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E-Communication

MSL/SEC/SE/2025-26 **04 August 2025**

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National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra - Kurla Complex
Bandra (E), Mumbai-400051

Stock Code: 500265

Scrip Code: MAHSEAMLES

Sub.: Transcript of earnings conference call held on 31 July 2025

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find below the link of transcript of earnings conference call held on 31 July 2025.

Link to access above transcript is as under:

https://www.jindal.com/msl/pdf/Transcript-of-Conference-Call-Q1-FY26-Earnings-Call.pdf

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For Maharashtra Seamless Limited

Ram Ji
Nigam

Digitally signed by Ram Ji Nigam
DN: cn=Ram Ji Nigam, c=IN, l=Gurgaon, st=Haryana, o=Personal, title=6450, email=nigamcontact@rediffmail.com, serialNumber=8b7980f1e25662b67a2e46675466e2f6de7c5449a278b1dfe2e25769211eacff
Date: 2025.08.04 11:29:29 +05'30'

Ram Ji Nigam
Company Secretary

Maharashtra Seamless Limited
Q1 FY26 Earnings Conference Call
31 July 2025

MANAGEMENT: **MR. KAUSHAL BENGANI – DEPUTY GENERAL MANAGER, INVESTOR RELATIONS & FINANCE, MAHARASHTRA SEAMLESS LIMITED**

MODERATOR: **MR. GAURAV MEHTA – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Maharashtra Seamless Q1 FY '26 Earnings Conference Call hosted by PhillipCapital (India) Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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. Gaurav Mehta from PhillipCapital (India) Private Limited. Thank you and over to you, sir.

Gaurav Mehta: Thank you, operator. Good afternoon, everyone. Welcome to Maharashtra Seamless Q1 FY '26 Conference Call.

From the management side, we have with us Mr. Kaushal Bengani - Deputy General Manager, Investor Relations, and Finance. Without taking much time, I hand it over to Mr. Kaushal for his opening remarks. Over to you, sir.

Kaushal Bengani: Thank you, Gaurav. Good afternoon, shareholders, and thank you for joining our earnings call.

During Q1 FY '26, we have been able to dispatch almost 1,03,000 tons of seamless pipes. However, we have seen a marked slowdown in order booking which started in the previous quarter, but has continued for a longer period than anticipated. This has had a direct impact on the performance in the June quarter of the company. The slowdown in order booking is attributed primarily to Chinese dumping and reduced expenditure in oil and gas sector.

Our margins and EBITDA per ton have also declined and consequent to the increased Chinese dumping and slowdown of expenditure in oil and gas sector, there has been a decline in sales realization. Whilst revival in order book is expected, it appears that September quarter is likely to be muted on margin front.

I will briefly summarize key financial points:

Our Q1 FY '26 performance versus Q4 FY '25 had a revenue decline of 11% to Rs. 1,303 crores. EBITDA declined by 41% to Rs. 165 crores, PAT declined by 4% to Rs. 234 crores and EPS was Rs. 17 per share. Whilst decline in EBITDA was 41%, the decline in PAT was much lower because of performance of our treasury which contributed an amount of Rs. 160 crores booked in other income.

Apart from financials, there are 3 key points which I would like to draw attention to:

- The first is our treasury, it is at Rs. 2,919 crores as on 30th June 2025. It is being judiciously managed with engagement and inputs at highest levels.
- The second is our order book which is at Rs. 1,149 crores. We have seen a slight improvement in the export segment, but it is not enough to offset the slowdown in the other segments.
- The third point is a repetition - of our credit rating which was upgraded from AA to AA+ in the previous calendar year. The reason for the repetition is that it is the highest credit rating which the company has received, and it sends a strong message to all stakeholders about our strengths and expertise despite difficult market conditions.

That is the entire brief. I would now request Gaurav to kindly open for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chetan Doshi from TM Financial. Please go ahead.

