Date: 13th November, 2026

To,

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Symbol: VENUSPIPES

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 543528

Sub: Intimation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings Call

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Call held on November 05, 2026, post announcement of financial results of the Company for quarter and half year ended on September 30, 2026.

The Transcript of the Earnings call shall also be uploaded on the Company's website https://www.venuspipes.com.

This is for your information and record.

Thanking You,
For Venus Pipes & Tubes Limited

Pavan Kumar Jain
Digitally signed by Pavan Kumar Jain
Date: 2026.11.13 10:50:42 +05'30'

Pavan Kumar Jain
(Company Secretary & Compliance Officer)
Membership No.: A66752

"Venus Pipes and Tubes Limited

Q2 & H1FY27 Earnings Conference Call"

November 05, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 5th November 2026 will prevail

MANAGEMENT: **MR. ARUN KOTHARI – MANAGING DIRECTOR – VENUS PIPES AND TUBES LIMITED**
MR. DHRUV PATEL – WHOLE TIME DIRECTOR – VENUS PIPES AND TUBES LIMITED
MR. KUNAL BUBNA – CHIEF FINANCIAL OFFICER – VENUS PIPES AND TUBES LIMITED
SGA, INVESTOR RELATIONS ADVISORS – VENUS PIPES AND TUBES LIMITED

MODERATOR: **MR. DHRUV JAIN – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, we welcome you all to the Q2 and H1FY27 Earnings Conference Call of Venus Pipes and Tubes Limited, hosted by Ambit Capital. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhruv Jain from Ambit Capital. Thank you, and over to you, sir.

Dhruv Jain: Thank you. Hello, everyone, and welcome to Q2 and H1FY27 earnings call of Venus Pipes and Tubes Limited. From the management side today, we have with us Mr. Arun Kothari, Managing Director, Mr. Dhruv Patel, Whole-Time Director, and Mr. Kunal Bubna, Chief Financial Officer.

Thank you, and over to you, sir, for your opening remarks.

Arun Kothari: Good evening and warm welcome to everyone on the Q2 and H1FY27 earnings call of Venus Pipes and Tubes Limited. I am joined by Mr. Dhruv Patel, our Whole-Time Director, Mr. Kunal Bubna, our CFO, and SGA, our Investor Relation Advisor.

We have uploaded our investor presentation on the Stock Exchange and on the company website, and I hope you have had an opportunity to go through the same. Before we begin, I would like to highlight an important development.

As you would be aware, the company has raised INR372 crores through a preferential allotment to investors with the primary objective of repayment of borrowings. This is an important step towards strengthening our balance sheet, reducing debt, and lowering finance costs.

Going forward, it will also provide us with a stronger financial foundation as we continue to invest in our growth and expansion plans. We would like to take this opportunity to thank our incoming investors for their trust and confidence in Venus Pipes and Tubes.

Now I will begin with the brief overview of the operating environment, followed by company and financial highlights. Let me first touch upon the broader operating environment. The global economy continues to face challenges, with the ongoing conflict in the Middle East adding to uncertainty, higher energy and commodity prices, disruption in the shipping routes and supply chains, and the rising freight costs are putting pressure on the business across the world.

These developments are also adding to inflation and affecting global growth. India too has felt some of these pressures, particularly through higher energy, raw material, and freight costs. However, India's domestic demand remains strong, and the country continues to make steady progress towards becoming a major manufacturing hub.

We believe this shift presents a meaningful opportunity for Indian manufacturers as global companies look to diversify their supply chains and build more reliable sourcing networks. India is well-placed to play a larger role in global manufacturing and trade. At Venus Pipes and Tubes, we are proud to be a part of this journey.

Over the years, we have focused on building a strong manufacturing platform, serving customers across India and international markets. Today, we are among India's leading stainless steel pipes and tube manufacturers, with a presence across 30-plus export markets and diversified customer base across industries.

Our journey over the past decade has been driven by continuous improvement and with a clear focus on product quality, expanding our product range, and meeting evolving customer needs. This approach has shaped our growth.

We have expanded our SKUs and strengthened our capabilities through backward integration in seamless pipes and moved further into forward integration through cutting and recently added spooling facility. These investments go beyond capacity expansion. They enable us to serve the customers more comprehensively, enter new applications, and deepen relationships with existing customers.

Our key strengths remain our product range, quality, and experienced team. We have also consistently invested in talent, bringing in professionals with strong industry experience and global exposure. Today, our expanding product portfolio, manufacturing capabilities, and customer network position us well to capture opportunities across sectors.

Going forward, our focus remains on expanding our customer base, entering new sectors, adding product SKUs, and further strengthening our manufacturing platform. With this foundation in place, let me now take you through the key developments.

As part of our forward integration strategy, we have also made early progress in building our spooling capabilities. We commenced operations ahead of our original timeline to ensure product readiness and timely execution, in anticipation of conversion of our letter of intent from a data centre customer into firm orders.

We are pleased to share that this has now translated into a firm order of approximately INR 29 crores from the customer. We expect the balance of the LOI to convert into orders in the same manner over time. This is an important step for Venus, as it opens up opportunities in the growing data centre segment.

