



“MAN Industries (India) Limited Q2/H1 FY26 Earnings Conference Call”

November 14, 2025



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 MR. RAHUL RAWAT - COMPANY SECRETARY
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MODERATOR: **MR. UTSAV BENAIRA – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the MAN Industries (India) Limited Q2 FY26 Earnings Conference Call hosted by Arihant Capital Markets 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 this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Utsav Benaira from Arihant Capital Markets Limited. Thank you and over to you, Mr. Utsav.

Utsav Benaira: Good evening and welcome everyone. On behalf of Arihant Capital, we invite you to Man Industries (India) Limited Q2 & H1 FY26 Earnings Conference Call.

From the management side, we have Dr. Ramesh Chandra Mansukhani – Chairman, Mr. Sandeep Kumar Garg – CFO, Mr. Rahul Rawat – Company Secretary, Mr. Vijay Gyanchandani – DGM (Investor Relations), Mr. Sunil Wadikar – VP (Accounts).

So, without any further delay, I will hand over the call to the “Management for their Opening Remarks.” Over to you, sir.

Dr. R. C. Mansukhani: Yes, good evening everyone. I extend a warm welcome to all our shareholders, analysts and participants joining us for the Q2 & H1 FY26 Earnings Conference Call

“Business Highlights and Financial Outlook.” Q2 FY26 has been an important quarter for the company both in terms of financial performance and strategic progress.

We are pleased to report the highest ever quarterly EBITDA margin in our history, reflecting our continued focus on execution excellence, product mix optimization, operational discipline and cost management.

During the quarter, we witnessed strong traction across our international markets, particularly in the GCC region and Southeast Asia.

As on September 30th, the orderbook is Rs.4,750 crores. With execution, visibility is spread over the next six to nine months.

In addition, we have a robust bid pipeline exceeding Rs.15,000 crores, covering opportunities in iron and gas, water transmission and a specialized coated pipe segment across global markets.

With a strong momentum in execution, we expect H2 FY26 to be the strongest half year in the company's history with revenue of around Rs.2,200 crores, enabling us to comfortably deliver our 20% revenue growth guidance for 2026.

Export continues to be an important growth engine for us, constituting about ~90% of the order book. This reflects the growing global trust in our technical capabilities, execution track record and ability to deliver complex large diameter pipe solutions.

“Our Strategic Expansion.” Our expansion initiatives in Saudi Arabia and Jammu are progressing very well with a full-fledged and a full swing. The Saudi Arabia facility is a strategically important project giving us manufacturing base closer to our iron and gas hub and civil activities in progress and we expect operation to commence by Quarter 4 2026, followed by commercial ramp up.

Jammu plant also is under progress and expected to be commissioned in April, we are planning to start production from 1st April 2026. That is our target date.

Both projects will significantly strengthen our geographical reach, capacity and ability to participate in high value context ensuring diversified growth in the coming years.

Looking ahead, the outlook for H2'26 remains strong, supported by steady order execution and healthy order inflow.

We reiterate our full year guidance of proposed 20% revenue growth in FY26 driven by timely project execution, capacity expansion and some diversification and sustainable demand from global energy and water infrastructure sector.

We expect to maintain double-digit EBITDA margin between 11% to 12%, we are estimating, supported by favorable product mix, cost discipline and operational excellence, enhancing the share of the value-added and export orders, maintaining financial prudence, scaling up the capacity through our ongoing Saudi Arabia and Jammu expansion.

Jammu expansion is a synergic, stainless steel seamless pipe manufacturing.

With that, I now hand over to our CFO – Mr. Sandeep Kumar Garg to Review the Financials. Over to you, Sandeep. Thank you.

Sandeep Kumar Garg:

Thank you, Mr. Chairman. Good evening, everyone. Thanks for joining us for Discussion on our Q2 & H1'26 Financial Performance. I will take you to the Key Financial Highlights, Margin Drivers, Balance Sheet Position and Outlook for our Coming Quarter.”

