JINDAL SAW LTD.

October 23, 2024

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

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

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

Dear Sirs,

This is with reference to the captioned subject and our letters dated October 15, 2024 and October 21, 2024, the transcript of the conference call organized by the Company for analyst and investors on the Un- audited (standalone & consolidated) financial results (Q2FY25) of the Company for the quarter ended September 30, 2024 on Monday, October 21, 2024 at 11:00 AM (IST) is attached and the same has also been uploaded on the website of the Company.

This is for your information and record please.

Thanking you,
Yours faithfully,
For JINDAL SAW LTD.,

SUNIL KUMAR JAIN
Digitally signed by SUNIL KUMAR JAIN
Date: 2024.10.23 16:47:51 +05'30'

Sunil K. Jain
Company Secretary
FCS- 3056

"Jindal Saw Limited

Q2 FY '25 Earnings Conference Call"

October 21, 2024

MANAGEMENT: **MR. NEERAJ KUMAR – GROUP CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR – JINDAL SAW LIMITED**
MR. VINAY GUPTA – PRESIDENT AND HEAD, TREASURY – JINDAL SAW LIMITED
MR. NARENDRA MANTRI – PRESIDENT, HEAD, COMMERCIAL AND CHIEF FINANCIAL OFFICER – JINDAL SAW LIMITED
MR. RAJEEV GOYAL – ASSOCIATE VICE PRESIDENT, GROUP CORPORATE FINANCE AND TREASURY – JINDAL SAW LIMITED

MODERATOR: **MR. VIKASH SINGH – PHILLIPCAPITAL INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Saw Limited Q2 FY '25 Earnings Conference Call hosted by PhillipCapital 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh from PhillipCapital India Private Limited. Thank you, and over to you, sir.

Vikash Singh: Thank you, Steve. Good morning, everyone, on Jindal Saw 2Q FY '25 Earnings Con Call. On the management side, today, we have with us Mr. Neeraj Kumar, Group CEO and Whole-Time Director; Mr. Vinay Gupta, President and Head Treasury; Mr. Narendra Mantri, President Head Commercial and CFO; and Mr. Rajeev Goyal, Vice President, Group Corporate Finance and Treasury.

Without taking any much time, I hand over the call to Mr. Neeraj Kumar for his opening remark. Over to you, sir.

Neeraj Kumar: Good morning, investors. Good morning, friends, and other stakeholders who have dialed in to this conference. Last week, towards the end, we had our Board meeting. We have announced our September ending results. On a stand-alone, we have INR4,790 crores as a top line as opposed to INR4,417 crores trailing quarter. Last year, second quarter, September end was INR4,611 crores.

Now if we look like this, it looks like we have hit up plateau, where more or less between INR4,500 and INR4,700 crores of top line quarter-on-quarter is what is indicating here. But if you compare half year to half year, this half year and the last half year, then the growth trend continues. Going forward, we definitely expect that the turnover would be in this range, maybe a little modest growth but will be in this range.

Now turning our attention to EBITDA. For this quarter, we have declared INR875 crores as opposed to INR842 crores trailing quarter, INR751 crores corresponding quarter last year. Half year basis, INR1,717 crores for this half year. Last half year was INR1,364 crores. So, if we compare the quarter-on-quarter results, you will see a marginal dip in the EBITDA percentage even though there is a modest increase in the top line.

The primary contributor being higher steel prices. The coal price is stable, is moving in a band, but the steel prices have shown a certain increase. Also, when we look at the mix of the revenue. Earlier, we had achieved higher percentage of exports as compared to this quarter. So, the combined impact of this is that on an aggregate basis, the EBITDA has grown but in percentage terms, you will see a slight dip.

Going forward, we expect this trend to continue. We are hoping that the steel prices will stabilize. And if that happens, then we may see that we may go back to the original close to 19% EBITDA margin.

One thing that seems to be very clear from this result, that in the last 2 years, there is a clear break from the EBITDA percentage, which used to be around 12% to 14%. Now we are in the range of 18% to 19%. We are likely to continue there for at least a few quarters. Then depending on the new product that is being developed, the new industry segment that we are trying to enter, we may see a higher percentage margin.

Otherwise, if you look at the other important factors, the financial expenses are well within control. There has been a reduction in debt after the declaration of the 30 September results. We have also repaid a large tranche of the term loan. So, in the next quarter, you would see a further reduction in debt.

