the mid -- from Saudi Arabia, the answer is yes.
- So as and when we will start our operations, our primarily, our focus would be within Saudi Arabia, but that geopolitical positioning and the location enables us to look at the international market, export market from there. So we will definitely be reaching out to that. To your second question, yes, there has been supply chain disruptions, which have been there.
- We have seen the shipping costs going up. We had -- but fortunately, all the contracts what we had, we were not impacted. There was some minor attrition here and there, but largely, we went -- because we had long-term contracts in place and all those contracts got honored. So largely, all what we have at this point in time, we did not get impacted because of the increased cost of the shipping.
- But yes, there has been a significant increase, which has happened. And the good part is that we did not get impacted in our existing orders and in the future orders, what we are future projects, what we are participating, accordingly, they have been factored for.
- Chetan Sharma:** Okay. Thank you, sir. And last two questions, sir. Is there any hike in the industrial diesel cost and in absolute terms in percentage terms?
- Vipul Mathur:** I'm sorry?
- Chetan Sharma:** Industrial diesel cost price?
- Vipul Mathur:** Domestically?
- Chetan Sharma:** Yes.
- Vipul Mathur:** We are all seeing that what -- we are seeing that the way the prices are going ahead. Everyone is fully aware of that, Chetan. And I mean, there is a cost escalation which has happened. There's no doubt about it. And I mean -- and this will -- most of our orders, which are primarily export, it is not impacting too much. But on the domestic orders, we are negotiating the contracts accordingly, factoring with the new diesel cost.
- Chetan Sharma:** And one last question, sir. In this quarter, there is no order book breakup according to volume is given in the presentation. If you could guide on that? Hello?
- Moderator:** Participants, our management line -- participants, our management line has reconnected. Over to you, sir.

- Vipul Mathur:** Yes. Thank you. Our apology for this glitch.
- Chetan Sharma:** Hello.
- Vipul Mathur:** Yes. Yes, Chetan, did you get your answer?
- Chetan Sharma:** Sir, one last question, sir, on the order book front only that in this quarter, there is no breakup regarding the order book, okay? So if you could guide on that?
- Vipul Mathur:** Chetan, we have given a sort of a consolidated order book. See today, see, we are a global company breaking it up into pieces and this and that. I think so may not be -- we can discuss offline.
- But if you see the consolidated book stands at around almost INR25,000 crores and with almost two-third, one-third breakup here between America and India. And rest details, I think I'm sure that we can share with you offline.
- Moderator:** Thank you. We have next question from the line of Vikas Singh from ICICI Securities. Please go ahead.
- Vikas Singh:** Sir, my first question pertains to this kind of the supply constraints you are projecting in the future and our capacity coming. Usually, during these times, many of the players try to secure the production capacity. So have we started to get the trial orders or people seeking the inquiry to book our upcoming capacity beforehand, given the waiting period is too long?
- Vipul Mathur:** Good afternoon, Vikas. You're referring to the -- you're referring -- this question is more...
- Vikas Singh:** Saudi as well as U.S. new capacities.
- Vipul Mathur:** That's correct. So I think, sir, we are gaining a lot of traction with respect to the new assets. At least in America, at least, I can tell you that we have not only started getting inquiries, but at the same time, we have started getting orders for the new plant, what we are setting up there.
- I think so we are starting with a fairly healthy order book at this point in time with respect to that plant, which is going to come up. Also in case of Saudi, we have started seeing traction. A lot of inquiries have started coming to us. Domestic inquiries started coming to us. We see -- I'm very sure that by the time the plant will get commissioned. Before that, in any case, we would have a significant order book even for our Saudi plant as well.
- Vikas Singh:** Noted, sir. Sir, my second question pertains to our cash usage. Even in next year, our guidance is super strong and the capex would be lower, we would end up generating more cash than what we can consume. So what's the plan basically because the capacity would be coming just on an immediate basis, probably we would not go for further expansion. So what we do with the cash because that would impact our ROEs as well?
- Vipul Mathur:** I think that's a fair point you are making, Vikas. If you look at it, despite we have been into the capex mode for the last 1 year, right? We still have been generating sufficient free cash flow from the business. We will continue to generate sufficient cash in times to come as well. But

what we strongly believe, first and foremost, our focus right now is to see to it that all these plants come on stream as quickly as possible and in time which we are pursuing, and we are confident that they will happen.