Let us begin with the “Consolidated Results.” Revenue from operation for Q2 FY26 stood at Rs.834 crores, a growth of 3.5% year-on-year and 12.4% QoQ.

EBITDA for the quarter grew by 37% YoY to Rs.102 crores, with margin expanding by 340 basis points to 12.5%, the highest ever in our history.

PBT increased by 15.5% YoY to Rs.49 crores and PAT grew by 16% YoY and 34% QoQ to Rs.37 crores. These results reflect our ability to maintain profitability, despite a relatively stable revenue base, driven by product mix improvement, cost control and higher efficiency across our facility.

Now, we come to the “Half Yearly Performance.” The revenue for the half year H1 FY26 stood at Rs.1,576 crores, up by 1.4% YoY.

EBITDA grew by 38% YoY to Rs.182 crores, reflecting sustained margin expansion across product line.

PAT stood at Rs.65 crores, growing 27% YoY, with cash profit increasing by 34% YoY around Rs.100 crores.

Our H1 performance demonstrates our ability to deliver profitability growth even in a flattish revenue environment, driven by mixed improvement and operational excellence.

Regarding balance sheet, as on 30th September '25, we have a net cash position of Rs.14 crores considering all the debt. Net position is positive, Rs.14 crores cash.

Now, I will update the investor about the demand environment and industry tailwind. The global investment in energy transition, upstream oil and gas, hydrogen transportation and water infrastructure continue to accelerate.

The GCC region in particular is undergoing one of the largest pipeline investment cycle in recent years, driven by large scale gas pipeline corridors, expansion of hydrogen-ready infrastructure, desalination and water distribution projects and mega EPC development under national vision program.

We believe this industry tailwind with sustain multi-year demand visibility for high quality line by and Man Industries is strategically for demand visibility for high quality.

- Moderator:** Sorry to interrupt sir, but can you repeat again, you were on mute.
- Sandeep Kumar Garg:** We believe this industry tailwind with sustained multi-year demand visibility for high quality line by and Man Industries is strategically positioned to capture a meaningful share of this opportunities.
- On the domestic front, we are closely tracking tender announced by a various state governments like Gujarat, Andhra Pradesh, Madhya Pradesh and Odisha in the water infrastructure segment. The pipeline of domestic water projects is healthy and we expect improved traction over the next two to three quarters.
- With this, we would now open the floor for the question-and-answer session. Thank you.
- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello! Good evening, sir. Thank you so much for taking my question. Great set of results, I am very happy for the company. You have given a very good set of numbers and this year we have given a very good guidance. But now for next year, when, we have major plans operational, how do we see FY27, like the ramp up of the facility, how would they be, sir?
- Sandeep Kumar Garg:** In '27 our existing facility plus Saudi and Jammu, both will be operational, roughly we will be touching around 7,000 crores revenue which will have a contribution from Saudi operations, Jammu and our current operations
- Darshil Jhaveri:** So, 7,000 crores is a great target to have, sir. Do we have enough order book for that because from the order book perspective I think we have around 4,500 crores, right sir?
- Sandeep Kumar Garg:** That is correct. This order book is currently for India operation. When we start the Saudi operation that order book will further add to our order book position So, currently, Saudi and Jammu plants are not operational, so we are not declaring any order for those plans, but we are in discussions with different potential client and almost negotiations are at final number. Once we give them the production start, we will have a confirmation order from them So, we are hopeful of getting this guidance which we are declaring now.
- Darshil Jhaveri:** Okay, fair enough, sir. So, if possible could we know how much will come from Jammu plant? I am asking because that is the stainless steel and commodity like a very high margin. So, in the 7,000 crores, will we have any blended EBITDA margin target because both Saudi and Jammu & Kashmir are margin-accretive to us, right?