Chetan Doshi: Thank you for giving me this opportunity. I have two questions. One is, there is a sudden drop in EBITDA, so we are not able to get good pricing from the market because orders are collected much ahead of execution. It takes time. So when orders were taken, that time the pricing at which the orders were taken were low. And second thing is that we have Rs. 2,900 crores cash and you have shown that we intend to modernize our plant and Rs. 852 crores are to be used. So when the lean period is going on, why there is no action on this subject?

Kaushal Bengani: The reason for decline in margin is attributed to fall in realization. Reason for fall in realization is increased dumping from China and slowdown in oil and gas sector regarding the level of expenditure that is taking place. On the cash deployment front, we are continuing with our finishing line project in Telangana and the cold drawn pipes project in Maharashtra. On the Telangana project, we have issued purchase orders of Rs. 80 crores and expensed around Rs. 46 crores till now and we expect that the project will get completed within the allocated budget of Rs. 184 crores. On the cold drawn pipes project front, we have received the machines which we had ordered and we are installing one of the machines in August and the second machine should also get installed by September. We should see an improvement in the quantity of cold drawn pipes dispatched from December quarter onwards.

Chetan Doshi: That is great news. One more thing, see, as far as this hot mill upgrade is there, and where we plan to do an expenditure of around Rs. 350 crores, so have we placed order on somebody or still it is to be planned out?

Kaushal Bengani: We have not started that portion of the capital expenditure plan. Once the Telangana line is completed, then we will address that.

Chetan Doshi: Thank you. I will join the queue again.

Moderator: Thank you. The next question is from the line of Ankur Shaurya, an Individual Investor. Please go ahead.

Ankur Shaurya: Good evening, sir. My question is regarding one of the products that you said that we were about to begin or developing in our R&D which one of the competitors who has already developed. So what is the update on that, sir?

Kaushal Bengani: You are referring to premium connections?

Ankur Shaurya: Yes.

Kaushal Bengani: That process is continuing. It is a very slow process. It is continuing for more than 2 years now. You will find that hard to believe that launching a new product takes that much time, but it involves a tie-up with a foreign partner and that process is excruciatingly time consuming and that is why it is taking that much time. I cannot give you a definitive date even right now, but even today we have had an update on that project which I cannot share right now, but rest assured we are working on it. Unfortunately, I cannot give you a definite date because there are many factors which are beyond our control. And for our competitor also, when they had launched in 2022 or early 2023, they had been working on it from 2019 onwards.

Ankur Shaurya: Sir, my next question is regarding the other income. You also would agree that our other income has now become a major part of our total PAT and I have no problem with that, but the only issue is that now when we have a quarterly or a yearly result, we ourselves are not sure as to how would the company do out of the main operation or from the mutual funds or the other investment that you have. And we also see that the management is not willing to distribute the money to the shareholders in the quantum that by their good management they have earned, but you are not willing to give that to the shareholders as well because I have been a shareholder in the company for the last 5 years and for the last 3 years, we have seen that your capex has been the same, the projected capex, but nothing has been happening on the ground and also one of the thing is that you are well covered because even if in the worst case scenario, I feel that Rs. 600 crores is something that you will yearly earn even everything goes haywire. So when you are well covered and I think a business like yours is in a maturity stage wherein either you want to grow or you want to distribute this profits that you are gaining to the shareholders. As a shareholder, I think that your company is one of the most valuable companies that I have come across with market cap of Rs. 9,000 crores, you have Rs. 3,000 crores in cash or cash equivalent but as a shareholder, I want to be a part of it but at the same point of time, I don't see what the management is trying to do with what they are accruing?

Kaushal Bengani: Your points are well noted, Mr. Ankur. We had put out the capital expenditure plan of Rs. 852 crores against which we have issued purchase orders for two projects which would be less than Rs. 150 crores to the best of estimates. And on the dividend front, we have quadrupled the amount of dividend which was paid out in FY 2024 from the level that it was in FY 2022. In FY '25, despite a decline in profitability, we maintained the level of dividend which we had paid in FY '24. Your point is that despite these two developments, there is still a comfortable level of cash with the company which is a correct point. I had mentioned in one of the earlier calls that our plant and machinery is subject to the risk of obsolescence because it is very old plant and machinery. There is no problem right now and we are doing good in terms of the ability to produce based on the current plant and machinery that we have. But there will come a time in future when we have to replace the existing technology in entirety with new technology and that is also one of the reasons why we are conserving the cash. The third point which I would like to make is that we are still trying for inorganic opportunities, but in our assessment we have not found any opportunity which makes sense, as per our method of doing business, right now.