Number two, our priority would be to book these plants do they bring. Today, the type of tailwind, the type of market dynamics, what we are seeing, our second focus would definitely be around that we are able to leverage this particular situation and which we are more than confident to do that. Once we are able to accomplish these 2 things, then only the question of cash generation will happen.

So it is a portion to be thought about. Is that cash generation going to happen? The answer is yes. But I guess it is a few quarters away when these questions will become even more relevant, and I'm sure we will be able to give you a very clear cut plan with respect to as to what are we going to do with that.

**Vikas Singh:** Noted, sir.

**Vipul Mathur:** Right now, our focus happens to be absolutely bringing these projects into operations and number two, booking these assets with profitable orders. So we are taking a very structured focused approach towards in that particular direction. But at the point in time when this question will come up, we would be ready with an answer.

**Vikas Singh:** Noted, sir. And if I may squeeze in one last question.

**Moderator:** Sorry for interrupting, Mr. Vikas Singh. Please rejoin the queue for the follow-up question. We have next question from the line of Pratik Dharamsi from Union MF. Please go ahead.

**Pratik Dharamsi:** Congratulations, the team for a solid set of numbers. My only question is on the...

**Goutam Chakraborty:** Pratik, may I just ask you to level up your volume, please a little bit.

**Pratik Dharamsi:** Yes, yes. Sorry for that. So, my question was on the long-term outlook. You mentioned multiple opportunity at the onset of the call in terms of data center, in terms of gas opportunity in the U.S., Middle East, etcetera.

In terms of slightly longer term, 5 to 7 years, this run rate, which you're getting in terms of order inflow as well as on the growth side, do you reckon it as a sustainable number? How should one read it from slightly longer-term point of view, considering you have the inquiries and the pipeline?

**Vipul Mathur:** Pratik, let's see this issue in two context. Number one, in FY26, if all the companies in America can get a visibility and a confirmed order book. Forget about Welspun for, apart from Welspun also. It is not that only I am bored, all others are also bored. So if you see in FY26, if all the companies can get a visibility for next 2 years or 3 years till end of FY28, that itself is a clear indicator as to what is -- what structural changes are happening on the ground, number one.

Number two, as now things are getting more crystal clear, as we are seeing more clarity emerging that what type of data centers are coming up, number one. Number two, what type of LNG

possibility of LNG export, which is going to happen, what type of oil and gas network is going to get created, right? It is giving us a very clear sense that this is there for the long haul.

See, we are local there. We are plug. We are in the market. We are servicing those customers. We are interacting with them on a day-to-day basis. And when we are -- they are discussing their plans that this is what they intend to do, right?

So when we are hearing their plans and when we are seeing the micro and the macro indicators, the LNG at \$3 versus \$18, oil \$40 versus \$100, I think so these are no-brainers that this investment and the surge in data centers, they are talking of more than 5,000 data centers in America.

These indicators are very clear that this is a fundamental shift which seems to be happening on the ground, and it is there for the long haul. So we are fairly optimistic that this is not a short-term issue. This is a long-term structural changes, which seems to be happening in that particular country.

**Moderator:** Thank you. We have next question from the line of Sneha from Nuvama. Please go ahead.

**Sneha:** A couple of questions from my end. Firstly, on the plastic pipe division, how much we've been able to do in FY26? And what are our targets going ahead and similarly for water tanks?