- Dr. R. C. Mansukhani:** Yes sir, you are right and Saudi will be the SAW pipes and Jammu will be the special steel SS tubes, seamless tubes will be there. So, margin will be higher, you can say Jammu will be around 18% to 22% and Saudi will be between 12% and 14%.
- Darshil Jhaveri:** So, on a blended basis on 7,000 crores how much can we do, sir?
- Dr. R. C. Mansukhani:** In 7,000 crores, we should reach around 800 crores-plus.
- Sandeep Kumar Garg:** This is on the conservative side because Saudi our EBITDA will be better also because there margins will be better
- Darshil Jhaveri:** Okay, that is really great to know, sir. Because of this so when the plant starts operationalizing I think for both the plants combined we spent around 200 crores, so the depreciation and interest will hit in FY27, right, sir, so what will be the interest cost if we have any estimation regarding that, sir?
- Sandeep Kumar Garg:** Yes, our peak borrowing will be around Rs.1,150 crores to 1,200 crores.
- Darshil Jhaveri:** And what is the cost of debt to us then, sir?
- Sandeep Kumar Garg:** Let me conclude this is I am talking about the borrowing gross just like we have declared 14 crores net cash position So, this is the gross borrowing level of 1,100 crores to 1,200 crores. So, roughly our interest cost will be around same Rs.120 to 125 crores in one year for all the three plants.
- Dr. R. C. Mansukhani:** It makes up the dollar and rupees, that is why dollar would be around 6%, rupees will be around 8% to 9%, so we are estimating the interest cost will be around Rs.120 crores.
- Darshil Jhaveri:** Okay, that is really great because I thought with the new one we will have some working capital requirements also right because right now only we are at 30 crores I think a run rate of interest, so while we go for 7,000 crores will we need some working capital which will increase our interest, sir?
- Management:** Not interest but actually the non-fund based limits we use more with the performance bond and ABG, PBG, retention, bank guarantee, etc., we have to give more in future But since the operation level is also increasing then it is going to go just accordingly.
- Darshil Jhaveri:** Okay, fair enough, sir. Yes, that is it from my side, sir. All the best, sir. Thank you so much, sir.
- Moderator:** The next question comes from the line of Satyan Wadhwa from Profusion Investment Advisors. Please go ahead.
- Satyan Wadhwa:** I have two questions. One, can you let us know what the volumes were for the first quarter and the second quarter? And what volume are you estimating from the Saudi plant and the Jammu plant in

FY27? And what are the current average selling price per ton for both of these plants, average in terms of the mix of products that you are expecting to do from these two plants?

Dr. R. C. Mansukhani: Your question is not very clear.

Satyan Wadhwa: My question was what was the volume that we did in first quarter and in the second quarter which is the September quarter? And secondly what is the volume you are forecasting from the Saudi plant for FY27? And what is the average selling price of the products that you intend to make that? And then what is the volume you are forecasting from the Jammu plant for FY27? And what is the current average selling price based on the product mix you are envisaging for Jammu?

Dr. R. C. Mansukhani: Yes, Satyan, well noted Our Indian operation in the first six months is around 40% of our estimation. Now, there will be around 60% for next Phase-II. In regard to Jammu, there will be projections we are doing first year of around 500 crores, because it is a new unit, it will slowly, slowly ramp up And Saudi, because of some dialogue is going on etc., so we are estimating around 2,000 crores. So, that is why the company is expecting to reach 7,000 crores in '26-27 closing.

Satyan Wadhwa: So, basically the new plant will contribute around 2,000 crores to 2,500 crores out of 7,000 crores, right?

Dr. R. C. Mansukhani: You are right

Satyan Wadhwa: And in terms of the Jammu plant which is 500 crores, what sort of volume would get you to 500 crores capacity is 22,000 tons, right?

Dr. R. C. Mansukhani: You can say one-third around 40% in the year one, then year two will be around 70%.

Satyan Wadhwa: Okay, that is great. And for Saudi from that 3 lakh tons what do you expect the first year volume to be, in terms of tonnage utilization?

Dr. R. C. Mansukhani: Tonnage is very difficult. I am talking about -

Satyan Wadhwa: I am just trying to get a sense of utilization, right, like you said 40% utilization in Jammu then 70%, then maybe 80% or 90%, that would be in Saudi in the first year in terms of utilization?

