JINDAL

JINDAL SAW LTD.

July 22, 2026

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Stock code: 500378

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Stock code: JINDALSAW

SUB.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Investor conference call on the quarterly Financial Earnings of the Company

Dear Sirs,

This is with reference to the captioned subject and further to our letters dated July 10, 2026 and July 15, 2026, please find attached the transcript of the conference call organized by the ICICI Securities Limited for analyst and investors on the Un-audited (Standalone & Consolidated) financial results (Q1FY27) of the Company for the quarter ended June 30, 2026 on Wednesday, July 15, 2026 at 16:00 Hrs. (IST). The same has already been uploaded on the website of the Company.

This is for your information and record please.

Thanking you,
Yours faithfully,
For JINDAL SAW LTD.,
Sunil
Kumar
Jain

Digitally signed by Sunil Kumar Jain
DN: c=IN, o=Personal,
2.5.4.20=f3920032fcfecff0d9cf750fe7967b752ec364a68d4ef72da6ace99afc8dde4c,
postalCode=110087, l=West Delhi,
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cn=Sunil Kumar Jain
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Sunil K. Jain
Company Secretary
FCS- 3056

“Jindal Saw Limited

Q1 FY27 Earnings Conference Call”

July 15, 2026

MANAGEMENT:	**MR. NARENDRA MANTRI – CHIEF OPERATING AND FINANCIAL OFFICER – JINDAL SAW LIMITED** **MR. VINAY KUMAR GUPTA – PRESIDENT AND HEAD TREASURY – JINDAL SAW LIMITED** **MR. RAJEEV GOYAL – SENIOR VICE PRESIDENT, CORPORATE FINANCE – JINDAL SAW LIMITED**
MODERATOR:	**MR. VIKASH SINGH – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Jindal Saw Q1 FY27 Earnings Conference Call hosted by ICICI Securities Limited. 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 risks 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 the 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. Vikash Singh. Thank you, and over to you, sir.

Vikash Singh: Thank you, Anushka. Good evening, everyone. Welcome to Jindal Saw Q1 FY27 Results Conference Call. I would like to thank the management to give us the opportunity to host them. From the management side, we have with us Mr. Narendra Mantri, Chief Operating and Financial Officer; Mr. Vinay Kumar, President and Head Treasury; and Mr. Rajeev Goyal, Senior Vice President, Corporate Finance.

Without taking any much time I'll hand over to the management for their opening remarks. Over to you, sir.

Vinay Kumar Gupta: Thanks, Vikash. Good afternoon, ladies and gentlemen. I'm Vinay Gupta, representing Jindal Saw. On behalf of the management team, including Mr. Narendra Mantri and Mr. Rajeev Goyal, it is a pleasure to welcome you to our conference call for the first quarter of financial year 2027, ending June 30, 2026.

We also appreciate the ICICI Direct team for hosting this session and coordinating the discussion. The Board approved financial results for quarter 1 of financial year '27 on July 14, 2026. These were filed with the stock exchanges, and we assume you have reviewed them.

Now -- let us now present the operational and financial performance of the company and its subsidiaries. In this presentation, we will also cover the financial performance for quarter 1 business scenario and updates on the projects in UAE and Saudi and a few other things.

In terms of our financial performance on a standalone basis, the company registered a total income of INR3,756 crores in quarter 1 of financial year '27 against INR3,327 crores in Q1 of FY26, representing an increase of approximately 13%.

EBITDA for quarter 1 of '27 stood at INR341 crores against INR560 crores in quarter 1 of '26, representing a decline of approximately 40%. PBT for Q1 of '27 is reported at INR145 crores against INR307 crores in quarter 1 of FY26, representing a decline of approximately 53%. PAT for Q1 of '27 is reported at INR110 crores against INR364 crores in quarter 1 of FY26, representing a decline of approximately 70%.

On a stand-alone basis, total income stood at INR4,476 crores for the quarter 1 on consol as compared to INR4,103 crores in quarter 1 of FY26, representing an increase of approximately

9%. EBITDA for quarter 1 of '27 stood at INR421 crores against INR688 crores for quarter 1 in FY26, representing a decline of approximately 39%.

PBT for quarter 1 in FY27 is reported at INR148 crores as against INR364 crores for quarter 1 of FY26, representing a decline of approximately 60%. PAT for quarter 1 of FY27 is reported at INR91 crores, against INR415 crores in quarter 1 of FY26, representing a decline of approximately 78%.

