



Welspun Corp Limited

Q3 & 9M FY '26 Earnings Conference Call

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MODERATOR: **MR. ANIRUDH NAGPAL – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day, and welcome to Welspun Corp Limited Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Anirudh Nagpal. Thank you, and over to you, sir.

Anirudh Nagpal: Thanks, operator, and welcome, everyone, to the call. I will first thank Welspun Corp for giving JM Financial the opportunity to host today's call. So without much ado, I'll hand over the call to Mr. Goutam Chakraborty, Head, Investor Relations, Welspun Corp, to introduce the management. Over to you, Goutam.

Goutam Chakraborty: Thank you, Anirudh, and good afternoon to all of you. Welcome, everyone, to Q3 and 9 months FY '26 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. Nilesh Mazumdar, CEO of Sintex.

You must have gone through the results and investor presentation of the company which are also available on the stock exchanges and as well as on our website. During the discussion, we may be making references to the presentation, so I request you to please refer to the safe harbor statement in our presentation. As usual, we will start this forum with the opening remarks by Mr. Mathur, and post that, we'll open the floor for Q&A. With that, let me hand over the floor over to Mr. Mathur. Over to you, sir.

Vipul Mathur: Thank you. Thank you, Goutam. Friends, a very good afternoon to everyone. I welcome you all for the Q3 FY '26 Earnings Conference Call for Welspun Corp. And first and foremost, since we are interacting for the very first time in this new year, I wish all of you a very happy and a prosperous 2026.

As practice, I would first like to discuss our key operational and financial highlights of the concluding quarter. I will then dwell down on the business environment. And rather, I would like to spend a lot more time on the Q&A today because I am sure that all of you would have seen the investor presentation, and there is -- a very detailed outlook has already been provided. So I think we should utilize the time and we can go ahead for more Q&A. I think so that will be more helpful. However, if you want any more detailed information, we are more than willing to do that.

So some of the key operational highlights for this particular quarter was that the line pipe sales volumes for India and U.S. stood at almost 265,000 tons. The DI pipe sales stood at almost 92,000 tons. The stainless steel bars and pipe sales volume stood at almost 6,000 tons and 1,600 tons, respectively. We have been able to maintain a consolidated global order book at a record high of almost INR23,600 crores, bringing consistency and long-term visibility across our global operations, across U.S.A., across India.

And on Sintex, we are -- as we have always said, we have been focusing on channel expansion, branding, premium product launch continues. Our strong potential -- the OPVC, the strong potential for OPVC market, which is absolutely now in play, and now Sintex securing major approvals for the OPVC and panel in the various stages. Execution and the dispatches of OPVC material has already started.

Some of the key financial highlights are: our Q3 FY '26 EBITDA stood at INR645 crores. It is the highest ever quarterly EBITDA with consistent growth over the last 8 quarters and improved margins. This is after a onetime cost of approximately INR25 crores on account of gratuity and leave encashment provisions due to the new labor code. Our annualized ROCE stands at more than 24%.

The PAT for this quarter stands at INR453 crores. If you would have seen, the last year Q3 PAT had a onetime gain of INR378 crores on account of proceeds from sale of EPIC shares. So if we reduce that onetime gain in the last quarter of the last financial year, the PAT is significantly higher in this particular quarter.

In spite of the capex of almost INR1,700-odd crores during the 9 months in FY 2026, we continue to maintain a net cash position of almost INR132 crores. If you see, we had given a guidance of close to INR2,200 crores for the whole financial year. And in the 9 months, EBITDA guidance of INR2,200 crores. And in the 9 months, we are already at INR1,831 crores. This very clearly suggests that the company is well on track and should comfortably achieve or exceed the full year guidance. And we will talk a little more when we deep dive into the Q&A part of it.

I would quickly go to the business environment sector -- section. And just to give you a very broad highlight as to how do we see the market happening across all the geographies and across all the products.

First, let's talk about U.S. I think so the U.S. market is absolutely continues to be into a bullish mode. We are seeing a significant demand -- continuing demand for the pipeline, and they are all driven by basically movement for gas pipelines, either for LNG export primarily for data centers. We are seeing the surge of data centers coming up in U.S.

And with each data center, they have to have their own power plant, and all those power plants requires uninterrupted gas for which pipelines are required. So we are into the part of the value chain of the AI data center, and we are seeing a huge surge around at this point in time. If I have to put some numbers, there are almost 8 to 9 pipelines which are currently being discussed apart from what have only been awarded. So I think that shows a very strong visibility for next 3 to 5 years' time.

We are also seeing a lot of development now happening in carbon capture and hydrogen pipelines. Plus, the U.S. offshore is also seeing resurgence. So the domestic movement of gas, the carbon capture, the hydrogen pipeline and onshore resurgence. All in all, all the 4 boxes in which pipelines are being used, is -- are taking, and we are seeing an upside into that.