Dr. R. C. Mansukhani: Saudi, you can consider the first year will be around 50% and it will ramp up slowly, slowly for the next year, because lot of equipments, etc., will be added in first year and then you get the good result after first year, second year it will go up.

- Satyan Wadhwa:** And orders are not a problem in Saudi given that your plant is there, you are probably already sending pipes from India, so I think you should be accredited, right?
- Dr. R. C. Mansukhani:** That is not a problem because we are a very qualified company and we have the experience on all the markets, the export, so I do not think so any problem is there.
- Satyan Wadhwa:** So, when will you start booking orders for the two plants, Saudi and Jammu, in the next quarter or will that start only in first quarter next year fiscal?
- Dr. R. C. Mansukhani:** Discussion is going on. Very soon maybe first quarter we will book some order and then we will see how it is going.
- Satyan Wadhwa:** Jan to March quarter, right, you will start booking orders?
- Dr. R. C. Mansukhani:** Yes, yes.
- Satyan Wadhwa:** And trial production will start in the Jan-March quarter?
- Dr. R. C. Mansukhani:** In the Quarter 4 we are going to start some production in Saudi.
- Satyan Wadhwa:** The equipment is all in place in both the plants or you are still waiting for some equipment to come?
- Dr. R. C. Mansukhani:** Most of the equipments in Jammu already arrived from Europe and Japan and in Saudi is mostly already equipment is there.
- Satyan Wadhwa:** Okay. So, I am just trying to get a sense of readiness of the plant, so trials will begin in the next maybe eight, 10 weeks, right?
- Dr. R. C. Mansukhani:** Yes, probably as we told January we are estimating eight to 10 weeks saying the same, but all this is the expectation which as per our calculation should go through it, yes.
- Satyan Wadhwa:** Okay, okay, great, thank you and all the best.
- Moderator:** The next question comes from the line of Divyansh Thakur from Finterest Capital, please go ahead.
- Divyansh Thakur:** Sorry, sir, if I am repeating the question. Actually I joined late. So, as you reported the EBITDA margin of 11.5%, do we see this to continue going forward with the new capacity as you mentioned coming live on April 1, 2026?
- Sandeep Kumar Garg:** Yes, the EBITDA margin we have given, we will be 11%-plus, so we are going to maintain EBITDA between 11% and 12%, in this year.

- Divyansh Thakur:** Okay, that is great. Sir, also wanted to know the update on the order issued, if you can give us some details like how that is going?
- Sandeep Kumar Garg:** As of now, we have order book of 4,750 crores, 90% of those are exports.
- Divyansh Thakur:** No, no, no, sorry, sorry to interrupt you, sir. I wanted to ask about the SEBI order.
- Dr. R. C. Mansukhani:** SEBI order, we got the stay order immediately after the order in few days and now the matter is sub judice.
- Divyansh Thakur:** Okay, thank you so much, sir.
- Moderator:** The next question comes from the line of Hailey Shah, who is an individual investor. Please go ahead.
- Hailey Shah:** Thank you for the opportunity. I wanted to ask that Q2 revenue was slightly lower YoY despite a strong order book. What was the reason for this revenue which was lower than expected?
- Dr. R. C. Mansukhani:** Madam, our business is like nature, the lead time. Every order having a different kind of the raw material. So, once we get the order, although a very good order book position over there, once we receive the order, some raw material few weeks, some raw material few months, so that is why we have to see the priority. Now, all the orders are under execution and you will see great growth in the coming quarters.
- Hailey Shah:** Okay, sir. The next question is Saudi project is expected to commercialize in Q4 FY26. So, what is the portion of the fixed project time so far? And are we on track for commissioning this project?
- Dr. R. C. Mansukhani:** No, your question is not clear. The order, as I already indicated, the discussion is going on with the clients and the facility is under progress and we can give not month-wise or quarter-wise projections for the new company. Overall, as I already indicated, 2,000 crores we are expecting the revenue from Saudi in year one and 500 crores in Jammu in year one.
- Hailey Shah:** Okay, sir. Thank you very much.
- Moderator:** The next question comes from the line of Nishta from Sapphire Capital. Please go ahead.
- Nishta:** So, I just wanted to understand from the 7,000 crores of guidance that you have given, what will be the contribution from the Jammu plant, from the Saudi plant, and from the current plant?
- Dr. R. C. Mansukhani:** We already indicated, once again we will repeat. India operations would be around 4,500 crores, Saudi will be 2,000 crores and Jammu will be around 500 crores. This is our wish and plan to achieve next year 7,000 crores.