Now in terms of our indebtedness, as of 30th June 2026, the standalone net debt narrowed to INR2,345 crores as that -- and -- versus INR2,453 crores as of 31st March 2026. This includes INR526 crores of long-term debt. This is primarily INR500 crores out of this is from LIC, NCD which is repayable in 3 equal installments in FY28, '29 and '30.

The net institutional debt at consolidated basis has reduced to INR2,472 crores as compared to INR2,528 crores as of 31st March 2026. And the long-term debt out of this was INR536 crores. In June 2026, CARE Ratings has affirmed CARE A1+ rating for short-term debt facilities, including commercial paper, and CARE AA, Outlook Stable for long-term facilities. They basically reaffirm, so there's no change in the rating.

Now let us discuss the progresses of our business. In terms of operations, for the first quarter ending 30 June 2026, performance remained muted, broadly similar to the weak trend seen in quarter 4 of the previous year, with exports, water infrastructure demand and seamless pipe certifications, all acting as constraints on our business.

While we hold a strong order book, including a 6 lakh metric ton work order from Saudi Arabia, all outward shipments have been suspended since March 2026. Geopolitical situation between U.S. and Iran brought MENA region trade to a standstill this quarter by blocking the Strait of Hormuz. A short-lived diplomatic breakthrough in mid-June offered some hope for recovery.

However, the subsequent collapse of these peace talks has limited our short-term visibility. Company had started executing a few orders on export side to non-MENA region. Due to heavy traffic at Indian port, a few of the shipments have been deferred to Q2 of financial year '27.

In the domestic market, the water segment remained weak as Jal Jeevan mission-linked project execution continued to be affected by delayed release of central funds and title scrutiny of the state projects. Multiple states reported pending dues and slowed project time lines, reinforcing a demand slowdown for pipe supply tied to government rural water schemes.

However, the company saw a recovery in Q1 of this year, driven by higher ductile iron pipe volume -- sales volume for execute various pipe project orders with us. Now in terms of company-related matters, which had affected the business specifically in Q1, the company's seamless pipe business was additionally impacted because of its API license remains suspended from January 2026 until mid-June '26.

This limited our ability to participate in certified oil and gas orders during the quarter. API reinstatement enables the company to resume API-certified seamless pipe supplies and participate in tender that requires the API monogram.

In terms of a couple of new opportunities, as was pointed out in the previous call, heightened geopolitical risk across the MENA region is driving a decisive shift towards more secure overland energy infrastructure, creating a strong pipeline of opportunities in expansion, rehabilitation and replacement projects, especially those aimed at avoiding vulnerable maritime choke points. This shift speeds up investments in routes that bypass high-risk areas, creating major opportunities for pipe manufacturers and vendors in oil, gas and water infrastructure.

Currently, India is also prioritizing energy security with new pipeline tenders expected in coming quarters that follows a landmark March '26 government mandate designed to fast track nationwide pipe gas rolled out by eliminating bureaucratic delays, excessive fees and local bottlenecks through time-bound central approvals.

We would now like to update you about the company's ventures in MENA region. So as you know, like in the geopolitical hurdles which exist in MENA region, the shift dynamics bring new chances for companies like us, and that is why we are actively pursuing these opportunities by expanding and manufacturing locally.

As you know, we had announced seamless project in Abu Dhabi and SAW pipe project in Saudi Arabia. So first, let's talk about seamless pipe plant in Abu Dhabi. As we updated on various occasions, the company had initiated the process to set up a state-of-the-art 3 lakh ton seamless pipe manufacturing facility in Abu Dhabi with an estimated project cost of approximately USD300 million.

The plant will primarily cater to the oil and gas sector in MENA region and more specifically in UAE. This is aligned with the company's strategy to strengthen its supply base closer to the key global energy markets, including UAE.

The project execution has commenced. By securing a developed leasehold land with the existing civil infrastructure, we have effectively shortened our construction time line. Procurement for critical long-lead equipment is already underway, whereby we have started opening LCs and placed cash advances. With financial closure expected in next few months, the project remains firmly on track, which is likely to commence the commercial operation in FY29.