Now if we look at Saudi. Saudi Aramco has -- if you would have noticed, Saudi Aramco has increased its capex guidance to -- in the range of almost 50 billion to 55 billion. They are also

talking of major capital projects for pipelines which are going to come up. There happen to be the Jafurah gas piping -- Jafurah gas project. We are also talking of Master Gas Phase 4. We are also seeing that Saudi Aramco is increasing their gas production, and it is going -- it is about to go to 11.8 Bcf per day -- from 11.8 Bcf to 16.6 Bcf per day. They are contemplating to put almost 4,000 kilometers of new pipelines.

So with Saudi's 2030 vision for both onshore and offshore, it seems to be pretty much on track. And -- or more importantly, Saudi also has been -- will also become a sort of a hub, not only for the domestic consumption, but also as an export hub to the international market. As you know, Welspun Corp is significantly expanding its footprint in the Saudi market by putting up new LSAW mill out there. And the outlook, both domestic as well exports, looks extremely, extremely encouraging.

When we talk about Saudi, you also know that we are expanding in our DI pipes there. We are putting up a greenfield capacity for DI pipes. And the market is very buoyant. There is a lot of infrastructure development which is happening. There is -- the demand dynamic is very favorable. There are local capacity constraints.

And as I have said earlier, we are positioning ourselves for import substitution because 2/3 of the quantity, which is coming at this point in time, is coming through imports. Once our greenfield project starts producing, the first thing which will probably happen is all the import substitution will start. So we will have a national platter to play with.

We are also pleased to report that the government of -- the Kingdom of Saudi Arabia has also started some antidumping duty investigation for all the cheap imports which is coming. I think so that will also help in settling down our new DI plant much faster with a better margins and realization.

Apart from that, we are also seeing that there will be a huge reconstruction activity which will come up into the neighboring countries around Saudi. Saudi government has placed significant amount of money for their reconstruction in Syria and all other neighboring countries. And we feel that, that will also be a great opportunity for our ductile iron pipe business.

So all in all, Saudi, we are very, very -- we feel very confident that the investments what we have made in our longitudinal plant and the DI plant is definitely bound to give us the benefits of the positioning being out there.

As regards to India, India market -- India domestic market has been slightly tepid. We have seen in the last few quarters, the water sector being down and the oil India sector also not coming up to the scale. But the export market has been extremely good. We have -- we have seen multiple projects in Qatar, Australia and Latin America and some part in the North America where we can supply out of India.

So those projects are -- we are seeing the surge in those type of projects. So which means the global demand, the global appetite for LNG and the gas transportation is extremely high. And we see that India, we will continue to focus on -- more on the export side of it.

Recently, you would have also seen that we got a breakthrough in the Latin American market, in the Argentinian market. It was fairly -- it was a very competitive market. And because of our quality and because of a technical superiority, we were able to position ourselves into that particular market, and that export will also happen out of India.

We are also seeing hydrogen and carbon capture pipeline, and we also are dissecting the recent budget, which our Honorable Finance Minister presented. I think so there was a reference for a lot of infrastructure development for carbon capture. So all in all, WCL India, the Welspun Corp India offers sort of a very unique proposition.

So we are -- we can produce pipe, we can do all type of coating, we give all type of bends. We have a strong R&D network. We have an excellent customer base, and we have a very, very time-tested proven supply chain that positions us very nicely into the global market.

In that domestic oil and gas market, as I said, it has been slightly tepid, but it looks like that they are going to -- it is going to come up. We expect to see that -- with the LNG prices now moderating, we see a lot of LNG coming into India. Corresponding to that, we will see our network getting created. And we are also seeing that GAIL is about to invest almost INR2,000 to INR3,000 crores in FY 2026 for pipeline infrastructure, including BPCL is also putting up an infrastructure for refineries and petrochem.

The LNG capacity is bound to grow from 52 million tons, which is currently handled at 8 terminals, to almost 86 million tons per annum, which is by 13 terminals. So 5 more terminals, LNG terminals are going to come up.

And the CGD network. Now when the prices are moderate, I think so the CGD network is also bound to grow, and we are seeing a total investment of close to INR40,000 crores happening until 2034 in the CGD network. So the domestic part of the oil and gas business also seems extremely promising in days, months and years to come.

As I said, the water has been -- has taken a little bit of a hit in the last 2-odd quarters. It was all -- it was because -- water is all driven by the government funding. But now we have seen a complete resurgence of that. We are seeing this interlinking of rivers. We are also seeing the budgetary allocations, which were announced yesterday for Jal Jeevan mission.