Ankur Shaurya: Your point is well taken for us. Even I run a business, I have a factory and you would agree with me that in no point in time, the entire machinery is out of date until and unless a new technology comes in and our technology is obsolete. You are also agreeing that you are already increasing your manufacturing limits by the capex that you are going to do. So you will get ample opportunity if in case you don't have enough orders or let us say, your order doubles, you have enough time to increase your capacity. You can also use that capacity and improve this capacity. But I don't see that the requirement would be in next 3-5 years. So when you know that you do not have an immediate requirement for next 3-5 years in replacing the entire technology that you have, why would you like to keep so much amount of money with you and sir, it is not necessary for a company to grow. If in case you feel that you are comfortable, you are earning good amount of money, it is good to enjoy that and share that with the shareholders. But never will be a time when you will feel in your entire life that either you will get an opportunity or you will not get an opportunity. If in case you get an opportunity, come out with the right issue. We will be more than happy to share money with you. But for last 3 years, God has been kind that your investment has reaped benefit again and again. From Rs. 400 crores, you have come to Rs. 3,000 crores. And it is very good that God has been with you and the market has reaped benefit. Either divide the company in two parts. One should be a holding company, one should be a seamless company. Maybe I don't want to be a part of your holding company, I want to be a part of your seamless company. But now you have merged two big things together and the picture is not clear, sir. Don't mind my saying it, but the management should take a big decision and again and again shareholders have raised this question with you and you have repeatedly given the same answer, but the answer doesn't satisfy me. I am sorry to say?

Kaushal Bengani: I don't have anything to add.

Ankur Shaurya: Thank you.

Moderator: The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Namaskar, Kaushalji and thank you for this opportunity. Am I audible, sir?

Kaushal Bengani: Yes, thank you.

Moderator: Yes, sir, you are audible.

Saket Kapoor: Thank you, sir. Sir, firstly, the EBITDA pattern is now in the range of closer to 13,000 and earlier in your earlier conversation, we were looking for a bracket of say 15,000-18,000 to be very precise. So with this kind of order booking and the slow intake in the order, what should we penciling-in for the current year in terms of the band for your EBITDA per ton?

Kaushal Bengani: Current year would be difficult to guide, but I think we are one month into the 2nd quarter and order book does not look encouraging. So I don't think margins would be higher than what they are in the September quarter.

Saket Kapoor: The band will be closer to where we are today. That should be the very likelihood?

Kaushal Bengani: Yes.

Saket Kapoor: And for the tonnage part, sir, last year, we did 442 for the seamless segment and with the commissioning of the new lines for Telangana in the December quarter and if these business environments continue, what should be the tonnages for the seamless segment that we may expect or anticipate for the entire year?

Kaushal Bengani: As of now, I think you should expect a similar level of tonnage that was achieved last year. When the Telangana line is operational, then we will see if we have to revise it at that point in time.

Saket Kapoor: Sir, you mentioned about the Chinese product dumping. I think so in your earlier interaction, you did mention that there was some specific product wherein, hello?

Kaushal Bengani: Yes.

Saket Kapoor: There were some specific product lines which were not included in the anti-dumping which was introduced in 2022, I think so. So now we have also put forward the revision for the same, so where are we in terms of the hearing? And sir, how is the process going on in which we have put the request for anti-dumping?

Kaushal Bengani: The duty will be up for renewal in October 2026. Data preparation process has started and we want to include as many products as we can. The key product in which we have noticed dumping from China, which is one of our value addition products, is cylinder pipes and we want to address that issue so that we can sell more tonnage of cylinder pipes and sell them at a better margin.

