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E-Communication

MSL/SEC/SE/2022-23 **1st February, 2023**

BSE Limited
25th Floor, P.J. Towers,
Dalal Street, Mumbai-400001

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 Analyst/ Investor Meeting dated 24th January, 2023

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 the conference call held on 24th January, 2023.

Link to access above transcript is as under:

https://www.jindal.com/msl/pdf/Transcript-of-Conference-Call-Q3-FY23-Earnings-Call.pdf

The same is also available on the website of the Companywww.jindal.com.

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 Date: 2023.02.01 17:50:24 +05'30'

Ram Ji Nigam
Company Secretary

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Maharashtra Seamless Limited Q3 FY23 Earnings Conference Call

24 January 2023

MANAGEMENT:	**MR. SAKET JINDAL – MANAGING DIRECTOR, MAHARASHTRA SEAMLESS LIMITED** **MR. KAUSHAL BENGANI – SENIOR MANAGER, INVESTOR RELATIONS, MAHARASHTRA SEAMLESS LIMITED**
MODERATOR:	**MR. VIKASH SINGH – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Maharashtra Seamless Q3 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 the 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. Vikash Singh from PhillipCapital (India) Private Limited. Thank you and over to you, Mr. Vikash Singh.

Vikash Singh: Thank you, operator. Good afternoon everyone. I am pleased to welcome you on Maharashtra Seamless Q3 FY23 Earnings Call. From the management side, today, we have with us Mr. Saket Jindal - Managing Director, Mr. Kaushal Bengani - Senior Manager, Investor Relations.

I just like to announce that unfortunately, due to some urgent work, Mr. D. P. Jindal has to travel at the last moment, and he cannot join the call right now. We are still hoping that in the second half of the call, he will be able to join us. But Mr. Saket and Kaushal are there to help you out with your query.

Without taking any much time, I would like to hand over the dais to Maharashtra Seamless management for the opening remark. Over to you, sir.

Saket Jindal: Hi. Welcome everybody, and we are here to answer the investor queries and give the outlook of the company. And Kaushal will start with it.

Kaushal Bengani: Thank you, sir. Good afternoon, shareholders. Thank you for taking time out and joining us in our discussion of quarterly results for the December quarter. We have had another good quarter where margins have been very good and enabled us to maintain absolute EBITDA despite taking a maintenance shutdown in one of our Seamless pipe mills. This shutdown was targeted for the first quarter of FY24, but in view of our large order book, it was taken in the third quarter of FY23.

We have undertaken maintenance activities and repaired and overhauled the furnace, motors and gears, which has enabled us to improve our production. We expect production volume in this mill to improve by 10%, and this increase will be immediately apparent in the fourth quarter of FY23. Generally, such maintenance activities are conducted once every 2 to 2.5 years, and therefore, we expect uninterrupted production from this mill going forward.

In the third quarter of FY23, we have also undertaken prepayment of long-term debt of 315 crores, thereby bringing down our interest costs substantially. We have also completed a bonus issue in the ratio of 1:1, thereby doubling the equity capital of the company. We are set to meet our EBITDA guidance given at the start of the year as margins have remained firm throughout the year, and our order book remains strong. We also have good visibility of orders for next quarter as well.

I would like to quickly take you through our presentation before opening the stage up for queries. At the consolidated level of Maharashtra Seamless, margins remain consistent, and we have generated a similar level of EBITDA despite having lower production. It is clearly evident that our operations and sales are at a very strong level, and we expect a similar pattern to continue going forward.

In United Seamless, we are pleased to announce that we have maintained absolute EBITDA and, in fact, improved our margins despite having slightly lower dispatches in the third quarter of FY23. Our profit margin has also improved and so has the earnings per share in United Seamless. We have provided a comparison of the profit and loss statements of Maharashtra Seamless and United Seamless in the next slide.