All these projects now seems to be coming up on track. If they -- and I'm sure the benefit of that, we will start seeing it in the coming financial year. So both water as well as oil and gas in the domestic market is only going to improve from here in days and weeks and quarters to come.

As regards to DI pipe, we noticed that JJM has been extended to 2028, which may translate into consistent consumption of DI pipes. The same is also coupled with AMRUT 2, which is the urban requirement and which will boost our demand. Thirdly, the irrigation projects are likely to come up in a big way with a special focus on HAM projects. The new requirement is also coming up in sewerage sector with different type of coatings.

We are seeing some very key projects which are going to come up, which is like Marathwada Grid, CIDCO, ERCP, PKC, Ken-Betwa, et cetera. These projects are expected to bring a

significant quantity and will have a significant requirement for the ductile iron pipes. One of our first area is also exports, and we have already started exporting to Europe, Middle East and Africa. And because of the approvals and accreditations what Welspun enjoy.

Off-late, we in the last -- we have seen some fund currents under JJM. But yesterday, the Honorable Finance Minister announced almost INR70,000 crores allocation to JJM. Once that happens -- and I'm sure the moment that starts trickling in, which would be in the very first quarter of the next year, I think so there we will see a complete resurgence of the projects, which have gone slightly slow in the last 2 quarters. So here on, I see a great momentum coming up in the DI sector, both in the domestic as well as into the international market as well.

On the SS bar and the pipe, our focus has -- government of India focus has been on the energy, defense, space, oil and gas, petrochemicals, engineering and public infrastructure. That is what government of India has been focusing upon. They have been focusing upon Atmanirbhar Bharat. There have been a lot of ecosystem which has been created where they have put in antidumping duties and protective environment for the stainless steel pipes and bars.

We are -- on top of it, we have also been able to sign, the government has been signing FTAs with multiple countries, including Europe, which is a big market for us. So all in all, put together, as the Welspun Specialty Steel being a fully integrated steel company, we will be able to leverage not only the domestic market, but also benefit under the FTAs in days to come.

As regards Sintex, if you see Sintex, we have been absolutely -- Sintex has 2 components. One is the tank component and other is the pipe component. In the tank component, we have been absolutely steadily making our progress into the market. We have been able -- we are regaining our market share, which we have lost over a period of time. We have been regaining it absolutely in a very, very systematic manner. The product acceptance, the brand recall is extremely, extremely high.

On the pipe side of it, which is -- where the TAM, the total addressable market is significant, we have started our journey with OPVC pipe. We have now -- the approvals and the empanelments in the state which matters the most to us. And we have already had the breakthrough of the orders. The orders have -- and we have already started executing the orders. And now we will see, with this empanelment and accreditations happening for the OPVC pipe, we are going to see a big momentum coming up into the OPVC -- in the Sintex market as well.

As regards the projects, as I -- in our Q2 presentation, we did indicated that all the projects which are going on, I am very happy and pleased to report that all the projects which we have initiated are moving on track, which is about our project -- LSAW project in America, our ERW project in America, our DI project in Saudi, our LSAW project in Saudi, and 2 or 3 projects which we have -- which we are doing in India.

So a list of 7, 8 projects which we have shared with you in Q2. They are absolutely moving on track, and we are seeing we are seeing that once -- and they will start coming on track, let's say, from the, let's say, the second quarter of this financial year. So in a progressive manner, from June onwards, all these projects will start coming into operations and going up to December of

2026. So let's say, in quarter -- let's say, from quarter 2 -- between quarter 2 and quarter 4, all the projects which we have embarked upon will all be delivered.

And lastly, on sustainability, I'm very happy to share that as per the latest S&P Global Corporate Sustainability Assessment, which is the DJSI Index, Welspun Corp is now ranked fifth globally and second in India among the steel companies in 2025. We have achieved an overall score of 78, making a 7% increase from our previous score.

So the consistent improvement in our scores and global ranking reflects the strength of our sustainability strategy and its execution. It is very, very close to our heart while we are growing the business, while we are moving into core products and core geographies, but sustainability is at the core of our heart. And this improvement in the scores of the DJSI Index and our ranking globally is a clear testimony to that.

I think so with this, I would like to take a pause here, and I would like to spend time with all of you if you have any question and answers around that. Thank you.

Moderator:

Thank you very much. The first question is from the line of Sneha Talreja from Nuvama.

Sneha Talreja:

Congratulations on great set of numbers. A couple of questions from my end. Firstly, you mentioned that on budget, of course, there has been great announcement on JJM front. And you also expect the momentum starts on quarter 1 of this year. The question was while last year also, there were allotments made, but we did not see the spending coming in from government. What's the confidence that we have for this particular year, the amount which is budgeted would actually be spent?