As I have always been saying, working capital debt is also a function of the turnover. So we expect the working capital debt to be in the same region. But in term loan, you will definitely see a reduction because we have paid a large tranche of term loan after September. That's already paid.

Going further down, PBT, again, INR625 crores for this quarter, INR601 crores the trailing and INR478 crores for the last. Half year, the gap is larger because as I said, now we appear to be on a very stable high plateau, which we hope to maintain for the next quarter or two. But this has come after many quarters of very healthy growth.

PAT is a function of how the tax is behaving. So INR477 crores, INR446 crores and INR351 crores correspondingly for this quarter, trailing quarter and the corresponding quarter last year. Half year, we are at INR923 crores. Last year, half year, we were at INR630 crores. So, there is a definite improvement in the financial statement.

If you look at the debt side, if you look at the profitability side, except for the factor of increase in steel prices, which has got the EBITDA percentage to sales marginally down.
The other major item of the balance sheet debt is well within control. If you look at the debt in correspondence with the level of activity, the level of top line and others, it shows a further improvement, and this is likely to continue.

Turning our attention to the consolidated. It shows a similar trend. It gives us comfort that even the subsidiaries have now stabilized in their performance. They all are contributing at all levels, right from EBITDA down to PBT level. PAT, there is a marginal difference because the tax incidence in those countries is a little more. So until PBT, the subsidiaries have also contributed.

Looking at the current order book, looking at the current market scenario is likely to continue. One caveat, Middle East. If Middle East goes out of control because of Israel-Iran, Israel-Yemen, then when we may see some disruption in the transportation through the channels. But we hope that we don't get to see that situation, but that is out of our control. And if that happens, then we will have to definitely bear the consequences as the entire world would bear.

Looking at the order book, stable position, 1.6 billion. As I have already said, the export, as a percentage of total revenue has come down. There are a lot of international transactions, which are in the pipeline. International contracts are in the pipeline. And we hope to catch on the export percentage because the sweet spot for our export domestic mix is above 20%, 25%. And we are happy if it goes up to 35% to 40%. So that's a sweet spot.

Currently, we are below that sweet spot because, a, the export market -- lot of projects have just been completed. New projects are in the pipeline. Domestic, we have seen a lot of growth on the infra sector in India, leading to a lot of contracts, profitable contracts in the domestic market.

The debt, just to go over the figures. Currently, it stands at long-term debt, INR1,185 crores. Working capital, INR2,226 crores, which is total INR3,411 crores as compared to INR3,992 crores of the June quarter. This trend is likely to continue. Working capital would be dependent on how the working capital is utilized.

One reason that we are seeing a decline in the working capital is also because now the export orders have been finished. So export orders typically tend to have higher working capital cycle. And therefore, the working capital utilization is typically higher when you compare it with the domestic orders.

On the consolidated basis also, the trend continues. But it's a much sharper trend as opposed to INR4,585 crores for this quarter. Last quarter, it was INR5,475 crores. So there, you see the gap is higher, primarily because the overall debt scenario is improving both on the long-term side as well as on the working capital side.

So to sum up our first segment on the financial results. Jindal Saw along with its subsidiaries have reached a stable platform, which is high after quarters of -- a few quarters of high growth. We expect it to stay there for the next quarter or 2. Then we definitely see a spurt because our export basket will improve. Some new products are getting introduced, higher-margin products are getting introduced.

And definitely, after 1 or 2 quarters of stable performance or a modest growth performance, we will definitely see further growth. That is what our expectation is. That is how we see our performance going forward.

Now changing our focus to the other factors which impact our business. The business environment is good, both in the export segment as well as in the domestic segment. Demand is good, stable because of the continuity of the government, the projects are continuing, even though we are seeing a little plateauing in the Jal Jeevan Mission.

The state-level projects which are also being funded by the multinational agencies, that is on an increase. So that more or less compensates the water segment, where the Jal Jeevan Mission is seeing a little plateauing. The state-level projects are seeing an upward trend. Most of the states are now catching up on this water infra focus.

Oil and gas continues to be robust. India's focus on oil and gas is improving. Now the East Coast is also catching up. Earlier, it was more in an exploratory stage. Now they have reached a stage where they would start getting into the production stage. That has given rise to deep-sea drilling and deep-sea development of wells, which is good news for our higher-grade pipes and tubes, also premium connections. Because typically, the deep-sea drilling, the deep-sea well development needs premium connection, coupled with higher grade of pipes and tubes. So, oil and gas is good.