On the front regarding amalgamation of United Seamless with Maharashtra Seamless, the first motion has been approved by NCLT Mumbai, and the second motion has been admitted with them. Next hearing is scheduled in February 2023, and we are hopeful that the amalgamation will go through within this financial year.

On Slide #10, we have detailed operational and financial performance indicators. And again, we talk about the steady margins, which have remained despite taking a production dip on account of maintenance in one of our mills.

Slide #11 talks about the EBITDA mix. As you can see, more than 80% of the EBITDA is generated through the Seamless segment, and we would want the participants to take note that the Seamless segment of Maharashtra Seamless and United Seamless are the growth drivers of the entire organization.

ICDs continue to reduce gradually as was committed. Currently, they stand at 95 crores, and we expect ICDs to be fully realized by next year March.

Our cash balances have improved. We have reached a level of 640 crores as total liquid investments of Maharashtra Seamless, and our net debt is minus 469 crores after prepayment of debt of 315 crores. This is indicative of the cash generated from our strong order book and good margins. Corporate guarantee and SBLCs continue to reduce as was committed, and we expect them to be fully discharged by September of 2024.

We have given some more input on our capital allocation plan. The total capital expenditure that we are targeting is 852 crores, and this will be entirely funded from internal accruals. Of the projects detailed in this slide, two have been given priority. The heat treatment and finishing line at United Seamless so that we are immediately able to double production at United Seamless and Cold Drawn pipes, which we want to expand in Maharashtra Seamless.

We are also targeting setting up an OCTG line and Billet preheating surface in next financial year as demand for Seamless products is expected to remain consistent. We reiterate that there will not be any requirement of any debt, and all capital expenditure and working capital requirements will be met from internal accruals.

Order book has improved from last quarter, and we expect similar levels of order book to continue going forward. In Maharashtra Seamless, you have an order book in the Seamless segment of 1660 crores, and in United Seamless, you have an order book of 122 crores. The sustained order book will translate in improvement of capacity utilization by 5% in FY23.

We have also received orders for value addition products, especially drill pipes in Maharashtra Seamless. We have received three new tenders, and we have completed supplies against the previous tender. We are talking about dispatch targets of 365,000 tons in Maharashtra Seamless. Maybe we will fall short by a few thousand tons, but we expect to come very close to the given target both in Maharashtra Seamless and United Seamless.

The next three slides talk about the development undertaken by the company towards its customers and the marketing initiatives that have been undertaken. We have also dispatched subsea sour service seamless pipes in the previous quarter and are continuing our dispatches in the current quarter, and we expect more orders to come in this new value addition product that we have developed. Similarly, in United Seamless, we are rapidly expanding our customer base, and we expect to capture a greater share of the market.

In terms of general visibility of orders, we expect orders to remain strong, because rig count have not declined. They remain consistent, and strategic petroleum reserve in the US continues to be at an all-time low. Therefore, crude is expected to remain strong and so will our order book. The impact of the Russia-Ukraine war remains in the Seamless pipes industry as it does in quite a few other industries, and despite the longevity of this situation, it does not appear that there will be any abatement, and we can expect good orders to come from our export market going forward.

Promoters continue to increase their holding in the company, thereby reiterating confidence for all shareholders. We have had some marquee investors in our company, and they continue to remain invested. I would now like to open the floor for questions and hand over back to Vikash.

Vikash Singh: Thank you, Kaushal. Operator, please announce the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pratiksha with Aequitas Investments. Please go ahead.

Pratiksha: Good evening. Congratulations on a good set of numbers. My first question was on the order book front. So, what would be the execution period for this order book? And what gives us the confidence of, you know, like, basically, just wanted to understand that, you know, Q4 target, volume target seem to be pretty high. So, what gives us the confidence that we will be able to do that kind of margins in Q4?

Kaushal Bengani: In the fourth quarter, we expect good level of production, because we have undertaken refurbishment activities and maintenance activities in three of our mills in the past three quarters. In the first quarter, we have undertaken maintenance activities in our seven inch mill at Nagothane. In the third quarter, we have undertaken maintenance activities at our 14 inch mill at Nagothane.