Vipul Mathur:

Sneha good afternoon, I think for the last -- there is a difference between the last year and this year. I think last year, they did make an announcement but they were slow in terms of spending because they wanted to complete -- they wanted to do a sort of an auditing about the whole schemes around JJM. Apparently, it looks like that the audit stands completed.

And that's the reason they have now made a subsequent announcement that they would be spending the INR70,000 crores in the next financial year. So all what we are hearing is that this government has -- is absolutely dedicated to complete all the projects which are already announced under JJM rural and AMRUT which is the urban part of it, and we are very confident that this spending is going to come into the play.

Sneha Talreja:

We also knew that there are some payments which are pending for the projects which are already completed. Have we seen signs of revival around for those funds getting released?

Vipul Mathur:

We have seen that, ma'am.

Sneha Talreja:

Understood. Secondly, on the OPVC front, you said there have been developments. What I wanted to understand was, have we received a substantial order book or could you share some order book number with us on the OPVC front?

Vipul Mathur: So OPVC, again, this is -- OPVC is all about approvals, accreditations and empanelment. Our focus has been largely around Chhattisgarh area and the Madhya Pradesh area in the south. That is the corridor we are looking at this point in time. I'm very happy to -- and it takes time. When you get -- when your product comes into the market and approval, accreditation and empanelment process takes its own time because there's a lot of testing and everything which is required.

And I'm very happy to and pleased to report that we have cleared all the major milestones in all the 3 markets at this point in time, which is our focus market, the southern market, the central market and the eastern market. And now we are absolutely poised to grow from here.

Sneha Talreja: Understood. So you mean you've got the project approvals in place, but order book now will build up?

Vipul Mathur: We have an order book. We have some orders in hand at this point in time, but they are contingent to the approvals, right? And now we have the approvals in place, now those orders will start getting -- will come into the execution mode. And then it will build up the momentum.

Sneha Talreja: Understood. And lastly, while now it's very obvious that you are going to overachieve the guidance which you've given for FY '25 as a whole, any guidance that you would want to give for next year?

Vipul Mathur: It's a little premature, Sneha. I think so typically, when we do our call for the Q4, that is the time we give the guidance for the next financial year. At this point in time, we are working on our annual business plan. But in the Q4, when we come for the call, we'll give you the guidance.

Moderator: The next question is from the line of Ashutosh Nemani from JM Financial Office.

Ashutosh Nemani: Yes. From your commentary, it seems for the next 2 to 3 years point of view, majority growth for the company would come from the export market. So how do you see, firstly, the 50% penal tariff impact on our business? What negative does it entail for Welspun Corp?

Vipul Mathur: Ashutosh, you're right. I think significant growth will come from the export market, but you also have to understand, Ashutosh, that we are also a local player in most of the markets. Today, we are a local -- we are going to be a local player in the Saudi market, and there also we are going to be a local player and we are already a local player in the U.S. market. So tariff per se is something which is not impacting us, to be honest, because we are also a localized player.

The second part of the growth for India is for the export into the market, which are non-tariff markets. So India will focus on non-tariff markets. The tariff markets like America and Saudi Arabia, which are the largest consumption center, we are now a local player. So the strategy of being a local and yet a global player, I think so is panning out extremely well.

Ashutosh Nemani: Okay. And just a follow-up on this. What percentage of revenue from India factory is being sold to U.S. customers as of now?

Vipul Mathur: Nothing. Zero. We are not supplying anything -- yes, we are not -- we don't intend to do anything from India because we have a local presence on the ground. So there's no reason for us to do anything from India. And in any case, you cannot do that. There are antidumping duties and countervailing duties are so very high that it is commercially unviable. Now -- and more importantly, now when we are the local player, we don't -- neither we'll do it nor we'll let it happen as well.

Ashutosh Nemani: And second question is on DI pipes. Despite domestic constraint of growth, we have shown 39 -- there has been a healthy volume growth. So just wanted to understand what has driven this growth, which market specifically?

Vipul Mathur: I mean it is all about the customer confidence and the trust they have in our serviceability and in our quality. Despite that there has been a fund crunch into the DI market. But I think for the order book, the strength of the order book has been extremely robust. And we have seen this primarily coming from the West and the North market.

And we have a very, very loyal, strong customer base. And despite all the challenges, we have been able to tide to these tough times. And now we feel that in subsequent quarters, things are going to ease out, we will see further momentum coming up into DIP sales.

Ashutosh Nemani: Okay. Just a follow-up on this. For the DI side, 39% volume growth does not include the exports as of now, like entirely domestic.

Vipul Mathur: Export? No, no. There was some component of export, not a very large component of export because we have been tied up in servicing the domestic market. But at the same time, we have been building our infrastructure for the export. That is absolutely now ready. And you -- in subsequent quarters, you will start seeing an export percentage also coming into our DIP sales.