Pellet, we continue to be stable. We continue to run at a very high capacity. And that trend is continuing. Industrial sector is showing a robust growth where now with our seamless and stainless, we are addressing that, and we are entering new segments. We are also focused on defense, nuclear atomic and other segments, which typically tend to be of higher margin.

Internationally, also, we're seeing in all sectors, industry, oil and gas and water, the demand is robust and is growing. We may enter the U.S. market with our new products in the seamless and stainless. That would be an area of growth in the export market, which in tonnage may appear to be modest, but in margins, it is likely to be high-margin business.

That we have already spoken. The rest, more or less things are all as expected. Capex has been modest as per the trend, normal capex. We are carrying out certain improvements in terms of the coke oven batteries getting renewed. The Haresamudram is getting debottlenecked. And there are few other, Nashik is in the middle of implementing a project where its capacity is going to have a significant increase. The capacity might increase by 40% to 50%.

Those are areas where once we debottleneck the Haresamudram, once the new capacity comes up for in Nashik, once the coke oven battery, etcetera in Mundra, they all become stable, they all become operational, that would help us in the next phase of growth.

At present, do we have any large fund requirements? The answer is, we haven't announced any new project as yet. But we definitely have a few things on the drawing board. We are examining those possibilities very closely because as with the current capacity, with the current performance, we have got a nice platform. Definitely, we would like to build on that.

So, a few things are on the drawing board, a few things are being examined. But once we have zeroed on something, definitely, you will get to hear from me in my subsequent investor call which happens every quarter.

Looking at all of these, if you see the overall parameters of ROCE, etcetera, they are showing an improving trend. The EPS has gone up. The ROCE and those parameters are also under a big control. We continue to remain focus on pipe business and unrelated business, although it's not a part of Jindal SAW subsidiaries.

But we have, in the last quarter, monetized our rail business, which is helping us focus our management bandwidth and the groupwide resources because this rail wagon which we were incubating for some time, we have monetized it. It was a 100% equity deal in one stroke. And that has given the group some resources to redeploy and also has given an opportunity for the management to focus on its core businesses.

So, all in all, we are going along well. We will continue to go well. We have a visibility for the next two quarters and the good performance will continue. Let me stop here and take some questions.

My request to our investors have been, if you have some very specific question about one specific element, I would request you, we may not have all the details on the table at present. The right forum for that is, send a mail and that would be properly responded with facts and figures. So, with that caveat, let me request to take some questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Ajay Sharma from Maybank. Please go ahead.

Ajay Sharma: Thanks for the detailed update. So can I check for -- can you talk in detail about this Nashik and the coke oven and the debottlenecking as to what will be the impact in terms of capacity and also in terms of cost?

Neeraj Kumar: Okay. Let's start with the coke oven which is in Mundra. In Mundra, in Paragpur, we already have coke oven batteries. One of the battery had lived its life and therefore, we are putting up a new facility, which is now close to getting fully commissioned. It could be a new technology, vertical push-based coke oven, which is more environment-friendly, will give us higher generation of electricity and will also improve the coke productivity, which will help us support our blast furnace even in Haresamudram, it is very close to getting commissioned.

The total expenditure over the next few years on the coke oven battery has been in the range of INR300 crores to INR350 crores. This will, as I said, be more environment-friendly, new technology, longer life, self-sufficiency in coke and higher heat recovery, so higher electricity.

Nashik, as you know, Jindal Saw Nashik plant, which is co-located with the joint venture with Hunting for the premium connections is focused on seamless pipes and tubes. There, we had, after piercing, 2 lines. One was for 7 inches and below; the other one was going up to 16, upward of 7. But our piercer was one. So 1 piercer was feeding both lines. Now we are making both lines independent. So we are putting up a new piercer. We are putting up a new rotary hearth furnace.

So now the line for smaller diameter, 7 inches, 8 inches and below, pipes and tubes, will have its own dedicated rotary hearth furnace piercer, a new rotary hearth furnace and a piercer is being planned for the line which is higher diameter, 8 inches and above, going up to 16. We are trying to enhance the diameter also and try and make up to 18 inches. Here, the total expenditure would be in the vicinity of INR200 crores spread over 2, 2.5, 3 years. We expect to commission the project sometime next year.

