



MAHARASHTRA SEAMLESS LIMITED

INTERIM CORPORATE OFFICE : Plot No.106, Institutional Sector-44, Gurgaon-122 002 Haryana (India)
Phone No. : 91-124-4624000, 2574326, 2574325, 2574728 • Fax : 91-124-2574327
E-mail : contact@mahaseam.com Website : www.jindal.com
CIN No: L99999MH1988PLC080545
CORPORATE OFFICE : Plot No. 30, Institutional Sector-44, Gurgaon-122 002 Haryana (India)

E-Communication

MSL/SEC/SE/2025-26

12 November 2025

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 earnings conference call held on 05 November 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 05 November 2025.

Link to access above transcript is as under:

<https://www.jindal.com/msl/pdf/Transcript-of-Conference-Call-Q2-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
Company Secretary



REGD. OFF. & WORKS : Pipe Nagar, Village, Sukeli, N.H.17, B.K.G. Road, Taluka-Roha, Distt. Raigad-402 126 (Maharashtra)
Phone : 02194-238511, 238512, 238567, 238569 • Fax : 02194-238513
MUMBAI OFFICE : 402, Sarjan Plaza, 100 Dr. Annie Besant Road, Opp. Telco Showroom, Worli, Mumbai-400 018
Phones : 022-2490 2570 /72 /74 • Fax : 022-2492 5473
HEAD OFFICE : 5, Pusa Road, 2nd Floor, New Delhi-110005 Phones : 011-28752862, 28756631 Email : jpdelhi@bol.net.in
KOLKATA OFFICE : Sukhsagar Apartment, Flat No. 8A, 8th Floor, 2/5, Sarat Bose Road, Kolkata - 700 020
Phone : 033-2455 9982, 2454 0053, 2454 0056 • Fax : 033 - 2474 2290 E-mail : msl@cal.vsnl.net.in
CHENNAI OFFICE : 3A, Royal Court. 41, Venkatnarayana Road, T. Nagar Chennai-600017
Phone : 044-2434 2231 • Fax : 044-2434 7990



Maharashtra Seamless Limited

Maharashtra Seamless Limited
Q2 FY26 Earnings Conference Call
05 November 2025



Maharashtra Seamless Limited



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

MODERATOR: **MR. VIKASH SINGH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Maharashtra Seamless Q2 FY '26 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need an assistance during the conference call, please signal an operator by pressing star, then zero on your touchstone phone. Please note that the conference is being recorded.

I now hand the conference over to Mr. Vikash Singh. Thank you, and over to you, sir.

Vikash Singh: Thank you, operator. Good afternoon, everyone. On behalf of ICICI Securities, I welcome you all on Q2 FY '26 Maharashtra Seamless results con call. From the management side, we have with us Mr. Kaushal Bengani, Deputy General Manager – Investor Relations and Finance. Without taking any much time, I'll hand it over to Kaushal for his opening remarks. Over to you.

Kaushal Bengani: Thank you, Vikash. Good afternoon, shareholders, and thank you for joining our earnings call. During Q2 FY '26, we have been able to dispatch 103,000 tons of seamless pipes, which is in line with the quantity dispatched in the previous quarter.

However, margins were impacted due to 3 key reasons. The first is the slowdown of expenditure in oil and gas sector, which we've pointed out earlier as well. The second is continuous Chinese dumping, which has not abated. And thirdly, there was a notional markdown of inventory to comply with Ind AS requirements. The encouraging sign in current pipe environment is that our order book has been replenished on a quarterly basis. However, significant margin revival appears difficult as of now.

On the treasury front, there is a decline in other income on a quarterly basis, but on a half yearly basis, it has shot up to INR 235 crores in H1 FY '26 vis-a-vis INR 155 crores in H1 FY '25.

