



“Venus Pipes and Tubes Limited  
Q4 and FY26 Earnings Conference Call”

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**MODERATOR:** **MR. AASIM BHARDE – DAM CAPITAL ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Venus Pipes and Tubes Limited Q4 and FY26 Earnings Call, hosted by DAM Capital Advisors 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aasim Bharde from DAM Capital. Thank you, and over to you, sir.

**Aasim Bharde:** Thank you. On behalf of DAM Capital, I welcome everyone today for Venus Pipes and Tubes Q4 FY26 earnings call. From the company side, we have Mr. Arun Kothari, Managing Director; Mr. Dhruv Patel, Whole-Time Director; and Mr. Kunal Bubna, the CFO.

I hand it over to Mr. Kothari for his opening remarks. Thank you, and over to you, sir.

**Arun Kothari:** Good evening, and a warm welcome to everyone on the Q4 and FY26 earnings call for Venus Pipes and Tubes Limited. I have been joined by Mr. Dhruv Patel, Director; Mr. Kunal Bubna, CFO; and SGA, our Investor Relations Advisors. We have uploaded our Q4 FY26 investor presentation on stock exchanges and company's website, and I hope you had an opportunity to go through the same.

FY26 was a year of continued momentum and steady progress for the company. Throughout the year, we remain focused on 2 key priorities: First, successfully navigating the challenging global environment. The year saw multiple disruptions globally, starting with uncertainty around tariffs, followed by geopolitical tensions and Middle East conflict. In today's interconnected world, no economy or business remains untouched when such events occur. The biggest impact is usually seen in supply chains, whether it is sourcing raw materials or executing exports smoothly.

Despite these challenges, we navigated the environment well and continued to deliver stable growth. Our backward integration helped insulate the business from raw material volatility, while our diversified presence across sectors and geographies also largely supported resilience during the year. While RM prices and gas shortage increased, our strong procurement system and operational efficiency helped us manage the impact effectively.

However, a prolonged period of elevated RM prices may have some impact going forward. We remain focused on driving further efficiencies across the businesses to further strengthen resilience and sustain performance. On the export front, we delivered an 18% growth in FY26, which is a strong performance considering the global situation.

Q4 did witness some temporary softness due to the Middle East conflict, but our diversified export presence helped us to maintain the momentum. Europe continues to remain a strong market for us and our broad customer base across regions has supported resilience in exports. At the same time, domestic demand remained robust, particularly during Q4.

We continued to witness healthy momentum from sectors such as power, oil and gas, engineering and industrial applications. In addition, we are now seeing opportunities emerge from several new age industries, such like data center are creating demand for cooling and chiller applications. Semiconductor manufacturing requires high-quality piping solutions for cooling systems and solar manufacturing is also opening new avenues for us.

We are receiving encouraging enquiries from these sectors and have already secured an LOI from the data center segment, which reflects growing confidence in our capabilities. Additionally, we, as a company, also exploring CNG/PNG sector where there can be a good demand for our products. Overall, despite a difficult global backdrop, the company has remained resilient, continued to grow across domestic and export markets and further strengthened its position in the stainless steel piping solutions space.

The second major focus area for us during FY26 was expediting our capex plan and expanding our product range. One clear vision for Venus has always been to become a complete one-stop piping solutions provider for customers. In line with this vision, we had announced our forward integration into fitting along with the addition of higher grades in welded pipes, tubes and seamless tubes.

I am proud to share that entire capex program has now been fully commissioned. This is an important milestone for the company and takes us one step closer to becoming a comprehensive solution provider for our customers.

Currently, the company's total installed capacity stands at 27,600 metric tons per annum for welded pipes and 20,400 metric tons per annum for seamless pipes apart from the fitting capacity. Earlier, we had a planned expansion of 4,800 metric tons per annum in seamless pipes and tubes capacity.

However, considering the demand outlook and growing customer requirement, we decided to further enhance the project to 6,000 metric tons per annum by adding additional lines, including 1,800 metric tons per annum getting operational in November 2025 and 4,200 metric tons capacity getting operational today.

Alongside this, we also added equivalent backward integration capacity for seamless pipes, and we are 100% backward integrated for the 20,400 metric tons per annum capacity to manufacture mother hollow pipes, which will further strengthen our operational efficiency, improve supply reliability and support long-term scalability of the business.

The expansion significantly increased our product offering and strengthens our ability to serve our customers across a wider range of applications and industries. Our entry into fittings along with our broader stainless steel product portfolio places us among a limited number of players with such an integrated capability. This not only strengthens our customer relationship, but also opens opportunities in sectors that have high technical requirements and strong entry barriers.

Going ahead, we believe these investments will help us deepen our market presence, improve our value proposition for customers and support long-term growth for the company. In regard to

our order book, our order book today stands at INR450 crores without LOI of INR185 crores that we have recently awarded by one of the leading data centers and remains well diversified.

To conclude, the FY26 was an important year for the company, where we continue to deliver a steady growth despite a challenging global environment. I will now hand over this call to Mr. Dhruv Patel Whole time Director, who will share key developments.