- Nishta:** Okay. Okay. And you mentioned that from Saudi we will have better margins. Can you give a number, how much better margins in Saudi from the current plant?
- Dr. R. C. Mansukhani:** Madam, the Saudi, we can give the guidance of EBITDA, will be between 12% to 15%. Product mix, client grade, lot of business is there, we can give this idea. And Jammu as we already informed between 18% to 22% EBITDA is for the product mix, alloy and the clients, there are a lot of calculation. But of the overall 7,000 crores, the EBITDA would be more than, more than 800 crores.
- Nishta:** Okay, understood. Thank you.
- Moderator:** The next question comes from the line of Viraj Mahadevia from MoneyGrow. Please go ahead.
- Viraj Mahadevia:** Hi, sir. I had a quick question. Congratulations on the traction in business. Regarding your expansion, it is a 1,200 crores expansion overall; however, the CAPEX this year is showing as only 57 crores. Can you explain how 1,100 crores will be deployed for the plant to be ready in four, five months?
- Dr. R. C. Mansukhani:** No, sir. Our equity portion has already gone in Jammu.
- Viraj Mahadevia:** Understood, sir. How much is that?
- Sandeep Kumar Garg:** For Jammu, almost 200 crores we have invested and some were invested in last year also.
- Dr. R. C. Mansukhani:** Then we have to see the overall, 2024, '25, '26. The other thing, letter of credit, already opened by the bank, which is not debited to our account. This is accounting and that is why.
- Viraj Mahadevia:** So, how much is pending for investment overall between debt and our equity for the plants to be completed?
- Sandeep Kumar Garg:** As far as Jammu is concerned, we have a project cost of 595 crores. Our own contribution, almost 200 crores we have invested. Total order committed, LC, everything is around 200 crores. Roughly we are in a positive of 400 crores investment already done into Jammu project. Once payment will be done, you will get it debited.
- Viraj Mahadevia:** Understood. Thank you. That is it for my side.
- Moderator:** The next question comes from the line of Prakash, who is an individual investor. Please go ahead.
- Prakash:** Hi, very good evening, sir. Congratulations on posting such a good set number. What will be the blended EBITDA after commissioning of Saudi Arabia and Jammu plants?
- Sandeep Kumar Garg:** Saudi, EBITDA will be between the range of 12% and 15%, Jammu project will be of 18% to 22%.