Saket Kapoor: Sir, we have been predominantly of company being a proxy to what ONGC and Oil India capex has been. And whatever we have heard in the public domain from the interaction with ONGC and Oil India that all have put forward the capex amount higher than what have been for the March 25 closing balance or whatever the interaction has been for the last concall, so taking that into account and the annual capex that has to go through in terms of the budget, where has been the sense that the capex from these tender issuance are not happening the way that they should be. And they should have this, I think, their schedule is such that they do quarterly capex. So what are we hearing from them in this context?

Kaushal Bengani: Sir, tender issuance is on a slower side. Whilst we would have expected that tender issuance would have improved, but they have not improved. So the fall in order book is attributed only to two factors, number one, decline in expenditure in oil and gas sector and number two, Chinese dumping. I think both these factors are equally responsible for the decline in our order book. And I think similar pattern should be seen for the other participants in the industry.

Saket Kapoor: Right. Sir, last two points on the modernization.

Moderator: Sorry to interrupt, sir.

Saket Kapoor: Okay, ma'am. I will come again. Yes. I will join the queue.

Kaushal Bengani: Moderator, please allow him to finish.

Moderator: Sorry. Saket sir, you can go ahead.

Saket Kapoor: Yes. No, not an issue, ma'am. Sir, as you were mentioning about a week creating a surplus for modernization of our plants and machinery as and when the time comes for the refurbishing the same. So taking into account the work, the homework which you people must have done, what should be the replacement cost that we are spending in that may be required, say, 6-7 years down the line for which you are working from today in order to not to be in a corner when the time comes and not to be in the borrower's list rather than to be a cash rich company till then. So you must have worked out your numbers for the same, sir, in a ballpark number, if you could say?

Kaushal Bengani: There isn't a definitive number. There are only broad estimations. And the cost of new machinery 5, 6, 7, 8, 10 years down the line is difficult to estimate. But the idea is that if we want to grow the operational capability of the company, then we want to grow in a cost conscious manner. All the capital expenditure that we have done, whenever we have added mills, we have purchased those equipments at 15%-20% of replacement cost at that point in time. And that is one of the big reasons why we have been a cash rich company at all times and a market leader at all times. So I cannot give you a number right now, but there is certain basis for our kind of management and it has protected our position in the market and the combined wealth of shareholders on a longer term basis, which other competitors in our industry have not experienced. And whilst the other competitors have taken aggressive positions and we have taken less aggressive positions at that point in time, over a longer term, we have been the greater beneficiary of our decisions. So I think we will stick to that style of decision making where we have been able to demonstrate sustainability and profitability over a longer term basis.

Saket Kapoor: Right. I will join the queue for 2 more follow up questions. Thank you.

Moderator: Thank you, sir. The next question is from the line of Vikash from ICICI Securities. Please go ahead.

Vikash: Good evening, Kaushal.

Kaushal Bengani: Good evening, Vikash.

Vikash: Yes. Just one question to start with, this ONGC, they have a minimum order quantity usually for every year. Can you just tell us what percentage of that minimum order quantity they have already placed in the tender?

Kaushal Bengani: Very little percentage because we have seen a significant decline in our order book on a quarter-on-quarter basis. There has been a decline of Rs. 400 crores which has not been seen for the past, at least 12 quarters, on a quarter-on-quarter basis. New tenders are in the process of being issued and some tenders have been concluded and are in the process of negotiation. But the actual ordering is much slower than we had seen at this time in the previous calendar year.

Vikash: Noted. So there is a hope of second half, some orders would come in?

Kaushal Bengani: Yes, and the large order from ONGC that we had received in the earlier part of the year, we have dispatched most of it.

Vikash: Noted that. Sir, in case of, given our order book, the regular visibility is very less, in case of these orders are further delayed, is there any contingency plan or the other segment in terms of exports or other product mix which we can actually shell out at least to get the fixed cost covered up, so if you could give us some insights regarding that?

Kaushal Bengani: Obviously if we reduce our prices by Rs. 3,000-Rs. 4,000 per ton further and which would mean a decline in EBITDA by an additional Rs. 3,000-Rs. 4,000 per ton, then we can easily run our plant and machinery. There is no problem on that front. But we want to maximize profitability and then that trade-off has led to a decline in order book.