**Dhruv Patel:**

Thank you, Arun ji. At Venus, we have always maintained an endeavor to be a one-stop piping solution provider for our customers. In line with this vision, we are now further forward integrating into spooling solutions with a capex of around INR70 crores. The investment will be utilized towards setting up a dedicated spooling and fabrication facility, fittings machinery and related infrastructure. This capex is backed by an INR185 crores LOI for order in the fast-growing data center segment.

This also marks our entry into data center space, which we believe is a high potential segment with strong long-term opportunities. What makes this achievement even more encouraging is that we secured this despite currently not having an existing spooling setup.

The win was driven by the company's strong reputation, established welded pipes capacity across major SKUs, combined with our newly added fittings capabilities, which reflected customer confidence in our technical strength, execution capabilities and ability to scale.

This development is strategically important for the company for multiple reasons. First, it enables us to move further up the value chain and evolve from being only a product supplier to becoming a more integrated solutions provider.

Second, spooling solutions carry higher value addition, better realization and stronger margin potential compared to standalone piping products. Third, this business will create strong backward linkage benefits by improving utilization of our welded pipes and fittings capacities, thereby enhancing overall operational efficiency and strengthening our integrated business model going forward.

Moving on to other key updates for the quarter and the year. First, we have acquired an additional 15 acres of land adjacent to our existing facility. This gives us a strong platform for future expansion and provides the company with long-term flexibility as we continue to scale capacities, expand product offerings and enter into new segments.

Second, we are further strengthening our leadership and business development capabilities. We have recently appointed a senior marketing professional with deep industry experience to enhance our presence in emerging and high-growth sectors. This will help us build stronger relationships with customers in new age industries like data centers, semiconductors, clean energy and other specialized applications. Third, we have also installed a tandem JCO press for manufacturing longer welded pipes. This is an important capacity enhancement as only a limited number of players currently manufacture such products.

The addition of this machine expands our product range, strengthens our positioning in specialized applications and enhances our ability to cater to larger and more complex customer requirements. With expanded capacities, a wider product portfolio and strong customer trust, we believe Venus is well positioned for the next phase of growth. We remain focused on building a scalable and value-added business and thank all our customers, employees and shareholders for their continued support.

With this, I hand over the call to Mr. Kunal Bubna, our CFO, for financial updates.

**Kunal Bubna:**

Good afternoon, everyone. We are pleased to share that our company has delivered a record performance in the fourth quarter and full year ended March 2026. On revenue front, revenue from operations for Q4 FY26 stood at INR302.2 crores as compared to INR258.1 crores during Q4 FY25, achieving a growth of 17% year-on-year basis. Revenue for FY26 stood at INR1,166.8 crores, witnessing a strong growth of 22%. Revenue bifurcation for the quarter was 59% from seamless pipes, 34% from welded and 7% from others.

Growth in the seamless segment was 18% on a year-on-year basis and welded segment registered a growth of 15% for Q4 FY26 on a year-on-year basis in terms of revenue. Export sales stood at INR87.8 crores for the quarter compared to INR112.5 crores in the same period last year, impacted by temporary disruption arising from the Middle East conflict.

However, we continue to maintain our export revenue share of more than 30%. On the EBITDA side, our EBITDA for the quarter stood at INR49.4 crores as compared to INR41.6 crores in Q4 FY25, a growth of 19%. EBITDA margin for the quarter stood at 16.3% compared to 16.1% in the same period last year. On FY26 basis, EBITDA saw a growth of 14%, standing at INR190.6 crores with a margin at 16.3%.

PAT for Q4 FY26 is INR25.4 crores compared to INR23.7 crores in Q4 FY25, a growth of 7% on a year-on-year basis. PAT margin stood at 8.4% for the quarter. Our EBITDA to CFO conversion stands at 59% for FY26. We look forward to a disciplined FY27 with a strong focus on scaling operations efficiently, improving capacity utilization and driving sustainable growth across business. Alongside growth, we remain equally focused on maintaining healthy cash flow conversion, operational efficiency and disciplined capital allocation as we continue to strengthen the company for the long term.

With this, I would like to open the floor for questions.

**Moderator:**

Thank you very much. The first question is from the line of Parth Bhavsar from Investec. Please go ahead.

**Parth Bhavsar:**

Thanks for the opportunity. Sir, I have a couple of questions on the new foray. So, I wanted to first understand the spooling business, when will it come on stream? And what is the revenue potential? And what sort of EBITDA margins are we looking at here?