I will briefly summarize key financial points. On reviewing our Q2 FY '26 performance versus Q1 FY '26, revenue declined by 5% to INR 1,234 crores. EBITDA declined by 27% to INR 123 crores. PAT declined by 44% to INR 130 crores and EPS was at INR 10 per share. Whilst EBITDA declined by 27%, the decline in PAT was higher in Q2 FY '26 because of a sharp increase in other income in the previous quarter, Q1 FY '26.

Apart from financials, there are 4 key points, which I would like to draw attention to. The first is the credit rating, which remains at AA+, and it's the highest credit rating, which the company has received in the past 11 years, 12 years. The second point is the treasury, which is at INR 3,115 crores as on 30th September '25. It is being judiciously managed with engagement and inputs at highest levels.

The third point is with reference to our order book, which has improved by 20% from previous quarter and is now at INR 1,378 crores. On the capex front, at Telangana, work is continuing. We have issued purchase orders of INR 80 crores till now and payments of INR 52 crores has been made. We expect the line to commence by the end of this financial year. That is the entire brief. I would now request Vikash to kindly open for questions.

Moderator: Thank you. The first question is from the line of Mohamed Farouk Umar from Pearl Capital. Please go ahead.

Mohamed Farouk Umar: Could you provide insight into the current challenges affecting the company's order book, especially in light of Chinese seamless pipe imports? You would also appreciate details on Chinese current production capacity and domestic demand for seamless pipes. The main reason behind the dumping in Indian market and what kind of government support the company is receiving to mitigate these effects? Additionally, do you foresee any shift in demand that might improve the order situation?

Kaushal Bengani: I refer to the comments I made in the opening statement that there is a slowdown of expenditure in the oil and gas sector. That slowdown started a few quarters ago and is continuing. We do not see any indicators to conclusively say that the slowdown is well past us. The good part that is being reflected from the communication that we've put out is that we have been able to replenish the order book. However, margins are expected to stay muted. On the Chinese dumping front, there is overcapacity in China and products are being dumped into India.

We have started working on the enhancement of antidumping duty, the present antidumping duty is not so effective right now. That has also been communicated earlier. And it is in place till October 2026. Any enhancement or continuity of antidumping duty will only be known after October 2026. However, the continuous Chinese dumping has affected margins of the entire domestic industry.

Mohamed Farouk Umar: The company -- the company's current holding -- holds a significant cash reserve of INR3,000 crores, including investments, approximately this is around INR200 per share to INR250 per share and has a relative modest capital expenditure plan of around INR850 crores in the coming years?

Could you share management's perspective on the rationale behind maintaining such a large cash balance and whether there are any plans to return capital to shareholders through dividends or buybacks?

Kaushal Bengani: In the past few years, we've quadrupled the dividend, which we would pay out earlier. And I think the level of dividend, which we've given out in the past, we will maintain that. We've done that in financial year FY '25 as well.

The rationale for conserving cash has been explained many times on earlier conference calls, and I would urge you to kindly refer to transcripts of those calls. Nothing has changed since then, and we continue to retain cash.

Mohamed Farouk Umar: Okay. The last one, given Maharashtra Seamless strong market leadership in seamless pipe, its substantial cash reserves, very low P/B ratio in the market around 9. It is interesting that the market still seems a lack of confidence in the management. Could you please elaborate on the key reason behind this market skepticism and what steps management plans to take to enhance the investor confidence?

Kaushal Bengani: We are market leaders, as you rightly pointed out. However, the entire industry is facing the effects of the slowdown of capital expenditure in oil and gas sector and the continuous Chinese dumping. Members of our peer group have also seen a decline in company valuations, and it is not something which is exclusive to our organization. The headwinds are not exclusively being faced by Maharashtra Seamless, but by the industry as a whole.

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

Radha: Sir, continuing with the previous participant's question, how much capacity is there in China and how much overcapacity is there currently?

Kaushal Bengani: I'm surprised that this question is being asked by you to me when you are an industry analyst. So I'll urge you to refer to the data sources that you have because you have access to a larger database than I do.