**Vipul Mathur:** Sneha can you just repeat the question, we have Yashovardhan there to answer this, please.

**Sneha:** Sure. So what I wanted to understand is how has your plastic pipe division fared in FY26 along with water tanks? And what is the outlook for coming years for both these businesses?

**Yashovardhan Agarwal:** Pipes we started in 10 states. Acceptance of the product has been very successful. Learning additions were there, but now the product has started moving. So now we are in the channel building phase. For tanks, we had a very strong year. Unfortunately, March with the LPG because our tanks is a little difficult for storing.

So that primary what is supposed -- what we saw in pipes did not happen in tanks as much across all players. But now that we are aggressively following the economy segment in tanks, we are very bullish on the growth of tanks as well.

**Sneha:** In case of numbers, could you quantify that how much was it and where are we headed for the next 2 to 3 years?

**Yashovardhan Agarwal:** We're looking at double-digit growth input. I mean pipes besides parts, but in tanks, we're looking at a double-digit growth over the year.

**Sneha:** And FY26 revenues for both the division would have been?

**Yashovardhan Agarwal:** Existing businesses would have been. I think it was around -- it was in excess of something like 610...

**Vipul Mathur:** Yes, INR600-odd crores. And the way things are looking at to us at this point in time, I think both -- what Yasho was trying to say, both the pipe business and the tank business are showing strong traction there in the last 1 or 2 quarters -- 1 quarter, you have seen that there has been a function in the market because both are directly related to the water sector.

We have seen a little bit of a slowdown there. But the thing seems to be coming back on the track. And we are very sure that both these segments will kick start sooner rather than later. And the guidance we end up -- and we are hoping that we should be touching a sort of a revenue and margin growth in excess of 10% in both the cases.

**Sneha:** Understood. And secondly, on the DI Pipe business, how much government allocations have we started seeing, I know you have mentioned a couple of quarters that you are seeing some into excitement payments starting -- but could you give more current flavor on that?

**Vipul Mathur:** See on the DI side of the business, the conditions have been tough. There are two reasons for that. There has been overcapacity issue, number one, there also has been an issue of payments not coming in. At least one part is getting addressed. The payments have started coming in.

We are seeing payments coming into multiple states. We are seeing an uptick we have already started seeing an uptick coming into that particular business as one. But number two, but the issue with respect to overcapacity still remains. There's no doubt about that.

And we would have to find alternate ways and means that how we are going -- how are we going to use our capacity. And we, being on the port, export seems to be one of our target areas that - - and we are going to grow that vertical exponentially.

**Moderator:** We have the next question from the line of Parth Bhavsar from Investec. Please go ahead.

**Parth Bhavsar:** Congratulations on a good set of numbers. Sir, my first question is basically, like when do you say no to a particular project?

**Vipul Mathur:** That's a good question. I don't have an answer to that, to be honest. You're stumping why would I say no to our project.

**Parth Bhavsar:** So what are the threshold ROC level for a particular...?

**Vipul Mathur:** No, you're talking of a capital project or a project where we are bidding?

**Parth Bhavsar:** Where you're bidding, you are bidding. Yes.

**Vipul Mathur:** That is a factor of what is that particular project, number one. What is the competitive landscape around it? Number two, how does it fit into our scheme of things in a way that we want to be a niche player. We are not a commodity player.

We don't want to play on the lower end of the commodities, especially when I'm talking to the large director price for oil and gas sector. So I think so all these considerations goes into our evaluation before we take a call. So it is not one -- there's no one simple answer to that, what is

the threshold. I think so we see it from multiple facets, multiple point of view, and then we take a call Bhavsar.

**Parth Bhavsar:** Got it. sir, I just wanted to understand like if we -- how do we year-over-year target profitability because there is a lot of lumpiness in your profitability, right? So just wanted to understand, going ahead in future, how do we like plan to target this like other specific projects that we had? And will there be a continuous lumpiness in your profitability at least in carbon line?