Coming to our performance during the quarter, we have delivered our highest ever quarterly revenue of INR 361 crores, registering a growth of 24% year-on-year. On the profitability front, selling prices increased by more than 10% year-on-year and more than 5% sequentially, our EBITDA margin looks optically moderated.

Excluding the impact of price increase, Q2FY27 EBITDA margin would have been ~15.5%. Additionally, higher export freight and fuel costs impacted margin. Excluding these costs as well

as our EBITDA margin would have been above 16%. Both our seamless and welded pipe businesses continued to grow well, registering a growth of around 20% each.

This reflects the broad-based strength of our business across product categories. Our export business achieved a new milestone, with exports reaching an all-time high of INR 147 crores and constituting 41% of revenue. Exports grew by over 50% sequentially, reflecting strong demand and improved market reach.

We continue to see strong traction in the U.S., while Europe remains a key market for us. Despite the ongoing conflict in the Middle East and the higher freight rates, we continue to serve our customer demand and prioritized order fulfilment to ensure we do not miss out on market opportunity and our commitment with our existing clients.

On domestic front, it is encouraging that demand is coming from a wide range of sectors. Our established sectors such as power, engineering, and oil and gas continue to support growth. At the same time, we are seeing encouraging inquiries and order conversion from newer areas such as CNG station infrastructure, semiconductor, and solar power.

This broad-based demand, along with the improving capacity utilization and greater acceptance of our value-added products give us the confidence in the direction of our business. Our order book also remains strong at over INR 670 crores, including INR ~30 crores order recently received from data center.

This order book is excluding the remaining INR 156 crores LOI, which expected to be converted in phases in coming quarters. Overall, we believe the progress we are making towards becoming a one-stop manufacturing solution provider is steadily strengthening our ability to serve the customers better, enter new applications, and build a more diversified business.

In the coming quarters, our more focus will be towards increased revenue share of our more value-added products such as spooling and fittings. Apart from this, we are also in the process of developing some more stainless steel component products. All the products will be manufactured from our existing pipe and tube products, can be used and give us a better realization.

I now hand over the call to Mr. Kunal Bubna.

Kunal Bubna: We are pleased to share that Venus Pipes and Tubes Limited delivered a record performance in Q2 and H1 FY27, achieving our highest-ever quarterly revenue and EBITDA. Coming to our revenue performance, revenues from operations for Q2 FY27 stood at INR 361.1 crores compared to INR 291.5 crores in Q2 FY26, registering a growth of 23.9% year-on-year.

For H1 FY27, revenues stood at INR 681.6 crores compared to INR 568 crores in the same period last year, reflecting a growth of 20%. The revenue mix for the quarter comprised 54.7% from seamless pipes, 37.6% from welded pipes, 2.5% from fittings, and 5.2% from other products. Our export sales also reached an all-time high of INR 147.2 crores compared to INR

115.6 crores in Q2 FY26. This growth reflects the strength of our export business despite the challenging global environment.

Moving to EBITDA and profitability, EBITDA for Q2 FY27 stood at INR51.7 crores compared to INR 47.4 crores in Q2 FY26, registering a growth of 9.1% year-on-year. EBITDA margin for the quarter stood at 14.3% compared to 16.3% in the corresponding quarter last year. For H1 FY27, EBITDA stood at INR 103.2 crores, registering a growth of 11.8% year-on-year, with margin at 15.1%.

Coming to PAT, profit after tax for Q2 FY27 stood at INR 26 crores compared to INR 26.1 crores in Q2 FY26, while PAT margin stood at 7.2%. Going forward, we expect profitability to improve with the reduction in finance costs following the repayment of the borrowing with the recently completed preferential allotment, with the benefit expected to start reflecting from H2 FY27 onwards.

Overall, we remain focused on improving operational efficiency, strengthening our product mix, and maintaining disciplined execution as we continue to expand our business.

Moderator: Shall we start with the question and answer session?

Kunal Bubna: Yes.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We have the first question from the line of Sneha Talreja from Nuvama. Please go ahead.

Sneha Talreja: Hi, good evening, team, and thanks a lot for the opportunity. Just a couple of questions from my end. Firstly, regards to our volume and value growth. You've already given your realizations have moved up. Just wanted to understand when we were saying about 20% sort of a run rate continuing in terms of our value growth, what was our earlier estimate in terms of realization and volume improvement, and what do we see going ahead in terms of both volume and value split?

Kunal Bubna: We see around 15% overall growth should be there in volume for overall basis.

Sneha Talreja: For the entire year?

Kunal Bubna: For the entire year, yes.

Arun Kothari: If we say apart from this 15% volume growth will be from the pipe segment, apart from this volume growth, it is from the spool sector will be different, and fitting sector will be slightly different.

Sneha Talreja: What we are trying to say, sir, 20% growth will be from pipes, over and above there will be fittings, and over and above that can be spooling?

Arun Kothari: Yes, yes, likely.

Sneha Talreja: With that regards, if I look at your revenues, let me break it down. You have done about 24% sort of a revenue growth. In that, I can account around 10% of value increase. This particular quarter's volume growth would have been roughly about 14%-odd. Is my understanding correct, or in fact, even lower because of fittings also contributing some bit?