Vikash: Understood. And secondly, if you could tell us the impact from this 1 lakh ton Telangana plant, is there any further delay or now it is on track?

Kaushal Bengani: I think we will start by January. We will at least start some production by January 2026. If not the line in its entirety, then something will definitely start by January 2026.

Vikash: Noted. Any other opportunities which you have come across into your segment basically since you are sitting with cash?

Kaushal Bengani: We have not Vikash.

Vikash: Just one last question. Again, some participants have asked about the cash, but right now, given the current market conditions, are we keeping major portion of our cash in mutual funds or with the banks because with mutual funds, with the market fluctuation, we run the risk of getting some losses there, right? So just wanted to understand this Rs. 2,900 crores, how it is divided into treasury or banks?

Kaushal Bengani: We have given a breakup on slide 11 of the presentation wherein Rs. 514 crores is in bonds, Rs. 20 crores is corporate deposits, mutual funds is Rs. 2,339 crores, fixed deposits is Rs. 4 crores, cash as on 30th June 2025 was Rs. 42 crores. The investments in mutual funds are in equity, bond funds, gold, silver, and liquid mutual funds and also target maturity funds.

Vikash: Noted. That is all for my side. If I have further questions, I will join back the queue.

Moderator: Thank you. The next question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Hello, sir. Thank you for the opportunity. Sir, from April onwards, the Seamless and ERW pipes had been put under the Melt & Pour. So what has been the impact of this in 1Q FY '26?

Kaushal Bengani: There hasn't been much of an impact for us because our order book has declined by almost Rs. 400 crores.

Radha: And, sir, in ERW, we have seen a slowdown for last 6-7 quarters for the industry. So specific to ERW, when do you expect the demand to level in this segment?

Kaushal Bengani: Pipes in ERW segment are used in water and oil sector. So in the oil sector, there is a slowdown in expenditure which has impacted the ordering for such pipes. And in the water sector, there is slowdown on the Jal Jeevan Mission side which has also impacted the water pipe segment.

Radha: Thanks and all the best.

Kaushal Bengani: Thank you.

Moderator: Thank you. Our next question is from the line of Mohammed Farooq from Pearl Capital. Please go ahead.

Mohammed Farooq: Good afternoon, sir. I would like to hear the management's long-term strategic vision for the company. I have three questions in that. Where do you see the company over the next 5 years in terms of capacity expansion, revenue growth, and market position, both domestically and internationally? The second one is, what are the key tailwinds supporting this vision and what headwinds or structural challenges do you foresee? The third one is, taking all of this into account, how does the management define success for the company by 2030? Thank you.

Kaushal Bengani: On the expansion of capacity for the company, going forward, the capital expenditure plan has been put out in slide 14 of the earnings presentation wherein we have given line-wise breakup of various items adding up to Rs. 852 crores. That is the only capital expenditure plan that we have right now. And as and when these things are completed, then we will come out with a new plan. On the second point regarding where we see ourselves by 2030, I think we see ourselves as a market leader because we have not known any other situation for the past 35 years. There have been other competitors in the same industry who have come after us and who have left the industry in the past 35 years. And our method of doing business is different from what we have seen our competitors adopt which could also be a reason why all of our competitors have either been bankrupted or gone to corporate debt restructuring or gone to bankruptcy courts and then somehow managed to eke their way out. But we have always remained cash rich and financially strong. And those are the core characteristics of our organization which we would like to preserve apart from the fact that we will continue to remain a market leader.

Mohammed Farooq: Sir, as you mentioned now, some of the competitors have gone bankrupt, is there any opportunity for acquisitions, one of them? And second, is any of your competitors adding any capacity as of now?

Kaushal Bengani: Yes to both questions. We acquired United Seamless Tubulaar Private Limited from the IBC process in 2020 and amalgamated that entity with our company. So that was one competitor which we had taken over. There aren't any other opportunities right now in India. On the capacity expansion front, like the way we are going ahead with capacity expansion, one of our competitors is also doing so.