- Kunal Bubna:** So, see, we are targeting to get on with this business by end of this calendar year. And -- we see a turn of around 3x of investment is expected from this business. And see, it would be higher margin-driven business, higher than what we currently earn in our business.
- Parth Bhavsar:** Okay. And then this INR185 crores order book, this would be executable in what sort of time period?
- Kunal Bubna:** Maybe around 15 months.
- Parth Bhavsar:** Okay. Okay. And sir, similarly, just wanted to get a sense on this JCO capex that we are doing, INR12 crores. So, by when will it come on stream? What is the revenue potential? Like -- or also, if you can give some color on the sizes that it would help us make.
- Kunal Bubna:** See, JCO is generally -- currently we do manufacture from JCO press, but this is a higher size of JCO, which can make a longer length of pipes. So primarily, it gives a competitive edge where very few in the country manufacture those lengths. So, it will help us to qualify for many of the tenders where we are currently not able to and it will give more visibility on the side of order. But the capacity primarily remains the same because it is the extension of our SKUs primarily.
- Parth Bhavsar:** Okay. And this will come on stream by?
- Kunal Bubna:** It's -- more or less we are done with it. So, we have completed it currently.
- Parth Bhavsar:** Okay. And sir, this capex, where we've increased the capacity instead of 4,200 to 6,000. So, what sort of capex did we incur on this incremental number for both seamless...
- Kunal Bubna:** Total for seamless, welded and fittings taken into this, it has been more than INR200 crores.
- Parth Bhavsar:** INR200 crores. Got it. Fair. And sir, now like since we are adding this spooling capacity, what sort of revenue and margin guidance that we are giving for FY27?
- Kunal Bubna:** See, for FY27, we see it should be at least more than 20% growth. And from the margin perspective, we see it will be higher from what we have achieved in the last financial year. And see, we have been saying that it will be more moving towards 17% and then to 18% by FY28 at EBITDA level.
- Parth Bhavsar:** Okay. So, it will be higher than 16.3%, which was reported in '26.
- Kunal Bubna:** Yes.
- Parth Bhavsar:** Okay. So those are my questions. I'll join back in the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Sneha from Nuvama. Please go ahead.
- Sneha Talreja:** Hi, team. Thanks a lot for the opportunity. Just a couple of questions from my end. What would have been the volume growth in this particular quarter as well as full year FY26?

- Kunal Bubna:** For FY26, it has been around 15%. And for the YOY quarter, it has been --somewhat 12-15%.
- Sneha Talreja:** Okay...
- Kunal Bubna:** For the quarter on quarter , it had been around 2% -- roughly around 1%, 2%.
- Sneha Talreja:** Sure. And Kunal, can you break it up into seamless and welded?
- Kunal Bubna:** Primarily, see, the growth for the year on the side of seamless has been more than 15% seamless and welded was around 10%.
- Sneha Talreja:** Understood. And what is the guidance now for next year stand there?
- Kunal Bubna:** Yes, it's more than 20% from here?
- Sneha Talreja:** Got that. Secondly, I just wanted to check on your working capital now. How do we see that changing going ahead? And what is the new business that you are getting into data centers and all? What kind of working capital is needed in those segments?
- Kunal Bubna:** See, on the sales basis, it's around -- NWC is around 120 days, near to that. So we believe it should continue even in the new business also. Similar type of working capital we are seeing in the new business.
- Sneha Talreja:** Okay. So, there will be no change in working capital is what you're suggesting?
- Kunal Bubna:** Not major, we are seeing any changes.
- Sneha Talreja:** Got that. And sir, when are we going to start -- and what is the total order book standing at this point of time?
- Kunal Bubna:** INR450 crores plus the LOI what we have received.
- Sneha Talreja:** Got that. And execution of this new order starts from, for data center?
- Kunal Bubna:** See, it's an LOI being received. So, we are expecting the order soon. As and when that order being received, then -- and we are building up the facility also. So, if these all things get completed, we'll definitely start aiming it, but we believe the period of order completion should be at least 15 months from here.
- Sneha Talreja:** Understood. Thanks a lot, team. And all the best.
- Moderator:** The next question is from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.
- Bhargav Buddhadev:** Congratulations on a good set of numbers. Sir, my first question is that just on the basis of this INR185 crores LOI, we are incurring an INR70 crores capex. So obviously, the visibility on this business seems to be much, much higher. So, if you can spend some time on that, sir?

**Kunal Bubna:** See, just to brief you about the business, basically, let's say, cooling which circulates through a closed-loop network through the server and critical equipment. So primarily these fluid networks and increasingly being used in modern data centers, especially in AI and high-performance computing environment for advanced thermal management.

So primarily, the fluid network offers several advantages like improved higher cooling efficiency, lower energy consumption, improved temperature stability and enhances reliability. So, these systems are particularly relevant for AI-driven data center, where computing density and heat loads are significantly higher. And see, the capex is definitely towards spooling, but spooling is something which is required by -- it's like PEB for piping industry, the industry which are using SS pipe can use spool.

It is like PEB for piping, you can say. Spools are used to avoid on-site fabrication. So, the pipes are fabricated with fittings in the factory and connected by nuts and bolts at the site only. So that sort of spool demand can be there from any of the sector going forward that we are aiming.

Again, it also includes a few expansions on the side of fitting and all, which we have currently started also. So, it's a mixed bag. And definitely, this order is a new one for us, but further, we are working on it and see -- more things to come.