**Vipul Mathur:** I think if you see the performance over the last 4 years, there has been a continuous growth. And never I don't see that -- I will not agree that there has been a lumpiness into -- the growth has been -- we have reaccelerated from there. I think so we have only grown.

If you see our performance over the last 4 years, our EBITDAs are in a CAGR of 43% number one. But that's beside the point. I think so the -- as I said, we are present into quality markets. We are we deal with premium customers into the premium segment. This is those under which we work at.

And I think so the entire infrastructure, the entire facilities have been created and built around this, it only -- so I'm sure that if there is a demand in the market, which seems to be there, the underlining tailwind which we are talking about, which is there and which is likely to be there, I think so we should be able to protect, if not exceed, or improve our margins.

**Parth Bhavsar:** Got it. Sir, do you see a bigger shift in spreads and in coming 2, 3 years or 5 years?

**Moderator:** Mr. Bhavsar, please rejoin the queue for the follow-up questions, it's a request.

**Parth Bhavsar:** So it is the same question, it's just a continuation. I'll just end it like up with this. So I just wanted to understand how do you see -- if there will be a sudden jump in like jump in profitability over the next 2 years? And what would be the drivers for the jump?

**Vipul Mathur:** I've already told you that see jump in profitability is a factor of what type of -- what quality of business you are participating into. So as I said, the market is going. The demand is strong. we have with the right set of customers. We have a right product to offer. We play in the niche market. We have been delivering profitability. There is no reason why anything should change from here on.

**Moderator:** Thank you. We have next question from the line of Netra Deshpande from Mirae Asset Sharekhan. Please go ahead.

**Netra Deshpande:** Congratulations for the good set of numbers. Am I audible?

**Vipul Mathur:** Yes, you are.

**Netra Deshpande:** Okay. Yes. Thank you, sir. So sir, you said in the -- the 1 like 2 large plants which are going to commission in this year. I just would like to know what would be the time line as other targets starting in the for the completion of this target as there would be the new capacity, which is going to line up in this, that is my robust question.

And second question, it is like we have seen slight reduction in the volume of SS pipe, for the segment-wise capacity, can you please explain and if you can please include the Sintex revenue also for the forward guidance, that would be grateful. And also, we have seen that the input cost has also slightly increased to the prices. But the fourth question that they remain that is new large project that you announced that is going to start in this year.

**Vipul Mathur:**

So Netra, as I said, all these projects, the 2 large projects which we are currently executing in Saudi Arabia as well as in the U.S. are on track. There have been some minor supply chain disruptions here and there, but they are not going to impact the project per -- we -- as we said that they will all come in stream within this financial year, it's straight away.

So we are absolutely clear and confident and that we see no reason that why they should not be coming. I also mentioned that both these projects not only they will come on stream, but we would -- they would start also contributing to our top line and to our bottom line and the margin in this financial year. That is the endeavor we are trying to do, and I'm very confident that we should be able to do that.

Now whether it will be for 1 quarter, 2 quarter, 3 months, 2 months, that's something which we have to see. But for sure, the -- all these assets will now come on stream in this financial state - - we will see some impact on this, some uplift coming from that and the full impact coming then in the next financial year.

To your question that volume reduction in asset, the market, there was -- there has been some slowness in the European market. We were one of the large exporters of SS pipe to the European market because of the CBAM and all the prevailing conditions and the supply chain what has suffered over the last one more quarter. We, you know, there has been a reduction in the volume. But the good part is that while this could be a sort of a temporary phenomena.

But the good part is that the domestic market has bounced back very significantly. The demand in the domestic market, especially in the power sector is coming out to be very, very strong, and we are one of the largest player in the power sector from our stainless steel perspective. and we are going to -- I mean we are very confident that this domestic demand, which has bounced back, we will be -- we will see a lot of traction coming into stainless steel business.