In the second quarter, we had undertaken maintenance activities in our ERW mill. So, production is expected to increase, and we are confident of achieving our stated target, because mill efficiency has increased. This is because we have overhauled the motor, gears, and furnace in our largest mill and also in our 7-inch mill. And therefore, we are quite confident of achieving our stated targets. Regarding the order book, this order book of Maharashtra Seamless is expected to be executed over a period of four months and that of United Seamless in a month and a half.

Pratiksha: Okay. And on the ERW front, just wanted to understand the mix in terms of application as in, you know, the sector, and how should we look at the margins going ahead, since we have had a very volatile margin profile in that segment?

Saket Jindal: Right. So, in the ERW, let me explain the ERW. In the past quarter, there was less margin, and the last quarter it came back, because previously, there was certain quality control issues where there was testing happening for IOCL projects. So, there we took some time to complete the testing process. And in the last quarter, we made a double shift, and also there was a regularization means it came back to normal, the operations, and the shift also increased. So, production was better in the last quarter, and also the margins were intact, because we are supplying to the oil and gas sector where API PSL 2, that is the product which is being used.

Pratiksha: So, the current quarter margins are a good trajectory going ahead, right? They are more or less the same I think.

Saket Jindal: Yes, that's right.

Moderator: Thank you. Our next question is from the line of Saket Kapoor with Kapoor Co. Please go ahead.

Saket Kapoor: Thank you for the opportunity. As been articulated by you in the opening remark, Kaushalji and Jindal Sahab, that we have taken a refurbishment. There would be a better yield that we are expecting. So, if you could give us some understanding what kind of key benefits in terms of tonnage or EBITDA we can expect over a period of time with the overhauling done?

Saket Jindal: So, if I understand clearly, the refurbishment is basically to regularize and to also avoid any breakdowns. So, it wasn't any upgradation in technology as such. It was just a regular maintenance where we have to overhaul certain equipments to avoid any as a preventive maintenance. So, it will be regularized, and the yield and everything will be maintained. So, there is no additional increase in yield. It is the same, and we continue and post the same kind of output as earlier.

Saket Kapoor: In the presentation and in the order book breakup also, we find a very strong client concentration that is from the PSU basket of ONGC and Oil India. So, going ahead, they are taking the nature of the business and we having a dominant market share in Seamless side, what other steps of mitigating the client concentration rate can we look forward? Or how are we going to tap the export market in terms of in your commentary, it was mentioned that because of the Ukraine crisis, many European companies have stopped participating in the similar segment? So, if you could give us some more color of what steps in the annual or the nature of the business is such that we will be having a larger price from dependence would be from ONGC and Oil India?

Saket Jindal: Right. So, let me address the second part, which is the export target. So, Canada has opened up for us recently, because the normal value or the floor prices have been revised, which is making it more conducive and workable to export. So, Canada OCTG, the oil and gas sector has opened up again, and line pipe we were doing earlier also. So, the market in Canada and USA combined is significant volume where there is no shortfall as such. So, additional requirements for orders besides domestic can be exported to USA and Canada.

So, we did not focus on other markets besides these two, because this is sufficient enough. But we still have our eyes open for orders in Middle East, North Africa and South America, but this is may not be essential, because USA and Canada is sufficient. But at the same time, we have to keep our trust on the marketing initiative where a quality is well established, and looking at even domestic market, the quality complaints are bare minimum, which is very encouraging. And the USA customers also are very happy with the quality.

So, minor complaints are there, but at the same time, we are well-established, reputable vendor. And also, the China, Chinese pipes are restricted in these markets by WTO. So, the restriction on Chinese pipes, we are more open for these markets, because we are in India, there is a level playing field because it is avoiding the dumping of goods by China. So, we are confident with the domestic market and export. We will have a healthy order book, and there is no risk as such that way.