Mohammed Farooq: Can you please quantify that, like how much is that adding capacity? Any idea?

Kaushal Bengani: It is available in public domain.

Mohammed Farooq: Thank you.

Moderator: Thank you. Our next question is from the line of Amol Rao from One Up Financial Consultants. Please go ahead.

Amol Rao: Hi, Kaushalji. A very quick question on the rig. It comes into operation as you mentioned in the presentation in Q3. Anything that you could mention about what the day rates could be or what, if you could just give some colors on that?

Kaushal Bengani: The rig will be deployed by Jindal Drilling with ONGC at $35,000 per day. The rate payable by Jindal Drilling to Maharashtra Seamless would be around $17,000-$18,000 per day, but that is subject to approval of shareholders, which they will obtain in their upcoming annual general meeting.

Amol Rao: Got it. And Kaushalji, with capex, how much are we spending on that, if that detail could be shared?

Kaushal Bengani: On the.

Amol Rao: Refurbishment of the rig?

Kaushal Bengani: Refurbishment of the rig. We are not sharing that.

Amol Rao: Thank you so much, sir. Thank you so much and wish you all the best, sir.

Kaushal Bengani: Thank you.

Moderator: Thank you. The next question is from the line of Chetan Doshi from TM Financial. Please go ahead.

Chetan Doshi: Thank you for giving me the opportunity. See, as far as the presentation is concerned and as far as your stake, you are increasing your stake in the company, so that shows that you are serious as far as the operations are concerned. But the presentation doesn't highlight as to where we want to put this company in because the last couple of presentations you see, the growth plan, for example, a couple of months back, we developed an import substitute and that product was going to this oil rig. But after that, no big orders received. These are all value-added products. There is no mention of that product at all in this current presentation. And what happened to this government's Har Ghar Jal Yojana? We were expecting a lot of orders from that also?

Kaushal Bengani: Sir, if you are tracking the company, then I think you should also track where the company's products are used. 70% of our dispatches are in the oil and gas sector, which I have pointedly mentioned in almost every earning call. So the Har Ghar Jal Yojana is not so much relevant to us.

Chetan Doshi: Do you use seamless pipes in that?

Kaushal Bengani: No, you don't use seamless pipes for household tap water connections. And on the value-addition product, please tell me which value-addition product you are referring to. I will give you an update.

Chetan Doshi: Value-added products which we developed, which was an import substitute and which was going in this drilling of rigs?

Kaushal Bengani: Drill pipes. Drill pipes, we have an order of Rs. 27 crores. We have mentioned that in our order book.

Chetan Doshi: Yes, but I am expecting that what growth we are doing on quarter-on-quarter basis on that?

Kaushal Bengani: Sir, I mentioned in my opening statement that there is a slowdown in oil and gas sector expenditure. No matter how much I want to grow, I cannot sell if someone doesn't want to buy.

Chetan Doshi: So when do you expect to improve on this?

Kaushal Bengani: Sir, the expenditure in the oil and gas sector is expected to improve. But I think the expenditure in the September quarter is also not as much as we would expect because we want to keep an order book of at least Rs. 1,500 crores. So for the order book to go back to Rs. 1,500 crore level and assuming we sell Rs. 500 crores worth of pipes every month, then in the next 2 months, we should expect orders of at least another Rs. 1,000 crores. If that does not happen, then it will be difficult to go back to the current level of order book. In fact, to maintain Rs. 1,500 crores of order book as on 30th September, we need orders right now of Rs. 1,500 crores. So the challenges in the market are impacting all participants and we are not above what happens in the market.

Chetan Doshi: Any active tender which is going on and which is expected in next August or September?

Kaushal Bengani: There are tenders in process. We cannot give you specific details, but definitely there are tenders in process.

Chetan Doshi: Something is expected in next month or maybe a month after that, right?

Kaushal Bengani: I don't know.

Chetan Doshi: We may not get it, but something will happen. Some company will be getting because if tender opening is already completed, only finalization is left out.