Once this happens, then the capacity of Nashik plant in terms of pipes and tubes, both lines put together would be in the vicinity of 3.5 to 4 lakh tons, depending on the sizes and the product mix thickness, which will be a 40% to 50% jump of the existing capacity.

This, I would say, marginal investment would give a significant rise in the capacity. Would also help us in the production planning and control where the feeding of billets down to finishing can be planned much better, and the plant can run continuously for larger number of days in a year. This is being done on the hope and on the business environment, the demand that is coming up, plus the JV is now almost running full capacity.

And the JV has the capability of threading all sizes and also above which is not produced by way of a pipe. There we have the connector, which goes on to so the JV can do threading up to 36 inches. So this entire effort is to increase the capacity, to improve our presence in the premium segment, which is already very strong. We are the pioneers and currently the only one in this kind of a format in India and would definitely yield in higher-margin business, plus entry into some good segments.

Haresamudram, similar effort, we are trying to optimize whatever is the possible output from the blast furnace. In blast furnace also, we have made an improvement of putting PCI, which is injecting pulverized coal into the blast furnace, which gives us higher hot metal. And now additional spinning and finishing capabilities are being produced, are being planned and being put so that the overall capacity of Haresamudram will also go up.

Once everything is stable, all the machines are in place, all the finishing lines are in place, then the capacity of Haresamudram will go up to 3 lakh tons. That will make us among the top DI producing company in the country with a large capacity in South and even larger capacity in West, which are the primary markets.

The total capital expenditure which is being planned over the maybe next 2 to 3 years would be around in the vicinity of INR200 crores. But the way all 3 projects have been timed, that there is no bunching of capex. And therefore, you are seeing that on all these fronts, there is an improvement in capacity efficiency and there is a certain amount of capex that is being spent, but they all are spread in such a manner that we are still able to contain our term loan to around INR1,000 crores. Now, in fact, we have come down to less than INR1,000 crores of term loan where our network is upward of INR6,000 crores, INR7,000 crores.

Ajay Sharma: So that's very detailed. Thanks for that. And just a quick follow-up. So I mean I'm seeing so your focus is more on margin rather than volume growth. Is it because the volume growth has been a bit modest in the last few quarters, pretty flattish actually? So I'm just wondering is the focus going to be more on improving EBITDA per ton rather than our volume growth?

Neeraj Kumar: Overall, the focus definitely is continued to be more on the margins. And that is how we could break away from the 13%, 14% range where we were there for some time. Now we are in the 17%, 18% range. The idea is to maintain and even take it higher, but now with all these that I have just now spoken about, the capacity also is going to go up and that would be necessary for the next phase of growth -- top line growth which you should start seeing after maybe one or two quarters.

Ajay Sharma: Okay. Excellent. Thank you very much.

Moderator: Thank you. The next question is from the line of Sunil Kothari from Unique PMS. Please go ahead.

Sunil Kothari: Thanks sir for opportunity and really very well explained on so many things. Just very broad understanding from you what I want to understand it. Sir, what has changed from this margin trajectory of say 12%, 14% to now 16%, 18% range? And on what basis it gives you confidence to maintain this will be really helpful?

Neeraj Kumar: Okay. Why we could break away from the 13%, 14% and now we are in the 18%, 19% and we feel confident that we'll stay there. A, better capacity utilization. Just go back one quarter. We were very happy with an order book of around a billion. Now we need 1.6 billion. Also, if you see quarter-on-quarter, now we have around 1.6 and we remain about around 1.6 crores. So the run rate has gone up, so better capacity utilization.

B, higher capacity utilization means lower cost of production, better allocation of the overheads, better allocation of all the fixed costs. C, higher demand means, now the demand supply situation is also kind of balancing. So it's not a bloodbath in the competition – in a competitive market.

D, there is a conscious effort to move more towards high value-add products, higher grades. And all this is possible because the business environment is conducive. It is allowing us to do all this that I have spoken about. The net result is moving into 18%, 19% and hoping to grow even further.

Sunil Kothari: Great, sir. And sir, second point is, you've spoken about so many efforts to reduce costs, improve value-added products and new products, new market segments where we are entering. Do you have any number in mind over say next 3 years from current say some percentage to what range you want to reach? Any indicative figure will be helpful?