Jindal Saw Abu Dhabi strategy now rests as on a dual pipe platform, seamless pipes, plus the ductile iron pipe facility, both aimed at anchoring a full-fledged regional hub for energy and water infrastructure.

Some brief about our SAW pipe plant in Saudi Arabia. We updated in the past that we have established a strategic joint venture in Saudi Arabia, holding a 51% equity stake alongside Buhur of KSA -- Saudi, which will hold 49%. The JV is dedicated to establishing advanced LSAW and HSAW pipe mills of 300,000 metric tons per annum each to serve regional water infrastructure and energy demand.

Having already secured the project land and established LC for selected equipment, we are fully committed to fast-tracking for construction of these manufacturing facilities. Furthermore, we expect to finalize interim financial closure within the next few months.

Beyond meeting Saudi's domestic demand, these facilities are strategically positioned to capture lucrative post-war commercial opportunities in the region, aligning with the broader MENA shift towards alternative energy supply routes that circumvent the Strait of Hormuz. Overall, Jindal Saw is creating a Middle East production corridor. Abu Dhabi as a controlled high-end seamless hub and Saudi as a JV-driven local content-rich capacity in LSAW, HSAW and also ductile iron to lock in infrastructure demand.

Now let us look at our subsidiary in UAE and other parts. In UAE, because of the regional conflicts in MENA regions, the operations remain disrupted at the ductile iron pipe facility in Abu Dhabi. UAE remains a highly impacted area within the region. Due to these circumstances and with employee safety as our top priority, operations have been reduced to meet essential demand. The sales from Abu Dhabi plants are restricted to customers in the country which are within the trucking range only.

In this backdrop, in Q1 of FY27, Abu Dhabi company delivered approximately 34,000 metric ton of ductile pipe as compared to 48,000 in the previous quarter of -- which is quarter 4 of last year, the ductile pipes. As on 31st -- as of 30th June '26, the subsidiary hold an order book of approximately USD188 million. In terms of volume, it is 1,77,000 ton, which ensures operational visibility for next three to four quarters. This backlog is independent of the order book of Jindal Saw Limited.

Jindal Hunting, which is a joint venture between Hunting Energy Services, Singapore, and Jindal Saw, Jindal Saw holds 51% in this company. It generated a revenue of INR5 crores and a loss -- it is first time it incurred a loss of INR5.3 crores in the Q1. And this poor performance is a result of the suspension of the API license of Jindal Saw Limited. And since the API license has been reinstated, we expected the performance to improve gradually in coming quarters.

Last, about the court case of Jindal ITF versus NTPC, the conflict -- with respect to this conflict, the arguments from both sides are closed at the double bench of Delhi High Court and the order has been reserved. We expect the order to be announced in next -- maximum two months' time. The courts are on vacation, which are likely to be over in some time. And after that, the order can be announced.

So we thought, let me give you a brief summary this time and let's have more interaction. So I leave the floor open for interactive discussion. My colleagues, Mr. Narendra Mantri and Mr. Rajeev Goyal are with me to address any of the questions from the meeting. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Deepak Poddar from Sapphire Capital. Please proceed.

Deepak Poddar: Sir, am I audible, sir?

Vinay Kumar Gupta: Yes, you are audible.

Deepak Poddar: Yes. Thank you very much for this opportunity. Sir, just wanted to understand now on the visibility going forward. I mean, you mentioned that in India, the JJM continues to delay. So the DI pipe offtake is also on the lower side in the Middle East because of the current situation. Even the peace talk failing has provided you limited visibility. So I just wanted to dwell more. So how should one look at the execution this year? I mean -- or by when we expect some kind of traction in your volumes? So something on those lines, your comments will be very helpful, sir. Yes.

Vinay Kumar Gupta: Yes. So Rajeev is taking the question. So Rajeev, can you please help?

Rajeev Goyal: Yes. So as Vinay mentioned in his opening remarks that performance in the first quarter because of multiple reasons and geopolitical issues, which is likely to continue in the coming quarters also. So this was also.

Deepak Poddar: Sir, your voice cracked. Can you just repeat just this last line. I mean, your voice was not very clear. Yes.

Rajeev Goyal: So we mentioned that.

Vinay Kumar Gupta: Your voice is echoing on the call.

Rajeev Goyal: Is there echo also on your side?

Deepak Poddar: No, I don't think so there is any echo I'm hearing here.