Ashutosh Nemani: Okay. And sir, this EBITDA per ton, if you could just tell for DI pipe, what it has been in this quarter and the past year?

Vipul Mathur: I think so I will ask Mr. Percy and all those people to get into those financial details may be offline with you and they can share. Because right now, all -- what I have is a consolidated number in front of me. If you want to see a product-wise EBITDA, I think Mr. Percy and team can help you offline please. Will that be okay Ashutosh?

Ashutosh Nemani: Yes.

Moderator: The next question is from the line of Sailesh Raja from B&K Securities.

Sailesh Raja Congrats to you and your team, sir. So with respect to India business, our volume declined by 20% year-on-year, approximately 4 lakh tons in first 9 months. So how do you see the volume trend shaping up over the next year? And also in the recent budget, if you see the government has allotted only INR1,900 crores for the river linking project.

And at the same time, we have also got, as you mentioned, we have got exports order also in Argentina. And because of river linking only, we have created capacity in Bhopal. So how do you see the next year, what kind of growth you see in India line pipe business?

Vipul Mathur:

We have to see the India line pipe business into 2 categories. One is for export, which oil and gas; second category for export, which is also for oil and gas; and third is the domestic water. The domestic water has been low. As I said earlier also, the volumes have been lower, and that is what is getting reflected in our volumes also.

Because the fund allocation in the last 2 quarters in the water sector have been extremely low. There was a fund crunch which was in place. But now with that getting over, I'm sure there will be a volume uptick, which will come into the water sector domestic.

If you see the export part of it, the export part of it has been absolutely consistent. Year-on-year, we are doing export of a particular volume, and that part of the business remains intact. The third part of the business is the domestic oil and gas, right? Domestic oil and gas, there were IOCL, EIL and GAIL, which are their primary buyers. I think so they have been conceptualizing on some of the pipeline projects.

I am happy to report that they are now able to do that. We are seeing that they are about to invest a couple of -- INR3,000 to INR5,000 in terms of developing that pipeline infrastructure. And we see multiple projects coming up for bidding in the next financial year, which we will be -- and I'm sure we will get the portion of that in any case. Sailesh, are you -- did you hear me clearly?

Moderator:

The line from Sailesh has been dropped.

Vipul Mathur:

Okay.

Moderator:

We'll move ahead. The next question is from the line of Vikash Singh from ICICI Securities.

Vikash Singh:

Congratulations on very good set of numbers. Sir, my first question pertains to our U.S. business. Have we already seen the quarterly level peak volume, which we can sell out from the U.S. business and they are part of the EBITDA contribution in subsidiary? And that's why the -- we are not increasing the -- our guidance to that extent because domestic volumes would remain weaker for one more quarter?

Vipul Mathur:

Vikash, I think so first, to your question of U.S. business. See, U.S. business, our -- we are -- whatever quarter-on-quarter production numbers and the guidance what we have given, we're absolutely on track with that, number one. So right now, what is operating is a spiral mill out there.

What is going to change is that in subsequent quarters, let's say, in 2 quarters -- 1 quarter down the line, we will have a new HFIW mill, which will be there. And then 2 quarters down the line by the end of this year, we would have our new LSAW mill coming up out there. So those volumes will start ramping up in U.S. and then the numbers in the U.S. will drastically change.

So right now, what you are seeing is all -- what you are seeing is the numbers of our order book, which is out of our spiral mill and which has almost 8 quarters of year order book until March of 2028. It is completely booked at this point in time.

Vikash Singh:

Sir, just a clarification. Once our new spiral mill comes on board, can that spiral mill will -- lose some of the existing order book volume as well? Or the delivery should really set such a way that it won't be possible and we have to seek for the new orders from the U.S. for the new spiral mill? How should we look at this?

Vipul Mathur:

Vikash, to correct, there is no new spiral mill coming up. It is a new longitudinal mill which is coming up. So there is already an existing spiral mill, which has already have an order book till March of 2028. So that is completely booked. What is coming on the -- what is coming new is a new longitudinal mill out there, LSAW mill, right? And to that also...

Vikash Singh:

ERW -- the ERW capacity is also we are increasing HFI, which we follow.

Vipul Mathur:

Yes. Yes. Yes. So we only have an existing mill, which is up to 20 inch. What we have done is we have now taken a new mill, which is up to 24 inch mill. So there is nothing. So we are replacing the capacity from a 20 inch to 24 inch. That's a replacement of the capacity which is happening out there.

But -- so which means that we will have a much more play in a larger section of the market up to 24 inch, which is a big market. And there is a new LSAW mill which is going to come up by the end of this year. So these 2 mills put together will add up significantly to the existing volumes what we are currently doing.