Kunal Bubna: Yes, if you take that out of this 24% growth, ~12% is on account of prices. Beyond that, ~8% is sort of a number on the side of quantity and balance towards a few towards fitting also.

Sneha Talreja: That means, sir, in case you are maintaining your guidance of 20% plus, your H2 actually will look much stronger. Is my understanding correct?

Kunal Bubna: Yes, absolutely. Because you see, what will happen in that there will be good quantum of spooling business. The order has also been received, and we have started executing those orders. So that will come in good quantum. Apart from that, fitting, we only did a revenue of around INR9 crores.

So we will be having entire H2 year on the side of fitting. So these two elements will be there in good quantum. Again, apart from the further quantity increase, what we have done on the side of seamless and other projects, which we completed at the end of May 2026.

Sneha Talreja: Understood, Kunal. Regarding this order of spooling, now we are INR189 odd crores sort of a LOI.

Kunal Bubna: 185.

Sneha Talreja: Yes, INR185 crores of LOI. We have only received about less than INR30 odd crores of order. How does this order generally come into place? This will come into phases, or how will be the order flow? Then what period can we expect this entire letter of intent to basically get converted into the order?

Arun Kothari: Sneha, from now onwards, we are expecting the order will be completed in the next 12 months. By the Q2 of the FY28, we will able to complete this LOI. Some order will come, and we are expecting in the Q4 also, early Q4 also. Then some order, you can say it will be divided in the four quarters mostly.

Sneha Talreja: Understood.

Kunal Bubna: Basically, they keep on finalizing the design and all. On the basis of those design being finalized, they keep on giving us the order.

Sneha Talreja: Understood. Second question was more related to spooling. Now that we have got our first order for data centers, how can we expect spooling as a segment to grow? Will it be only restricted to data centers? Can we add multiple sectors? For example, even in this particular space, the competitor is actually moving more towards nuclear. What sort of sector addition can we look at it, or will it be currently data center focused, and gradually you look at? Just want to get a perspective there.

Arun Kothari: So, right now we are doing for data center. In the second phase, we are planning to move in the power sector. Then in the third phase, we are planning to go in oil and gas sector. After that, we are planning to go into nuclear sector. It will be in a phased manner, Sneha.

Sneha Talreja: Understood. Margins across the board would be stronger, and what range approximately, sir?

Arun Kothari: Margin for this depends on the sector. For the data centre sector, we expect an EBITDA margin above 30%. For power sector also almost at the same level, 30%. Oil and gas sector will be between 20%-25%. Nuclear sector will be more than 35%-40%.

Sneha Talreja: Understood, sir. That was quite helpful. Thanks to your team. All the best. I will get back in the queue.

Moderator: Thank you. We have the next question from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: Hello, sir. I couldn't comprehend the margin change comment from the press release or in your initial comments. If you could tell us the 200 basis point change in margin, exactly what is the key reasons, and how do we see this panning out in your pipe business? Because it's first time that we are seeing some volatility, so maybe you want to give out clearly?

Kunal Bubna: Yes, so basically, for the INR361-odd crores, there is around 12% increase in the prices. So if we factor that, and if we see the EBITDA margin would be roughly in the range of less than 16%, we can say. And beyond that, some hit has been occurred because of the effect of freight, increased freight cost. And if you see EBITDA on a per kg basis for the Q2 of FY27, it has been excluding fitting, it has been around INR62 per kg.

Pritesh Chheda: So EBITDA per kg, what is the movement in EBITDA per kg on a year-over-year basis? Because see, your comment on higher realization, we are hearing for the first time. So we cannot comprehend that. Is it that the raw material prices have gone up?

Kunal Bubna: Yes, Q2 last quarter was year-on-year quarter, around INR64 per kg.

Pritesh Chheda: 64 has become 62. This INR2 reduction in the EBITDA per kg is on account of what?

Kunal Bubna: Freight. Majorly freight.

Pritesh Chheda: Freight, because there is export component and there is freight. If you adjust, if you had sold it locally, for instance, and the volume has gone locally, then the EBITDA per kg would have been a different number, correct?

Kunal Bubna: Yes.

Pritesh Chheda: Okay. How do you see the EBITDA per kg panning out?

Kunal Bubna: On the pipe front, as we said, it will be moving. See, again the freight cost has started depleting from last two days. If this continue and it start depleting, definitely this INR2-INR3 should be

increasing. Apart from that, just to break up again further, pipe and tube, because of this freight, if it goes back to normal, definitely it will improve.

Again, the share of few of the value-added products will further come with the increase in seamless and welded utilization. This is of side of pipe, and on the side of, we are contemplating for the H2 around INR70 crores odd from data center, wherein we expect a margin of, an EBITDA margin of exceeding 30%. Further, we expect around INR50 odd crores from fitting business in the coming quarter to go, where we expect an EBITDA margin of exceeding 17%-18%.