Rajeev Goyal: Okay. Good. So given the current scenario, domestic as well as overseas, order book is quite consistent. There is a little bit of dip in terms of volumes, but we are – in the current situation also we are likely to execute these orders in the current year, and the volumes are likely to remain at the same level as it were in FY26. That is our prediction.

Given the current scenario, with still the [inaudible 00:18:46] that's going on, but we are working on multiple strategies beyond the MENA region. On the domestic front also, some strength in water sector from state-driven projects where we are seeing some uptake improvement in first quarter, and this is likely to continue. So this is our estimate that if the situation remains same, volume-wise we are likely to achieve the same level what we did in FY26.

Deepak Poddar: Okay. Just to summarize, I mean, you mentioned the volume in FY27 overall is likely to be flattish given the current scenario? And offtake, you have seen some improvement in Middle East and you expect that to continue?

Rajeev Goyal: In the Middle East, we -- the situation is a little bit different. On the domestic front, we have seen some improvement. But in the Middle East, the monthly dispatches should remain in the same range, like 10,000 to 12,000 ton per month. So that is something which is where we can supply the material through the road only. So till the time Middle East conflict is going on and sea route is not open, this level of operations we are likely to continue.

Vinay Kumar Gupta: Also, let me supplement what Rajeev said. Mr. Poddar, Rajeev mentioned what we are doing from Abu Dhabi plant to cater to the Middle East market, okay? Secondly, if you're asking about like how we are catering to Middle East because the Middle East remains practically blocked from -- for us, for countries like India from March.

So, we have a sizable order book for Middle East from India. As of now, that order book is on hold, but we are now working out on various other options, specifically in terms of, let's say, if it is to cater to Saudi because they are -- that's where we hold an order of 600,000 tons, even if it is on the job work basis. So, we are -- because Saudi has the alternative route also, which can take -- in terms of time, it can take much longer.

It has cost issue also, but we are now engaged with the buyers to find a solution, which is a kind of, let's say, possible for both sides so that we can -- even if this stalemate continues, so we are trying to find a solution that we execute at least that order, because Saudi has both sides of the sea. So, we're working on that solution. It might take some time, but we hope to find a solution for that. If that is workable, that takes care of a larger order book.

Deepak Poddar: Okay. I got it. Understood. And just one last thing on the interest cost. So, there was a sharp reduction in your interest cost. So, what led to that? And how should one look at your interest cost going forward?

Vinay Kumar Gupta: See, this is the interest primarily on our working capital and term loan, which is the hard, let's say, roughly INR70 crores, INR75 crores. One of the larger compositions in the previous -- last previous quarters, specifically quarter 4 of 2026, got significantly impacted because of sharp depreciation of rupee in that particular quarter. Fortunately, in this quarter, the rupee is fairly stable.

Deepak Poddar: Yes, yes. I'm there, sir.

Vinay Kumar Gupta: So, I think -- I thought that there's some disruption. So, in this quarter, since the dollar-rupee was fairly stable, there was not much of the impact which will debit it to this account. So, this INR70 crores, INR75 crores in the part which is being paid in the loan.

Deepak Poddar: So, we expect these kinds of run rates going forward as well, assuming the rupee volatility is not there?

Vinay Kumar Gupta: Fine. Yes, that's a fair assumption.

Deepak Poddar: Okay, got it. That’s all from my side. Wish you all the best. Thank you so much.

Moderator: We take the next question from the line of Shweta Dikshit from Systematix. Please proceed.

Shweta Dikshit: Thank you for the opportunity. Sir, my questions are around the MENA projects that are ongoing. Firstly, on the seamless pipe plan that is expected to commission in FY29, any idea or any sense on utilization levels of volumes that could be achieved in FY29?

As well as what -- any sense on what happens on the DI pipe commissioning capacity of 1 lakh tons? How is that likely to contribute to our financials in the next 2 years? And similarly, on the SAW pipe plants which are coming up in Saudi, what is the commissioning time line if I missed it earlier?

Vinay Kumar Gupta: Okay. So, Shweta -- okay. So, let's say, to describe your question, you are trying to understand when these projects are going to be implemented, whether it is seamless project or LSAW and DI plant in Saudi and Abu Dhabi. So theoretically, the longitudinal and helical pipe plants should be done -- can be done in 18 to 24 months’ time. We are trying to crash some of the activities.