Vikash Singh:

And sir, my second question pertains to DI business. So coking coal costs have run up quite significantly and more than, I'd say, 20%, 25%. So does this kind of sharp cost is covered in our -- or we would have to take a hit for the higher coking coal prices in subsequent order until and unless we get the better pricing. So how should we look at it?

Vipul Mathur:

The way, Vikash, you have to see things in any case, we always have a forward coverage of coal of all the raw material for at least 2 quarters. So I am not expecting any hit whatsoever because of this coking coal increase which has recently happened. And there are reasons behind it, right? This coking coal increase is a sudden surge because of the force majeure the coal mines have announced because of the inclement weather out there.

Once that -- once we believe that once that element of force majeure settles down, the coking coal prices should get normalized. And when we get into the market for fresh buying, that point in time, we would see that the prices are moderated. And in any case, by that time we will also have -- we will be booking up new orders, and in any case, we would have factored for that. So currently I'm agnostic to any price increase because of the coking coal.

Moderator:

The next question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited.

Sucrit D. Patil:

I have 2 questions. My first question to Mr. Mathur is as Welspun continues to execute across energy and water infra projects, could you share how management is currently thinking about

trade-offs between order book visibility, project complexity and margin quality? What kind of changes in tender structures or customer behavior would prompt you to recalibrate? Just want to understand your view on this?

Vipul Mathur: So your first question is on, Mr. Patil If I understand you correctly, your first question is on the margins. And the second part is about the tender strategy. That's what you meant?

Sucrit D. Patil: More or less, how are you planning to decide about the trade-off between book visibility, project complexity and margin quality? A contingency plan, if you have in mind, I just want to understand that particular thing?

Vipul Mathur: So Mr. Patil, we are -- there is enough business into the market, first and foremost, number one. I don't see that the demand uptick has stopped. What we are doing, we are very clear in terms of selecting and cherry picking the projects on which we want to work around.

So that gives us -- and we are a Tier 1 player. We want to -- we operate on the top end of the pyramid, and that is where we will continue to play. So that gives me the niche, that gives me the visibility and that gives me the margin. So that is our play right from day 1, and this is what we'll continue to do. So I think so in days and times to come. And I think from a business perspective, we are seeing enough business into the global market which will -- and enough niche business into the global markets, which will keep us fairly occupied.

Sucrit D. Patil: And my second question to Mr. Percy is, beyond the reported financial thing, what are the key early indicators you monitor internally, such as milestone billing behavior, inventory cycles or customer payment patterns for anything that you particularly observed that helps you assess the cash flow -- helps you assess the cash flow and execution risk before these show up on your number?

Percy Birdy: Yes. So Mr. Patil, Welspun Corp is extremely focused on the capital allocation policy. So when we are talking about our projects and capital expenditure, a lot of planning goes into that as well as the working capital management. So we prioritize a lot on monitoring the inventory levels on the receivables and on all the creditor payments as well. So that's what finally shows up as an improvement in our ROCE, our return on capital employed. So balance sheet health is given a very high priority, in addition to the business performance, the order book and the profit margins. I hope that answers.

Moderator: The next question is from the line of Karan Bhatelia from MAIQ Capital.

Karan Bhatelia: Congratulations for the numbers. So my question to you was regarding the order book. So could you provide a time line or a phase plan for clearing the INR23,600 crores order book over what period?

Vipul Mathur: Currently for U.S., I think so the order book is right up to March of 2028, right? And in India, we have a clear order book of almost -- in India line pipe business, I'm talking, we have an order book of, in the oil and gas side of it of close to 9 months to 1 year at this point in time. On the DIP side of it, if you look, we have a pending order book of close to 300-odd thousand tons, which gives us a clear visibility...

Karan Bhatelia: Sir, I'm sorry this. Your voice is cracking. Can you repeat, please?

Vipul Mathur: I'm saying about the U.S., as I said, we have a clear order book till March of 2028.

Karan Bhatelia: Right. And India DI pipes -- 1 year?

Vipul Mathur: DI pipes is also close to 3 quarters.

Karan Bhatelia: Now my second question would be regarding the U.S. business. But given the revenue decline in FY '25 for the U.S. operation, what specific revenue figure or maybe the utilization rate if you can share for FY '26?

Vipul Mathur: I don't know what -- why you are referring to a revenue decline in U.S. How did you deduce it -- how did you -- why do you say there is revenue decline?

Karan Bhatelia: For previous year, I mean, compared to FY '25?

Vipul Mathur: Revenue is function of realization, which in turn depend on the raw material prices. There has been volatility in the raw material prices globally. So Percy, may give you more details as I do not recollect from the top of my head what -- revenue decline in U.S.?

Percy Birdy: I'll just come in over here. So I think -- Karan, your question is probably pertaining to the previous year. So the U.S. scenario started changing dramatically sometime from September '24 onwards when we started getting a strong order book visibility.