Pritesh Chheda: H2 fittings business will be INR40 crores-INR50 crores versus INR9 crores in H1. Data center pipe spooling business will be INR70 crores versus zero in H1, correct? Those two pieces of business are higher margin. The pipes business, whatever correction in the margin that we saw, will recoup itself in H2. Can you tell us the full-year volume growth expected in pipes? What have you done in H1 in volume growth, and what it will be for full year?

Kunal Bubna: For sequential quarter?

Pritesh Chheda: H1, Y-o-Y, what is the volume growth?

Kunal Bubna: Around 8%.

Pritesh Chheda: 8%. What it will be for full year?

Kunal Bubna: For the year, we are targeting around 15%.

Pritesh Chheda: 15%. Okay. What will drive this 8%-15%?

Kunal Bubna: There would be increase. We had an order book of around INR640 odd crores. We see there had been demand on the side of export and both on domestic. We see there will be growth both on the side of welded and seamless. That should be driving the growth. We have received an order from power and all. Further, few more tenders would be open for power in the coming quarters to go. We are quite hopeful, quite positive on that front also.

Arun Kothari: Secondly, apart from this, our seamless pipe manufacturing facility has also started last three, four months back only. We will get the more, the second seamless pipe facility which is operated in the month of May, the volume growth will come from that facility also.

Pritesh Chheda: Okay. What is your order book growth rate? What is this INR647 crores that you are mentioning right now? What is the year-over-year growth rate in order book?

Kunal Bubna: It is around more than 30%.

Pritesh Chheda: 30%. Okay. What is the execution timeline of this INR640 crores?

Kunal Bubna: See, just to break it further, INR640 crores and INR30 crores we have received from data center. So INR670 crores is the order book. We believe four to five months we can say. Apart from that, we have a further LOI of data center of INR155 crores, which is pending to be converted into

order. We believe the data center entire execution should be, we will be targeting before coming December 2027.

Pritesh Chheda: So INR640 crores is the pipes order and INR30 crores is the data center order.

Kunal Bubna: Data center order.

Pritesh Chheda: Oh, okay. Done, sir. Okay. Thank you very much, sir. All the best and Happy Diwali, sir.

Kunal Bubna: Yes, same to you.

Moderator: Thank you. We have the next question from the line of Mahek Talati from Agility Advisors. Please go ahead.

Mahek Talati: Yes. Hi, sir. Thank you so much for the opportunity. Sir, just a clarification. You said currently our EBITDA per kg is INR62 per kg, right? And it has increased by how much?

Kunal Bubna: No, no, it has not increased.

Mahek Talati: Okay. It has decreased. How much is the decrease?

Kunal Bubna: Around, see it used to be for the last one, INR64. It has come down to INR62.

Mahek Talati: Okay. I could see there has been a, mainly it is due to employee expense and other expense. Our employee expense has grown by close to 34%. Can you please explain, like, what is the reason behind this significant?

Kunal Bubna: See, overall, other expenses have increased. As we said, there has been an increase in exports, which has also affected. Again, as we said, there has been an effect on account of an increase in Freight and export Freight, which is a major cost, and fuel costs also, which have also increased. These are the mixed bag of reasons that increased those costs.

Mahek Talati: No, sir, I was asking about the employee expense.

Kunal Bubna: Employee fee over a period, we have been adding plants; you have been seeing that also. We finished capacity expansion in the month of May for fitting and expanded capacity of stainless. In the last year also, post this quarter, few more plants were added. It has been a journey wherein we have been adding capacity over the last one year, if you have seen. That is the reason behind that.

Mahek Talati: We expect Q3 and Q4 to see a minimum, like, lower impact of employee addition, then we should see margin improvement going forward from H2.

Kunal Bubna: Definitely, see, definitely the intent is that few employee expenses further can increase because few of the plants may be having more capacity ramp up, wherein few employee might be increased, but not substantially very high. If the freight cost decrease to an extent, we definitely believe the margins should be improving. Again, as we said, a few of the value-added product

for which the order had been received, and we have also started supplying this all continue, definitely we should see those increment, right?

Mahek Talati: Okay. Do we have a pass-on clause for an increase in power and fuel costs? because currently it does not seem to be there.

Kunal Bubna: Yes, not generally, but few of the order, if they are for the longer period, there is some but for Power and fuel, you do not have any such specific pass-on clause, but there are few orders which we do an export. For a specific export order, there are certain criteria, like above certain freight prices, plus or minus; it has to be borne at both ends.

Mahek Talati: Understood. Which related to the data center capacity, is the entire capacity live or it will come in phases?

Kunal Bubna: It will come in phases.

Mahek Talati: It will come in. Okay. Last question, currently we had an interest cost of close to INR14 crores in Q2 FY27. This should be more or less zero for the next few quarters, or there might be some cost?

Kunal Bubna: No, currently we are paying around 344-odd crores on the private placement we made. If you see that number, annual interest saving of up to INR28 crores to INR30 crores would be there. For the coming H2, I believe INR12 crores, INR13 crores would be the saving on the front of interest.

Mahek Talati: Okay, understood. Thank you. I have further question. We will get back in the. Thank you so much.