- Prakash:** And blended EBITDA of both after commissioning, sir?
- Sandeep Kumar Garg:** Blended will be coming around 13% of EBITDA.
- Prakash:** Okay, okay, sir. That is great, sir. My next question is regarding order book, sir. The present bid pipeline is more than 15,000 crores, So, what is the success in conversion of this, sir?
- Dr. R. C. Mansukhani:** Sir, that is a very difficult question. We can say for 15,000 crores bid we submitted in the different, different evaluation stages and how much we will get, but we are very confident to get whatever we need to run the plant and our expansion program and diversification. So, we are confident we will get the order. The percentage I cannot say, because there is something new, new coming, maybe tomorrow some materialize, maybe after two weeks, three weeks, that is how it is difficult to say.
- Prakash:** Okay, great. Thank you very much, sir, and best of luck for the future endeavor.
- Moderator:** Thank you, The next question comes from the line of Karishma Nahar, who is an individual investor. Please go ahead.
- Karishma Nahar:** Good evening, sir. I wanted to know regarding the gross profit margin, which increased from 20% last quarter to 28% this quarter. And in the sector, it is like, as per my study, I saw that in this particular quarter, raw material prices increased in spite of that our gross profit margin saw 800 basis points increase this quarter. So, can you put a little light on that?
- Sandeep Kumar Garg:** Sure. First of all, whenever we get an order, we hedge our purchases. So, recent increase or decrease in the raw material prices does not affect our profitability, because our raw material supply is hedged at the time of booking the order. So, that current price change will not impact our profitability. Second, the profitability has been higher because as was explained by Chairman in his opening remark, because of product mix and the better operation synergies, value added product also. We are executing some order, which has a high different type of coating, a value added product, which is giving us a better margin.
- Karishma Nahar:** Okay. That is it for my side.
- Moderator:** The next question comes from the line of Rohan Rawat, who is an individual investor. Please go ahead.
- Rohan Rawat:** First of all, congratulations, sir, for posting your Q2 result. So, my question to you is on the US market. So, as I can see, you have a good presence in Saudi and a Middle East market. So, what is your plan to increase on the US market, seeing your competitor has a good presence in the US market? That is my first question.

- Sandeep Kumar Garg:** US market looks good, but currently we do not have any plans. Currently, we are executing two big projects, Saudi and Jammu.
- Dr. R. C. Mansukhani:** I think I can give a good reply. Let us concentrate on the two projects right now on our hand. For the three, four, four, five months, we will be very busy over there to stabilize the thing and then we will talk about the other markets in the world.
- Rohan Rawat:** Okay. I think that answered my question. And also, you speak about the order of 15,000 crores. And I want to know what is the bid-win ratio on it? And I think you have a 4700 crores order book, which we will be executing in the next six to nine months. So, I just want to know your bid-win ratio on the 15,000 crores you mentioned in the concall?
- Dr. R. C. Mansukhani:** No ratio. It cannot be defined. But we are very intent to carry forward order on the first April and then plus clear over there, we will be able to achieve whatever our target is there for next year, we are confident.
- Rohan Rawat:** All right. I think that answered my question. Thank you.
- Moderator:** The next question comes from the line of Rohan Sapani, who is an individual investor. Please go ahead.
- Rohan Sapani:** Hello, sir. Thank you for the opportunity. Sir, I had a question, as the steel price being so volatile, how is the company affected by it currently?
- Sandeep Kumar Garg:** I just explained in the previous question that our company's policy is very, very fixed, that once we get an order confirmed from the customer, immediately we hedge our raw materials, long term arrangement from the supplier for the whole project, that particular order raw material is hedged, similarly, my shipping cost is also hedged. So, all this fluctuation does not affect our profitability. We do not believe in speculation. Our policy is very, very fixed.
- Rohan Sapani:** All right. Okay. Thank you, sir. Sir, next question was, why is the inventory shot up so much and will it normalize going forward?
- Sandeep Kumar Garg:** If you see our balance sheet for September, inventory has reduced from the March level, because some order which we are executing was dispatched, inventory was already reduced, if you see the balance sheet in September.
- Dr. R. C. Mansukhani:** Again, this quarter it will be more reduced.