So if you are referring to the previous year, then of course, at that time, the order book was not there in U.S. But after that, of course, it's a very strong bullish scenario that we have with the focus on oil and gas, fossil fuels and also, of course, the new administration that took charge from somewhere around December '24 onwards. So I think your question must have been for the previous year. This year, of course...

Karan Bhatelia: Yes, I was just comparing -- correct, from the previous year to current year, considering what would be the utilization rate we are expecting for current year FY '26.

Percy Birdy: So FY '26, we are, of course -- sorry, go ahead, sir.

Vipul Mathur: Almost 85% to 90% capacity utilization will be there for our spiral mill, which is currently operating in the U.S.

Moderator: The next question is from the line of Radha from B&K Securities.

Radha: Sir, by when do you expect the antidumping measures against Chinese players to be implemented in Saudi? And how much incremental DI Pipe market could this potentially open up for us?

Vipul Mathur: Radha, I think so the investigation has started, probably it is a process. It takes a long time. It is not about Chinese. It is about imports from wherever the imports are coming. I think so it is a very wide-ranging investigation which seems to be happening. Maybe it might take some 1 or 2

quarters. Probably that's my guess. We have to understand the whole process, but that's my best guess is.

And today, almost 2/3 of the DI pipes was coming as an import. Only 1/3 of the total requirement of the Saudi market was being serviced by the local players. So we see a great opportunity once this antidumping investigation happens and once our mill come into play. I think so this is the 2/3 market which is coming, which we will be able to service that.

Radha: Sir, investigation is happening against India also, sir?

Vipul Mathur: I'm sorry?

Radha: Is this happening against India also, the investigation?

Vipul Mathur: See, it is fairly -- right now, it is fairly broad-based at this point in time. It is not country specific. It is import specific. There is an import which is happening and that needs to be curtailed, and they need to work out a sort of policy regulation.

Radha: Secondly, in the overseas market, could you elaborate on the progress in obtaining customer accreditation for DI pipes? How large could this opportunity be over the medium term? And additionally, with combined India and Saudi DI capacity reaching 9.5 lakh tons by 1H FY '27, how long do you think it will take to ramp up until this capacity on a consecutive basis?

Vipul Mathur: So on the overseas market, I think so we have been focusing on the European market for our DI pipes. I think the acceptability of the pipes, we have already done some sizable amount of quantity into the European market. And the response has been overwhelming. I'm sure that over time, it will grow, number one.

Number two, the Middle East market is our focus. This is how we are geographically expanding based on the export side of it. Looks like -- and once the Saudi capacity come up, I think so that will primarily be focused on the domestic requirement to start with. And also the reconstruction activity where Saudi government is funding. So our focus would be from the Saudi market will be local and the projects which is the Saudi government is funding in the reconstruction of -- in the neighboring market and all the other markets we intend to service out of India.

Radha: Any color on the customer accreditation from the DI Saudi plant?

Vipul Mathur: See basically, you have one approval there, which is the NWC approval, which, in any case, as Welspun, we already have it. So then it is a matter of going to all the contractors -- executing the project. All the approvals and working relations, WCL as an organization has it.

Moderator: The next question is from the line of Sohan Joshi from ASC Consultancy.

Sohan Joshi: So one question. I'm sorry if I might have missed because I had joined recently. What is the impact of the rising metal prices, especially with regard to steel and aluminum going ahead. I mean, are the other entire bookings have been done for the orders to be executed for the next 2, 3 quarters?

Vipul Mathur: Raw material is a pass through. So there is no impact on our margins and hence there is no concern for us whatsoever.

Sohan Joshi: The Government announced nuclear energy -- am I audible? Hello?

Vipul Mathur: Yes, yes, yes.

Sohan Joshi: Yes. So in the budget the government announced the data center nuclear energy, what are the opportunities similar to the U.S. we are finding now even in India?

Vipul Mathur: We have to -- these announcements are very encouraging announcements. There have been such announcements and such things have been a major catalyst in the U.S. market. We believe that there will -- this announcement by government will also be a catalyst in the domestic market. We see opportunities coming up, especially more in our WSSL part of our business, where we are -- we have the seamless steel pipes and very high-quality seamless steel tubes are to be supplied.

So we are seeing that there could be a great opportunity from a WSSL perspective. Rest, we have to see that what type of infrastructure they are going to create. I think it's a matter of time. But definitely, WSSL will be one of the major beneficiary out of this.

Sohan Joshi: Okay. So one last question, if may I ask?

Vipul Mathur: Yes, please.

Sohan Joshi: So there are a lot of damages being done in the -- to the Russian refineries. I mean, recently in the past few months in the war going on. So how are we looking at those opportunities? Don't you think that we have a good opportunity if the Russians going to do some capex for the damage refineries, we have good business opportunity over there as well. Are we planning to tap something of those opportunities?