Radha: Sir, actually, what I wanted to understand is from the overcapacity, how much imports are happening in India currently from China?

Kaushal Bengani: That is a different question. So imports are as high as 20%, 25% of the total domestic industry size, which is impacting the margin of the entire industry.

Radha: Okay. Sir, secondly, according to the Seamless Tubes Manufacturers Association of India, the seamless capacity in India is currently 1.9 million tons, whereas the demand is 1.3 million tons. So if we say 20% to 25% of the industry size, so is it the right number if you take 20% to 25% of the 1.3 million ton demand that they have stated recently?

- Kaushal Bengani:** Those numbers are not correct because they refer to nameplate capacity, which is different from actual capacity. Actual production of seamless pipes in India is around 9 lakh tons. So the 20%, 25% is linked to the actual production of 9 lakh tons annually.
- Radha:** Understood, sir. Sir, with regards to that, now with China dumping, has there been -- what is the current market share of Maharashtra Seamless? And has there been any deterioration compared to last 3 years?
- Kaushal Bengani:** There has been no deterioration compared to last 3 years because we are still on track to manufacture 4 lakh tons of seamless pipes in this financial year. We have done around 206,000 tons in the first 2 quarters, and we will maintain that run rate.
- Radha:** Sir, but in 2 years back also, it was INR4 lakhs.
- Kaushal Bengani:** I'm sorry.
- Radha:** Sir, 2 years back also, we were doing INR4 lakhs.
- Kaushal Bengani:** Yes. So there has been no decline.
- Radha:** But the market for new players have come and market is also increasing every year.
- Kaushal Bengani:** Market is not growing so much. Market grows at around 2%, 3% annually, not more than that because the customers to whom we sell are oil and gas players. If oil and gas exploration is not increasing in India, then the market cannot grow.
- Radha:** Okay, sir. And sir, exports used to be exports primarily to U.S. used to be one of the key markets for Maharashtra Seamless. Now with the change in tariffs, how do you see the supply chains change? And where do you see it settling down in the next 6 months?
- Kaushal Bengani:** Exports have not been very good. They had started to revise towards the end of calendar year 2024. However, due to the anticipation of the tariff



tantrum and the actual tariff tantrum, export orders have not conclusively improved, and that is the position as of now.

Radha: Understood, sir. Sir, in your PPT, it mentioned that previously, we used to give that out of the total order book, we have certain number of orders from drill pipes. So this time, that is not mentioned. And it also mentioned that...

Kaushal Bengani: There are no orders for drill pipes. I would urge you to please read what is mentioned in the PPT. It is mentioned that orders for drill pipes are awaited. So if there are no orders, then how do I write that there are no orders.

Radha: Yes, sir. So how much orders are you expecting?

Kaushal Bengani: We are waiting. We don't have any visibility right now.

Radha: Okay, sir. Is there any update on disposition of Jindal Explorer rigs from the books?

Kaushal Bengani: There is no update on the proposal that you mentioned. The rig is in the final stage of refurbishment and will be deployed in about 10 days' time on its new ONGC contract.

Radha: Okay. Sir, last question is with this commissioning of this new line in Telangana and considering the product mix that we have in seamless pipes, is there a headroom to go up the value chain within the seamless segment? And are we planning for any such thing in this Telangana line or in future?

Kaushal Bengani: We've gone up the value chain already. And the only reason why we are doing this in Telangana is to ensure that the existing capacity is fully utilized. The line that we are putting up in Telangana is a finishing line. We already have manufacturing capacity of 2 lakh tons in Telangana.

Moderator: The next question is from the line of Vinay Nadkarni from Hathway Investments.

Vinay Nadkarni: Sir, just 2 questions. One is the revenue from operations basically has dropped to INR1,158 crores from INR1,259 crores year-on-year. You basically pass on the cost of raw materials to the customers, right? So the decrease in raw materials would have been passed on. What explains this -- and there is no much change in your employee cost or even other expenses have been curtailed. What explains this drop in EBITDA to such a level of 27% year -- I mean, 46% year-on-year?