Moderator: Thank you. We have the next question from the line of Parth Bhavsar from Investec. Please go ahead.

Parth Bhavsar: Hi, sir. Thank you for the opportunity. Sir, I wanted to get some sense of our order book pipeline. How does it look beyond this INR650 crores, and where does this come from? If you can throw some light on region or specific project?

Kunal Bubna: See, there are, again, it's a mixed bag. We said that power is there, engineering is there, oil and gas is there. Again, quantum is also there from many of the export geographies also. There are mixed, and again, few are there from the new sector like solar, few from semiconductor. It's a mixed bag again.

Parth Bhavsar: Can you just put a number to this?

Kunal Bubna: No, it will be very tough for us to give those numbers because few are there, project orders are being discussed, which might not be getting converted. Getting those specific would be very tough.

Parth Bhavsar: Fair enough. My second question is on margins. How should we look at piping margins into H2? Do you think that this freight cost can be passed on to customers? How do we see margins in H2?

Kunal Bubna: Yes, definitely. As and when we bid for new order, definitely these are being passed on to a good extent. It is not that. We believe this should improve. Again, we believe there should be some moderation rate of freight also going forward. Keeping all this, it should improve, definitely yes.

Parth Bhavsar: Margins will go back to 16% in H2?

Kunal Bubna: See, again, on a percentage basis, it is very tough to say because if the price remain at the same level, optically it is again at that current percent only. It is only the higher selling price which will technically decrease the marging %.

Parth Bhavsar: Perfect. Sir, thank you so much for answering my questions.

Moderator: Thank you. We have the next question from the line of Sahil Sanghvi from Monarch Networth Capital. Please go ahead.

Sahil Sanghvi: Yes, hi, sir. Good evening. Sir, I just wanted to understand the reason for the gross margin expansion. Whatever is the sales that we do, the raw material is purchased back-to-back on that, or is there some kind of gap over there?

Kunal Bubna: No, see, it's again mix which came in. Similar percentage increases, so you had those effect wherein the RM cost is comparatively slightly low, and you had a higher indirect other expenses. So, those type of mix changes those RM consumption costs.

Sahil Sanghvi: No, sorry, I did not get you. Sorry, what exactly did you say?

Kunal Bubna: I mean to say, if there is an increased contribution on the seamless side. In Seamless generally the RM consumption on the side of seamless is low, and the indirect cost is high. Those mix also changes those costs, so that is the impact of decrease in the RM consumption cost.

Sahil Sanghvi: But the mix change, YoY If i had to look, your seamless proportion is the same.

Kunal Bubna: No, no, seamless has increased.

Sahil Sanghvi: I can see, I mean…

Kunal Bubna: From the quantity perspective, quantity perspective, seamless is increased.

Sahil Sanghvi: Seamless is decreased.

Kunal Bubna: Increased from quantity perspective.

Sahil Sanghvi: Okay. Okay, so that has led to the increase in gross margin.

Kunal Bubna: Yes.

Sahil Sanghvi: Okay, fine. Okay, thank you. Thank you.

Moderator: Thank you. We have the next question from the line of Shashank Kanodia from ICICI Securities. Please go ahead.

Shashank Kanodia: Yes, thank you. Just wanted to check on the capex part. I think initially you were guiding for INR100 crores of capex spend, and your half-yearly cash flow shows that you already spent INR105 odd crores. Is there any change in capex outlook for this year?

Kunal Bubna: No, it should be; again, it includes the capex of earlier announced capex, which also forms part of it. If you see, and also, capex from the side of start of solar power plant. We believe for the half year to go, it will be in the range of INR30 crores, INR35 odd crores.

Shashank Kanodia: H2 you are saying it should be in the range of INR30 crores-INR35 crores? The full year will be in INR130 odd crores?

Kunal Bubna: INR130-INR140, in the mid of that.

Shashank Kanodia: Okay. Okay. Because as per my understanding, I think last quarter you mentioned INR100 crores all put together.

Kunal Bubna: It was predominantly. No, no. If you see the new expansion was INR60 crores, INR65-odd crores for towards spooling and fittings, and INR25 crores, INR30-odd crores was towards, the solar power plant. Again, few maintenance capex and all. So for the new project, it is again in the same line. Few amount has been spend for the project being completed,.

Shashank Kanodia: Okay. Okay. Sir, wasn't exports and fittings supposed to be a high-margin business for us? I mean, than the domestic business?

Kunal Bubna: Exports of fittings?

Shashank Kanodia: Exports and fittings were supposed to be a high-margin business for us, right, sir? Rather than domestic sales.

Kunal Bubna: Yes, export is generally when you are selling in the export market; it is there. But there is an impact of freight and all which is happening. But again, as and when this thing is stabilised i.e freight, you can definitely eye for a higher margin in export. And fitting also, you said?

Shashank Kanodia: Yes, fitting also is a high-margin business.

Kunal Bubna: Fitting, definitely, yes, sir. But as we recently started, it's again a business where you have to get individual approval from the requisite customers and all. So we are underway of that. But as and when you got those approvals and your supplies are made, definitely, yes, it will be definitely higher than the current EBITDA margin what we are from business. It can go up to 20% also.