And we -- and presumably are considering, maybe assume that the stalemate in MENA region is likely to be over in the next couple of months, maybe 3 months, 6 months, whatever.

And this is the time when we don't need equipment's to land at that location. So, this is a time we will use to develop the site, specifically the Saudi because they are the new sites. So, if everything works well, we can complete the execution in next 1.5 years' time. And then the production, let's say, the testing and everything will start.

Theoretically, we expect when we consider, let's say, utilization of approximately 50% of the capacity. This is theoretical because everything will depend on the project because these are like simple technology projects, unlike ductile or other things. There, we should get the orders and depending on the, let's say, shifts we are using, the capacity can be ramped.

So, in terms -- theoretically, we have also assumed that we would produce and sell roughly 50% of the capacity, which is, let's say, 150,000 tons each in both the projects. Ductile, 100,000 tons, I mean, we can consider 50% to 60% of the capacity, but the Saudi market can take the entire production also. That's not a big issue. It will be a continuous plant on the top of this.

In terms of seamless, seamless, we again believe that we can complete this project now from today in next 18 to 20 months' time because a lot of time has been saved by us by taking a land, which is a plot of land, which is already developed. There was already a factory. So, we need not to fill the site.

We need not do the piling and anything else. Equipment -- majority of the long delivery items have already been ordered. And maybe in next 9 to 12 months' time, the equipment delivery will start. And again, when we are commissioning the project, we believe that we can do 50% to 60% in the first year. Seamless will require approvals also.

So, in the first year, a couple of initial months will go for -- including in the longitudinal API grade, a couple of months goes for taking the approval. And pending that, we can do non-API production also. So, to answer your question, we -- theoretically, we presume that production in all facilities will start in '28, '29, number one. Number two, theoretically, we are considering roughly 50% approximately production in all the facilities.

Shweta Dikshit: I was saying in that case, I think FY30 or FY31 could be the peak utilization of all the capacities together, if I'm not wrong.

Rajeev Goyal: Yes. So, Shweta, you're right, within 2 to 3 years' time, we are expecting the peak capacity utilization in all the plants.

Shweta Dikshit: 2 to 3 years from now, right?

Rajeev Goyal: Yes. From '28, '29 onwards. Yes.

Shweta Dikshit: Okay. And lastly, any guidance that you could provide for the seamless pipe facility in India, the Nashik plant, since now the API license is reinstated. So, your -- last year before the commissioning of piercing mill, management was guiding to hit a run rate of around 80,000, 90,000 tons every quarter. When do we expect to hit this run rate, if it is still going to take time, or what would be the possibilities there?

Rajeev Goyal: Shweta, utilization in seamless facilities in Nashik is going to ramp up because...

Moderator: Ladies and gentlemen, the line for the management has been disconnected. Please stay connected till I rejoin the management. Thank you. Ladies and gentlemen, thank you for waiting patiently. The management line has been connected. Sir, you may proceed.

Rajeev Goyal: Yes. So, Shweta, your question was relating to the capacity utilization improvement in seamless Nashik unit, where we actually the -- API licenses have been restated very recently. So, since January to June, we were not eligible to participate in any of the API-related supply tenders. So, this activity has started now.

We have started participating in the business, but what we expect that at least a quarter or so, there will be some gap in terms of the utilization levels, but we are expecting that September or October onwards, the facilities should start improving the utilization level because API-related sales, we are expecting to come into the production. So, October onwards, we can expect the better utilization in seamless.

Shweta Dikshit: Roughly, what utilization levels, sir? And are we looking at 80,000, 90,000 tons quarterly volume since -- starting 3Q?

Rajeev Goyal: So it will be somewhere in 70,000 to 80,000 tons, yes, definitely, quarterly.

Shweta Dikshit: Okay sir. Thank you so much. I will come back in the queue.

Moderator: Thank you. We take the next question from the line of Sailesh Raja from 360 ONE Capital Market. Please proceed.

Sailesh Raja: Thanks for the opportunity. Sir, our order book stands at 1.78 million tons, of which 0.75 million metric ton is exports order. So within exports, around 6.08 lakh pertains to Helical SAW job work orders. So could you help us understand the composition of the remaining 1.42 lakh tons? Specifically, how much relates to LSAW pipe and DI pipe? Additionally, could you provide the breakup of export orders between Middle East and non-Middle East, sir?