Kaushal Bengani: There was a notional markdown of inventory because the raw material prices have fallen. When these orders are dispatched, the effect of notional markdown will be reflected in actual profit. So there is no cash loss. It is only an accounting adjustment.

Vinay Nadkarni: And is there any quantification of this notional loss of markdowns?

Kaushal Bengani: Our realizations have not declined and the quantity of product which has been dispatched that has also not declined. So I think if you add cost of materials consumed with change of inventory of the previous quarter and of the current quarter, then the difference between these 2 figures would be largely attributed to the notional markdown.

Vinay Nadkarni: Okay. Fine. That's one. Secondly, what is the reason why there is so much of variance in EBITDA per ton in ERW between quarter-to-quarter, it just keeps changing so widely. Is there any particular reason?

Kaushal Bengani: Yes. The ERW segment is actually a composition of 2 subsegments, the oil sector ERW pipe and the water sector ERW pipe. What had happened was that the oil sector ERW pipes orders, which are API-certified pipes, those orders were dispatched in 1st quarter instead of the gradual dispatches that we usually experience.

Therefore, the ERW margin in the first quarter was significantly higher than what it was in the second quarter. In addition to the difference in product mix in both quarters, there was also the effect of the notional markdown of inventory.

- Vinay Nadkarni:** Okay. So oil ERW pipes have a higher EBITDA per ton?
- Kaushal Bengani:** Yes. They are API-certified pipes. We manufacture both types of pipes for the oil sector and for the water sector. Margins in the water sector are lower, much lower than the margins in the oil sector.
- Vinay Nadkarni:** And just one last question. When I look at your capex allocation, that statement remains the same for quarters to come. Is there any -- see, in your commentary, you give me the breakup of how much has actually been utilized. Is it possible for you to mention that in the presentation itself? Or is it not?
- Kaushal Bengani:** We can do that, but there is no problem on that point. The issue is that the market has changed since the time we put out the capital expenditure plan. And we are looking at a situation where margins may decline by a few hundred rupees from now. So we will have to do a reassessment. Therefore, we don't put it out.
- Vinay Nadkarni:** So this capital allocation might change going forward in the coming quarters. Some of them might be delayed or something of that on?
- Kaushal Bengani:** It has already been delayed, and there may be further delay on other items of capital expenditure depending on the market conditions because the effect of Chinese dumping on the entire industry is apparent across financials of all peers.
- Vinay Nadkarni:** Yes, I have seen that. And lastly, on this Cold Drawn pipes, which last quarter, I think you had mentioned that it will commence production in this quarter. Any update on that?
- Kaushal Bengani:** There were 2 draw benches, which we had put out. One of them has commenced production. The other one will commence production in about a week from now.
- Vinay Nadkarni:** Okay. Will it impact the financial?



Kaushal Bengani: But it's a value addition product with very low tonnage. So it will support us in an environment of declining margins.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Namaskar Kaushal ji. Sir, can you just come again for the last point, the earlier participant was mentioning about the cold drawn pipe, I am unable to understand. Can you please repeat it once more?

Kaushal Bengani: There were 2 draw benches, which we were planning to put. One has already started operation. The other one will start operation in about a week's time.

Saket Kapoor: Okay. And these are with respect to the Nagothane facility?

Kaushal Bengani: Maharashtra facility, there's a different manufacturing facility where we are doing this.

Saket Kapoor: Sir, when you have mentioned earlier also the adverse impact of the Chinese dumping, you were -- you have explained to us that it is particularly to certain specific product. Since the antidumping is there, but some products were left at that time or they were not in the basket. So how much do that products actually take the pie that are impacting?

What are those specific product specification that are now being targeted by -- especially by the Chinese? And is that product only that is in significant demand or how anti-dumping duty importance has been declined? That was my question.