Shashank Kanodia: Right. Because, sir, the point I'm trying to make is for last seven quarters, we have been clocking this PAT range of INR24 crores, INR26 odd crores. Whereas top line has increased from 258 to 361. Right? Just to make you aware of this fact that we have not really

Kunal Bubna: No, definitely, yes. No, no, we understand that. But as we said, we are targeting around INR70 crores from spooling business, INR40 crores-INR50 crores from fitting business. So these all are the business where as we discussed, EBITDA of 30%, 20%. And again, improvement in the current business with more consumption of value-added products, which has been added in the last few quarters. So I think definitely those growth should come at the PAT level also in the going forward quarters to come.

Shashank Kanodia: Right. And sir, any other data center LOIs or any development with which you are any other clients, any developments on that front?

Arun Kothari: Right now, our capacity, whatever capacity we have installed, we have blocked for this LOI. We had to first execute this data center order. Further, we are adding new capacity also, to enhance our capacity, which will be operational hopefully by January or February. After that, we have to execute this order by, say for example, by end of Q2 of the FY28 or Q3 of the FY28.

We have to execute this order. After that only, we are expecting we will start discussing with our existing client. He has the more requirement. After that also, if he is not having requirement, then we have a lot of inquiry pending from other data center also. So our discussion is ongoing with them. If need arise, so we can do further capacity expand also.

For that purpose, we will have the thought, say, in Q4, in early January or mid-January. We will have the thought, we have to enhance the further capacity. The whatever capacity we are installing, the existing capacity as well as the new capacity we are installing, that can do, say for example, year per annum business of the near about INR250 crores-INR300 crores.

So a lot of inquiries are pending, or we are also new in this sector. So we are also encouraging the new, all the data centers. So definitely we are in order to go into this, increase the volume share in the data center business. Apart from this data center also, as we earlier do, we want to move in the all the geography for all the segments.

Just like in pipes, we moved to welded pipes, seamless pipes, then tubing, then a number of welded pipes, and then we moved to fittings. Immediately in Q4 also, we are planning to move into the spooling in the power sector also. That will also give a different advantage. So one by one, we are planning to go into the more value-added for it, which will give the more benefit.

Shashank Kanodia: Right. Right. And sir, out of this INR372 crores of preferential allotment, what is the amount of debt that you have retired now as on date?

Kunal Bubna: The total would be INR344 odd crores, that will be retiring. So we have started paying the same, and we believe it will be sooner completed, the entire INR344 odd crores.

Shashank Kanodia: Understood, sir. Thank you so much, and wish you all the best.

Kunal Bubna: Thank you.

Moderator: Thank you. We have the next question from the line of Deepak Kumar from Sundaram Mutual Fund. Please go ahead.

Deepak Kumar: Yes, thank you for the opportunity. Am I audible?

Kunal Bubna: Yes.

Moderator: Yes, you're audible.

Deepak Kumar: Yes. Hi, sir. My first question is on export growth. This quarter, we had a good growth of 57% on a quarter-over-quarter basis. Just wanted to understand from where did we get this sort of growth? Any perspective on the geography front? Was it like our pipe got shipped more towards U.S. region, or was it led by Europe? Just want to understand that from where are we getting this growth?

Kunal Bubna: Yes, it was predominantly dominated by USA.

Deepak Kumar: USA?

Kunal Bubna: Yes.

Deepak Kumar: Okay. Of our closing pipe order book of INR440 crores, what would be the split between USA. and other export geography?

Kunal Bubna: 440?

Arun Kothari: No, it's INR640 crores.

Kunal Bubna: INR640 crores, sorry. INR640, yes, INR640. Again, more than 50% is from U.S.A., and around 40 odd percent towards Europe. Then the rest to other geography, like Middle East and others.

Deepak Kumar: Okay, so 40% of the order book is exports, and of that, 50% is U.S.A., correct?

Kunal Bubna: Yes.

Deepak Kumar: Okay. Thank you.

Kunal Bubna: No tension. Yes.

Moderator: Thank you. We have the next question from the line of Dhiral Shah from PhillipCapital. Please go ahead.

Dhiral Shah: Yes. Good evening, sir. Thanks for the opportunity. Sir, again, my question was regarding the export side. So what percentage of our freight costs we are able to pass on to the end customers, and what percentage we have taken the hit?

Arun Kothari: Just regarding freight cost, if you will see, our freight cost has been substantially increased in the last quarter only, in the Q2 only. Whatever order we have taken, the order executed in Q2, is the order, all the orders we are receiving, say, for example, early Q1. That was we are, on that freight rate, we have taken some of the order.

So we have to serve our customers. Either we can delay the export or can maintain the margin or can supply in the domestic. But we decided not to delay our export order since we have been dealing with all the clients for a very long time. That is why we took the margin hit, which we could have easily defended.

But we decided not for long-term relationship of our client to continue supply despite such an increase of freight. We are hopeful, if this last two to three days, freight has already going towards downward trend.

Dhiral Shah: But sir, is there any scope where we can able to pass it on the higher freight rate to our customer or the order that we have already discussed in that also?