Vipul Mathur: Sohan, we have not focused on that yet. We have not explored that as yet. I think we will have to see the growth. We have to see the government of India policy around that. Right now, the honest answer is that we have not evaluated that.

Moderator: The next question is from the line of Yash from Art Ventures.

Yash: Yes, sir, I just wanted to know what was the revenue for Sintex during the quarter and for 9 months FY '26?

Vipul Mathur: Can you repeat?

Yash: Yes. Sir, what was the revenue for Sintex during the quarter and for 9 months FY '26?

Vipul Mathur: Percy, would you take this, please?

Percy Birdy: Yes. So Yash, Sintex has been keeping on an even keel and their water storage tanks, and they have been improving their market share. For approximately for the 9 months number, we should

be closer to about 500. I don't have the exact number in front of me, but it should be close to about INR500 crores.

Moderator: The last question is from the line of Ashutosh Nemani from JM Financial Family Office.

Ashutosh Nemani: I had one question. You mentioned we are leasing the 20-inch diameter in the HFIW mill in U.S.A. to 24 inch. So just wanted to understand what is the rationale behind it? And secondly, how is the competition in the U.S.A. for the 2 product categories that we're entering, HFIW and LSAW mill? And what is the revenue potential from those reach that capex and ROCE?

Vipul Mathur: So this was not one question. You loaded too many questions in the same, but nevertheless, let me answer, right? See, what we were -- in our HFIW mill, we were currently having a capacity up to -- capability up to 20 inch. We are seeing a lot of NGL, which is the natural gas liquids, transportation, which is going to happen in America.

Typically, natural gas liquids, when you are drilling, you are extracting oil, you are extracting gas, there is some gas which is also coming in a liquefied form. Now that is a very premium product, and that requires transportation. We have seen that for transporting that, there is a 24-inch pipeline is the most optimal suited pipeline diameter for that.

We were not in that area because we were limiting ourselves to 20 inch. So we were losing out on a business opportunity for 24 inch, which is very, very sizable. So that is the reason we took that call that we -- we are a large player in the American market, we have to have a complete range. And that is the reason we are enhancing our capability from 20 inch to 24 inch. That's the first part of the answer.

The second part of the answer is about LSAW is there are -- once we -- our capacity will come up, there will only be 2 players in the American market. We are -- one would be Welspun, and other is on the West Coast of America. So there will be 2 LSAW players. And it looks like the demand, as I said earlier in my call, the demand seems to be coming up significantly in the AI data Centre pipeline where very heavy wall thickness pipes are required.

We are also seeing our resurgence in the U.S. offshore market, a lot of offshore projects are being announced. So we see that in the next few years, it's going to be very, very dominant demand for the LSAW products as well.

Ashutosh Nemani: And thirdly, there will be no imports as such?

Vipul Mathur: So there will be a clear-cut import restriction, so there will be no imports coming into that particular market as they are not coming into the spiral.

Ashutosh Nemani: Sir, I missed the last part. What you told about import?

Vipul Mathur: I was saying that once you have the -- I'm saying once you have the domestic mill operating out there, then it completely neutralizes the imports.

Ashutosh Nemani: Okay. It neutralizes the imports, whatever is happening currently. Currently it's net imports?

Vipul Mathur: Correct.

Ashutosh Nemani: And sir, capex and ROCE profile of those 2 factories?

Vipul Mathur: That -- see, when we made a capital allocation to that we were very, very clear that it has to be at a particular threshold of ROCEs have to come in. And our ROCEs are close to around 20-odd percent ROCE. That's what we were talking about. And these are our internal threshold limits for approval. We are sure that we should be able to achieve that.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for the closing comments.

Vipul Mathur: Thank you very much, gentlemen, all of you for taking time out today and joining our call today afternoon. We greatly appreciate your interest in our company. As you know, we have been absolutely making all the strategic steps in the right direction which is going to build this company to -- and we'll take this company to absolutely a next level of earnings and profitability in times to come.

I think so as our projects are going to get completed over the next few quarters, 2 or 3 quarters at best, the incremental earnings are going to be sizable. So there is a huge growth potential, one. A second part of it, we are emphasizing that the market, there is enough market which is available. So both the market and our positioning into the market is going to give a new color and new favor to Welspun Corp.

And lastly, I would like to say that if there are any other questions which we have -- we sincerely tried our best to answer all of your questions. But in case if you think that anything has been missed out, please feel free to reach out to me and to Mr. Percy or to Goutam, and they will be more than happy to answer any clarifications or follow-up questions you might have. Thank you very much once again for joining us today. All the very best. Good day.

Moderator: Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.