Saket Kapoor: Right. And lastly, sir, about our investment in this rig segment, although as in your commentary mentioned that the rig counts are at the pre-COVID levels, and the demand for more oil exploration activities is on an uptake globally, but since the nature of the investment, the returns are not commensurate with our main business. So, those gets diluted with the ROI. So, taking that aspect into account, since we are contracted for a three-year period with ONGC, does this divide us for contemplating any selling of our rigs? It is a workable proposition or we will be, the ownership has to be there with the person with whom the same has been contracted. In the case there is a significant demand or there is an option wherein you can sell the rig even if it is contracted, just understanding that that is the option or we can only think of it once the contract get over.

Saket Jindal: No, let me clarify. The rig oil prices are high currently, and the day rates in the drilling sector is going up. Recently a group company contracted, made a contract with ONGC at almost double the price of the previous contract. So, instead of say $40,000, it's come to $75,000. So, that is encouraging that day rates have gone up, and in our rig, which is in MSL, has also been operated by group company, and once this contract gets over, we will surely renew the contract at a much higher price. So, this is something positive we expect. And at the same time in the future, if it's lucrative, and if it's beneficial to the company, we can hive off the rig to any other company and encash the capex. So, means that is depends on the situation, but currently, it is operational, and it should remain operational in the near future, and the rates are expected to go up.

Saket Kapoor: No, sir, my point was since we are contracted for a period of three years, so whatever the additional benefit that is there in the current rate prices won't be percolating to our number. It's only an indicative that these are the --

Saket Jindal: These are contract with the fixed price. So, during this contract, there will be no change in the financials.

Saket Kapoor: Yes, sir, and since we have just contracted, I think just a few months, in the month of May only, so three years down the line, nobody can predict what the charter rates are going to be. It may be a higher of 70,000 or lower of below 40,000 also. So, my point was only a small understanding that in this interim period wherein we have contracted, can that management contemplate change in ownership in depending upon if there is emergency buyers or any other understanding where we can hive off or whether it's in the because of the contextual terms, we have to continue for three years? That was my question.

Saket Jindal: No, the contract is there's obligation to fulfill the contract for three years. So, we will have to fulfill the contractual liability. And secondly, talking of hive off, there is no surety as of now. It all depends on the scenario.

Saket Kapoor: And very last point in the presentation, it was mentioned about value-added segments of a good opportunity to address in drill pipe, Subsea Sour pipe and premium connection markets. So, if you could throw some more light what are the advancement we are taking and going ahead, how about these three segments going to contribute to the profitability of the company? Drill pipes, Subsea Sour pipes, and the premium connection market.

Saket Jindal: Right. Drill pipe orders we already have in hand currently, and in Oil India also, and we are executing. And it is as per schedule in, I mean, next month onwards, it will be delivering. So, this is a high value-added product where we benefit more than the regular pipes because of more value addition and more margins. So, this is number one. Number two is the premium connections. So, there we are talking of a license agreement with JFE premium connections, and they have audited the mill. And they are very happy with the facilities, and they are doing the final stage for signing the agreement and commencing operations.

Moderator: Thank you. Our next question comes from the line of Ramanan Venkateswaran with MK Ventures. Please go ahead.

Ramanan V: Good evening. This quarter, we have the order book, you know, which almost covers more than four months of our production at MSL, and given that, you know, we have the order book with the pricing and also inventory that we would have in terms of raw material, how do we see the margins going forward into the current quarter and possibly the next quarter as well? Is it better than the previous quarter? Or is it, you know, similar to that? How do you characterize that?

Saket Jindal: I think, more or less the margins are consistent, and the steel price has corrected slightly towards the lower side. So, that might give us some additional margin, and if we do value-added products, like we just mentioned, premium connections and drill pipe, so that will add to our overall margins, operating margins, and also exports will help. I think in export, if we are targeting more exports, then, actually, overall contribution will be higher, because there we can get higher realizations.