Kunal Bubna: No, there are few orders where there are certain condition of beyond certain prices, the pass-on are there, but not with all the orders. Again, you do not supply all the order on CIF , and there are few on Ex work basis. Again, for all the new orders being contemplated or being taken, generally, we are shifting those costs to the customer.

Dhiral Shah: Okay. But sir, in next two quarters, particularly from the pipe side, will we be able to maintain the margins that we were able to deliver between 16%-17% or maybe let's say freight rate continue to remain high, let's say it is falling now, but if any chance it again goes up, then are we able to maintain our margins?

Arun Kothari: Yes, definitely in H2, we can be able to be like the almost in the same margin. In the month of October, the freight rate was almost same which was in Q2. So now we have seen the downward trend. So if downward trends will be at the old level, in the early Q1 level, then definitely our pipe business margin will be between, you can say, between the our old level, which was around 16%.

Apart from this, in H2, as we have said earlier, you will get better margins since we have already started the spooling facility. The spooling facility revenue is not part in the H1 revenue, or as well as fitting revenue was also very minimal in H1.

Dhiral Shah: And sir, lastly, on the Europe side, as we are seeing, the quota-related issue is impacting the stainless steel exports from India. So are we also facing any issue, and how are we able to manage that risk?

Arun Kothari: Yes, regarding this quota level also, if you see, our export in Europe is almost same level which we were doing earlier also. There is no much quota issue there. Whatever quotas Europe was having previously, they decreased quota by, say, for example, around 15%-20% year about. So there is not much hit to our exports in the European market. It is still running only.

Kunal Bubna: Yes. But again, if you see, the export in total had been increasing, and there had been certain depletion on the Europe side also. But again, it is a call; you keep shifting your sales to the U.S.A., Europe, and again, you keep on adding geographies like the Middle East and other parts of the world where you are slightly less currently. So again, we keep on hedging those risks also.

Dhiral Shah: Side, which segment we are getting the incremental order because as I mentioned, until last year or in fact in Q1 also, maybe U.S. was contributing 20% to our export revenue, right? If I look at your total exports. That ratio has now gone to almost 50%. So which segment is giving us the higher order, and how do you see overall export revenue growth in the coming year, and maybe for FY28?

Kunal Bubna: See again, in case of export to USA and generally to the stockist distributor of those countries, not very specific sector. So therein it's very tough for us to contemplate any sector. But again, the order book is again, as we said, it's around 40% of the total of the pipe order we have 40% from the exports sale. So we believe definitely this 40% trend should continue.

Dhiral Shah: That is coming from the oil and gas side, power side; which of the geographies is giving us more orders from the U.S. market?

Kunal Bubna: See again, as we said, we are selling to distributor, so we are not supplying to the specific project in USA. They, in turn, supply to the sector. See again, it will be mix of oil and gas, chemical and a few of the sectors in USA.

Moderator: Sorry to interrupt, Dhiral. I would request you to please rejoin the queue again for more questions.

Dhiral Shah: Yes. Okay, sure. Thank you.

Moderator: Thank you. We have the next question from the line of Rishi Kothari from Capital Bridge Advisors. Please go ahead.

Rishi Kothari: Thank you so much for the opportunity. I had two questions. First was, in terms of power and fuel cost that we have, what would be that percentage of revenue, if at all you can give me that breakup?

Kunal Bubna: Hello?

Rishi Kothari: Hello. Audible? Hello?

Kunal Bubna: Yes. Yes, now you are audible.

Rishi Kothari: Yes. Sir, just wanted to have a quick percentage breakup of power and fuel cost as a total percentage of revenue. Do we have that sort of percentage?

Kunal Bubna: It will be around. Yes, it will be roughly just an indicative, it will be more than 3.5%.

Rishi Kothari: 3.5% of the revenue?

Kunal Bubna: Yes.

Rishi Kothari: Okay, got it. That has been consistent throughout the quarters for last three, four odd years or quarters?

Kunal Bubna: No, see, it had been increasing from the start of this financial year from April 2026, it had been increasing. It had also increased in the Q1 and it has also increased in the Q2 also. You can say on a percentage basis, you can say it has increased by at least 1% of the sales.

Rishi Kothari: Okay, 1%. Got it. Understood. In terms of the balance sheet, what would be the inventory days and debtor days right now at this moment?

Kunal Bubna: See, if you see NWC on sale, it will be roughly in the range of 120 days.

Rishi Kothari: 150 days?

Kunal Bubna: 120 days on sales, NWC.

Rishi Kothari: 120 days on the net working capital?

Kunal Bubna: NWC, net working capital on sales.

Rishi Kothari: What about, do we have inventory days and debtor days kind of a breakup?

Kunal Bubna: Sort of, debtor should be around 75-80 days in the range on sales, around nWC 120 days.

Rishi Kothari: Okay, got it. Understood. Thank you so much for answering the question. I will jump back with you.

Moderator: Thank you. We have the next question from the line of Sahil Karia from White Pine Investment Management Private Limited. Please go ahead.