**Bhargav Buddhadev:** And sir, this INR185 crores LOI is from a single client?

**Kunal Bubna:** Yes.

**Bhargav Buddhadev:** Okay. Lastly, sir, on this BHEL new ordering, is there any visibility? We were expecting some tenders to open. So, what is the time line on that? Any sense?

**Arun Kothari:** Yes, Bhargavji. We had already L1 in some of the tender, which we're about to get order in the next 1 or 1.5 months, almost more than INR50 crores order we're L1. So that order we will be receiving next 30 days to 45 days' time. For further new tender, we had already participated in a number of tenders, which we're going to open in the month of August to September. By the second quarter of this financial year, we'll be able to get more orders from the BHEL side.

Apart from which, Bhargavji, we are focusing for this spooling operation because nowadays, the AI-based data center is booming market in India, a lot of investment is coming. So that's why we started this facility, which will utilize our pipes and fittings as well. So, this is a very good opportunity in the Indian market. We are first who will do like this -- created this facility in particularly in stainless steel pipe industry, who is providing this solution to clients.

**Bhargav Buddhadev:** Great, sir. Thank you very much and all the very best.

**Moderator:** The next question is from the line of Mihir Damania from Fident AMC. Please go ahead.

**Mihir Damania:** So, my first question is on the INR200 crores capex, which you have done, let's say, from the start of financial year to like May 2026, around INR200 crores odd. What is your revenue -- what is the revenue potential from this incremental capex at like peak utilization?

- Kunal Bubna:** See, the capex is more than INR200 crores, and if it is fully utilized, 100% capacity utilization, it can give asset turn of at least around 3x.
- Mihir Damania:** Okay. And wanted to get your sense a bit more on your export side of the business. So, this quarter, of course, we saw a sharp decline on the export front. What's your outlook over there? It doesn't seem that the Middle East crisis is going away anytime any soon. So, what's your outlook for the full year going ahead, especially on the export side, it's now almost 1/3 of the business?
- Kunal Bubna:** See, of the current order book also, we had an export percentage of roughly in the range of around 40%. And for the FY26 entire year, we have maintained a run rate of -- generally around 30% for each quarter, more than that. So, we believe going forward also more than 30%-35% range should continue on the side of export.
- Mihir Damania:** Got it. And my third question is, if you look at your company, let's say, on a longer-term basis, for the last almost 9 quarters odd, we are at like a INR25 crores, INR26 crores kind of PAT range. So, while we've invested a lot, let's say, in like value-added pipes, fittings, increasing capacities in the seamless as well as welded, that doesn't seem to be -- it's not actually showing in PAT.
- So, would you expect FY27 to see a material improvement in PAT as the quarters go by? Or do you see because of the raw material challenges, some inflation, it might take a bit more time to accelerate the PAT growth for the company?
- Kunal Bubna:** No, the PAT growth should come. And if you see generally the major portion of the capex has been completed. So, all the available resources will be deployed in coming quarters to come. So, we believe each quarter we should keep on improving, and I think it should come also to the PAT number also. We believe this should keep on improving from here. And generally, many projects which have been started are value added. So, seems it should show the result at the PAT level also.
- Mihir Damania:** Okay, got it. Thank you and all the best.
- Moderator:** The next question is from the line of Sahil Karia from White Pine Investment Management Private Limited. Please go ahead.
- Sahil Karia:** Thank you for the opportunity. Sir, could you give us the capacity utilization number for the quarter and for the whole year for welded and seamless?
- Kunal Bubna:** See, more or less for the year, seamless was to an extent utilized more than 90%- 95% and welded something around 60%- 65%.
- Sahil Karia:** And for the quarter?
- Kunal Bubna:** More or less same.

- Sahil Karia:** Okay, thank you so much. Thank you.
- Moderator:** The next question is from the line of Parikshit Gujrati from Niveshaay. Please go ahead.
- Parikshit Gujrati:** Yes, thank you for this opportunity. So, most of the questions on the spooling side have been answered by the management. I had just one question on the unit economics. So, what is the amount per megawatt of spooling solutions required? Per megawatt of data center, what is the amount of spooling solutions required in terms...
- Arun Kothari:** Regarding per megawatt, the spooling solutions required, this depends on which type of data center is going to install, the data center operator. So, about this figure, we are not much aware. Only the engineer of the data center designing the data center on that basis. We normally -- the information is required by the data center, what type of spooling they will require. So, it depends on the type of data center they used to going to install.
- So, it cannot be certain, but there will be -- we are seeing very good demand of the stainless steel pipe, spooling as well as fitting in the data center, because they believe in the quality or they require the reputed player to supply the pipe fitting because it is in the critical operation because single penny of the dust also can destroy their CPU system.
- So that's why all the data center operators want the materials to be supplied by the reputed player where they require the clean room environment and other things. So, in India, we are first, who is the first reputed data center has given us this order on the after seeing our facility, after seeing our growth, after seeing our quality of the product.
- Parikshit Gujrati:** And sir, what kind of utilization per ton can we expect?
- Kunal Bubna:** See, again, these are again sold on numbers, primarily this needs to be seen.
- Parikshit Gujrati:** Okay. Got it.
- Moderator:** The next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.
- Sahil Sanghvi:** Many congratulations for a good set of numbers. I just wanted to confirm the volume growth numbers that you have answered to the previous participant. You said 15% growth on the seamless side for the quarter...
- Kunal Bubna:** More than 15%, yes.
- Sahil Sanghvi:** More than 15%. And on the welded would be 10% to 12%...
- Kunal Bubna:** Around 18% seamless and 10% towards welded for the year.
- Sahil Sanghvi:** Okay. And how was the pricing behavior for the full year versus FY25?