Kaushal Bengani: Yes, but that finalization may take 2 months. It can also take 15 days. We don't know. To commit to a timeline is difficult.

Chetan Doshi: Sir, these are from ONGC and Oil India and companies related to oil companies?

Kaushal Bengani: Sir, all tenders are from PSU sector mainly.

Chetan Doshi: Thank you.

Moderator: Thank you. The next question is from the line of Tanmay Roy, an Individual Investor. Please go ahead.

Tanmay Roy: Hello. Hi. Good evening. I have only two questions. One was like the order book which you were telling that it will actually slow down, but you said that if you go down on our EBITDA per ton, you might be able to get more order. That is what the understanding or am I wrong?

Kaushal Bengani: I did not say that. I said that performance in the 2nd quarter is also expected to be muted because we are already one month into the 2nd quarter and our order book is at Rs. 1,149 crores. So we don't expect significant upward movement in EBITDA per ton for the 2nd quarter.

Tanmay Roy: And there is no sign as of now for improvement in any order books, but there are tenders ongoing. That is what it is?

Kaushal Bengani: Yes. Correct.

Tanmay Roy: Sure. Thank you so much.

Kaushal Bengani: Thank you.

Moderator: Thank you. The next question is from the line of Sakshi Shah from Hathway Investments Private Limited. Please go ahead.

Vinay Nadkarni: Yes. This is Vinay Nadkarni from Hathway. Just wanted one clarification. Last year, there was a planned shutdown. This year, in this quarter, there was no such planned shutdown, right?

Kaushal Bengani: Correct.

Vinay Nadkarni: And secondly, how have the raw material prices moved in this quarter compared to say the quarter before?

Kaushal Bengani: Raw material prices have declined by Rs. 2,500-Rs. 4,000 per ton.

Vinay Nadkarni: That could have also impacted your realization?

Kaushal Bengani: Yes. That has also impacted our realization, depending on the type of product.

Vinay Nadkarni: And lastly, on this order book, where you have got the order book from ONGC and oil and gas sector reduced, is there any competition which has come in? Or is it that overall there is a slowdown, what you have been mentioning?

Kaushal Bengani: Overall, there is a slowdown.

Vinay Nadkarni: There is no competition which is taking away your share?

Kaushal Bengani: No.

Vinay Nadkarni: Thanks a lot.

Moderator: Thank you. Our next question is from the line of Shaurya Shah from Equirus Securities Private Limited. Please go ahead.

Shaurya Shah: Yes. Hello, sir. So I am new to the company. So apologies if I am missing out on something. But wanted to know that, see, many of our peers are planning to expand operations and grow exports to the Middle East. So are we also having some discussions regarding growing our exports to the Middle East?

Kaushal Bengani: Our peers are not exporting seamless pipes to the Middle East. They are exporting DI pipes and SAW pipes to the Middle East.

Shaurya Shah: And the other thing is that, where do we see our ERW segment placed in the overall scheme of things after we complete all our capex. So in terms of revenue contribution, where do we ERW segment mix?

Kaushal Bengani: ERW segment is a small segment. It contributes 7%-8% of total EBITDA. We are not growing in the ERW segment because the seamless segment is more profitable.

Shaurya Shah: Understood, sir. Those are the 2 questions.

Kaushal Bengani: Thank you.

Moderator: Thank you. The next question is from the line of Ankur Shaurya, an Individual Investor. Please go ahead.

Ankur Shaurya: Good evening once again, sir. I have one more question regarding the other income. Sir, our other income, sorry, our mutual fund investment has increased from, let us say, Rs. 500 crores to Rs. 3,000 crores. Am I correct in assuming that if in case, some of it would have been from the profit that we earned every quarter and the amount increased would have also been because you have managed it so well that the amount increased? Would it be safe to say that if in case we sell all the mutual funds today, there would be about Rs. 2,000 crores of unaccounted profits in the books as well?

Kaushal Bengani: No. The mutual fund investments are restated on quarter end, every quarter. So the mutual fund value of Rs. 2,339 crores includes the notional profit that we have accrued.