Kaushal Bengani: The value addition products that we have developed after 2016 -- they are not covered by the original antidumping duty. Those products are namely cylinder pipes, sour service subsea seamless pipes and drill pipes. These products were not manufactured in India in 2016 when the original antidumping duty was implemented. So that effect is there on the entire industry.

In addition to that, the products on which antidumping duty was implemented, the prohibitive effect of the antidumping duty is no longer there. Therefore, the entire market is now open for Chinese dumping. And that is why we are seeing a decline in margins, mainly.

Saket Kapoor: Sir, you mentioned about the formula to figure out what was the notional loss. So have you had the numbers handy with you? Just to get an understanding that we have -- we were looking at EBITDA per ton in the vicinity of INR12,000 per ton to INR15,000 per ton, if I'm not wrong. So does that hold good for the latter half of this financial year, even after eliminating the impact of the inventory losses?

Kaushal Bengani: For the second quarter, if there were no inventory losses, which are entirely notional, I would reiterate, then we would have made margins like we did in the first quarter of this financial year or maybe slightly higher than that because our realization has not declined and the tonnage that we've dispatched, that has also not declined. Even other expenses have been curtailed.

So definitely, we would have done margins in the range of what was done in the first quarter of this financial year. The effect of this notional markdown will reverse when these products are dispatched in the next quarter. So there is a possibility that in the third quarter, margins will not decline so much if realizations hold.

Saket Kapoor: And for the second half, since we have an order book which we will be executing over a period of 4 months from now, that will cover quarter -- I think entire quarter 3 and some portion of, I think, so quarter 4 also. So you can give us some understanding that this margin holds, this would be a -- at least for what we have done for first quarter. That is a reasonable estimate.

Kaushal Bengani: I cannot confirm. You want a confirmation, I cannot give you that confirmation.

Saket Kapoor: No.

Kaushal Bengani: I will tell you, I cannot give you that confirmation because the notional effect of inventory markdown or inventory valuation increase, that I cannot figure out right now what the raw material prices will be on 31st December. That accounting effect has to be considered. Otherwise, I can tell you that margins on an absolute basis have not worsened as much as is being reflected in the results. But having said that, there is also the effect of slowdown of capital expenditure in oil and gas sector and Chinese dumping.

Saket Kapoor: Right, right, sir. Sir, on the premium threading business, although some work has been underway for developing and I think so some premiumization with the Japanese player, where are we, sir, in terms of concluding that part and then introducing the products?

Kaushal Bengani: They have issued a license certificate to our wholly owned subsidiary, Jindal Premium Connections Private Limited. So work is on track.

Saket Kapoor: And what portion of the target market we will be able to access once all the formalities are done with?

Kaushal Bengani: We are working on this right now, and I don't want to disclose because this is also available to our competitors.

Saket Kapoor: Not an issue, sir. Sir, lastly, sir, on the tonnage part, as you mentioned that our tonnage has remained in this -- I'm talking only for the seamless, just to be in particular, that it was 103,000 tons for both the quarters. And last year, sir, we had sales of 442,000 tons. So taking into account the current order booking and also you have some color on the bid pipeline also. Are we in a position to be closer to this 442,000 tons number for the year as a whole in terms of dispatches?

Kaushal Bengani: I think you should take the run rate that we've done in the first 2 quarters because it becomes increasingly difficult to sell products in an environment where the customer is not required to buy as much pipes as we want to sell because of a slowdown of expenditure in the oil and gas sector.

Saket Kapoor: Right, sir. And lastly, sir, on this CCI part of the story, although all the updates have been -- whatever necessary updates were provided to the stock exchanges about CCI looking for some information for previous financial year. Any update on the same and for which financial year exactly the inquiry has been initiated?

Kaushal Bengani: There is no update in the sense that they came to our offices and they collected whatever data they wanted. And they have asked us for more data, which we have provided to them. That is all that I can tell you right now. But there is no effect of that on our regular business operations.