Ramanan V: When I actually look at the order book over the last few quarters, is the share of exports in the order book has actually kind of dipped? Is it intentional or, you know, and it's back to the higher levels, how is it like?

Saket Jindal: No, I think in the recent past, the Canadian Market was a little under investigation for duties. Now it has been crystallized. So, the Canada market is once again open to us. So, it will come back. In fact, we want to export more than what we did in the past. So, I am sure we shall be able to achieve record exports in the near future.

Ramanan V: And one last question on the, we talked about the IOCL.

Kaushal Bengani: Mr. Ramanan, we cannot hear you.

Moderator: The line of the current participant is disconnected. We seem to have lost the current participant. The next question is from the line of Hemant Soni, individual investor. Please go ahead.

Hemant Soni: Congratulations on a good set of numbers and thank you for providing me the opportunity. Sir, I have basically two questions. The first question is like you mentioned in the opening remarks, that there was a plant maintenance shutdown. So, for how many days the plant was shut down? And what is the loss of revenue? And sir, second question is, you had earlier guided in I think Q1 of the conference call that the company is targeting 890 crores of EBITDA in FY23. So, sir, will it be possible for you to throw some light on the EBITDA numbers for FY24 as well?

Kaushal Bengani: Mr. Soni, we had taken a preventive maintenance shut down in our 14 inch mill in December for a period of four weeks, and plant resumed operations towards end of December. And we are getting a higher level of production in that plant as per our standards. Secondly, regarding EBITDA, we had given a guidance of 895 crores, and out of that we have completed 75% of that in the first three quarters. So, right now, actually, we have done more than that. We have done around 85% of guidance. So, I think, we will probably end up closer to 1,000 crores than 900 crores, which will be evident in due course. In the next financial year, if we take an absolutely conservative number and factor in the increased level of production in the Seamless segment, then we should have an EBITDA guidance in excess of 800 crores, although it is difficult for us to specify a number in absence of orders, which extend through the entirety of next year. We will come up with more accurate guidance in our next investor call after conclusion of quarter.

Hemant Soni: That is fine, sir. Any tentative number would be fine, like 800 crores you have guided for Seamless division. What about the ERW segment?

Kaushal Bengani: Sir, more than 800 crores for the entire organization. This includes Maharashtra Seamless, ERW, wind and solar, rig, and United Seamless.

Hemant Soni: So, sir, basically, there will be a drop of 20% in EBITDA. Can we assume that?

Kaushal Bengani: You cannot assume that because I do not have enough data to present you with a number. This is just a ballpark number on an extremely conservative basis.

Moderator: Thank you. Our next question is from the line of Saket Kapoor with Kapoor and Co.

Saket Kapoor: Just to reiterate what Kaushalji just mentioned, sir, I think you would be in a much better position I think to post your first quarter numbers maybe for the next financial year when proper EBITDA guidance could be given to us. I think, so when you first give the guidance for annual guidance, it was in the first quarter of this financial year. So, whether 800 number or a 1,000 number or any number between that or a conservative guidance, I think, so, if I am not wrong, you would be in a better position. The team would be in a better position to guide us on the path during the first quarter. Is that understanding correct? Or we should keep this conservative number of 800?

Kaushal Bengani: Your understanding is correct. And thank you for clarifying that.

Saket Kapoor: So, we will wait for the first quarter to get, but what the underlying fundamentals are, they are getting to a strong story ahead. That is very well given in the sheets presented to us. So, I think that understanding also should be taken in that way. Sir, it is mentioned that we are also taking steps for this monetization of investment in the Singapore subsidiary. So, if you could give us some understanding what is that current net and NAV or net asset value? Or what are we trying to explain by this steps for monetization of investments, sir?