Neeraj Kumar: See, we would be very happy if we are able to achieve a 15%, 20% of our revenue from value-added products, but that's a little far away. All efforts are being put in that direction because in the pipe and tube segment where we are the established market leader. Market acceptance takes some time. You have to go through a lot of tests, a lot of trials, vendor approval, accreditations.

API has to see it. ISO has to see it. So you are being watched from every side, only then the market is going to accept you and only then you'll start earning. So we definitely are focused on all these, but it will take us a few years, maybe 1 year, 1.5 years where we get all the vendor qualifications that we are hopeful of.

I've already hinted to you, we are wanting to enter a new segment in a US with a new product. Currently, we are in the process of getting ourselves qualified by those vendors. So it takes time, but once you are there, then you have to just continue to perform, service your client well, deliver the right quality on time and then you can have a stable performance.

Sunil Kothari: Great sir. Thanks a lot and lots of good wishes.

Moderator: Thank you. The next question is from the line of Deepak Lalwani from Unifi Capital. Please go ahead.

Deepak Lalwani: Hello sir. Thank you for the opportunity. Sir my question was on the order book and your commentary on the top line that you made. See, basically, our order book is down sequentially, not by a big margin, but slightly. So can you just indicate where is -- what is the reason for this? Whether it is domestic market or whether is it export? If you can pin down where exactly the order inflows are lower today and your outlook for this going forward?

Neeraj Kumar: Okay. If you look at now the order book, the order book in terms of quantity is actually high. The order book at present we are at 17.38 lakh tons as opposed to the overall order book of 16.17 lakh tons. If you look at the large giant there, there, there is a slight dip. Overall, in terms of value, June quarter, we had an order book of $1.64 billion.

Now we are at $1.61 billion. The major shift that if you see, we had an export basket of 32%, which in this quarter has come down to 12%. This is largely due to some of the big, large export orders have been completed, have been fully executed. And some new export orders are in the pipeline. We hope to improve the export basket from our current 12 % position back to the 20%, 25% and higher range.

That is a broad breakup of order book. Let me assure you, it shows slight lower number in terms of value. But in terms of tonnage, in terms of range and in terms of our current pipeline, this is not a matter of concern for us. We will catch up very soon.

Deepak Lalwani: And this export opportunity that you're talking about, your 12% share going to 25%. Can you pin down which countries are you focusing on and which segment, whether it is water or oil and gas?

Neeraj Kumar: Largely, it is water. And the countries that we focus on are centred around Middle East. We are making a lot of efforts to break into Africa, but we haven't achieved great success there. Egypt is one country where we have entered with a relatively large order, and we are trying to build in North America. So basically, in the export market, our focus area is going to be MENA, M-E-N-A, which is Middle East, North Africa because we have a freight advantage.

We have a time advantage from our Mundra plant, both the entire MENA region takes six to seven days of sailing. The only caveat, the concern, is the geopolitical situation in the Middle East.

Deepak Lalwani: And sir, you had a comment on the domestic business, where the Jal Jeevan was sort of plateauing and the states doing well. So how should one read this comment? Whether -- is it going to be stable and then pick up as the central government funds in more projects? Or is it -- are we at a very turbulent stage today? If you can gives us an idea.

Neeraj Kumar: No, I won't say it's a turbulent stage as far as the stakeholders are concerned. Again, since we always give you all the insights. This is an insight we have given you. But there should not be a matter of concern because what is the plateauing of Jal Jeevan Mission is more than compensated by many states joining the bandwagon of their own irrigation, their own water grid. And the good part is many of these states have also been able to achieve multilateral funding.

So the overall scenario is stable to grow. This is an internal adjustment that is happening. Now it will be difficult for us to comment on the Government of India and state relationship. The plateauing of the Jal Jeevan Mission we are seeing because Jal Jeevan Mission was supposed to be jointly funded by states and the centre.

In many states, we are seeing that they are falling a bit behind in providing their contribution. Probably, they are conserving their resources and focusing on the state-level development or state-level initiatives in a similar segment. That appears to be the macroeconomic scenario on Jal Jeevan.

But is it a matter of concern? I don't think so because Jal Jeevan Mission continues to be a major initiative of central government and they will continue to find ways and get the state around to contribute their funding as well. So to conclude in one line, no matter of concern, demand to stay stable, a mix of Jal Jeevan or centre-related projects and the state related projects continue to grow together.