Saket Kapoor: Right, sir. And my last one would be on the other income component part. So when -- as per the accounting standard part, we need to keep the entire treasury book mark-to-market. So sir, since your presentation is very elaborate, if we could also provide us with how much actual profits have been booked and how much is the notional part, where should investors get that number?

And secondly, sir, we have also seen in some of the corporate, whether the accounting standard permits that -- the line item is routed through the other comprehensive income also. So if that could be the same from the audit part, then this number affecting the profitability to a greater extent would be eliminated. That was my understanding and suggestion, sir.

Kaushal Bengani: On the OCI part, we have checked with our auditors who have taken a view that if the instruments in which we have invested are not on a long-term basis, then we cannot classify it through OCI. We will have to route it through other income. Because a significant portion of the treasury is linked to the equity market, we have decided not to go through OCI route because we may or may not want to capitalize on market fluctuation.

Regarding the point that you made in relation to realized profit and unrealized profit -- that is not required to be disclosed. However, if you still want it, then it will not be appropriate to provide you only the realized and unrealized profit on the treasury part because there are also other components like rent and interest and provisions which are written



back and other receipts. So unless I give you all of that, you will not be able to make a thorough assessment.

Moderator: The next question is from the line of Manav Mehta.

Manav Mehta: With regards to the cash with the company, I understand company has been holding a significant amount of cash around INR3,000 crores. And earlier as well, you had explained you plan to hold the cash for some acquisition. I just want to understand the perspective of the management, whereas we have been holding cash for a while now for some future acquisition which might play out or which may not.

Instead of that, why is the company not investing in some renewable projects, whereas it can generate some recurring revenues in solar or wind where we already have a vertical -- small vertical. Why don't we invest some good chunk of amount in that vertical?

Kaushal Bengani: We already have 59.5 megawatt of renewable energy capacity, out of which 1 wind and 2 solar plants are in Maharashtra and 2 solar plants are in Rajasthan.

Manav Mehta: Yes, I do understand. But we can scale it up as well, right, where we can generate recurring revenues. I mean we are earning a good chunk of profit from that as well around INR20 crores, INR27 crores per year?

Kaushal Bengani: We earn EBITDA of approximately INR60 crores from that every year.

Manav Mehta: And my question was why is the management not focusing over there?

Kaushal Bengani: We looked at the economics and unless there is some form of incentive available at the time of putting the project, it is not giving us meaningful returns.

Manav Mehta: What kind of incentive?

Kaushal Bengani: To that effect, we've petitioned the government in Telangana that we want to scale up our operations in Telangana, and therefore, we are desirous of putting a solar power plant, but open access permission has



not yet been granted over there. That is the only renewable energy project, which we are looking at right now.

Manav Mehta: Okay. Yes. And on the capex front, I'm assuming since you mentioned we are facing some headwinds from Chinese dumping. Are we going to reduce it going ahead?

Kaushal Bengani: Let us finish what we've started, let that project end and then we'll update you.

Moderator: Next question is from the line of Vinay Nadkarni from Hathway Investments.

Vinay Nadkarni: Just a follow-up on the inventory notional markdown. You have been on record saying that for every order that you get, you do a back-to-back arrangement for the raw material, so it gets blocked and should not therefore -- so what was the need for this notional markdown? Any -- is this a one-off thing? Or is it audit requirement? Or was it an old...

Kaushal Bengani: It is an accounting requirement. I'll tell you what I mean. Suppose I sell pipes for INR 500. And when I get an order for INR 500, I will buy raw material. And I have bought the raw material for INR 300 at that point in time. Then the order remains unexecuted because I still have some time for delivery of that order. And in the interim period, if there is a quarterly closure and the price of raw material has fallen from INR 300 to INR 250, then the inventory that I hold for which I paid INR 300, I will have to mark it down to INR 250.