- Sandeep Kumar Garg:** It will be further reduced from the shipment for further half, because our order book is good, and we are anticipating good sales in Q3 and Q4. So, inventory will further normalize.
- Rohan Sapani:** All right. Thank you so much, sir.
- Moderator:** The next question comes from the line of Puneet Chokani, who is an individual investor. Please go ahead.
- Puneet Chokani:** Hi! Thank you for the opportunity. I just wanted to understand a little bit more about the Saudi plant. I am sorry it is a basic question. So, what I understood from the call so far is, this plant that is being set up is primarily for the Saudi market, this is not for the world market, is that fundamentally right?
- Sandeep Kumar Garg:** Yes. This factory will be primarily servicing order from the Saudi Arabia, but there is no bar to supply to other GCC countries or Middle East from that plant.
- Puneet Chokani:** Okay. And sir, just to understand, I mean, of course, you see a lot of potential. If you can give us some numbers in terms of how big volumetrically this market is in terms of Saudi? And two, I mean, considering that there is potential in your setting this up and you do not want to disclose orders, it is very clear that you have got soft commitments, which is why you are setting up the plant. So, if you can throw some light on that also, please?
- Dr. R. C. Mansukhani:** Yes, very intelligent guess. Okay? There is a sufficient room for us over there I can say.
- Puneet Chokani:** Could you quantify volumetrically, I mean, I understand pricing is very different for different products, but just volumetrically, how big is this market, I just want to get, since the chairman is on this call, I also wanted to get a sense of how big this, I mean, today, you are talking about, 4,500 crores coming from the Indian market, we are talking about 2,600 crores, like 50% utilization coming from your two plants. I want to get a sense of how big Saudi as a market can be for the company once you stabilize, whatever commitments you have, whether you want to disclose it or not, that is up to you of course. But how big can the revenue from a business like this reach, because it is clearly a very profitable business for you, is what you are sort of saying, right?
- Dr. R. C. Mansukhani:** The most important I want to comment here. This is a new company started. We are old in the business. We have the sufficient study in the market. The figures, this moment, I do not remember what is the exact figure. But whatever we are talking about this moment, the 50% capacity utilization in year one, that is why we said 2,000 crores, but next year capacity will be more, and we have a good room over there to satisfy our requirement which I can say.
- Sandeep Kumar Garg:** Regarding Saudi, I just want to add something here. Saudi is developing a huge demand for pipes.

- Dr. R. C. Mansukhani:** I think we have given the very conservative figure after considering all the market, etc.,
- Puneet Chokani:** Sir, I understand. Sorry to interrupt. I am not asking for guidance, sir. What I am trying to understand is how big the market can be, how potentially large can this be in terms of revenue for your business, say, five years from now, I am not asking for a one-year guidance, sir. I understand, 50% utilization will bring you a certain amount of revenue. But just to understand size, even if you do not give me volumetric numbers, how big can this business be, say five years from now is what I am trying to get -- can it be a 4,000 crores, 5,000 crores business, is what I am saying?
- Dr. R. C. Mansukhani:** You are right. You can guess it. This is the beginning of 2,000 crores. Our aim is to reach 3,500-4,000 crores with the current expansion, which are being worked out.
- Puneet Chokani:** And so like I asked, I understand volume, but do you have some soft commitment? I just want to get a mindset, sir. I mean, since you are on the call, you spend so much, I mean, today, it is a lot of money, 600 crores of CAPEX -.
- Dr. R. C. Mansukhani:** Very confidential business. So, our business is confidentially based on tender, offer, government, approvals, a lot of calculations are there, sir.
- Puneet Chokani:** Right, right. Okay. So, export can be an optionality also is what you said from Saudi?
- Dr. R. C. Mansukhani:** Yes, sir, in the countries over there.
- Puneet Chokani:** Okay. Also, sir, just one more question. I heard you gave a guidance of 20% for this year FY26. On a consol level, if I see our half yearly number, you were flat, I think about 1,576 crores. So, if you have to grow 20% for the year, you are technically talking about a back-ended growth. So, your H2 should be about 35% growth, is my thinking right?
- Dr. R. C. Mansukhani:** I can simplify your question. 40% already done in H1. H2, our figures are between 2,200 crores to 2,400 crores roughly. So, 40%, 60%, considering the order on hand in time, client requirement, because we are a special contract business, client requirement also we have to consider. So, a lot of calculation over there, but we are confident to reach on this level, sir.
- Sandeep Kumar Garg:** If you look at our last year's number, this was 3,178 crores or 3,172 crores, balance was from the realty which will come now. So, if I look at the pipe businesses, 20% growth will happen, and H2 will be as chairman said 2,200 crores to 2,400 crores, we will be around 3,700 crores from the pipe business.