Rajeev Goyal: So Sailesh, Middle East or non-Middle East combined order book is roughly 60% export order book is from Middle East and rest of the 40% is from the non-Middle East market. So that is on an overall basis. Yes.

Sailesh Raja: Okay. Sir, can you give the breakup of this 1.72? Other than non-job worked order, the balance quantity is 1.42 lakh tons. So how much is LSAW and DI?

Rajeev Goyal: So in terms of value, if you talk about, roughly 70 million ton is from longitudinal, USD30 million order book is from seamless, and ductile is from roughly USD40 million is the order book.

Sailesh Raja: Okay. Okay. This is overall you are talking, sir, in exports?

Rajeev Goyal: Yes, overall. Yes. I'm talking about exports only.

Sailesh Raja: Yes. And also, in the near term, as you said, the outlook remains uncertain during the geopolitical situation and slow recovery in domestic water infra spending. So how is the company thinking about de-risking in order book geographically?

Are you aggressively pursuing opportunities in the market like US, Canada, Southeast and other regions? Or is the strategy to maintain focus on existing market to preserve the market share and execution capability until the Middle East and domestic demand normalizes? So what is our strategy?

Rajeev Goyal: So in terms of ductile iron pipe or water sector, primarily led by DI, as you mentioned, yes, domestic front, there is -- again, JJM is not coming up very prominently. So domestic front -- to mitigate the domestic risk, we have already started exploring the overseas market, primarily the Europe, which is having a peak demand, and we are also getting good inquiries from this market, and we are likely to increase our export order book in the coming quarters.

So some of the facilities will be dedicated for export market in ductile so that we can actually decentralize or de-risk the concentration risk on the domestic market. That is the strategy we are following.

Sailesh Raja: And how about the other segments, sir, seamless and Helical SAW products?

Vinay Kumar Gupta: So okay. This is Vinay Gupta. So Sailesh, in terms of our strategy, order strategy, if you see in the last two years or a couple of that year or for that matter, we used to have 30% of export, 70% are domestic, maybe 5% plus/minus. Now the serious problem is on account of the MENA region. So -- I mean, any sensible organization would start looking beyond the -- your stronghold.

So we are at all possible territories and the regions where we can approach conveniently and economically. For example, for the longitudinal and helical pipe, it doesn't make any sense to look at US or China or Canada. We have served to Latin America. We are looking at Southeast Asia, where China is not allowed kind of. We are looking at CIS We are looking at all possible options wherever the demands are coming or can come so that till the time the issue of MENA region gets sorted.

Moderator: Ladies and gentlemen, it seems like the line for the management has got disconnected. Please wait till I re-join the management. Ladies and gentlemen, thank you for waiting patiently. The management's line has been connected. Sir, you may proceed.

Vinay Kumar Gupta: Yes, okay. Sorry, Sailesh, line again has got disconnected. So I was just talking about, let's say, looking at various opportunities globally wherever it is possible. And hopefully, we should make announcement in some time to come. So -- but these are the reasons which earlier we were not focusing very, very specifically, which we are focusing now.

And as Rajeev said, for ductile pipe, of course, we have a presence in Middle East, which is catering to Middle East, but now we are looking from Indian facility. We are looking all our area. And we have -- we already have a presence in Italy, and we are likely to -- we are looking at it to increase the presence in entire Europe from there.

Sailesh Raja: Sir, since you have named Italy, so in our latest that -- company's LinkedIn post, it is mentioned that successfully qualified API 5L with minimum yield strength of 70,000 psi from the Italy lab for the LSAW pipes for transporting pure hydrogen and hydrogen-natural blends.

And also, we supplied, I think, 180 miles of 18-inch pipe for yard products. So how big is this opportunity for the next two or three years? Or how large is the size of the demand globally? And also what is our right to win over global players in this hydrogen transporting pipes?

Rajeev Goyal: So Sailesh, yes, there are much talked about business opportunities related to the hydrogen transportation media as a pipe. So we are qualified for that, and we have got some certifications that our pipes are qualified for transportation of hydrogen gas. In that scenario, we are also exploring the possibilities and exploring the market.