Kaushal Bengani: The value of the investment in the Singapore subsidiary has increased because crude oil is at a higher level, and value of rig has increased. So, the opportunities available to us for monetization have increased. However, we will not be able to go ahead with monetization immediately, because there is some debt on the rig in which the Singapore subsidiary has invested. And once that debt is reduced, then we can probably go ahead with monetization, although there is no such definitive plan at the moment. So, when I say the value has gone up, if you look at our financials, we have to restate the value of the equity investment at the end of every financial year. There has been a gain of around $2.1 million on the evaluation of the investment.

Saket Kapoor: What is the total value currently for the investment, sir?

Kaushal Bengani: Total value of equity in terms of INR is 16 crores at Maharashtra Seamless standalone level. At consolidated level, it could be closer to 300 crores.

Saket Kapoor: No, sir. Come again. 16 crore and 300 crore is different type.…

Kaushal Bengani: So, at consolidated level, the investment would be at 300 crores.

Saket Kapoor: The Singapore's investment only or you are clubbing everything?

Kaushal Bengani: No, total Singapore including subsidiary, Maharashtra Seamless Singapore.

Saket Kapoor: That value is about 300 crore?

Kaushal Bengani: Yes.

Saket Kapoor: At the consolidated level?

Kaushal Bengani: Yes.

Saket Kapoor: Earlier, sir, I think Jindal Sahab has also commented on the bonus issue being value accretive step taken for the investing community. However, it has its own pros and cons. So, going ahead since I think, so we did hire the PricewaterhouseCoopers agency for this merger with USTPL with MSL. So, going ahead, we would see the management to take more steps and involved or engaged with the agency to create value for all the stakeholders, and it is very much evident with the type of kind of cash generation the company is doing and the valuation given by the market.

So, I would recommend or rather suggest on my part would be that proper agencies who look after for these value creation for the company must be hired at from the company level so that the process can be speed. So, in order to get that attraction, that is what it is my understanding. I mean, that process, I think, going ahead, we should also look for, I think, maybe in-house or creating a hire team also. That would be another value-addition so that the decimation of information and the right valuation could be achieved. So, these were my suggestions if it merit any, if they derive any merit, they should be deliberated on. Thank you once again, and all the best to the team going ahead.

Saket Jindal: On the point of value creation for shareholders, we have completed the bonus issue in December, and in the next Board meeting, we will come out with a dividend policy. We have done a lot of work in the past year-and-a-half in making the company simpler and more easily accessible to all stakeholders. We have put in a lot of effort to make it more investor friendly. And the only point which was remaining in our perception is the dividend policy, which we will come out with in the next Board meeting.

Saket Kapoor: Right, sir. And it would be very unfair on my part not to applaud Mr. Kaushal Bengani also. He has also played a very important role in communicating and creating awareness among the investing community. So, all the best to you, Kaushalji also. Thank you, Jindal sir, for all the reply.

Moderator: Thank you. The next question is from the line of Mr. Vikash Singh from PhillipCapital (India) Private Limited. Please go ahead.

Vikash Singh: Sir, I have just couple of questions. Firstly, regarding our capex. So, how much we have spent in FY23 nine months, the pending capex for FY23? And what are our targets for FY24 spend?

Kaushal Bengani: In FY23, Vikash, we have not spent any significant amount towards capex which is given in the presentation. We are targeting two projects which we will execute on priority, and we have floated necessary inquiries for the same. Actual expenditure will start in next financial year.

Vikash Singh: So, only for that two new projects as the maintenance capex probably would go through in the next financial year.

Kaushal Bengani: Yes.

Vikash Singh: Understood. And secondly, I just wanted to understand our bid book size basically, the next six months, what is the visibility in terms of orders in India as well as in abroad? So, if you could give us some insights into that?

Kaushal Bengani: Order book remains strong. And going forward, we have good visibility of orders. In the export market also, especially Canada, we can start, we have started exporting OCTG products, and we want to expand further both in US and Canada. There is good demand in US and Canada on account of rig counts remaining stable. There is consistent demand on that front. And with the US government buying crude from the market, we expect this demand level to continue.