- Kunal Bubna:** Slightly increased, it was slightly increased, 5% to 7%. But again, because of grade mix and all that has also happened.
- Sahil Sanghvi:** Okay. Now, I mean, stainless steel prices have risen by about 6%, 7%, if we had to compare from the December lows. So, I mean, will we see that effect entirely coming in FY27? So, your guidance on 20% volume growth, we can expect some bit of more pricing growth on that translating...
- Kunal Bubna:** Definitely, there had been some increase in the prices of RM and all, but we believe -- 20% guidance, we believe we should achieve on the volume front also.
- Sahil Sanghvi:** Okay. Got it. And a general comment on the demand scenario, if you can answer with respect to how things are working in the export market with respect to the disruption from the Middle East war, the cost inflation, if you're seeing anything, how the gas cost is working for you? And the demand in domestic market, if you can answer this?
- Kunal Bubna:** In the US market, we are seeing demand. Definitely, yes, from the Middle East because of this crisis, we are also not able to do much out there. And the order from Middle East has also been -- we are not seeing much flow from that side. But we hope, it should improve, and those things also started -- we start receiving orders from that side.
- Europe is going as generally it had been -- we have the highest volume in Europe only, and this has continued in last quarter, and from the domestic side we are seeing demand in CNG, power, oil and gas, engineering, chemicals. These are the 4, 5 sectors where we are seeing demand.
- Arun Kothari:** Apart from sizing right now, we have the order book of INR450 crores. Apart from this, we had already received the LOI for supply to data center spooling solution. That is near about INR185 crores. Apart from that, we are already L1 in some of the BHEL tender, that is INR50 crores. So altogether, we can say our volume will be near about INR685 crores visibility we are already having.
- Out of INR685 crores, the export, we can say 30% is the export book, remaining from domestic market. So at least for the next 2, 3 quarters, we are seeing good visibility. For the new tender and new -- a lot of -- we have already bid for the number of projects in the domestic also. Once this Middle East market will open, a lot of inquiries pending from Middle East market. A lot of our new approvals.
- We have already received some of the new approvals from oil and gas sector of the USA as well as from the Middle East also. So, we'll see once the Middle East market will be -- the conflict will be over. So, we'll see good demand from there. So at least for next 2 to 3 quarters, we have the good visibility from Europe market, US market as well as from domestic market.
- Sahil Sanghvi:** Perfect. That is good to hear. And just confirming, you said the spooling business, you expect the facility to be set up by December '26, right? Is that correct?

- Dhruv Patel:** Yes, definitely perfect. We'll be operational before that, but we will be operating before that, but December '26 is the last date.
- Sahil Sanghvi:** Perfect, perfect. Well done, sir. Congratulations and all the best.
- Dhruv Patel:** Thank you.
- Moderator:** The next question is from the line of Deepak from Sundaram Mutual Funds. Please go ahead.
- Deepak:** Sir, my first question is with respect to this spooling business. If I heard you correctly, you said the asset turn in this business is around 3x, right? And the working capital is similar to, let's say, that 120 to 130 days, which we are currently doing in the base business, correct?
- Kunal Bubna:** Yes.
- Deepak:** And so, sir, if I do a back calculation, assuming a 20% EBITDA margin, so the ROCE for this business is more than 25%. Is that understanding also, correct?
- Kunal Bubna:** Yes, it should be. But again, this INR185 crores will also include a part of our internal facility of pipes and fittings. And see, each order has their own component of this fitting pipes and other motor components. So, this will vary from each order to order.
- Deepak:** Okay. And when we say that we have received this LOI from a single customer, the customer in this case would be the EPC contractor to whom we'll be supplying this, let's say, assembled pipes because ultimately, the MEP work has to be done by the EPC contractor for the data center, correct?
- Arun Kothari:** No. We had received from one of the data center only. Data center will take this -- we have already received this LOI from the data center. Data center will take this material with us or some of the fabricators and will install at their site.
- Deepak:** Okay. And sir, what were the criteria for us to win this LOI since it's a new business for us. And since as you also highlighted, it's a critical application, any small damage can also result in shutdown of the whole data center capacity itself. So what criteria were decided before giving us this LOI because it's a new business for us.
- Arun Kothari:** After seeing our facility -- just after seeing facility, we had the pipe facility as well as fitting facility also. Or again, they require the fast execution of their project. So, we have given commitment to them. We are able to do the fast execution for this, and they have seen our execution. On that basis, they have awarded this LOI to us.
- Kunal Bubna:** And see, there has been a technical capability team that are with us, which has shown how it can be executed. And see, we manufactured a number of SKUs, both on the side of welded, seamless and many of the fittings -- numerous number of fittings products are also coming underway. So, we think that had also been a criteria which help us qualify for it.