Wherever we get the opportunity, we can tap it. We are ready. Our facilities are ready. But still, the ground-level demand is yet to come. So we have not seen demand in a big way. There are discussions going on. But still, at ground level, we have not seen a significant demand in this specific area.

Sailesh Raja: Okay. Okay. Sir, one last thing. Also in our annual report, it is mentioned that first time company -- in India, we have started manufacturing stainless steel coil tubing. So could you elaborate on addressable market, end application use and also the growth potential in both domestic and exports market?

Vinay Kumar Gupta: Okay. These kinds of coils -- in our annual report, we have mentioned about this. This is a specific requirement of one of our customers. So this only shows our capability of dealing with the new requirements of the customer. As far as the demand and the name of the customer and the industry where it is required because of -- it is customer specific, and we are bound to nondisclosure policy of the customer, we are not sharing that kind of information in this call.

Sailesh Raja: Okay sir. Thank you sir. All the best.

Rajeev Goyal: Thank you.

Moderator: Thank you. We take the next question from the line of [Disha Chamria 00:39:44] from Trinetra Asset Managers. Please proceed.

Disha Chamria: Hello. Am I audible?

Vinay Kumar Gupta: Can you speak a little bit louder?

Disha Chamria: Yes, sir. Sure. Am I audible now?

Vinay Kumar Gupta: Yes.

Disha Chamria: So last call, you gave the -- you said that the margins have bottomed out. And given that the Q1 numbers are yet not positive, do you think the margins will improve from this quarter or the pressure will continue to quarter 2?

Vinay Kumar Gupta: Of course, so let me -- if I understand the question, the question is related to the current margins and how the margins look like, correct?

Disha Chamria: Yes, sir. Correct.

Vinay Kumar Gupta: Okay. So, margins, of course, have come down because of the whole model has got disturbed a bit because of external factors, because of internal factors, whether it -- we call it the West Asia issue, we call it Jal Jeevan Mission and also because of, let's say, the suspension of our API license for seamless pipe, which has been reinstated.

So, all sort of issues had impacted the margin. And this has also impacted our overall utilization of the facilities, thereby the absorption of the fixed overhead. Moving forward in next couple of months at least, till the time we are able to utilize our facility to an optimal level, again, the problem might continue because at the end of the day, one is basically the margins on the production.

Second is utilization of the facility. We expect because of -- specifically in the LSAW, HSAW facilities because of the lower utilization of those facilities, and secondly, we have multiple facilities across the country. There would be some pressure on those products, primarily because of lower capacity utilization.

But we expect that this may get arrested, maybe in a couple of months when we find, let's say, options and solutions to cater to the domestic demand as well as the Middle East demand. So, our -- even if we are not able to, let's say, we don't -- normally, we don't give the forward-looking numbers.

But in general, we expect that, what we have done in the first quarter, maybe second quarter may also be similar or whatever, but we are hopeful that if everything works well, the H2 would start showing the improvements over the H1.

Rajeev Goyal: Just to add on, as we mentioned that in the last call, it was mentioned that H1 will be softer given the geopolitical situation and domestic water industry situation. It was already guided that H1 would -- should be softer. And based on that, results are also indicating the same.

Disha Chamria: Got it. So, the impact on the H2 being -- seeing a recovery will be intact, correct?

Vinay Kumar Gupta: Yes. That is our expectation.

Disha Chamria: Okay. And on the working capital side, does this working capital thing should be normalized at this point? Or will it see an increase after the operations get started and the utilizations improve?

Rajeev Goyal: Working capital is definitely directly related to the operations, because now operations are on a lower side, that's why the working capital is on a lower side. Once the operations started improving, we may see increase in the working capital deployment, and it's a direct correlation, and working capital is a part and parcel of the business because it is a largely project-driven company.

Disha Chamria: Got it. This is due to the current utilization level that it has been looking at the lower level, right?

Vinay Kumar Gupta: Yes.

Rajeev Goyal: Yes, correct.

Disha Chamria: Thank you so much.

Moderator: We take the next question from the line of Vipulkumar Anoop Chand Shah from Sumangal Investments. Please proceed.

Vipulkumar Shah: What is our current capacity utilization? And can you break the domestic sales between the ductile pipes, seamless pipe and SAW pipes, HSAW and LSAW?

Rajeev Goyal: So generally, we don't share the product-wise sales because we are maintaining the combined pipe portfolio as a single segment. That's why we are showing the volumes -- pipe volumes and pellet volumes. So that is something which we are following as a policy of the company.