In the domestic segment, I put out a point in my presentation that ONGC has a demand of 1 lakh tons every year, additional demand of 1 lakh tons every year which is regular. And even in our current order book, out of the total Seamless orders of Maharashtra Seamless of 1660 crores, 541 crores is from ONGC and Oil India. These orders will be executed over the next 4, 4.5 months, and we expect orders to get replenished and the strong position to continue both in United Seamless and Maharashtra Seamless.

Vikash Singh: Understood. And sir, just once again, on your steady state EBITDA per ton guidance because that 800 crore, which is the lower end seems to be quite conservative considering we can have a 10 to 20% earnings growth next year.

Kaushal Bengani: Right. So, you are right, and I don't have any data with me. It is the bare minimum number, which will come at very low EBITDA per ton. However, our steady state guidance for the current quarter would be around 18,000 for Maharashtra Seamless and around 23 to 24,000 in United Seamless. This is for the fourth quarter.

Vikash Singh: Yes. And lastly, what was the mix of the export orders this quarter?

Kaushal Bengani: In the third quarter in Maharashtra Seamless, exports was 18% of total sales.

Vikash Singh: So, despite that we have done almost 30,000 EBITDA per ton in United Seamless.

Kaushal Bengani: Yes.

Vikash Singh: Understood. That's all for my side.

Moderator: Thank you. Our next question is from the line of Hemant Soni, individual investor. Please go ahead.

Hemant Soni: Thank you for the opportunity again. Sir, do we expect Q4 numbers to surpass Q3? And what kind of capacity utilization are we looking for in Q4? Because I think in Q3, we have 60% capacity utilization, right?

Kaushal Bengani: In Q4, we expect the numbers to surpass that of Q3. In Q3, capacity utilization was at a lower level on account of preventive maintenance being undertaken in one of our mills. We have clarified that in the notes to accounts in the financial statement and also in Slide #10 of the presentation. Therefore, capacity utilized, since the mill will now be working with improved efficiency as per our standards, we expect much better capacity utilization in the current quarter and increased levels of production in the quarter.

Hemant Soni: Any number you can specify, sir, on the capacity utilization part for Q4?

Kaushal Bengani: Sir, they will be better. I don't want to specify the number. There will be better capacity utilization. I can say for sure. And I have given the targets in Slide #18 of the presentation, and we are quite confident of achieving our targets. If we do not achieve our targets, then we will come very close to our target. Right now, we are despite taking preventive maintenance shutdowns in two seamless pipe mills in the past three quarters, we have achieved 69% in Maharashtra Seamless and 68% in Maharashtra Seamless ERW segment in three quarters.

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

Vikash Singh: on behalf of PhillipCapital, I would like to thank Maharashtra Seamless management to give us the opportunity to host the call, and I would like to hand over the dais to Maharashtra Seamless management for any closing comments. Over to you, sir.

Saket Jindal: Thank you all the investors for the queries, and I hope we deliberated and answered the necessary queries. We are confident that we will meet the expectations of the investors in the coming year and also in the future. We are constantly vigilant on the financial numbers and also the operations. We take proactive decisions in our operations day-to-day for improvements and for also in the marketing side for lucrative orders and to maximize margins, returns, control our raw material cost. And also we are doing ERP for operational efficiency, the new version of ERP. And we are also as we mentioned adding value-added products, and also we are doing ventures in license agreements for value-added products. So, we are upbeat means the domestic market ONGC and others, oil sector, there is a good demand coming for new wells as well as placement demands. So, there is no shortfall of orders. One lakh ton in oil sector domestic is in the pipeline. So, besides I just mentioned Canada has opened up. So, the industry as such is upbeat, and oil prices are holding also. So, I would say the outlook is very positive, and investors should be looking at good returns. Thanks.

Kaushal Bengani: Thank you, Mr. Jindal. Thank you, Vikash, and thank you, investors, for taking time out.

Vikash Singh: Thank you, everyone.

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