**Deepak:** Okay. And in this spooling business, as of now, who would be our competitor, let's say, both from a domestic and a global standpoint?

**Arun Kothari:** Domestically for this, there will be some competitors will be there, who is only -- they are having only fabrication facility or spooling facility. They don't have the availability of the pipe or fitting. So, we are at the better end who is providing this solution for data center with the pipe and fitting capacity.

So, we'll be in a better position to them because everybody -- data center operators will get timely delivery, timely execution in each and everything. So, we are the first one in the pipe segment who has awarded this contract. Many Other players are only simply -- you can say fabricators who are engaged in this business.

**Deepak:** Okay. And sir, for us to convert this, let's say, first of all, you will have some trial runs, right, only then you will start the commercial supply. So generally, as per your understanding, as things stands, I mean, how long do you think this phase will convert from trial runs to actual commercial production?

**Arun Kothari:** Almost trial run will be over in the Q2 of this financial year. And commercial production, we are expecting to start in Q3 -- mid of the Q3.

**Deepak:** Okay. Good to hear that. And sir, one question I had on capex. So given that you are spending INR70 crores here, and you will obviously have some other maintenance capex for the base business as well. So, for FY27, what kind of capex number are we looking at consol corporate level?

**Kunal Bubna:** INR90 crores to INR100 crores.

**Deepak:** INR90 crores to INR100 crores. Okay. And one last question on our growth guidance. So, you are guiding for 20% kind of growth now. But if I look at your order book, so in March '26, we ended with INR450 crores order book, right, which was almost a 20% decline versus previous March where we had a large order win from BHEL, which propelled the order book to almost INR575 crores, right?

So, starting this year on a lower order book plus you are seeing some weakness in the export market. I understand that Middle East is not a big market for us, but even the US and Europe because of this energy inflation, they are talking about slowdown in the macro economy itself, right, the capex plan of other industrial equipment where our stainless-steel pipe goes.

So just wanted to understand with a slightly weaker order book and export being a little softer, what gives you the confidence that you'll be able to do that 20% growth since this data center business is also commercializing mostly in FY28 or maybe, let's say, December of this calendar year?

**Arun Kothari:** Deepakji, almost if you see, right now, we have the order book of the INR450 crores of this pipe business. Apart from this, we had already L1 in some of the tender, which is volume of the

INR50 crores, which is going to be completed in the next 2 quarters. Apart from this, we had already received LOI for this data center. So, every month, we are getting a lot of inquiries from the local project over here as well as from the US market and Europe market.

So, this growth -- apart from this, we are already starting the new business fitting segment, which is a part and parcel of the pipe business. So, where pipe is required, the fitting is required. So, seeing all this thing, we are confident that we will be able to grow more than 20%. Even if you see this FY26 was also very challenging year.

Compared to FY27, we are foreseeing that this FY26 was more challenging where a lot of the Middle East conflict, Russia-Ukraine conflict, then US tariff war, a lot of things were there. Even then also, we are able to achieve more than 22% growth on the top line. So, this year already, we have started with the capex. So, we are very hopeful we will be able to do growth more than 20% in the FY27.

**Deepak:**

No, sir, I understand that despite all these challenges, we really showcased a good set of number at least on the top line. So, congratulations on that. But delivering a 20% growth in FY27 also, just want to know your thought, how are you kind of thinking about it means, let's say, if I have to simplify further, what kind of absolute revenue are we anticipating from fittings and our new venture, which is your hygienic and titanium tubes and then the base business in this INR1,400 crores kind of rough range, which you are guiding for in 2027?

**Arun Kothari:**

All these things we can elaborate on the one-to-one call to you at any time. So, we'll elaborate on that what's our plan. So, we are expecting on an overall basis, we are able to assume more than 20% growth on the altogether pipe business, fitting business, then this spooling business which we are starting.

But apart from we are already expanding our seamless pipe capacity, which was previously planned 4,800. This has increased to 6,000. So, we are seeing good demand in the seamless segment. Apart from that in power sector also domestically, we are seeing good demand.

A lot of projects since last 1.5 years in India, apart from this power and data center, this oil and gas project, then chemical sector, a lot of projects under installation or they are under the preliminary stage. There is a very good expansion in the steel sector also. If you see all the big players in the steel sector, they are doing a good capacity expansion.

So, in steel sector also, the usage of the stainless-steel pipe day-to-day is increasing compared to the previously, the industry using more MS pipe. But nowadays, we are seeing most of the operations, they prefer to use the SS pipe for the longer life of their plant. So, this year, we are confident -- of further the breakup we can share you in one-on-one call.

**Deepak:**

Okay, sir. Lastly, any approvals in our seamless or welded or titanium tubes and hygienic tubes that we received, let's say, in the last quarter? Or do we expect any further approvals? Any notable approvals which you would like to highlight, which we think can come through in the next 6 months?

- Kunal Bubna:** Received orders from global oil and gas companies, a few from sewage treatment plant, a few approvals from chemical companies. It's a mixed bag again from few of the chemical and engineering companies. So those things are being received in the last few quarters, and we are hopeful out of them, some must be converted in the coming quarters to come.
- Deepak:** Okay very helpful and all the best to the team.
- Moderator:** Thank you. The next question is from the line of Dhruv Jain from Ambit Capital. Please go ahead.
- Dhruv Jain:** Thanks a lot for the opportunity, Sir, my first question is on EBITDA per ton across seamless and welded. If you could just give us the data for FY26?
- Kunal Bubna:** On a totality basis, I can give is around INR65 per kg.
- Dhruv Jain:** Okay. On a blended basis?
- Kunal Bubna:** Yes.
- Dhruv Jain:** And sir, second question is on margins, right? So, we've seen a dip in margins obviously Y-o-Y. So incrementally, while you're talking about a 20% plus volume growth, with fittings coming through, with these new solutions coming through, how should we look at margins in FY27 and thereafter? So that's...
- Kunal Bubna:** Yes. Basically, we said it will be higher from what we have achieved in the last financial year. And definitely, the intent is to reach up to 18% on a blended basis by FY28. So, we see -- hopefully, the intent is to get an increase each quarter to come.
- Dhruv Jain:** Okay. And sir, just a clarification on the fittings side, right now with the spooling solutions coming through and we also adding the fittings plant commenced operations today. So how much of that fittings side will actually be utilized for the spooling solutions or that will be separate, just a clarification there?
- Kunal Bubna:** It's all -- again, see, it's too much dependent on the each order -- fitting is also an independent - - see, it's a 2 set of business for us now with the inclusion of this new expansion . First will be pipe and fitting business, which we sell to many of our customers currently. And second, it will be very new age sector like data center, semiconductor, etc.
- So, it will be 2 sets of business for us from currently with the venturing into this spooling business. So that's how the customer will be getting entangled. And again, it all depends. It can be sometimes 20% to 30% of the fitting requirements from internally can be pulled up into spooling. But again, it's vary from order to order.
- Dhruv Jain:** All right. Thanks, and all the best.
- Moderator:** The next question is from the line of Shaurya Shah from Equirus Securities Private Limited. Please go ahead.

- Shaurya Shah:** Yes, thank you for taking up my question. So just on the spooling side, right? So, am I correct in hearing that this order is on the domestic business front, the spooling order?
- Kunal Bubna:** Yes.
- Shaurya Shah:** Okay. So, can we like classify in terms of capacity for this new spools business that we're setting up, like are we putting just enough capacity to fulfill this order? Or will that be enough if we get certain future orders as well?
- Kunal Bubna:** See, again, it's a turn -- what we said asset turn, which would be better to look at spooling would be sold on numbers. But definitely, the capex which we are going to foray into will definitely entirely from this capacity. And again, it will definitely also try to cater a few more orders to come.
- Shaurya Shah:** Okay. And just lastly, since we also have some presence in the U.S. as well. So, will we be exploring the U.S. region from the spooling perspective in data centers because that is also coming up in a big way in that region?
- Kunal Bubna:** Yes. We are definitely open for that. See, we had currently entire world presence with our pipes, and we will move into fittings. So, data center anywhere will be open. But as you rightly said, we have started with this domestic and see how it pans out in quarters to come.
- Shaurya Shah:** Got it. Yes, that's it for my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Sonal from Prescient Capital. Please go ahead.
- Sonal Minhas:** Hi sir. This is Sonal Minhas from Prescient Capital. Thanks for taking my question. My question is with regard to the realization gain that we've seen in this quarter. Given that you mentioned that the volume growth was just 2%, the balance was the realization. Could you just give some subjective commentary on what this realization growth was for? That's my first question.
- Kunal Bubna:** No, no. See, Q-on-Q, if you see the quantity growth was 1% to 2%. But if I see on year-end quarter, the volume growth has been there of more than 12%.
- Sonal Minhas:** So, Q-on-Q, basically, it's large -- there's not much realization growth is what you're saying?
- Kunal Bubna:** Yes.
- Sonal Minhas:** Got it. And the second question is with regard to the execution status of the BHEL order. What percentage of this order have we actually executed by Q4? If you could highlight and clarify that, that will be helpful.
- Kunal Bubna:** Something less than 60% had been executed.
- Sonal Minhas:** Okay. Got it. And just a clarification on the order book coming from the power sector and BHEL in particular. We've seen that there have been delays at the end of BHEL on the fabrication side. Anything which you see or get a sense on whether there is the bottleneck there has been eased

off or there is something which you can share, which can help us understand the time lines of newer orders coming from there?

**Arun kothari:** Yes. As I told you already, we are already L1 in some of the orders, almost near about INR50 crores. So further new order we are expecting, it will be -- we are participating already in some of the tenders, which will be going to open next 2 to 3 months. So mostly, we hope in Q2 of this financial year, the number of new tender will be open from BHEL side.