Therefore, the notional loss of INR 50 will be booked on the quarter end. In the next quarter, when the order of INR 500, which I have taken for which inventory has been purchased at INR 300 and was subsequently marked down to INR 250, that order is dispatched, then the profit I will earn on that order, assuming no conversion cost would be INR 250. So a loss of INR 50 in the first quarter, which is entirely notional and a profit of INR 250 in the next quarter.

Vinay Nadkarni: INR 50 profit in the next quarter is also notional. It is actually INR200 net-net?

Kaushal Bengani: Actual profit is INR 200 only. Correct. So, on a per order basis, I have not lost any money. But due to the accounting adjustment, the effect is reflected in the financials. The accounting standard says that at the end of any reporting period, you have to value stock. Stock is valued at lower of cost or net realizable value. At the end of the quarter, with the example that I've just taken, the net realizable value of the stock of INR 300 was INR 250. Hence, the notional effect.

Vinay Nadkarni: Yes. So this will happen the reverse way when the raw material prices start going up. So yes, I understand that. Okay. Just one more broader question. As I can see, I mean, the company is honestly very well managed. So it's heartening to see all the parameters checked out.

But since your overdependence on 2 major customers, which is oil and gas and those 2 of ONGC and Oil and one single product, which is seamless pipe, you get rogered because of the momentum. Is there any plan to address this issue, maybe diversify, maybe do something? Is there any thought process on that? And don't take me wrong. You may -- it is your call ultimately.

Kaushal Bengani: Sir, we don't want to diversify. We have been market leaders for the past 35 years. We want to retain that position. If you look at the history of the seamless pipe industry in India, all of our peers without exception, have either been bankrupted or they have approached bankruptcy courts. We are the only company which has not done any of this, and we have been cash rich at all times.

It is not something which has happened through luck or sheer coincidence, but due to certain principles of management, which are followed, which we want to stick to. Now these principles of management may not align with the interest of the equity shareholder on a short-term basis. But in the longer term, the benefits are available for everyone.

Vinay Nadkarni: Absolutely. I take that point. I think this was also discussed last time, and you had mentioned the same thing. So the only threat from Chinese dumping, I don't know how long it will last. But it does drain out your -- all the efforts that you are making in running this more so well.

Moderator: The next question is from the line of Krishna Kumar from retail investor.

Krishna Kumar: My question is related to the margins. And what would be the sustainable margin? I presume that since you have taken notional losses, that should be coming back in the coming quarters. But what should be the sustainable margin we should be looking at in this kind of depressed scenarios?

Kaushal Bengani: In the past, we used to make margins of INR 7,000 per ton, INR 8,000 per ton, then margins shot up to INR 30,000 per ton. I think that the larger band is between INR 7,000 per ton to INR 30,000 per ton and a more reasonable band is INR 8,000 per ton to INR 15,000 per ton. I don't believe on a medium-term basis, margins can be sustained at elevated levels because something or the other happens in the crude oil industry, which affects the margins of all players.

Krishna Kumar: Okay. So what will be the percentage EBITDA margin would be like 15% or something or...

Kaushal Bengani: It cannot be measured. I would urge you to go through the transcripts of the earlier calls. It is very difficult to forecast margins because we sit on an order book of 3 months to 3.5 months. Therefore, for me to forecast margins for the quarter after the 3-month quarter is not possible.

Other pipe companies, which you may encounter have order books of 7 months, 8 months, 9 months or of a longer duration. And therefore, it is easier for them to forecast. But for us, that is not the case.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Sir, when we -- as you mentioned about the dumping from the Chinese counterparts. So specifically, if we look at oil exploration in the country,

they are mainly carried out at a major part is from ONGC and Oil India only. So with respect to the specific products, they are -- then ONGC and Oil India are buying from these Chinese players itself with reference to the product of subsea pipes and the drill pipes? Or there is no demand that is -- how is that math working since I think so some embargo is there for them only to purchase from the Indian players only?

