"Welspun Corp Limited Q2 FY2024 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Welspun Corp Limited Q2 FY2024 Earnings Conference Call hosted by Phillip Capital India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikash Singh from Phillip Capital India Private Limited. Thank you and over to you Sir!

Vikash Singh: Good morning everyone. On behalf of Phillip Capital, I welcome you all on Welspun Corp Q2 FY2024 concall. Now I hand over the call to Mr. Salil Bawa, Group Head, IR for Welspun Group. Over to you Salil.

Salil Bawa: Thank you Vikash and good morning to all of you. I welcome all of you to the Q2 FY2024 earnings call of Welspun Corp. Present along with me today on this forum are Mr. Vipul Mathur, Managing Director and CEO, Welspun Corp Limited, Mr. Percy Birdy, Chief Financial Officer, Welspun Corp Limited, and also also along with me I have Mr. Goutam Chakraborty who leads IR for Welspun Corp. You must have received the results and investor presentation of the company which are available on the BSE and NSE as well as on the company's website. As usual we will start the forum with some opening remarks by our leadership team. We will then open the floor for your questions. Please note during the discussion, we may be making references to the presentation which has been shared earlier. Please do take a moment to review the safe harbor statement in our presentation. Should you have any queries that remain unanswered after this earning call, you can reach out to any one of us. With that let me hand over the floor over to Mr. Vipul Mathur, MD and CEO, Welspun Corp. Over to you Sir.

Vipul Mathur: Thank you Salil. Thank you very much and good morning to all of you. Let me welcome all of you for our Q2 and H1 FY2024 earning conference call. I greatly appreciate you attending this call today. I hope you all have been keeping well. I would now like to start the discussion with the key operational and financial highlights of the Q2 and H1 FY2024 followed by business updates and then we will have an interactive session.

Some of the key highlights are Welspun Corp demonstrated a very strong performance in Q2 and including H1 FY2024 and some of the salient things are the sales volume for our line pipe business in India and USA for H1 FY2024 rose by 57% on Y-o-Y basis. Our associate company Epic in Saudi Arabia as you know has a confirmed order book exceeding two years. Also I am pleased to inform that the execution of the recent Aramco order which was valued at SAR.1.8 billion has also started. We are seeing a very steady improvement in our DIP production in sales and in HY2024 sales volume grew by 24x on Y-o-Y basis to 73,000 metric tonnes. During H1, our stainless steel bar sales volume rose by more than 3x on Y-o-Y basis and we did almost close to 8,400 metric tonnes while stainless steel pipes and tubes sales volume grew by 46% on Y-o-Y basis and we did close to 2,500 metric tonnes.

On the building material side we are seeing a very steady improvement in our market penetration both for our Sintex and TMT bar segments. In Sintex the water storage tank sales volume for H1 FY2024 rose almost 16% and we did close to 7,100 metric tonnes and our TMT bar sales volume also rose significantly and we did close to 50,000 tonnes of TMT business in H1.

As regards financials, our consolidated revenue from operations for Q2 FY2024 and H1 FY2024 stood at Rs. 4059 Crores and Rs.8129 Crores respectively. EBITDA for Q2 FY2024 jumped more than ten times and it is at Rs.501 Crores for this particular quarter. PAT for H1 FY2024 significantly rose to Rs.550 Crores and I will explain a little more in detail about this in our subsequent conversation. As we have indicated the company is absolutely focused in terms of financial prudence and diligence and as in line with our guidance the net debt got reduced by Rs.520 Crores in this particular quarter and currently our net debt stands at Rs.315 Crores. As you know we have a very strong focus on ESG rating. There are certain key initiatives which we have taken on the ESG which I am pleased to report. Our focus has been on increasing our share of renewable energy across all the segments and across all the businesses. We are completely aligned with the UN sustainable development goals through various social initiatives and programs. We have a very strong focus on governance. Almost 55% of our directors on the board are independent directors with a very illustrious and diverse track record background. The female directors on our board are almost close to 38%.

Now let me give you the key drivers and the outlook for our two business verticals, the pipes and the building materials. In the pipes let me first talk about the line pipes. For the quarter the line pipe sales volume for our India and US operations stood at 202,000 tonnes against 148,000 tonnes in the corresponding quarter of the previous year registering a Y-o-Y growth of 36%. For H1 FY2024 line pipe sales volume for India and USA was at 387,000 tonnes as against 247,000 tonnes of that previous year registering a growth of almost 57% on Y-o-Y basis. As you know globally oil and gas industry outlook has been very positive with rise of demand in foreseeable future with significant capex and strategic investment supply is also getting aligned. According to IEA the investment in oil and gas is set to reach to the level of around 800 billion and will likely to remain at a similar level till at least 2030. While the IEA in its latest world energy outlook 2023 estimated that global oil demand to see a steady growth reaching to 101.5 million barrels per day by 2030 but OPEC has shown a very strong outlooks and expects global oil demand to reach 112 million barrels per day both. Both IEA and OPEC if you analyze are showing a very strong traction and growth in the oil and gas sector till 2030. According to the IEA starting from 2025 a huge surge in LNG project is set to start off with addition of 200 billion cubic meters per day liquidation capacity by 2030 which is equal to almost half of today's global energy supply. Most of these capacities will come between 2025 to 2030. As per IEA, in the “Stated policy scenario”, around 190 billion is expected to be invested each year to develop upstream gas between 2022 to 2030 and a further 40 billion is expected to be spent each year on LNG infrastructure. While the clean energy is also going to be in focus as per IEA under the net zero emission scenario, the projected spending will be around 100 billion each year in hydrogen transportation infrastructure by 2050.

The key drivers in outlook for our business in India, despite global microeconomic challenges, Indian economy remained absolute resilient. As per IMF's latest world economic outlook, India GDP is likely to grow at 6.2% in 2023 and 2024 as well. India's oil demand is expected to rise from 4.7 million barrels per day to 7.4 million barrels per day by 2040. India's natural gas demand is also likely to almost quadruplet to 4.1 million barrel equivalent per day. India also targets to reach its refining capacity of 9 million barrels per day by 2030. The government targets to increase natural gas pipeline coverage by 54% by 2024-2025 and to connect all the states with the trunk natural gas pipeline by 2027. Recently if you have noticed, the government of India has concluded the 11th CGD round of bidding increasing the potential to cover almost 98% of the population and 88% of the geographical area under the CDD which is the City Gas Distribution. Around 12,000 km of pipeline is approved and currently under construction. The current share of the gas in the country's energy mix is slated to increase from 5.8% to 15% by 2030. If you would have noticed, CGD, today when we have concluded the 11th round of the bidding, the work which are currently getting executed are of the fifth and the sixth round of bidding at this point in time which means it gives a very, very clear headspace for the CDD expansion to grow in times to come. Both central and state governments have strong focus on irrigation projects and water transportation through line pipes that has a huge potential. Export markets are looking extremely promising especially the Southeast Asian market, the Australian market and the Middle East market where Welspun has a significant dominance and presence. As you would have noticed Welspun Corp recently received one of a very prestigious order for almost 61,000 tonnes for supply of pipes for one offshore production and transportation in the Middle East. It is one of the most stringent orders which has ever been placed and which will be executed by Welspun positioning Welspun Corp as the leader in the oil and gas pipe line industry.

Let me now give you an outlook on the USA. The outlook in the USA stays very, very strong with the rise in natural gas production. Natural gas exports from USA is at 20.4 billion cubic feet per day in H1 of CY2023 and has been the highest when compared to the same corresponding period last year. The LNG export rose by 4% to 11.6 billion cubic feet per day which makes USA the world largest LNG exporting country. During the same time natural gas pipeline exports to Mexico and Canada increased by 4% to almost 8.8 billion cubic per day. As regard outlook as I mentioned that USA has now become the largest LNG exporter. They have completed five new natural gas pipeline projects which are bringing the gas from the Permian Basin to the Gulf Coast taking the take capacity to almost 4.18 billion cubic feet per day. This capacity will be doubled over the next few years time which results in at least multiple Permian gas pipelines going to come up in the near future. Thus, we continue to see a very strong demand for our SS pipes in the US market. Our total order book remains strong at 240,000 tonnes at this point in time and we are very confident on booking new orders to ensure continuity of our business. We are seeing a clear business opportunities and those opportunities now would need to be converted into business with us being leading player in America in the US market. I am sure that our track record suggests that we should be able to capitalize upon these emerging opportunities.

Let me also brief you about Saudi Arabia. As you know the Kingdom of Saudi Arabia has brought in a very strong focus on increasing the oil production, transportation of gas, water desalination and other projects like oil to chemicals. Thus the outlook for the line pipes which will be used across all these segments as I have mentioned remains very strong. As per Saudi Aramco they expect to award contracts for at least 14 more new pipeline project between 2023 to 2025. This might be a business opportunity of close to 12,000 kilometers that has a potential to be awarded between 2023 to 2030. The country is also heavily investing in their water desalination projects which are close to approximately $14.58 billion. The Kingdom of Saudi Arabia has announced an $80 billion investment in their water infrastructure of comprises of desalination plant and the corresponding infrastructure. The corresponding infrastructure entails line pipes as well a significant procure of line pipes so there are substantial pipeline of large scale projects both in oil and gas sector and water sectors in the Kingdom of Saudi Arabia present a remarkable prospect for associate company EPIC. As you are aware EPIC is the largest pipe producer at this point in time and one of the most respected pipe manufacturing company. Today it is clearly getting reflected that they have a clear order backlog of more than two years and they are also in contention for few more orders which are currently being discussed and which possibly will give us a clear visibility of three years or more. The vision of Kingdom of Saudi Arabia which is called Vision 2030 is very clearly articulated and I am sure if you would have seen through it clearly highlights the potential the Kingdom offers to the local manufacturers. EPIC being one of the key local manufacturers is likely to benefit the most out of it. The longstanding and strategic relationship with our key business partners resulting into better positioning both in the local and the regional market is considered as integral component of EPIC's growth and development. As I said that we have a confirmed order book of almost more than two years and we are favorably placed in few businesses which will get converted into orders in due course of time. We are seeing a clear business visibility of more than three years and at this point in time, we have just started the execution of the Aramco order which we have announced a couple of months back which was valued at 1.8 billion.

Let me now shift my focus to the DI pipes. As you are aware DI pipes is one of our key focus area of growth. The DI pipes segment ramp up has our ramp up has been on the expected lines with Q2 sales volume growing by 15x on Y-o-Y basis and 68% on quarter-on-quarter basis. The government's strong focus on improving water infrastructure in the country through initiatives like Jal Jeevan Mission have only created a very strong demand for Di pipes in the country and this demand is likely to stay there for next couple of years. Additionally with the progress of AMRUT 2.0 which is the urban infrastructure development and other such initiatives. DI pipes demand is expected to remain strong for the next five to seven years on the back of this positive strong demand outlook and significant demand supply mismatch in the smaller diameter, we have decided to slightly expand our DI capacity by additional 100,000 tonnes in order to take Anjar DIP capacity at 500,000 tonnes. This I need to clarify when we have set up this DI project, we had a hot metal capacity of 400,000 tonnes and correspondingly we have put the DI capacity at 400,000 tonnes. Fortunately by our technological initiatives and our operating process and parameters we have been able to significantly improve our hot metal production to 500,000 tonnes. Now this is a positive change which has happened. From the set up of 400,000 tonnes, we are now producing 500,000 tonnes that is leaving a little bit of a mismatch and to that extent we are increasing the capacity of DI pipes by additional 100,000 tonnes as this being a value added product. Based on the quality and serviceability established with our customers in our existing DI pipe capacity, we have established ourselves as one of the most credible DI pipe manufacturers in the country. We are also now seriously exploring export market in the Middle East and Africa where we see great opportunities. Our order backlog at this point in time stands close to 250,000 tonnes valued at approximately Rs.2,000 Crores. This gives us a very clear visibility of at least one year if not more.

Let me also brief about our stainless steel business which is our joint venture company Welspun Specialty Steel Limited. WSSL has witnessed a clear turn around in the last couple of quarters backed by integrated manufacturing process and diverse product offering. The company has a unique presence in its addressable market segment. The company has successfully developed super authentic 904 L bars as well as pipes, nickel alloy 800 bar as well as pipes, critical heat exchanger tubes, and ultra low cobalt stainless steel bars for nuclear power application. We are clearly focused on the value added segment in this company. Also we have made our foray in the US market and the first shipment has already reached. As you are aware that we have a significant presence in the Indian market, a dominant presence in the European market and now with our foray into the US market, we are only broadening our spectrum. I am happy to share that the greenhouse emission footprints are available for all products at WSSL. This is going to be a game changer as you are aware that with our presence in EU market and the US market, we are pioneering this initiative. At the end of H1FY24, the WSSL order backlog stands at almost 4,500 metric tonnes for the steel valued at Rs.170 Crores. We are confident that the business performance shall further improve on the back of several new customer approvals, accreditation, development of new products and penetrating new markets. Also I must highlight that the policies the Make in India initiative and the government policies are also dissuading the cheap imports coming from other countries and also the investment which government is making in terms of the power plants thermal power plants, the nuclear power plant and in the defense where these pipes found significant importance in play is further going to boost our growth. Till now I have covered about our pipe vertical.

Now let me draw your attention to the building materials. Sintex, let me now talk about the Sintex. Our existing business has been ramping up very steadily with Q2 FY2024 growing on 25% on Y-o-Y basis and 10% on quarter-on-quarter basis. Our growth is faster than the market grow as we are in the middle of changes that we are making in our ecosystem so that our growth rate increases further. Some of them have already been rolled out while the others are in pipeline. We are also augmenting our talent pool to meet this challenge. Our entire focus is on water storage tanks and on reenergizing our retailers, distributors, plumbers, and customer segment. Our journey of changes shall continue through Q3 and Q4 which means the H2 of this year. The retainers loyalty program launched in Q2 is already showing significant traction in the very first few months of being rolled out. This is also being enhanced by making the brand present significantly in the market through products, communication as well as an in person meets. The new product launch in Q1 Sintex Hero has been accepted very well by the market. Considering its success we are looking at reviewing our product portfolio to increase our appeal to our customer. In summary our growth journey is continuing as planned and shall continue to garner more moment, speed and share in times to come.

TMT bars, we have seen a consistent improvement in our sales of our Welspun Shield TMT bar with Q2 FY2024 sales volume at 28,000 registering a sequential growth of almost 40%. Higher TMT sales as you would notice is directly resulting in reduction of our intermediary product which is billet which was a non-profitable segment. Market penetration has been progressing well with 98% districts are now being covered in Gujarat and with 213 dealers connected. Our marketing approach to our in innovative digital channel to address B2C segment has been paying off.

The Navyan Shipyard the erstwhile ABG Shipyard, we have been disposing of the metals and the metal scrap which is resulting into a steady cash flow. As I have told earlier we are keeping our fixed cost at a very, very minimal level. We are not exploring any capital intensive investment at this point in time. We are confident of fully monetizing this asset that is having no stress whatsoever in our balance sheet. This was our earlier stated position. It remains the same. I will also like to draw that your attention to the ESG initiative which are very critical and core to Welspun growth journey. You all know that we are very focused on our ESG intervention across all the three areas that is environment, social and governance. We are currently ranked in the top seven percentile of the companies in the steel sector globally. As far as environment is concerned our long-term sustainability goal is to achieve carbon neutrality gradually from 10% to 100% by 2040 and to that extent we have been taking various initiatives for that. Number one, we are going ahead with the installation of renewable energy at Anjar, Bhopal and Mandya. We have also recently signed up an understanding with MRPL which is a subsidiary of Welspun new energy wherein they will provide round the clock, renewable power they will be generating from wind and solar and which will be used for our operations making our Anjar facility utilizing 55% power as RE Power by the physical year 2026. It is a momentum towards achieving our goal of of carbon neutrality of 2040 but also it will be significantly saving us the per unit cost of the power. Welspun will hold almost 22% in this entity MRPS and our investment is capped at Rs.44 Crores. At the WSSL level where also we are very focused on exports in the European and the American market, we have tied up for RE power through a third party agency and currently we are getting 3 megawatt wind and 2.5 megawatt solar. The share of renewable energy has already reached 30% of our total energy consumed in the month of September and this journey will continue. We are also focused at the company level on zero waste to landfill and water neutrality by 2040. In case of our social initiatives, we are aligned with the UN sustainable development goals through various social initiatives and programs as far as governance is concerned where we play a very strong emphasis. We have seen a very strong compliance with all statutory requirements and policy. Here I would like to highlight that there is no pledging of any share at the promoter's level. All the companies in the Welspun Corp call are professionally managed under a well defined structure under the supervision of the board. There is no cross holding which is there between any of these companies. The board itself comprises of persons with illustrious and diverse background and with 55% of them being independent directors out of which 38% being female directors. All the key committees are led by the independent directors.

Coming to the financial highlights, one of the one of the significant achievement was that during this quarter we have reduced our net debt by more than Rs.500 Crores and it currently stand at Rs.315 Crores on September 30, 2023. If you see, we are close to achieving our target or the guidance what we have given for FY2024. We have also reduced our gross debt by Rs.855 Crores during the quarter. You will appreciate that we have been walking the talk as far as the guidance is concern.

With this I would like to summarize by highlighting that both our business verticals which is the pipes and the building materials are performing in line with our expectations. We continue to explore options in Sintex and DI pipe segment in existing and new locations in Europe for our growth. We see a strong business outlook for our line pipe business in all three geographies which is India, USA and Saudi Arabia. Also as I mentioned, it is already backed by a committed strong order book at this point in time. We are expanding the DI facility as I told earlier to bridge the mismatch between the hot metal and the DI pipes capacity this being the valued product. Sintex as you are aware is is absolutely on a growth path at this point in time with the water storage tank businesses taking the lead. Our emphasis has been on expanding our market and reenergizing our distribution network. The TMT bar segment is also steadily growing and also on the ESD side, we have made significant efforts where the needles are moving. We are doing which the impact of which is now being seen on the ground. With this, I would like to thank for your patent listening and hearing and I open the floor for any questions whatsoever you may have please. Thank you very much.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Darshit from Robocapital. Please go ahead.

Darshit: Thanks for taking my questions and congratulations on excellent results so my question was that say in the coming two to three years where do you see Sintex business going in the form of say revenue and PAT? Any internal targets or general overview will be fine?

Vipul Mathur: Good morning. I can understand your excitement about Sintex and very well so. As you know we have now been into this seat for almost let us say seven to eight months two quarters effectively and we have now the chance of deep diving into the business, the models and everything. What it is very clearly reflecting that this company offers a huge potential to us both in the water segment business or the water storage tank business and other allied businesses as well. At this point in time, we are working on two strategies number one. Two, first and foremost consolidate our position and to get back our market share so that is one part of the strategy we are working. The second part of our strategy is to keep keep exploring what are the new growth options and newer growth locations we where we should be focusing on. As we will crystallize that I think in the next two quarters, we will be able to crystallize our future growth strategy as well and which we will roll out sometimes later in the next financial year so these are the two parallel initiatives we are driving at this point in time but in next two to three years, I can assure you this company will get back to its peak glory and it will have multiple product offerings and it will have a Pan India presence and it will also be one of the most revered company into the B2C segment that much I can assure you please.

Darshit: Okay great to hear that and you specified that you are only going to do maintenance capex so what amount would that be?

Vipul Mathur: You talking with respect to Sintex or you talking with respect to.

Darshit: In general for the whole firm?

Vipul Mathur: So right now, our intent is all about the maintenance capex what we have given the guidance. Only one thing which has changed since our last conversation is that we are doing an expansion of capacity in our DIP. To that extent the capex will be there and I hope you will understand that there is no point producing 500,000 tonnes of hot metal and producing 400,000 tonnes of DIP because that loss of 100,000 tonnes if it can be productively used for the valuated product like DIP, I think so that will bring much more revenue and earnings so other than that I think so we are very conservative in terms of our capex. The rest all is going to be a maintenance capex as what we have given the guidance.

Darshit: Okay but what would that amount be just a range?

Vipul Mathur: In the maintenance.

Darshit: Yes maintenance?

Vipul Mathur: Maintenance is close to what Rs.200 odd Crores that is what we looking at.

Darshit: Okay and finally yes that answers all my questions. Thank you for your time and Happy Diwali.

Moderator: Thank you. The next question is from the line of Miraj from Arihant Capital. Please go ahead.

Miraj: Thank you for opportunity. Congratulations on a great set numbers Sir. I had a few questions? Starting with first one that Saudi Arabia that are order book has gone beyond two years now just want you to understand that booking order it is obviously a positive thing but the tenure of delivery is stretched beyond two years now? Does that involve a lot of raw material volatility risk? I wanted to understand how our strategy over here was to minimize the raw material volatility risk?

Vipul Mathur: So Miraj as you very rightly said that with our two years of an order book as a policy the raw material is completely hedged and is only a pass through for us. Whatever confirmed orders we have at this point in time, we have already covered the raw material. We have a backup for that raw material. You must understand, we are one of the largest buyers of the steel in the world for the API grid. We have absolutely robust understanding and with all the key steel suppliers with whom we buy this so at this point in time whatever order we have, we are almost covered. I would say almost 80% to 90% of our raw material stands completely hedged.

Miraj: Right and like you were explaining for the Permian Basin that five new projects have been completed right now so what is the opportunity in terms of new orders coming from there so if I am not wrong there were four more orders to be announced in Permian Basin taking a total to nine orders if you could just highlight if we are in lead position in any of the orders in Permian Basin right now and what will be the size in terms of volume?

Vipul Mathur: So you if you see the Permian Basin continues to grow and it is very clearly getting reflected by the LNG share which the US is gaining in the international market. At this point in time there are three operational lines. The fourth is getting into operation and fifth is under construction. That is the way it is currently standing. The way the things are looking at in terms of drilling and in terms of gas exploration, there are at least four more line if not more which are going to come up in Permian Basin in subsequent years. We are expecting the next Permian line to come sometimes around the Q1 calendar year quarter of the next year and out of the four pipelines what are being constructed, we have supplied almost three pipelines. As you all know Welspun Corp is the leading place in the North American market and I think so we would have a play in that upcoming Permian projects as well. Apart from that we should also be mindful that along with these pipelines there are multiple lateral pipelines which do come up along with that and those business opportunities are also up there on the table however these are all projects and these are all opportunities. We will have to bid and we will have to secure them so that part of the work is pending but considering that we have doing fairly okay and we have been getting a percentage share of that particular market, we are very optimistic and confident that we should be able to maintain that.

Miraj: Understood Sir and Sir on the inventory side? I will get back in the queue Sir.

Moderator: Thank you. The next question is from the line of Siddhart Shah from Emkay Ventures. Please go ahead.

Siddhart Shah: Yes Sir thank you for the opportunity and congratulations for a good set of number. Sir my first question is on Sintex again? You have kind of highlighted your plans and everything but can you crystallize the capex plan for next two or three years in Sintex? A broad range also be very helpful?

Vipul Mathur: Siddhart as I said our right now our focus more is on expanding our base right. Also in tandem we are also exploring what are the other products which we should be bringing in that Sintex fold. Now that discussions, that market study and that outlook is all being currently studied at this point in time. Now that we will be able to crystallize these road map in Q3 and Q4 of this year that means in the H2 part of this year we will be able able to completely crystallize that and based on that we will be able to roll out our capex plan. It will be slightly early to throw a number and without knowing as to what we intend to do and where do we intend to do and how do we intend to do. I think kindly be a little patient and give us in the next subsequent call as we will crystallize the capex, we will completely come and share that with you but having said that I wanted to assure you that as a brand, it still stays an iconic brand in terms of its market reach. It has a great market reach. It ha a great product recall and there are multiple growth opportunities which can be embedded into the system and which is what we are very, very minutely analyzing and evaluating at this point in time.

Siddhart Shah: Sure Sir that is very encouraging to hear. Sir broadly can we say that apart from this DI pipe expansion majority of the capex will be towards Sintex only in next two years?

Vipul Mathur: DI pipe expansion I am sure you understood it is a necessity and it is a beneficial necessity. It is a good necessity to be honest. I would not like to say that as a capex it is something which is good which has happened and it is giving us an incremental opportunity to capitalize upon it so I think for DI pipe expansion you will understand that but in this financial year apart from this I do not think so that we are going to do any major capital investment anywhere.

Siddhart Shah: Sure Sir and my second question was on ABG Shipyard so for that all set also by when can we expect some plant and second is how much is the scrap still lying with us if you can quantify that value or quantity that would be very helpful?

Vipul Mathur: So as Siddhart I have already shared in the past as well ABG is a very strategic investment for us number one. That continues to be the case. It is a very strategic investment for us number one. It will get completely monetized let us say by the end of this particular year. All that was there scrap and everything is all getting liquidated. I think so 50% of that is already liquidated. 50% of that will happen so the complete liquidation process should get over by the end of this particular year which means that I would have a very high quality strategic asset in my in my hand number one at no cost or stress on my balance sheet. We are very clear that at this point in time, we are not going to do any major capex in ABG Shipyard for a simple reason that we are very, very mindful and cautious of our capital allocation and we are seeing the tractions happening in the Sintex and we are seeing the tractions happening on the DI side of it which is where we have currently primarily focusing our energies on.

Siddhart Shah: Sure Sir. Sir last question is on overall debt guidance? I think we are on track to become debt free very soon now because this 50% scrap is still there and EBITDA also is very strong and we are not doing any major capex so any guidance on the debt part or if we generate suddenly significant cash flows how will that be distributed? Any guidance from that Sir?

Vipul Mathur: Siddhart we have given a very clear guidance at the start of the year. All what I wanted to give the comfort that we are absolutely on track with respect to that and the numbers are clearly reflecting that. We will state our guidance and we are confident of achieving those numbers.

Siddhart Shah: Sure I understand and thank you so much for the opportunity and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Ashutosh Somani from JM Financial. Please go ahead.

Ashutosh Somani: Thanks for taking my question. Great set of numbers. Sir just a quick question on the thought process around the stake sale in the Saudi Arabian business given that there is a strong order book there and the business is generally doing well we have have sold some stake so what is the current stake and any future guidance towards this?

Vipul Mathur: So Ashutosh good morning. I think so probably it is a little bit of a lack of communication or understanding number one. There is no stake sale which has happened in Saudi. We have not done any stake in there. Percy can you just explain the whole transaction so that you kindly bring that clarity on the subject please.

Percy Birdy: Sure so Ashutosh very quickly, our economic interest of Welspun in the Saudi entity as we call it EPIC it remains the same. Earlier also it was 31.5% and even after this transaction which we have released now, it remains the same at 31.5% economic interest. The only thing that has changed is we had the holding through a Mauritius company so India owned 90% of the Mauritius company and we had a minority investor in the Mauritius holding company. That investor has exited from the Mauritius company okay so now that investor is out of Mauritius and he is having a direct stake in the East Pipes Saudi company so very simply put there is no economic interest change for us. It is a cash flow neutral transaction for us however in accounting terms, we have to follow the accounting standards and that is why in the books of Mauritius there is a gain that has been accounted which you are seeing in the P&L as well and the share buyback has been done for that 10% minority shareholder in the Mauritius. This is all coming in our notes to accounts which is just below the results but suffice it to say from a from an investor and analyst point of view, our economic interest remains the same at 31.5% no change.

Ashutosh Somani: Thanks so much for the clarification on this transaction and structure. Thank you so much.

Moderator: Thank you. The next question is from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Good morning Sir and congratulations on good good set of numbers. My first question is with respect to the DI market it is relatively a new business area for us so just want to understand how is the acceptance of our products, how is the competition and are we qualifying for all the tenders so overall how are we placed in the market currently and how are we looking at it over the next two to three years?

Vipul Mathur: Good morning Sumangal. I think so that is an interesting question number. See DI market is growing exponentially at this point in time and all the indicators are very clear that this is going to be the play for next five to seven years if not more. Right now all what we are seeing is nal se jal scheme. Then it is being followed by AMRUT 2.0 where right now it is in the rural part of it, then it will be in the urban part of it and as any matured economy will have eventually it will move towards sea width and then it should also move towards wastewater treatment so I think so this is the road map where in which all the DI pipes are going to be utilized and this is our confidence that it is going to stay for next five, seven and 10 years time. Coming back to our production and coming back to our acceptability, I think so it is a very clear testimony of 250,000 tonnes of an order backlog of almost Rs.2,000 Crores is a very clear indication that the product has been accepted well. More than the product it is the customer service which is very well appreciated and that comes with Welspun standards. This industry has been fairly fragmented. The servicing in this industry has been suboptimal at subpar level. I think so with Welspun facilities coming up the things have eased out and the serviceability has improved so and the good part is we are dealing with the same set of the customers where our principal company is a pipe company is also dealing with so in terms of the regions, we are seeing a huge traction of business opportunity and potential coming up in Madhya Pradesh and Rajasthan which are clearly the addressable markets when we are located in Gujarat so we feel very bullish about it and that is the reason and our acceptance has been good, the product has been good, the service has been good and the order backlog has been good so that is giving us the tremendous amount of confidence that we should now also bridge the mismatch of our hot metal versus DI capacity which we just announced yesterday.

Sumangal Nevatia: Understood Sir. Sir is it possible to explain I mean are there very low entry barriers in this because we have seen a few players entering and ramping up capacities because of the very strong outlook so one is that and second I understand this business requires the ramp up is relatively more gradual so is it possible to share what sort of volumes are we looking at FY2024, FY2025 and FY2026 some sort of guidance to appreciate?

Vipul Mathur: So you are right. I think the competitive landscape has also got intense. There is no doubt about it. New capacities are getting added but it is also a clear reflection between the supply and the demand mismatch and that is why the ramps are happening number one. Number two in terms of in terms of the guidance, currently our installed capacity is almost close to 400,000 tonnes. Our first endeavor and our endeavor is to ramp up to that particular level so I think so in the next three years time let us say in the next let us say 24 to 30 months time we should be there in terms of our 100% capacity including our expanded capacity. It is the full impact of our enhanced capacity in FY2026.

Sumangal Nevatia: Got it and Sir just last one is it possible to share some unit metrics I mean what sort of say EBITDA per tonne or something do we make in this business?

Vipul Mathur: I mean we generally do not do that but nevertheless you guys are veterans of this particular industry. You analyze all the DI manufacturers which are standalone DIP manufacturers. For you to do a reverse calculation and working should not be very difficult and whatever those numbers are, we are there if not better from them.

Sumangal Nevatia: Got it Sir understood. Thank you so much and all the very best.

Moderator: Thank you. The next question is from the line of Abhishek Ghosh from DSP Mutual Funds. Please go ahead.

Abhishek Ghosh: Thank you so much for the opportunity Sir just couple of questions on the US part of it while you spoke about strong prospects as far as demand is concerned but in that region are you seeing new supply coming in or that is pretty much stagnant how is the supply addition as far as the US market is concerned?

Vipul Mathur: Abhishek that is a good question. Actually what has happened in US is that while the demand seems very consistent but there seems to be a consolidation which seems to be happening in the industry there. There were two large players which have now exited the business and these are all public information so I do not mind sharing. Number one was if you would see there was a company called Stuff which was producing large diameter spiral pipes. They have completely exited business. Number two we have a company called Everaj was a Russian owned entity in Canada and they have a great influence in the North American market including US so for the reasons they have completely become dormant so there is a significant consolidation which is happening there. Two of the established players have walked away and on the growth side of it, the growth stays there so I think so it is great situation to be in US. There are great prospects around that but as you also know Abhishek that it is a project business right. Project business required bidding, competitiveness all that and then securing that business. That element of work is yet to be done for our new business and our business continuity out there but I am sure that we have a track record. You have seen our performance out there. We have done some very signature projects out there. The inherent comfort and the confidence of all the EMP players or the midstream players on what does well Welspun Corp brings on the table so I am sure all those things are extremely positive and we are very optimistic that you will continue to see a growth in the US market both in the US market as well as in Welspun Corp.

Abhishek Ghosh: Great. Thank you so much for that detailed explanation. That is helpful. Sir just coming to the recent export order that you have announced that you has won of almost about 61,000 tonnes from the Middle East? I just wanted to get some clarity around it in terms of is it for oil and gas or water and is it also emanating from the fact that there is a very strong demand that you are seeing in the export side of it and that is why beyond EPIC in the Middle East you will cater to that market through the Indian operations is that the way you are looking at it? Some thoughts there will be helpful Sir?

Vipul Mathur: Abhishek first and foremost I would like to correct you. This 61,000 tonnes of an order is not for our Saudi entity. This is not for EPIC.

Abhishek Ghosh: No I understand? That is what I said it is from the Indian operations so that is what I said yes?

Vipul Mathur: This is for our Indian operations number one. Number two. This is for oil and gas application. This is destined for a country in Middle East and it is for gas application. What I am trying to say this project is a very unique project in itself. It is one of the most stringent specifications under which this project has been awarded to us that if till yesterday Welspun was one of the top three Mills in the world. Post execution of this order, I will not be hesitant to say that Welspun would be the number one mill in the world so that is the criticality of this particular order and that is the trust the customer and the client has in terms of our capability to execute this particular order so it is a very landmark signature order what we have. Of course when it will come to execution we will talk about that a lot more there. From a demand perspective I think so we are seeing a great demand at this point in time in exports for a simple reason that A you see the prices of the oil are pretty much ranged bound. They are all between anything between $80 to $100 number one. If you analyze any report they are all suggesting that this price is going to be ranged bound for the foreseeable future. Number three the demand for the gas is going to only grow up from here so which these two factors put together are clearly indicating that both oil demand and gas demand and correspondingly the pipelines for these is going to stay strong and that is what is getting clearly reflected in the bid book and the projects what we are seeing which are coming up on the table. As I mentioned we are seeing a great demand coming up in Middle East at this point in time, southeast Asia and Australasia region and these are the regions where India has a dominant position and Welspun has a dominant position so we have been successful in capitalizing on those opportunities and looking at this new demand which is going to come up, I am sure we will get out of that as well.

Abhishek Ghosh: Okay Sir just two other questions in terms of oil and gas demand is very strong but like for Saudi you mentioned there is lot of thrust on water desalination and other things also? Are you also seeing that kind of order inflow for export markets for the Indian operations at least beyond oil and gas for water also coming through or any thoughts there Sir?

Vipul Mathur: I do not think so. I do not think that there will be a great potential for any export of pipes for water application anywhere because water business is purely a domesticated business. It has to be addressed domestically. Saudi also if you see bearing one or two projects in which the pipes have been exported and that to by default almost 95% of the demand which is being catered with Saudi Arabia is through a domestic producer only so that is the case everywhere so answering your question that do we see any demand that the pipes will get export for water, the answer is no. However for the oil and gas as I said earlier the demand stays very, very strong in all the three regions Australasia, Southeast Asia and Middle East. There we will see multiple opportunities coming up and as industry everyone seems will get benefited out of that.

Abhishek Ghosh: Great Sir. Sir just one last question in terms of given the demand buoyancy that one is seeing around oil and gas globally India also you have good oil and gas border projects coming through would you need one more carbon steel kind of capacity addition? Any thoughts on that or it is still some time away?

Vipul Mathur: Addition of what.

Abhishek Ghosh: Carbon steel capacity Sir?

Vipul Mathur: No I do not think so. There is sufficient capacity which is available at this point in time. I do not see that there would be any need for any capacity addition. Some relocation of capacity is here and there can happen but addition is definitely not something which is going to help or is the need of the hour that way.

Abhishek Ghosh: Got that Sir. Thank you so much for answering my questions and wish you all the best. Thank you so much.

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

Sailesh Raja: Thanks for the opportunity Sir. My question is on both DI and Sintex? We will start with DI Sir we are are the only DI player having manufacturing facility in the Western market and our target market is Northwest and Central region so could you please talk about demand supply dynamics specific to these two regions? Every year on an average how much investments is happening from government side and what are the key upcoming projects we are getting on to get more orders? Also how competitive we are in terms of pricing over somebody bringing products from Eastern region so basically want to know what is our right to win over here?

Vipul Mathur: Thanks Sailesh. Sailesh your first question with respect to demand as I mentioned, we are seeing a demand across Pan India. Let us say there is a huge demand in the West, Central and the Northern part of India which is a very good market. There is a huge demand which is there is also in the South which is not our primary area of focus at this point in time and also the East which we are right now overlooking for a simple reason that when the demand in our addressable area is so very significant why should I be cannibalizing on my freights and taking punt on my net sales realization so we are very clear and very focused in our area of influence number one. As regards to the numbers just to give you an example. In Madhya Pradesh itself at this point in time there is a crystallized demand of more than two almost close to 2 million tonnes. As again is that only half of the pipes have been procured at this point or let us say awarded. Out of that half only 30% of them are converted into an order and are under the execution phase so you can well imagine there is a 2 million tonnes of demand in Madhya Pradesh only half of them let us say million tonne is being awarded. Out of that million tonne only to the EPCs number one and then out of that only five only 600,000 to 700,000 tonnes has got converted into into business. Out of that only 50% 300,000 to 400,000 tonnes has been executed so if you see the whole value chain you can very well imagine that what is the upside which is available and the period of that upside. Nothing is going to happen. This demand will be there for next two to three years to even finish of this. This is the part one. Then there are multiple projects again which are going to come up. The same is the case in Rajasthan so we are very, very optimistic and confident and the demand itself is supporting this optimism and confidence. The Gujarat, Madhya Pradesh, Maharashtra and Rajasthan itself will be generating so much of a demand to keep us busy for a significantly long time. Secondly your question was with respect to the competitive landscape. Yes the competitive landscape is getting intense. There is no doubt about it. People are adding capacities and they are adding capacities because this is the case in every region. This is also happening in East. This is also happening in the South so everyone is seeing that capacity, everyone is basically trying to maximize their production and capitalize upon this opportunity. Now whether there would be any major transgressing which will happen what is the interest of a company in the East or in the South to come and sell in West or in Central when he has a full year market in in in his own region itself so I am not seeing that is going to happen. It could happen in few isolated cases for some strategic reasoning but are is there going to be a major, major transgressions from industries in the East and the South to come in Central or the West or the companies in the West will going East and the South the answer is no. I do not see that because it does not make any economic sense.

Sailesh Raja: Okay that sounds true Sir. My second question on Sintex my native is down south small town near Madurai here so last month I noticed few trucks carrying full of Sintex tanks since we are aggressively selling the volumes in every nook and corner a great approach to your team so what more steps we are taking to increase the scale of this particular division? Can you explain in little more detail and within the existing product so how fast we can fill at least 50% of the total capacity? First half we have reported just 17,000 tonnes so how much we are targeting in the current financial year and next financial year? This is my first part of question in Sintex?

Vipul Mathur: Okay so first and foremost it is always good to hear from outside in perspective that you could see Sintex tanks in Madurai so at least what we are telling you that we are making aggressive effort on the ground. At least it is a clear testimony to that. It is very clear. It is a very concentrated effort is currently being made at this point in time to make our presence felt on a Pan India basis. Sintex as a brand always had that presence. It was only in the last few years because of the financials scarcity and fund scarcity this market share went down. Our strategy and all the efforts at this point in time as I have mentioned earlier as well is now towards making our presence felt, reenergizing the networks and all that and this exercise will continue to go number one. The way our expansion will happen right the way we will continue to expand our market share, the direct resultant of that will be that our through put will also keep on increasing. I think so we are very clear. We have a very clear cut business plan for the year at this point in time. We are absolutely on track in respect of achieving our annual business plan. We are highly optimistic and yet cautious because we want to build this company for a long term play. We are not a company in a hurry at this point in time. We want to rebuild this company brick by brick and block by block with very strong and sound fundamentals and all that in terms of reenergizing the network, addressing the plumbers or the retail network, what sort of a policy should be there, how can we make the consumer feel the benefit of Sintex. I think these are all fundamental questions which we are trying to address at this point of time. You will have to understand it is a journey. We have embarked on this journey. The two quarters is very clear to us that there is a big pull around it and I think so we will continue to work on that so kindly give us more time in terms of giving you specific that what I am I going to do in the second year and in the third year let us let us have some breathing space and let us have some time but I can assure you one thing that all steps are now being taken to bring this company absolutely back on track and I think so this two quarter performance itself is a clear testimony that we are on the right track.

Sailesh Raja: Okay sir thank you Sir. Sir what is the year depreciation figure in Sintex and what is the current capital employed including working capital Sir?

Vipul Mathur: I am sorry. Come again please.

Sailesh Raja: I wanted to know what is the current ROC in this division at 20% utilization level so what is the yearly depreciation figure and current capital employed in this division including working capital?

Vipul Mathur: Sailesh what we can do, we can take this a little offline. I think so I have taken note of you. My people will reach out to you to give out these numbers. They may not be so handy available with me at this point in time.

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

Moderator: Thank you. The next question is from the line of Vikash Singh from Phillip Capital Private Limited. Please go ahead.

Vikash Singh: Sir just want to understand given the Saudi outlook is very strong and many of the mills there are fully booked for a couple of years would the new orders inflow would be satisfy by India and Indian players would benefit in current scenario or is it there is still more capacity available in that region and so just wanted to understand that perspective?

Vipul Mathur: Vikas one thing you have to very clearly understand is that Saudi is a very, very matured market number one. They operate within their guiding principles. One of their key guiding principle at this point in time is their domestic content which means that any business which is going to happen in Saudi has to happen domestically so that is the case in this pipe business also, so while there are multiple opportunities and potentials there but the business will only be meant for the established local players. It is not going to happen that it is going to get outside and people from outside are going to supply that. It will be very adventurous. It is not going to happen. When I say that they are a mature market they completely calibrate that what are the capacities available and when do they require the projects so basis that they are making their award decision. There the government or the buying authorities which are primarily two which is the water is SWCC and the oil and gas Aramco. These are organizations which completely analyze before they make any procurement decisions so they have given us a clear visibility of an order book for two to three years' time, it is with a broad consensus that this how the projects are going to get executed. This is how you need to deliver the pipe, this is how things will work out so it is not that everyone is working in isolation that is not the case. That is the beauty of a matured economy like Saudi. It is a very synchronized and calibrated effort which goes there.

Vikash Singh: Understood Sir and Sir just one more question what is our India order book as of now out of total given we are heading for an election year? Post election there usually we have seen a little bit of dull period so just needed your thought process on that how we plan to utilize post-election capacity? Obviously DI would remain good but what about our s capabilities?

Vipul Mathur: So Vikas so today our unexecuted order book is close to close to 374,000 odd tonnes here in India number one which is good enough for couple of quarters. One thing and I completely understand your point that being an election year but election has nothing to do with exports either way so we are seeing a significant traction on the export side of it so that business stays completely insulated and that will continue to work. All that what would have is a minor disturbance which may happen is in the domestic market and especially in the water sector because oil and gas is also agnostic to anything. It is the only the water sector which is the state subject if you see that they generally get impacted but if you see from a timing perspective our presence is in Gujarat, our presence is in Madhya Pradesh, and our presence is in Karnataka. All these state elections would be done by the time the national elections would come up so we are not anticipating any major disturbance because of the national elections which are going to come and they might impact our domestic business so I hope you understood what I am saying a) export does not get impacted. The oil and gas business domestic does not get impacted. All what gets impacted to some extent is the water business and by national elections by the time they will happen all the other state elections the destruction would have been over by that time in the states where we are active so pretty much we are not forcing or forecasting that things are going to go too South in our domestic business.

Vikash Singh: Understood Sir. Thank you for answering my questions.

Moderator: Thank you. The next question is from the line of Miraj from Arihant Capital. Please go ahead.

Miraj: Thank you for taking the followup question. Sir I just had a couple of questions. Firstly if you could just give us the volume breakup between India and USA for the quarter and second on the same part is that have we started the carbon capture project in USA?

Vipul Mathur: Right so let me address the carbon capture first while we give you the breakup for the order. As I said the order book is close to 610,000 tonnes. We have 370,000 tonnes in India and almost

244,000 odd tonnes unexecuted in America at this point in time so that is the pending book and in terms of what we would have done in this quarter, we will just share but in terms of carbon capture, I think so one carbon capture pipeline in US per se is seeing at this point in time a little bit of a head wind. What is happening carbon capture as a project out there requires a massive right of way acquisitions. Now the difference there is that in the oil and gas when you do a right of way acquisition for the oil and gas you are protected under an imminent domain act there which means that the government will intervene into that and will ensure that you will get a free right of way access so that is the imminent domain under which it gets covered. Carbon capture pipelines or carbon capture when they were being discussed I think erroneously the linkage to imminent domain act is yet not established which means all the companies which are currently in the process of executing carbon capture pipeline are seeing certain challenges in certain areas in terms of getting the ROW so to that extent the carbon capture projects existing one and the future ones have slowed down a bit there but it is just a matter of time. They have understood that what is the issue into the whole system and it is such a big thing for them that there is such a huge incentive around that which is the US government is putting around that it is a matter of a legislation which they have to clear it up. I think so it will be a matter of time when this issue will get addressed but as we speak there is definitely a slowdown in terms of carbon capture pipeline projects what were being discussed but I believe that it is more of a legislative issue and should get plugged out very soon.