**Sonal Minhas:** Okay. And the pace at which these orders will come will be higher than what we've seen in the last 1 or 2 years, directionally?

**Arun kothari:** Yes, definitely because BHEL also is just creating the fabrication capacity. So already all the old orders which awarded to BHEL from all the big players is already delayed. So BHEL is also planning to expedite those orders.

**Sonal Minhas:** Got it, sir. Thank you. I'll fall back in the queue.

**Moderator:** Thank you. The next question is from the line of Mahek Talati from Agility Advisors. Please go ahead.

**Mahek Talati:** Yes, hello. Thank you so much for the opportunity. I wanted to understand so that the data center order which we have received of INR185 crores, is there any possibility for higher order going forward, more order going from the same customer?

**Kunal Bubna:** See, definitely, the intent will be to take from the same customer and also from new customers. That's how we see the business going forward. And that's the reason also wherein we are putting up a capex for the spooling business. So, the intent is very towards those new and the same customer also.

**Mahek Talati:** Okay. And so, is there a possibility of further capital expenditure in the spooling segment if we receive higher orders?

**Kunal Bubna:** See, currently, it's a good number -- the capex is for this financial year. But going forward in coming 6 to 12 months or something, we see more visibility, more order coming, definitely, we can think on that line. But currently, this is the amount of capex what we are pouring into.

**Mahek Talati:** Okay. And sir, just wanted a clarification. We mentioned the 20% plus volume growth in FY27. But with additional capacity coming on stream, is this a conservative number which we are giving and we can expect a higher growth rate in this FY27 going forward as well?

**Kunal Bubna:** See the 20% growth is keeping the current scenario, the geopolitical scenario. Many things are being considered. And see, it's always an intent of the company to achieve a higher number what had been said, but see how it pans out going forward.

**Mahek Talati:** And sir, last question was on the margin front. So, with the spooling coming in, can we expect a higher margin, the 18% blended margin, which you are expecting can we expect a further higher margin...?

**Kunal Bubna:** Again, the answer will be similar. The intent will be to -- when your estimates pair in the spooling, you can definitely claim higher margin. But again, it will be a certain percentage of your total business, which spooling will be catering to. So, keeping all the constraint need to be taken into. So, we believe currently it is up to 18%, but definitely, the intent will be to achieve as high as we can.

**Mahek Talati:** Okay. And sir, in terms of Middle East, are we seeing any demand uptick from there or still time to come?

**Kunal Bubna:** See, we are quite hopeful going forward, Middle East should be a good geography for us for supplying our pipes and all. And we believe what the internal conversion we got from our team, there would be a few damage control order also coming forward. But again, it will be slightly - - need to see how this geopolitical issue pans out. If this war issue could calm, I think then definitely, we should see a good order coming from Middle East also

**Mahek Talati:** Okay. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Parth Bhavsar from Investec. Please go ahead.

**Parth Bhavsar:** Just to understand the spooling business a little more...

**Moderator:** I'm sorry to interrupt, sir. Your voice is very low. Can you just -- yes, that's better.

**Parth Bhavsar:** Hello. Is this better?

**Moderator:** Yes, that's better. Thank you.

**Parth Bhavsar:** Hi sir, I just wanted to understand the spooling business a little better. Sir, how different is this spooling product versus Ratnamani, what Ratnamani does? I believe even they ventured into this 1.5 year back. So how different -- and what is the difference between the 2?

**Arun Kothari:** What is in this spooling business is a different type of spooling business. So mostly the focus of the Ratnamani in spooling business was on nuclear power business. Right now, we are going spooling business for data center.

So, every business, every size of the spooling -- every variety of the spooling different considering the nature of the industry where this item will be put. So, spooling you can say it's a joint of the pipes, fittings and other products for any company, any industry who is setting up their plant, they can do on the basis of nuts, bolts.

So, a number of variety business are in the same facility, you can do any of the variety of -- most of the variety of the spooling business in any facility with some minor capacity, also you can do...

- Parth Bhavsar:** So, sir would it be possible that even we can maybe get into nuclear business if the opportunity is big?
- Arun kothari :** There is still a lot of limitations there. So, the endeavor to grow the business, definitely, sir.
- Parth Bhavsar:** Okay. And sir, nuclear -- for nuclear or whatever Ratnamani does, right, in Indian spooling, they do an EBITDA margin of around 35%. So, are we looking at the same sort of number?
- Kunal Bubna:** It will again depend on how things pans out, as we said, with a few more orders to come in and all.
- Parth Bhavsar:** Okay. Fair enough, sir. Thank you so much for answering my questions.
- Moderator:** Thank you. In the interest of time, that was the last question for the day. I now hand the conference over to the management for closing comments.
- Arun kothari:** Thank you for all for joining us today. I hope we have addressed all your questions. We remain committed to keeping the investment community informed with regular updates on any developments in the company. For any further information or queries, please feel free to reach out to us or SGA, our Investor Relations Advisors. Thanks, everyone.
- Moderator:** Thank you. On behalf of Venus Pipes and Tubes Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.