Sahil Karia: Yes, thank you for the opportunity. Sir, could you just give us the capacity utilization of seamless, welded and fittings for the current quarter, and what is the capacity of fittings, annual capacity?

Kunal Bubna: See again, just to discuss on fittings, it is generally sold on number, so we do not have any specific, but what we believe, it can give a revenue of 3x to 3.5x of the total investment what we have done. We did an investment of roughly in the range of INR60 crores. We believe INR180 crores-INR200 crores can be a peak revenue that we can get from the business.

Sahil Karia: Okay. Also, I just wanted a clarification on the order book execution. On the total INR670 crores of order book, you told that four to five months is the execution period, right?

Kunal Bubna: Yes except fews orders.

Sahil Karia: Okay. Yes. Thank you so much.

Kunal Bubna: Yes. Hello?

Moderator: You are not audible. Hello?

Kunal Bubna: Yes, you are not. Can you please?

Moderator: The line for the participant has been disconnected. We will take the next participant. We have the next question from the line of Simran Kumari from Narnolia Financial Services Limited. Please go ahead.

Simran Kumari: Hi, sir. Good evening. My question is related to capacity utilization. Can I get the breakup between seamless and welded for these?

Kunal Bubna: Yes. For the quarter, around more than 60% on the side of welded and on the side of seamless, it was more than 80%.

Simran Kumari: How the outlook will be like for the next two quarters, like H2?

Kunal Bubna: Yes, definitely it will keep on increasing. Welded will be moving to 60% to 65%, 70%. Again, seamless will go above 90%.

Simran Kumari: Okay. And the volume growth for sales?

Kunal Bubna: Overall for the year, we have said we are targeting, on an annual basis, a volume growth of around 15%.

Simran Kumari: Can I get a breakup between seamless as well as welded?

Kunal Bubna: Growth should come from both.

Simran Kumari: For H2, how much are we expecting?

Kunal Bubna: We have around 7%-8% in this H1, so definitely more than that will come from seamless and welded in the H2. Apart from that, growth will also come from a fittings and spooling business.

Simran Kumari: Okay. My last question is for EBITDA margin. What is the outlook for EBITDA margin for H2?

Kunal Bubna: See, as we said, the endeavour is to improve it. It was around INR62 for this quarter, and we believe it should be definitely increasing with the increasing. Apart from that, we said for data center, we are targeting a revenue of around 70 odd crores, wherein the margin should be in the range of around 30%. For fittings also, we are targeting a top line of 40 to 50 crores, wherein the EBITDA margin is, as we said, 18%-20%. I think all these things should help us drive it forward.

Simran Kumari: Okay, sir. Thank you so much, and all the best.

Moderator: Thank you. We have the next question from the line of Ashay Sheth from Ventura Securities. Please go ahead.

Ashay Sheth: Good morning, sir. Thank you for the opportunity, and congratulations on a wonderful set of results. I have a couple of questions for you. As we scale up our spooling business, can you update us on the qualification and approval status across power, oil and gas, and nuclear applications? How far is particularly nuclear sector order book, and what are the certifications and barriers to entry that we need to pass to get to that one?

Kunal Bubna: When we talk about our spooling, currently we are executing an order for a data centre. But definitely, as a company we are internally working to move towards spooling for other sectors also. Though we are internally working for that, we definitely want to have more supplies for this current order. Sooner or later, as and when we form a certain firm plan, we will definitely update you.

But see, the endeavour is definitely there to move toward those sector. On the side of pipe also, we are working for. We have been supplying to few of the nuclear and other sector, but those quantities were very few. But we are working few of the approval on the pipe side for this type of sectors, and I believe as and when those formalities and approvals are completed, we will update you.

Ashay Sheth: Okay, got it, sir. Secondly, regarding the initial order that we have got for spooling, INR29 crores of order that we have got from a data center customer. Could you clarify the product composition between site spools and prefabricated kits?

Kunal Bubna: It is a mixed bag. Again, this will include pipe, fitting, Skids, everything will be assembled into. Again, flanges and many other products,.

Ashay Sheth: Okay, sir. Lastly, on the realization and EBITDA for the spools and kits both. One of our peers in the kit business, their realization tend to vary between INR1 lakh and INR5 lakh. Is there a similar sort of range for our kit business, and what would be realization and EBITDA return for spools as well, if you can?

Kunal Bubna: Sir, spool, currently, we are not to provide this. We are looking from the percentage basis, because there are many products which will be there and generally sold in numbers. As we said, the percentage- we already said what the percentage we are targeting on the front of EBITDA.

Ashay Sheth: Okay, sir. Thanks for answering all my questions, and happy Diwali in advance.

Kunal Bubna: Yes, same to you.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraints, we will take that as the last question. With that, we conclude the question and answer session. I now hand the conference back to the management for the closing comment. Over to you, sir.

Arun Kothari: Thank you all for joining us today. I hope we have addressed all of the questions. We remain committed to keeping the investment community informed with regular updates on any developments in the company. For any further information or queries, please feel free to reach out to us or SGA, our investor relation advisor. Wish you very happy Diwali, all of you.

Moderator: Thank you, members of the management. On behalf of Ambit Capital, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines.