"Venus Pipes and Tubes Limited

Q4 & FY25 Earnings Conference Call"

May 26, 2025

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

Moderator: Ladies and gentlemen, we welcome you all to the Q4 and FY25 Earnings Conference Call of Venus Pipes and Tubes Limited hosted by Ambit Capital. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Dhruv Jain from Ambit Capital. Thank you, and over to you, sir.

Dhruv Jain: Thank you. Good evening, everyone. On behalf of Ambit Capital, I welcome you all to the Fourth Quarter and FY25 Earnings Call of Venus Pipes and Tubes Limited. Today, we have with us from the management side, Mr. Arun Kothari, Managing Director; Mr. Dhruv Patel, Whole Time Director and Mr. Kunal Bubna, CFO of the company. We will have the opening remarks from the management initially. And after that, we'll have a Q&A session. Thank you, and over to you, Arun, sir.

Arun Kothari: Good evening and warm welcome to everyone on the Q4 and FY25 Earnings Call for Venus Pipes and Tubes Limited. I have been joined by Mr. Kunal Bubna, CFO and our IR team and our Investor Relation Advisor. We have uploaded our Q4FY25 investor presentation on stock exchanges and company's website. And I hope you had an opportunity to go through the same.

Before we begin, I would like to point out on two important development in the company recently. We are proud to share that we have recently secured a major order worth INR190 crores from India's leading integrated power plant equipment manufacturer. The order is for stainless steel seamless boiler tubes to be used in the series of supercritical and subcritical thermal power projects.

The project is expected to be executed progressively over the next 12 to 15 months. This is a landmark order for the company, not only because of its size, but also because it reflects our growing technical capabilities. We are confident that with our capabilities and a strong execution recourse, we will be able to secure similar large-scale orders more frequently in the near future.

Secondly, we have also achieved a significant milestone with the commencement of operation for 3,600 metric tons per annum of value-added welded tubes. This marks our official entry into the value-added product segment aligned with our long-term strategy to diversify our offering and move up the value chain. Now I would like to throw some light on the economic front.

The global macro environment continues to navigate a period of uncertainty marked by geopolitical tensions, inflationary pressure and shifting trade dynamics. Conflicts in Eastern Europe, coupled with the strategic realignment of supply chain and deglobalization is picking up pace led by the United States have contributed to a fragmented global trade environment.

While GDP growth in advanced economies has moderated, there are sign of stabilization as inflation eases and monetary policies gradually normalize. India too witnessed a slowdown particularly in the first half of the year due to election and muted private sector investment. However, sign of recovery are emerging with leading indicators suggesting a gradual pickup in the industrial activity and infrastructure spending.

The government's continued focus on manufacturing through the PLI scheme and FTAs is expected to support domestic growth in the long term. As we look ahead in FY26, the outlook remains cautiously optimistic, dependent on geopolitical stability, consumer confidence and sustained policy support. On the company front, FY25 has been a strong year for us. Our total revenue grew by 19.5%, reaching to INR 958.5 crores compared to INR 802.2 crores in the FY24.

The growth was mainly driven by a steady flow of new orders supported by our efforts to enter into new geographies and expand our customer base. We focus on growing our reach across geographies, which help us tap into fresh demand and strengthen our position. A key highlight for the year has been the sharp rise in our export business. Export revenues grew more than 3x from INR98.7 crores in FY24 to INR338 crores in FY25. Out of this, INR112.5 crores came in the fourth quarter alone.

Exports made up about 35% of our total revenue for the year. This strong performance despite global uncertainties shows the growing demand for our products overseas, wider acceptance of our quality and the benefits of expanding our product range. We continue to engage with dealers and build relationships along with increasing brand visibility with initiatives such as participation in trade fairs and other events.

Domestic sales continued to face some pressure during the year due to subdued capital expenditure from both the private and government sectors. However, with several new orders win in the domestic market, we remain optimistic about growth in FY26 and beyond. Our confidence is further strengthened by our growing market share, particularly as we continue to gain ground over unorganized players.

Looking at our product segments, seamless pipes contributed INR543 crores, growing by 18% and welded pipe business contributed INR350 crores in revenues, growing by 12% on a year-on-year basis. On the volume side, we achieved 17% growth with welded pipes growing by 10% and seamless pipes 25% with overall capacity utilization at approximately 70% on FY25 basis.

This indicates healthy demand and leaves room for further growth. With continued focus on expanding markets, improving efficiency and offering some more value-added products, we are optimistic about maintaining this momentum in FY26. Our industry-wide mix continues to remain strong, with a steady supply to key customer across sector such as chemical, engineering, pharmaceuticals, food processing and oil and gas.

In addition, we are seeing growing interest from industries that require high-performance material for critical applications, including nuclear, renewable energy, semiconductors, power and others. These sectors offer exciting opportunities for long-term growth. Currently, our order book stands strong at approximately INR575 crores, reflecting a healthy pipeline and continued customer service confidence.

Now I would like to highlight some key business initiatives undertaken by the company this year. During the year, we placed strong emphasis on two key areas, bringing in experienced talent from the industry and expanding our product portfolio. The recruitment of key manpower is our strategic initiative and strengthening our market position. Over the past few years, we have consistently invested in building a strong team, which is reflected in the increase in our manpower cost.

These investments are intentional and strategic. We firmly believe that the talent we have brought will significantly enhance our capabilities, helping us gain market share and drive profitable growth over the long term. On the product portfolio front, we announced a capex plan in February 2024 to support our next phase of growth.

During the year, we began the groundwork for this expansion and are currently in the process of completing it. We expect to commence commercial production of our value-added product portfolio in FY26. A key part of this expansion includes the addition of fittings, which will position us among the select few players in the industry offering comprehensive piping solution.

This strategic move will not only strengthen our product offering, but also deepen our value proposition for customers across industries. Now moving forward, as part of our long-term growth strategy, we are focusing on three key areas to build up our market position and build a more resilient business. We are working to establish a deeper relationship with strategic customers in Europe, Middle East, Africa and U.S. market, while also exploring new regions for growth.

At the same time, our well-established domestic presence ensure that we are well positioned to mitigate any global uncertainties. This balanced approach between domestic and international markets provide us with a strong platform to manage risk and capture growth opportunities globally. We are gearing up to launch a range of value-added products, including fitting and high-grade pipes/tubes in FY26.

This will be an important milestone in our product strategy and give us a competitive edge in an industry where differentiation and quality are increasingly important. We are making focused efforts to expand our presence in critical industries such as nuclear energy, renewables, power and semiconductor.

These sectors have stringent quality and approval standards, making it challenging for most players to enter. However, thanks to our strong customer relationship, proven track record and commitment to quality, we are confident in our ability to secure orders and build long-term partnerships with companies operating in these high-value segments.

As we reflect on FY25, the year marked a key point in our growth journey, driven by strategic investment in product diversification, talent acquisition and market expansion. Despite global and domestic challenges, we delivered robust performance, entered high potential sectors and laid the foundation for our next phase of growth.

With a sharp focus on value-added products, deeper penetration into critical industries and expanding presence across global markets, we are well positioned to build on this momentum. The recent order wins and our growing capabilities give us a strong confidence as we look ahead. As we enter FY26, we do so with cautious optimism, a clear strategic direction and the commitment to delivering long term sustainable value for all stakeholders.

With this, I hand over to Mr. Kunal Bubna, our CFO, for financial highlights for FY25.

Kunal Bubna: Good evening, everyone. We are pleased to share that our company has delivered a steady and resilient performance in Q4 and FY25, achieving growth across all key financial metrics, revenue, EBITDA and PAT despite a challenging external environment. On the revenue performance side, revenue from operation for Q4FY25 stood at INR 258.1 crores compared to INR 224.1 crores in Q4FY24, reflecting a 15% year-on-year growth.

For FY25, revenue grew by a strong 19%, reaching INR 958.5 crores supported by a blended volume growth of 17% across both welded and seamless pipes. Q4 revenue mix, 35% from welded pipe, 59% from seamless pipes and 6% from others. And FY25 revenue mix was 36% from welded pipes, 57% from seamless and 7% from others. Segment-wise growth year-on-year, seamless segment revenue grew by 22% in Q4 FY25 and 18% for FY25.

Welded segment revenue rose 1% in Q4FY25 and 12% for FY25. On the EBITDA front, EBITDA for Q4FY25 stood at INR41.6 crores compared to INR 45 crores in Q4FY24. EBITDA margin for the quarter was 16.1%. And also EBITDA for Q3 FY25 was INR37.13 crores. For FY25, EBITDA grew 14.6%, reaching INR167.6 crores with a margin of 17.5%.

On the PAT front, PAT for Q4 FY25 was INR 23.7 crores compared to INR25 crores in Q4FY24 with a margin of 9.2%. For the full year, PAT grew 8.1% year-on-year to INR 92.9 crores with a margin of 9.7%. In closing, we are optimistic about the journey ahead and we remain fully committed to sustainable profitable growth with a clear strategy in place, ongoing investment in product expansion and sharp focus on operational excellence, we are excited to elevate the Venus brand further and set new benchmark in the stainless steel pipe industry. With this, I would like to open the floor for Q&A.

Moderator: Thank you, sir. We will now begin with the question and answer session. The first question comes from the line of Amit Kumar an Individual Investor. Please go ahead.

Amit Kumar: Congratulations on a great set of numbers. So I have a question that first question is that our top line is increased by 20% year-on-year, but our other expenses are increased by 95% and finance cost increased by 56% and the employee cost increased by 70% Y-on-Y. So could you please throw some light on these?

Kunal Bubna: Yes. So primarily, if you see as we have backward integrated on the side of seamless, so primarily the entire 1,200 tons i.e. substantial portion of that is now fully backward integration. In an earlier year we are not fully backward integrated for entire qty. Apart from that, we have also started manufacturing higher sizes of welded pipe and all.

So if you see even in the last quarter also, it was in the range of more than 16 other expenses which will be taken employee cost together and we have been telling that we will invest a substantial portion of resources towards manpower because these costs will definitely increase now and also bit going forward. But if you see on a blended basis, welded and seamless taken together, other expenses plus employee cost should be in the range of 16% to 18%.

Amit Kumar: Okay. And what is the volume produced in FY '25 for both seamless and welded and what is the EBITDA per/ ton for both of these?

Kunal Bubna: We don't give EBITDA on the individual basis, but on the blended basis, it was near to INR65, INR64 per kg.. And as I said for the last year, the volume growth was on a blended basis was 17% and for individual product it was 25% on the side of seamless and 10% on the side of welded.

Amit Kumar: So is it possible to provide the volume produced in FY'25

Kunal Bubna: It was around 26,000 tons on a total basis.

Amit Kumar: 26,000 tons. And if you provide the bifurcation between seamless and welded?

Kunal Bubna: We don't provide exact bifurcation, but we are providing you the increase in percentage, that seamless 25% and welded 10%.

Amit Kumar: Okay. And what is the guidance for next 2, 3 financial years in top line and EBITDA?

Kunal Bubna: See on the side of top line, the expansion for the value-added welded tubes have already been done in the month of May. And the other projects are underway, and we believe before the end of this March '26, all the projects will start what we have targeted internally and with all this capacity coming into play, we believe for each year FY '26 and '27, it should be a growth on a top line around more than 20% sort of number. And on the side of EBITDA, on a margin basis just an indicative number, you can take between 16% to 18%.

Moderator: The next question comes from the line of Dhruv Jain from Ambit Capital.

Dhruv Jain: So first question was on the domestic business. So while you have done exceptionally well on the export side, I think FY '25 in general has been impacted on the domestic side. So just wanted to get your thoughts as to how that turns out in FY '26, right? Are you seeing any green shoots? And if you could also provide us with the order book of the same of the entire next 2, 3 months, whatever it is?

Kunal Bubna: So if you see Dhruv ji, definitely in the domestic side it's subdued –but even if it was also a strategy on the part of the company to export what we are saying since starting because we want to diversify across geographies, not to keep our self restricted to India, so that was our strategy and we were succeeded in driving our export.

But again, we want to mention that there was also subdued domestic demand. But recently, you must have seen that we've received a substantial amount of domestic order which also shows that there is a good amount of demand from power and also other sector may come in the going forward quarter, so those demands from those others sectors seem to be coming up and there can be demand from generation and STP/ETP type of plants and all where we are also in demand going forward.

And if you see from the mix perspective, definitely, we have reach around 35% on the side of export and balance on the side of domestic, but these ratios should be maintained in the coming year to come, the intent is above 30% on the side of export and rest depend on the orders and try to can increase further, but depending on the margins and other factors.

And on the side of order book, it's roughly INR575 crores of order book currently, which is more or less split between 40% roughly on the side of export and balance on the side of domestic.

Dhruv Jain: So that INR200 crores worth of order that's basically INR370 crores for the next 3 or 4 months, right?

Kunal Bubna: Absolutely. Yes. It will take more than 4 months sort of.

Dhruv Jain: And sir, just second question was on the capex, right? So obviously, FY '26, we are going to see a lot of capex coming in from Venus Pipes. Just wanted to understand blended utilization basis, what is the number that we expect to end at the end of FY '26? Across both categories?

Kunal Bubna: Yes, definitely, it should be blended basically it should be around 80%, sort number what we believe we should be able to achieve and primarily more than 85%-90% on the side of seamless.

Dhruv Jain: So this you're talking so if I'm not wrong about 42,600 capacity, right?

Kunal Bubna: Yes. But those capacity will come in paces over a period of time. So that need to be factored into because the entire capacity will not be available on the very start of April 2025. So I'm taking those under consideration while mentioning the figure.

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

Radha: Sir, my first question was with respect to the boiler tubes order of INR190 crores. So this is for the supply to thermal power plant. So can there also be an opportunity in the future for supplying similar tubes for nuclear and solar power plants and if yes, then will we need further customer approvals for separate quality approvals for these products?

Kunal Bubna: You see, we have been supplying to this sector, which you are mentioning. But again, see there are individual clients who some time set their own quality norms apart from your current approval, to be approved by us, we keep on doing that and we are qualifying for many of the project what we have mentioned, but there are some time specific requirement that need to be approved also.

And again, on the side of this boiler tubing and all, there are a few further tenders to be placed by those bodies in the recent future, where we will again be participate in and we can also received on that front, there is a possibility also.

Radha: Sir, would you, by any chance have the bid book for these boiler tubes?

Kunal Bubna: No, we don't have. butthey are tendering across quarters and half-years forward basis. But we think it's a good amount of seamless demand in the coming 3 years, it will be quite a significant what we believe.

Radha: And margins would be in the similar range, 16% to 18% or higher?

Kunal Bubna: If you take standalone in seamless pipes, the margins are higher, but what we are currently is in the similar margin what we earn for seamless

Radha: Sir, just for this product sir margin?

Kunal Bubna: Definitely, what we earn for seamless in the same range.

Radha: Okay. And the third is, is it mandatory to have mother hollow to be able to qualify for supplying these boiler tubes? And in terms of technology, piercing versus extrusion, is there any preference by the customer for being able to supply boiler tubes?

Kunal Bubna: If you see the preference can be there by the end customer, but this big order itself prove that for supplying that series of super critical piercing technology accepted, that give us good amount of confidence tand we are seeing is widely accepted in many of the areas. But again, sometimes there are a few customers who specifically want it should not be from piercing, it should be from extrusion, that can be there.

Radha: And is it mandatory to have other mother hollow, sir?

Kunal Bubna: Primarily not as a specifically but we believe there are many who prefer those customer who have mother hollow, because the entire value chain can be inspected at that facility.

Radha: Is there any player who is not having mother hollow and have won the order of boiler tubes?

Kunal Bubna: . In the current order what we have heard is generally they are not giving order who does not have mother hollow.

Radha: Okay. Currently, if no mother hollow, then they are not getting approval.

Kunal Bubna: Yes, generally what we have heard until now.

Moderator: The next question comes from the line of Parth Bhavsar from Investec India.

Parth Bhavsar: Sir, I have a few questions related to exports. So sir, we have done quite well in the last 2 quarters. So can you highlight where are we exporting to? And what sort of efforts have we put to like have a crack on exports?

Kunal Bubna: So primarily the reason has been we used to be majorly supplying to European country on a predominant basis for the last year it is Europe, USA, and Middle East, and African countries. So if see it is coming from definitely the predominant area is Europe and US and balance are Middle East and African countries.

The efforts have been wide open, we have been participating in all the fairs. We have senior people working in many of these geographies where we had been supplying and we have many of the SKU's to be offered to customers and the quality is up to the standard that they require, this all help in a mix and help us to grow our export in all the geographies.

Parth Bhavsar: Okay. Got it. Sir, in terms of margins for these products, would it be similar to the domestic business? Or would it be like lower or higher?

Kunal Bubna: Sort of similar and sometimes there are a few orders where you had the higher margin also, but if you see blended basisit is similar.

Parth Bhavsar: Okay. And sir, basically, I wanted to understand like when we do make this like the sale. So do we do it to directly the end consumer? Or do we direct it through a dealer distributor? And so basically, what sort of channel do we use for the exports market?

Kunal Bubna: So primarily in Europe and US dealer and distributor only. They in turn supply to the end industry.

Parth Bhavsar: Okay. So in Middle East and African countries, you directly supply to the end consumer?

Kunal Bubna: Yes in Middle East and all the approvals are received from the end customer, but the orders are placed by the EPC contractors. And there are few cases where it differ also.

Moderator: The next question comes from the line of Sneha Talreja from Nuvama Wealth Management.

Sneha Talreja: Just a couple of questions from my end. One is on your margin guidance. I am sorry I joined a bit later, but what I understand is it stands at 16% to 18%. Just wanted to understand a couple of things here. This year, we probably will have increase in value-added products also, which you've recently launched. Plus, if I look at the current margins or for the entire year, the whole OCI margin stood at about 17.5%-odd. Then what is the reason for margins to about 16% to 18%-odd in case we can get some parity here.

Kunal Bubna: You're correct from the perspective, the few more value-added products and few more started coming quarter to come. But again, we need to also see the portion of welded would also be increasing, which is generally a low margin as compared to seamless. So keeping all the factors in mind we see those margins being achieved by us in coming forward years.

Sneha Talreja: Understood. And anything that you can talk about the weakness in the welded side, where is it coming from?

Kunal Bubna: It's a mixed bag please see we have not been supplying welded in the overseas market, which we started over the past few quarters so a bit for penetrating those regions, further –our margins have been affected a bit because of competition intensity was also there, which has also affected. But going forward for years to come because of the value added and more approvals under considerations, we believe those margins will improve further.

Sneha Talreja: Understood. And I mean, anything on the growth focus front, I don't know if you've actually mentioned it, that what could be the welded as well as seamless volume growth for the coming year. Some visibility here?

Kunal Bubna: On a blended basis, we see a growth of around 20% for the coming year.

Moderator: The next question comes from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal: So just a question on the domestic competitive intensity. So there were some talks of competitors also planning to go into seamless pipes by a couple of companies. So are we seeing any progress on that or mostly will take some time for them to get approvals and start manufacturing seamless pipes.

Kunal Bubna: Yes, definitely few of the competition will be coming and a few are under process. But again, as we always say it's an approval-driven business, so everybody should be requiring the requisite approval for getting supply to the end customer or key customers.

And further we as a company are working towards a value-added products, which will help us to grow with that time . So we are trying and also working on many of the geographies in many of the sectors so that those intensity can be reduced to the minimum, this is what we as a company we can do.

Pallav Agarwal: Sure. And also in terms of the tariff scenario that is playing out, so is there any advantage for some Indian companies or with respect to exports compared to some of the other countries, like, say, China or any other exporting countries?

Kunal Bubna: Definitely, it can be because what we are seeing in case of U.S.A., already a good amount of duties are there on China when they export to U.S. as compared to India. But then if it is further increased, definitely we believe it should help. But again, those scenarios are not very clear because they are changing every day or every week so it's very tough to predict those things currently.

Pallav Agarwal: Sure. And also just wanted to know when do you expect the domestic markets to start recovering maybe in a couple of quarters or how long anything that take to recover?

Kunal Bubna: If you see this current order book, what we have seen from a domestic it will only improve, that only show any improvement from a company perspective, we see those improvement then further few more sectors, we are seeing recovey for the industry. So we see those pick up has started and few more other demand in those sectors in coming forward quarters. So we see coming year should be good from the domestic perspective.

Pallav Agarwal: Sir, lastly, I know you mentioned what is the capex guidance for FY '26 -- '26, '27, if you could just give us.

Kunal Bubna: For the -- current FY '26 it should be around INR120-odd crores.

Pallav Agarwal: Okay. And FY '27 will be only maintenance capex or any growth capex also?

Kunal Bubna: There will be some but predominantly maintenance, but again, we are working on that something more, we will come and update you all.

Moderator: The next question comes from the line of Mihir Damania from Fident Asset Management. Please go ahead.

Mihir Damania: Yes. I hope I'm audible. So my one question is considering that we are very close to a new capex coming on board or on the newer products, the value-added pipes and the fittings. Do we have a time line of how we are looking to execute the newer products? Have we started dealing the newer product to clients? And you go a bit more better on how far are we in terms of doing newer orders and utilizing this capex?

Kunal Bubna: On the side of the current value-added product that we have started currently, we are definitely working with a number of clients, so those inspections, those product approvals are already in place. So we as a company are working on that. And sooner or later those selling of that will also start.

And for the newer capex, definitely, not any specific approval because on the side of seamless tubing, we we are currently also supplying to many of them. But again, when you add capacity you try to absorb those high-value added product more in the system with those new approvals, on the side of seamless, and further fittings and all those approvals would be required, not much for fitting we have started any approval, as and when we come up near to our start of the project, we will start those things.

Mihir Damania: Okay. Got it. So but would you assume that this would take like a couple of 2 to 3 years to kind of fully utilize this plant?

Kunal Bubna: No, on the side of seamless, we are quite confident that we would be able to achieve a greater amount of utilization in the next year. On the side of welded also the substantial portion would be utilized in the coming years 1 or 2 years. On the side of fitting definitely, those will start, it will take some time. But again, 1, 2 years, post start of that, we will be able to utilize a substantial portion of that.

Mihir Damania: Got it. And just one more update. So currently, the USA tariffs, we are not being impacted by the U.S.A. tariffs because I think the earlier tariff for our product didn't stand. We do not have any incremental duty charge as such.

Kunal Bubna: No, no, you're right. The tariff remain the same for India as compared to what it was earlier so as a company or as a country we are not affected on our product side.

Moderator: The next question comes from the line of Ritesh Shah from Investec India. Please go ahead.

Ritesh Shah: Sir, just one question. Are there any specific approvals for our global supplies that you are counting over the next 6 to 12 months?

Kunal Bubna: Definitely, yes. In few of the countries, South East Asia and others, where we are working, there are a few specific approvals which are quite working for all of them. And it seem we will keep on adding those in each quarter to come. And the few of the cases, we can directly supply because we have been supplying there.

Ritesh Shah: All right. Sir, would it be possible for you to basically mention what all specific approvals we are looking for? And are there any product process changes that we're already doing or where are we on the process on the approvals with a few names.

Kunal Bubna: Giving a specific name I think it's not currently would be right because those are competitive information but again no change of process what we currently follow the processing in the industry, there can be some testing methodology, there can be approval methodology or inspection methodology which can change but not the process which changes with that. It can be changed on grades, change of some other things but not on the process in the industry.

Ritesh Shah: Sure. And sir, last question, the guidance that you have indicated, is it contingent to any of these approvals, I would presume no.

Kunal Bubna: And definitely not as such, though we work on many of other approvals, and we are also not contingent on that.

Moderator: The next question comes from the line of Heena Vora from DAM Capital. Please go ahead.

Heena Vora: Hi, sir. Good evening. Thank you for the opportunity. Sir, my question was around the welded piece basically. Just a clarification, you mentioned that the weakness this year was because of, of course, domestic being weak, domestic demand, competition coming up and also some kind of delay in approval.