Miraj: Understood Sir and the volumes for India, USA and Saudi also meanwhile I had another question? This quarter we did a sustainable DI pipes volume of 15,000 tonnes per month that is as you had guided earlier so going ahead do we still expect to maintain it at 15,000 tonnes per month for DI pipes or do we think that we can ramp up further and for the same if you could give some highlight on what we will do in TMT bars what would be the sustainable output per quarter over there?

Vipul Mathur: So on the DI side of it I think it is a journey as I said. We are ramping up on a quarter-on-quarter basis or rather month on month basis. I think this quarter, Q3 we will be at a very different level. Our endeavor is to get to the peak capacity of 30,000 tonnes per month that is what we are aiming for and I am very sure that by the end of this financial year, we will be able to reach to that production capacity so these numbers will change on a month on month basis Miraj to be very clear and even for October I think the month which has passed by I think so we are seeing that type of growth which is happening so that will happen. On the TMT side of it we are going to be anything between 15,000 to 20,000 tonnes a month production that is what we are intending to do. We have already reached to around 12,000 to 13,000 tonnes. I think so we will reach to our peak capacity in next one or two months and that is where we will like to sustain ourselves.

Miraj: Understood right got that and sir my final question as the Saudi Arabia subsidiary is also doing good? Welspun specialty is also doing good? The outlook for them going ahead is also exceptional. We are also bringing our net debt down and we have also guided to bring it down but any thoughts on increasing our stake in these entities?

Vipul Mathur: Not really at this point in time. I mean see today we are still the largest shareholder in EPIC and we will continue to be the way number one and I think so Mr. Percy also clarified about that little confusion which happened that we divested no. Neither we are divesting. At this point in time we are the largest shareholder. We will continue to be the largest shareholder at this point in time number one. Number two in respect of WSSL we are still the majority shareholders. We will continue to be the majority shareholders there so we are neither increasing nor decreasing. Our focus is more in terms of scaling of this company to the next level altogether and you see all the companies WSSN since the Welspun Corp has come in the focus has been absolutely in terms of its growth, growth and growth and you are seeing that in the last six quarters how they have been performing. Our focus will continue to be for growth, earnings and rewarding our people.

Miraj: Understood. Sir on the inventory side, we have meaningfully brought down our inventory levels to almost Rs.3700 Crores from Rs.5,700 Crores on March 31 so right now what would be the breakup between segments for inventory? I mean the US would be a major chunk right the inventory and if you could just throw some light on what is the breakdown and going ahead will it come down or will it be maintained every quarter at this level for executing further orders?

Vipul Mathur: On March 31, we have seen a very inflated inventory because and most of it was sitting in the US but it was a paid up inventory so as we are executing those orders right that is where the inventories are coming down and as the orders over the next two quarters they will get executed. You will see a further reduction in the inventory level in the US side of it. In terms of inventory at the India level I think it is very, very manageable. It is well controlled at this point in time so in subsequent quarters you will only see a reduction in the inventory level from what you are seeing today.

Miraj: Understood right and Sir on the Sintex side our current utilization is roughly 20% we did in the two quarters that went by tonnes and volume so what we expect to be a sustainable level in terms of volume for full year?

Vipul Mathur: Sintex we are restarting the whole process. We want to restart this process with sound fundamentals right so that is why as I said earlier that we are ramping it up very slow not slowly gradually but steadily. That is what the principle we have embarked upon it at this point in time. Gentlemen you guys have to be a little patent in terms of Sintex. Everyone understands it is a great company. It has a great product offering. It is a brand. It has a product recall and it is only going to grow from here. All what we are trying to do is to bring this growth in a very, very steady manner and so these are a little early days in terms of capacity utilizations and all that stuff. This capacity utilizations are only going to grow and grow up from here but correspondingly the dealer network, the distribution network, the plumber network, the policies, the branding, and the consumer mindset these are the big large ticket areas we are emphasizing and working on. If that pull if that trust comes back then ramping up this production capacity is in our hand either way. We can do it very, very quickly but that ecosystem which will facilitate this ramp up and sustain this ramp up for a longer duration of time I think so that is where our strong emphasis and focus at this point in time is. This is what we have been doing for the last two quarters and as I said this is what we will continue to do for next two quarters more.

Moderator: Sorry the current participant has left the queue. The next question is from the line of Abhishek Ghosh from DSP Mutual Funds. Please go ahead.

Abhishek Ghosh: Yes Sir just one followup question just through your presentation we were looking through your active bid book on the line pipes part of it which in Q2 FY2024 has seen meaningful improvement so you have kind of hinted at it in terms of exports being strong and other things but any comments there Sir? Is it only export led or India oil and gas for water just some thoughts that will be helpful Sir thanks?

Vipul Mathur: It is primarily export primarily export. India business is fairly static Abhishek. India oil and gas business is static. India water business will grow but India oil and gas business is pretty much static. This bid book what you are seeing is basically export led, huge traction seeing across.

Abhishek Ghosh: Okay got it Sir. Very helpful. Thank you so much Sir.

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

Vikash Singh: On behalf of Phillip Capital I would like to thank Welspun Corp for giving us the opportunity to host them. I would hand over the call to management for any closing comment. Over to you Sir.

Vipul Mathur: Thank you Vikas. Thank you very much for hosting this call today and thank you very much for all the participants who took the time out to hear to us and giving us the chance to answer all your questions. I just want to reiterate that Welspun Corp is absolutely on a growth journey. All our entities which are the pipe entities which are in India, Saudi Arabia or the US are showing very strong performances and they will continue to show strong performance. Our DI business is ramping up beautifully well. The market is into a tailwind at this point in time and we are trying to capitalize upon that. Our steel business is doing phenomenally well and more importantly our Sintex business is showing a great brand recall and a great pull. I think so with all these things Welspun Corp is sitting at a cusp of a significant growth in future and our results and our performance is a testimony to that. The only caveat is that on one side we have a B2C business and on the other side we are still also have a B2B business the project business and project business have their own element of uncertainties which you understand but given that we are in the pole positions in most of the economies we will be able to and our track record suggest that we have been able to pull up things so we are absolutely confident that we will be able to perform and give you very stellar results in subsequent quarters to come. Thank you very much for your interest and patience and we wish you all the very best. Thank you.

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