- Puneet Chokani:** Okay, okay, okay, sure. There was a real estate angle also, right? There was something in a daily, or something in Bombay that you guys monetized. Was there any income that came in through for that this quarter?
- Sandeep Kumar Garg:** No. The project which we have monetized, the developer is seeking all the legal approvals. That project, after he got all the environmental approvals, he will be launching it very soon. Once he launches, then the sale will start, and we will have some revenue coming to our financials.
- Dr. R. C. Mansukhani:** There are some soft commitment, but after the procedure is completed, RERA approval everything, then we can only officially sell the stock.
- Puneet Chokani:** So, the thought process, if I am getting this right, please correct me, basically, it is your land, there is a developer building on it, and you basically have no expense, the developer does the marketing, and you just get a share of revenue, is that correct?
- Sandeep Kumar Garg:** Correct.
- Dr. R. C. Mansukhani:** We will get our portion on top line.
- Puneet Chokani:** On the sale of the project? And what would this be over a over a period of years, I mean, of course, launches the project and pre-sales and sells out, collects the money and gives it to you, what is the total quantum of money that you will get out of this?
- Dr. R. C. Mansukhani:** We have a five year horizon, and it is going to start quickly, very soon.
- Puneet Chokani:** I could not hear that. Your line broke off for a second.
- Sandeep Kumar Garg:** I will confirm. We have a horizon of five years to get this revenue monetized. Once project will be launched, we are expecting 700 crores at the conservative side to be received in the next five years.
- Puneet Chokani:** So, this 700 crores will have no expense is what you are saying?
- Dr. R. C. Mansukhani:** No, nothing.
- Puneet Chokani:** Okay, so in your P&L, you will put it as an extraordinary income, or how does this get classified as a line item?
- Sandeep Kumar Garg:** This transaction is into our subsidiary, Merino Shelter. Okay. It will be shown as a sale in the subsidiary and it will come as a consolidation in the financials, which will be shown separately under the segment reporting.

- Puneet Chokani:** Okay. Fair, Thank you so much for your time, sir.
- Moderator:** The next question comes from the line of Atul Kumar, who is an individual investor. Please go ahead.
- Atul Kumar:** Thank you, sir, for the opportunity. I would just like to appreciate the effort management has put in since the last few years. I have been following this company since the last two years and really meeting all the guidance given in the previous quarters and commentaries, so, just want to appreciate all the effort. I have one question around the PAT margin for FY27 since we are now setting up new plants and we are going to expect increase in EBITDA margin, so, do we have a profile or do we know how the PAT margin is going to look in FY27? I think last quarter, we did 4.5% in the PAT margin. So, any guidance or suggestion on that, sir?
- Sandeep Kumar Garg:** When EBITDA is going to improve, it may slightly improve, but we have increased finance costs also, depreciation also and tax. So, if you want, you can connect with our IR department any requirement, whatever you want, we can share.
- Atul Kumar:** Okay, but sir, like EBITDA margin, do we not track or have vision of where the PAT margin you want to hit and let us say come, any guidance there, sir?
- Sandeep Kumar Garg:** It will be in the range of 5% to 5.5%.
- Atul Kumar:** I think that is helpful. Thank you, sir.
- Moderator:** The next question comes from the line of Divyansh Thakur from Finterest Capital. Please go ahead.
- Divyansh Thakur:** I did not hear what did you say about PAT margin, would be 5% to 5.5% if I am right?
- Dr. R. C. Mansukhani:** Yes, that is right. We already informed you EBITDA and then we have depreciation, interest and tax and then it will be going to improve it.
- Divyansh Thakur:** Okay, so you are saying that it will be around 5% to 5.5% after assuming and estimating all these things, right?
- Dr. R. C. Mansukhani:** Yes, correct.
- Divyansh Thakur:** Thank you so much, sir. All the best for your future endeavor.
- Moderator:** As there are no further questions from the line of participants, I now hand the conference over to the management for closing comments.
- Sandeep Kumar Garg:** Thank you very much to all the investors for attending this call.

Moderator: Yes, sir. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.