Deepak Lalwani: That was a great commentary. Sir, on the profitability side. If I look at all the DI-type players in the entire market, right. So all the players have benefited from the lower raw material prices. And hence, we're able to make higher profit on a ton basis. So should -- and going forward now when you book the new orders, should we assume that the benefit of the lower prices have been passed on to the customer?

And hence, a normalization of profit should happen? And if you can just give an outlook of how should this pan out -- the situation pan out?

Neeraj Kumar: At this point of time, the way we are positioned on ductile and pipes and our order book, all the prices have been locked in for close to a year. And definitely, if the prices are softening, subsequent orders would reflect because now many players have expanded their capacity. Also, there are new entrants in the DI market. So the market trend, the demand supply and the price trend, to some extent, getting correlated to the raw material would definitely happen.

But for us, we are fully booked for the next few quarters, and that would not impact our profitability in the next few quarters. Because we always do long-term planning once we have the order. We try and line up the shipment for the coal, the iron ore. Also we try and have a long-term purchase agreement so that we achieve a natural hedge.

Deepak Lalwani: And sir, in your initial commentary...

Moderator: Sorry to interrupt, Mr. Deepak, could you please fall back in the question queue for further questions?

Deepak Lalwani: Sure, thank you.

Moderator: The next question is from the line of Riya Mehta from Equitas Investment. Please go ahead.

Riya Mehta: So my first question is on the terms, we're doing amazing with Hunting and even our order book has grown by 20% on even a lower base. But what are the plans here? And are we going to be majorly job-work business? Or how is it going to pan out? Could you elaborate more on the opportunity of Hunting? And what kind of orders are we...

Neeraj Kumar: Ma'am, hold. Ma'am, you will have to repeat your question, maybe be a little slower and louder because I could not get the whole question.

Riya Mehta: Sure. So, I was just saying in terms of Hunting, our JV with Hunting, we are doing good there, and we are seeing order book increase almost by 20%. So I was wondering what all initiatives are we taking there? And we have -- your commentary mentioned that is majorly job-work business. So are we doing this for other people or are we doing for Jindal Saw? And what kind of capacity additions are we seeing over there?

Neeraj Kumar: Okay. Hunting, this is the first full year of operation. And when I say Hunting, I mean the JV. For JV, this is a first full year of operations, and we are very happy to note as a shareholder that they have turned profitable right till bottom line. So the JV is doing well. They are almost operating at capacity.

Now this business structure of job work versus working for on. Going forward, you would see a slight shift because first few months of the year, the JV was yet to get the API license after the quarter license for premium threading. And that's why Jindal Saw due to win the contract and then get Hunting to do it on a job-work basis.

Now Hunting fully functional with all necessary upgradations. Slowly, you will see that Hunting will also make its presence felt in the market, where Jindal Saw would be the supplier of pipes and coupling blanks to the JV, who would credit and will be responsible for selling it. So -- that's how it's likely to move.

Now -- since Hunting is already operating at very high capacity, also they are earning cash, they are building network. We are in discussion with our partners, Hunting to see if there is scope and if both of us align to increase the capacity of premium connections because, as I said, because of the higher drilling activity in East Coast with more wells reaching a development stage, the demand for premium connections are likely to go up.

But expanding the JV would be a joint decision taken by Jindal Saw and Hunting Singapore. As Jindal Saw is concerned, we will support this initiative, but it will have to be discussed in much greater detail. Hunting will have to take all its internal approvals. And then only it will come into being, then only it will come and get actualized. So it's on the drawing board. Discussions are on. And once we have arrived at a decision, we will definitely let you know.

Moderator: The next question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Congratulations on good results. My question was you spoke about entering the U.S. market in seamless and stainless steel segment. So currently, are we selling these products entirely in

India? Or we also have exports in this? And also, could you talk a bit about the antidumping scenario in U.S. and our competitive edge, especially when compared to China in that market?

Neeraj Kumar: We have an export order book even in those segments at this point of time, although it is much lesser and we would definitely want to improve. Now the kind of segments that we want to enter U.S., it will be a higher grade, higher application. And there, since it is not a commodity product, we expect that we will not get caught into this antidumping because so far, whatever is the export market is more on normal grades, normal categories, normal applications. So once we break into the U.S. market, the way we are planning, then the antidumping will not impact us.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today's conference call. I now hand the conference over to Mr. Vikash Singh from PhillipCapital India Private Limited for the closing comments.

Vikash Singh: Yes. Thank you, Investors, very much and – good results. Hope to see you next quarter.

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