Vipulkumar Shah: Okay. But what is our capex -- what was our capacity utilization in last quarter? And what was the capacity utilization for last year for full 2025-2026?

Rajeev Goyal: So, capacity utilization was approximately 60%, 65%. Overall capacity utilization we did in FY26. And current utilizations are also on the same line.

Vipulkumar Shah: Okay. But it will not be possible to break sales volume-wise in different type of pipes, like ductiles and this LSAW, HSAW?

Rajeev Goyal: So, it is a policy of the company since we are following up segment -- or pipe segment as a single segment. So that's why we don't disclose all these numbers product-wise. So -- you can consider overall because this is the kind of a strength of the company that we are total pipe solution provider. That's why all the pipe products are under the same roof. So, you please consider as a total pipe volume.

Vipulkumar Shah: Okay. So apart from these 2 Middle East projects which are likely in '28, '29, we are not having any capacity addition in between as far as domestic capacity is concerned, right?

Rajeev Goyal: Yes.

Vipulkumar Shah: No capacity addition, domestically.

Rajeev Goyal: No domestic capacity additions we are looking for. The capacity expansion projects are in the Middle East, like Abu Dhabi and Saudi Arabia.

Vipulkumar Shah: Yes. But in India, there will be no capacity addition, right, sir?

Rajeev Goyal: No, no capacity addition in India, we have planned.

Vipulkumar Shah: And lastly, when these projects are towards the end of their implementation cycle, what will be the peak debt of the company?

Rajeev Goyal: So that, term debt as of now, as we mentioned in the initial remark, it is in the range of INR500 crores, INR500-plus crores, and that's a long-term debt, almost zero debt. And that will be increased gradually. Once the projects are over, we are estimating that term debt should remain in the range of INR3,500 crores approximately.

Vipulkumar Shah: So, from INR500 crores to INR3,500 crores, it will jump.

Rajeev Goyal: Yes.

Vipulkumar Shah: Term debt. Working capital is additional, right?

Rajeev Goyal: Yes, additional. Definitely.

Vipulkumar Shah: Okay sir. Thank you very much and all the best.

Rajeev Goyal: Thank you.

Moderator: We take the next question from the line of Shaurya Shah from Equirus Securities Private Limited. Please proceed.

Shaurya Shah: So, of course, the line pipes business has seen some challenges in the India region. So -- but in terms of bidding, right, are we seeing any pickup in bidding of any large upcoming orders in the India line pipes business? So basically, can you provide us with the amount involved in the bidding pipeline for the company?

Rajeev Goyal: So that is something which is a market-related information or marketing strategy, so that is something which definitely as a process, we are tapping all the available opportunities. But sharing any specific opportunity would not be appropriate because it is a public platform, and as a company policy, we are not sharing the marketing strategy and marketing policy on a public platform.

Shaurya Shah: Okay. And any kind of forward integration like expanding more into pipe spooling business or any such plans? Maybe not in the near term, but let's say, over the next 2 years?

Rajeev Goyal: No, not specifically.

Vinay Kumar Gupta: Sorry. See, the -- when we are saying the cooling pipe business and all, this is the application of the pipe. For example, our pipes -- our ductile iron pipes can be used for cooling as well as for hot application in the different terrain. So, we basically produce pipe as per the specifications...

Moderator: It seems like the line for the management has been disconnected. Please wait till I rejoin the management. Ladies and gentlemen, thank you for waiting patiently. The management line has been reconnected. Please proceed, sir.

Vinay Kumar Gupta: Sorry for the -- again, the lines are getting disconnected again. But what I was trying to explain is that we produce as per the specification and the requirement, and it is up to the customer or the buyer to put it to the use. And I was telling like we have seen application of our ductile pipes in Middle East, which is being used into various kind of application, let's say, it is also being used for cooling chambers or cooling applications, also for the hot applications because that's the properties of the pipe. But we don't put to the application on our own.

Shaurya Shah: Okay understood. That's it from my side. Thank you.

Moderator: Ladies and gentlemen, we take that as the last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Vinay Kumar Gupta: Yes. So, we appreciate all of the participants who attended this call, and thank you very much for that, and look forward to have an interaction once again next time. Thank you very much.

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