To your third question about fintech, that's a fair point. I think so from next quarter onwards, we'll start giving guidance about fintech, and we can start bringing a little more clarity about the volumes and everything that's a fair point, and that's a fair ask and I think so, we will do that.

With respect to the input costs, your last question, input cost is a pass-through cost to us. The input costs have gone up because on account of freight, on account of fuel on account of something here and there. So -- but these are typically to correspondingly our top line, they are all factored into our top line -- so they are a pass-through. So I mean I don't think that there's too much to read around the input cost because they generally get into embedded into our top line and get -- and they are a pass through to our customers either way.

**Moderator:**

Thank you. We have next question from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

**Sarvesh Gupta:** Sir, a couple of questions. Sir, one is on the share of profit and loss from associates. So that is also -- has grown pretty strong in this quarter as well as for the year. So what is the sort of the expectation for that in this financial year?

I'm assuming that most of the capacities would be running at 100%. So can we see any growth coming from this line item? And a related question to that is because we have so much cash. So is there an opportunity to increase our stake in these associates and JVs?

**Vipul Mathur:** So Sarvesh, to your first question, I mean, our JV, which is East Pipe is doing exceedingly well. And this is clearly getting reflected into their performance. and in their profitability. And this -- and that is what you are seeing as a profit of JV community as a line item into our balance sheet as well. They are -- that is one company that is, again, sort of -- they are into the significant pole position in the Saudi market.

Today, they are the leaders into the Southeast market at this point in time. And they are doing phenomenally and exceeding even out there. I'm sure that their performance will continue to be like this in quarters and years to come because of the underlying demand, which is there in the water sector in the Saudi market. If that continues to happen, I'm sure that our line -- our profit of shares will also see similar returns, if not better.

Coming to your second question with respect to the cash and the positive what we have and we are going to increase our stake. I think that these are certain decisions at the Board level. It is much above my pay grade, to be honest. I think so these are some strategic questions, which we keep on evaluating at our Board level.

At this point in time, we are not contemplating anything. But these -- but as I said, that these opportunities, including increasing, decreasing new M&A there is that these are all very strategic questions and which we have a very, very collaborative and powered and a very professional book, and these are the questions which we keep on discussing there, Sarvesh.

**Sarvesh Gupta:** And secondly, on the net working capital days, so I think this has primarily come down because of the advances from the customers, and maybe this is mostly happening because in the U.S., people are paying us advances because of -- to book the capacities.

So how do we look into the situation? And how do we extrapolate this going forward? Because one of the drivers for our ROCE is this negative working capital base that we have now achieved?

**Vipul Mathur:** Percy, can you?

**Percy Birdy:** Sure. So Sarvesh, yes, the market is so buoyant that -- there are advances coming from the customers on many of the orders. And looking at the outlook in U.S., I think we will continue to get more and more orders and where these type of advances will keep trickling in. So we see that while the earlier advances will get utilized as we produce and we ship out. But we are hopeful that the newer orders will keep coming on the similar terms. So you can say this is likely to continue.

- Sarvesh Gupta:** Okay. Yes. For this year guidance, how much have you been...
- Moderator:** Mr. Sarvesh Gupta, sorry for the interruption. Mr. Sarvesh Gupta, please rejoin the queue for the follow-up question. We have next question from the line of Anandh Dharshan. Please go ahead.
- Anandh Dharshan:** Congrats on great numbers. Sir, my first question is regarding Welspun Mauritius has sold its 22% stake in EPIC to Welspun Pipes USA for a total consideration of INR2,500 crores. So what was the rationale behind this internal restructuring? And how does the management plan to utilize the cash per seat at the Mauritius entity level?
- Vipul Mathur:** Anandh, this is part of our restructuring exercises, which we are doing across all of our entities. We are moving this earlier, if you see this entity was sitting in Mauritius, now it is sitting in U.S. So this is a part of our plan that we want to park these entities into high-growth areas, where we can achieve more flexibility it needs to come in times to come, if we really want to do something around that.
- So, we felt that it will be more prudent for us to instead of keeping it in the Mauritius entity, it is more rent to keep it on the U.S. entity. And that's a part of a normal restructuring so that we are able to create values around it as and when opportunity arises. So it is only with that simple objective that we have been doing that and have executed time.
- Anandh Dharshan:** Right, sir. And my second question is regarding this Indian players like Jindal Saw, Man industries and Ratnamani are increasingly looking and expanding into the Middle East market. So given this rising competitive intensity, how do you view that demand outlook, pricing environment and your competitive portion in this region over the medium term?
- Vipul Mathur:** We are also watching with equal curiosity at this point in time. I think, so what you're saying is absolutely right. Just about every other leading Indian manufacturer has shown their intent to be into that particular market, which reinforces two things. Number one, that what we are telling you that there is a fundamental shift which has happened in those markets and there's underlying demand that is getting revalidated. So if everyone else is looking at, so that the story seems to be convincing, number one.
- Number two, getting there, start operating and leveraging is a little bit of a journey. I'm sure that every -- we have also undergone that journey. Everyone will have to undergo that particular journey. Let's not forget the Welspun Corp is in that particular market for the last 20 years. We ventured into that market in 2004 and now for 22 years, we have been present into that particular market with direct foot on the ground for the last 14 years.
- So these markets are good markets, they are very profitable -- they are a nice market. But then you have to evolve into those markets to -- and I'm sure all these companies, those who have shown their intent, they will eventually do that. So in the near-term, while the competitive landscape seems to, you know, will increase. But will it pose a real threat in absolutely near-term I don't think so. But nevertheless, we are evaluating that. We will watch it carefully and whatever necessary we need to do, we'll do that.

**Anandh Dharshan:** Sure. And one last question, sir, and we have reported a negative current tax of INR85 crores during the quarter. Is it because of some refund or so what was the reason for this?

**Percy Birdy:** So Anandh, this negative current tax that you see for the current quarter, it's like mainly coming from the U.S. subsidiary that we have. And in Q4 of this year, that's in FY26, we have done capitalization substantial.

And in U.S., there is a 100% bonus tax depreciation, so what happens is that the earlier 9 months, there would have been a current tax provider. But in fourth quarter, it gets reversed and you will have a deferred tax expense coming in. So if you see both lines together, you will find that it gets normalized. Current tax plus deferred tax.

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

**Vipul Mathur:** Thank you, friends. Thank you for joining us today afternoon for this interactive session being one of our Q4 and FY26 earnings calls. I'm sure that we have tried to give you -- I tried to answer most of the questions that you would have raised. But still, having said that, that if you still have any questions in your mind, any doubts or any clarifications if you read, you can get back to Mr. Percy Birdy or to Goutam and they will be more than accommodated in terms of answering that.

Lastly, I want to say that these are very, very interesting times for the company, for your company. This is clearly reflective into our -- how we have performed in FY26, how we have given the guidance for FY27. And more importantly, how we are viewing FY28 in our internal thought process.

I think so friends, as I said, that with the expansions, what we have done, the geographical positioning, what we have done, I think your company has positioned itself as a truly global leader in all these three geographies. And I'm sure that the next couple of years are going to be very, very interesting and profitable for the organization.

You have maintained your trust and confidence into us. I request that you continue to do so. You have seen the reward our shareholders have seen, and I'm very sure that with the type of governance, with the type of growth with the type of geographical expansions, what we are doing, we would be one of the key beneficiaries of being rerated and I'm sure everyone would get rewarded in the whole process.

Thank you for having joining this call and look forward for interacting with you early next quarter, please. Thanks a lot. Bye.

**Moderator:** Ladies and gentlemen, on behalf of 360 ONE Capital Market Private Limited, that concludes this conference call. Thank you for joining us, and you may disconnect your lines. Thank you.