Kunal Bubna: Can you repeat. I'm unable to get you.

Heena Vora: Yes. Sorry. Sir, my question was around the welded piece. Sir, just wanted a clarification. Earlier, you mentioned the volume growth that we saw was because of weak domestic demand, rise in competition and also some delay in approval?

Kunal Bubna: Not delay in approval, we said it was more on the side of penetration to new geographies, like were we not there earlier.

Heena Vora: Okay. Okay. Sir, just wanted to understand for the year to come, is there an export angle to this in case domestic takes a few more quarters to revise?

Kunal Bubna: See, we currently we have around around 35% on the export side. And we currently have a order book also near to that or more than that. So we believe we will be able to continue like that. And again, if there are slowdown in the domestic demand further, we will try to increase our pace on the side of export. But again, as we said, we already have a good domestic order book also keeping this new order in hand, so we should able to maintain the guidance what we are currently saying to you all.

Moderator: The next question comes from the line of Parth Bhavsar from Investec India.

Parth Bhavsar: Hi, sir. I had a question more on what future holds, basically, we are making an effort to move towards value-added products and add more and more grades into our kitty. But beyond stainless steel and fittings, like do we have any product in mind that we would want to foray into like post maybe 2 or 3 years down the line, considering that there's a lot of competition as well in the stainless steel segment, both in seamless and welded.

Kunal Bubna: See, primarily as a company, there's a team which keeps on working on other value-added and other products which we can add in our kitty. But again, these all workings are along with the current expansion that is going on. But as and when we come up with the specific plans & when we internally finalize those, definitely we'll come and tell u all , but we definitely as a company keep working on on that.

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

Radha: Sir, my question was that the welded value-added products. So are there any other players who are making this product in the Indian markets. And what is the margin delta in these products when we compare to the stainless steel welded products.

Kunal Bubna: So think a few other manufacturers in the country can be more than 2, 3 manufacturers who are manufacturing that in the country. And the margin delta generally as and when you get those requisite approvals, it it can vary to a certain extent, can be 2% or higher, 3%. It can be a sort of that range 2% to 5%, you can say. But after we get those requisite approvals, all those data are available to you.

Radha: 2% to 5% higher margins.

Kunal Bubna: From the selling price. Yes.

Radha: So if you see the whole company you mentioned...

Kunal Bubna: No, no, I'm speaking for that specific product I am saying.

Radha: Yes. So currently, as a company, we are doing 17%, 18%. So just for this specific product, this product alone would have 2% to 5% higher margins, that would be 20% to 23%.

Kunal Bubna: No, It can't be because it's only 300 ton capacity what we are coming up with. And the capacity utilising we also get in this current year and next year.

Radha: Yes, sir. Optimum utilization.

Kunal Bubna: But again, it is 300 tonne out of my total capacity of 2,300 tones. So again, it will not increase the total percentage in that way. And again, it all depend when you get those approvals and all when you are qualifying that when you can try to boost higher margin delta by selling to them.

Radha: Sir, who are the 2, 3 other manufacturers?

Kunal Bubna: Ratnamani is doing that.

Radha: Is there any plan to backward integrate into stainless steel bars?

Kunal Bubna: No, currently we don't have any such plan. but if something is there or if wee finalize something, we will definitely let you know.

Moderator: Ladies and gentlemen, due to time constraints, we'll take the last question from the line of Sudhir, an Individual Investor. Please go ahead.

Sudhir: What is the realization of stainless steel per tonne for Venus Pipes?

Kunal Bubna: On a blended basis, it was around INR340 -- more than INR340 per kg, excluding other sales.

Sudhir: Sorry, come again.

Kunal Bubna: INR340 per kg, excluding other sales on a blended basis.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Kunal Bubna: I take this opportunity to thank everyone for joining the call. We will keep updating the investor community on regular basis for incremental update on your company. I hope we have been able to address all your queries. For any further information, kindly contact Strategic Growth Advisors, the Investor Relations advisor for our company. Thank you once again.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of AMBIT Capital Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.