Kaushal Bengani: This happens through the dealer route. So Chinese manufacturers sell to a dealer, the dealer then participates in the tender and sells to the eventual customer.

Saket Kapoor: Okay. Okay. So then they are able to bifurcate that part of the story also where I think some INR250 crores something worth of orders need to be only routed through the Indian players. So that goes with the dealer part, okay?

Kaushal Bengani: And sir, on the project award, I put out a new point on Slide 17 of the presentation. It says that project awards have declined 27% year-on-year and 13% in quarter 2 FY '26. It further says that although tender announcements have reached record highs, actual awarding remains delayed. We are also facing that situation and our peer group is also facing that situation.

Saket Kapoor: Okay. So I was coming to this point only, sir, then how should we look at the bid pipeline? The time it is taking to mature and the orders being finally -- AOP being hand over is getting elongated. But do we rely on the bid pipeline in terms of making the assessment of how the order tendering will be going ahead since it's now became an elongated process?

Kaushal Bengani: In order to run a mill, if direct tenders are not being received, then we have to sell more to the dealer segment where margins are lower. Because the furnace in which billets are heated, that furnace is operating at all times. So we have to ensure that the mill keeps running.

Saket Kapoor: Okay. So we are running at optimum level?

Kaushal Bengani: Yes, sir. The dispatches have not fallen. However, margins have been impacted. And -- in a situation where order book visibility is reduced, we are unable to bid aggressively because we have the constraint to operate our mill. And hence, we want to capture whatever order is available.

Saket Kapoor: Okay, sir. That answers the part of the demand issue. And we have to see how the second half plays out and the budgeting aspect for the state PSU in terms of the final tendering process. So that will only give us an understanding how our order book shapes up going ahead. And for the -- in the presentation, sir, when you mentioned about the liquid investment part, if you could also quantify to us since in the annual report we have seen that a large portion of it is in the liquid funds itself.

So if you can give the breakup of mutual fund or give a note on pertaining to what is subject to the market wagering means the stock prices moving up and down and how much is pertaining towards the liquid funds where there is negligible chances of any downward mark-to-market. That would suffice a lot, I think. So 2,584 is what the number is for the mutual fund?

So further granular details in terms of liquid funds and the funds exposed to equity linked, that would be very helpful. That's the only suggestion, sir. And all the best to the team, sir. And we hope that we hear much more on the capital allocation policy.

Moderator: The next question is from the line of Vikash Singh from ICICI Securities.

Vikash Singh: Just a little bit clarification. When you said that your project has already been delayed, does it also account the new 100 kt facility because of want of an order book? And secondly, usually, November onwards is the time when ONGC and other oil and gas companies starts giving us the tenders for bidding? So these 2 things, if you could clarify, it would be helpful.



Kaushal Bengani: On the Telangana project, the reason why I said that it was delayed was because it was supposed to be concluded by December 2025. However, in the previous call or the call before that, I had guided that it would be concluded by March 2026. And that is why I said that it has been delayed, not because of want of orders, but because of some additional time taken by one of our vendors in delivering essential machinery.

On the other point, which was ordering by PSUs, we are hopeful that ordering inflow will happen in the second half. But till that happens, we don't want to give a guidance that it will happen. But generally, in the past, we have seen that in any financial year, the second half of the financial year is better than the first half of that financial year, irrespective of the market condition.

Moderator: Ladies and gentlemen, that was the last question for today. We have reached to the end of the question-and-answer session. I now would like to hand over the conference to Mr. Vikash Singh. Thank you.

Vikash Singh: Yes. Thank you, operator. On behalf of ICICI Securities, I would like to thank the management for giving us the opportunity to host them. Now I hand it over to Kaushal for his closing remarks. Over to you, sir.

Kaushal Bengani: Thank you, shareholders, for participating on a holiday, and thank you to Vikash and Madam moderator for working on a holiday. Thank you.

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