Ankur Shaurya: But if in case you don't sell it, you cannot take the profit in the books. Am I correct? Let us say, I invested in Rs. 500 crores 5 years back and today, it is Rs. 3,000 crores and until and unless I sell my mutual funds, I cannot book the profit? Am I correct?

Kaushal Bengani: That is not correct. As per Indian accounting standards, you have to do a mark to market at the end of every quarter. So whilst we have taken income, the income is notional income and we will not pay tax on it which is why you will see that our current tax has not increased so much despite an increase in other income. Only a deferred tax liability provision has been made. When we sell the mutual funds, then we will realize the profit and on that realized profit, we will pay tax and the deferred tax liability which we had created earlier will get reversed.

Ankur Shaurya: So if in case what you are showing as other income of Rs. 140 crores, it is the increase in your investment that we have made or from last quarter? Is that the correct way to understand that?

Kaushal Bengani: It is mostly that. It also includes realized gain. So other income is realized gain plus unrealized gain. However, we will only pay income tax right now on realized gain. We are not paying any income tax on unrealized gain.

Ankur Shaurya: But in that case, there would be a time when you sell the mutual fund. In that case, in that quarter, the income tax payable would be far more than the operational profit?

Kaushal Bengani: We don't know how that quarter will work out. What will happen is when we sell the mutual fund at a profit, then we will pay income tax on the realized profit and the deferred tax liability which we had created in earlier quarters will get reversed.

Ankur Shaurya: Thank you, sir.

Kaushal Bengani: Thank you.

Moderator: Thank you. Our next question is from the line of Sriram, an Individual Investor. Please go ahead.

Sriram: You mentioned that there is an impact of Chinese dumping, so what is the difference between our cost and their landed cost and do you think the pricing pressure will increase or it has bottomed out?

Kaushal Bengani: When the anti-dumping duty was implemented in 2016, then it was done by way of a minimum import price. In 2016, that minimum import price was prohibitive. However, when the first renewal happened in 2021 after 5 years, then the minimum import price was not increased. Because the minimum import price was not increased in 2021, in 2023, 2024, 2025, in that period, the minimum import price became less prohibitive or not prohibitive at all, which meant that products from China could be easily sold into India. The anti-dumping duty is again up for renewal in October 2026 and we will definitely petition for a higher minimum import price and a larger coverage of the products that we manufacture.

Sriram: But this should not impact the domestic oil and gas products, right? Because there is a preference given to domestic manufacturing?

Kaushal Bengani: Yes. It will not impact domestic projects specifically, but if the domestic customer does not engage in oil and gas expenditure, then it will have an impact on us. Completely unrelated to Chinese dumping, it is a separate factor.

Sriram: Got it, sir. Thank you.

Kaushal Bengani: Thank you.

Moderator: Thank you. The next question is from the line of Venkatesh, an Individual Research Analyst. Please go ahead.

Venkatesh: Hello, sir. My only one question what I have is, now if you look at the oil ministry saying we are finding a lot of probable oil wells, what they are looking at. So is there any possibility that we get a better order book from this oil or you say well findings?

Kaushal Bengani: Possibility is definitely there because if you have the ability to explore and extract more oil indigenously, then ideally we should do that. But there must be some reason why that is not happening. I have also mentioned on slide 17 of my earnings presentation and I will read that short paragraph out.

"Despite fresh discoveries, tender issuance by the oil companies have reduced. This is primarily due to slowdown in oil and gas expenditure. Consequently, India's crude oil and natural gas production has fallen, particularly from mature fields. Crude oil output dropped 2.5% year-on-year in 2024-25 and natural gas production declined by 1%. The decline in domestic production has led to a higher import bill with India importing a significant portion of its crude oil which is 88% and natural gas which is 51% needs."

I think that gives you an idea of what I have been trying to say the entire call.

Venkatesh: Thank you, sir. Thank you.

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

Kaushal Bengani: Thank you, shareholders for taking time. We have noted your feedback and as and when there is an update, we will ensure to communicate the same to you. Thank you.

Moderator: Thank you. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.