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RATNAMANI®
METALS & TUBES LTD.

RMTL/SEC/POST-TRANS.CON-CALL/Q2/2024-25 November 21, 2024

BSE Ltd.	**National Stock Exchange of India Ltd.**
Corporate Relationship Department	"Exchange Plaza", 5th Floor,
1st Floor, New Trading Ring,	Bandra – Kurla Complex,
Rotunda Building, P. J. Tower,	Bandra (E),
Dalal Street, Fort, Mumbai – 400 001	Mumbai - 400 051
Company Code : 520111	Company Code : RATNAMANI

Subject: Transcript of the Investor Conference Call post unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2024

Dear Sir/Madam,

We, vide our letter dated November 8, 2024, had intimated to the Stock Exchanges about the schedule of the Investor Conference Call on Monday, November 18, 2024 post Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2024 and future outlook of the Company's business.

The Conference Call recordings have already been uploaded on the website of the Company and a link was provided vide our letter dated November 18, 2024.

We, now enclose a copy of the Transcript of the Investor Conference Call which took place as scheduled. Please note that the Con-Call was attended on behalf of the management of the Company by Shri Manoj P. Sanghvi, Whole Time Director and Chief Executive Officer and Shri Vimal Katta, Executive Director (Fin.) and Chief Financial Officer.

The said transcript is also being uploaded on the Company's website at www.ratnamani.com.

The Company has referred to publicly available documents / information for discussions during the interaction in the Conference Call and no Unpublished Price Sensitive Information were intended to share during the Conference Call.

Kindly take the above on your record.

Thanking you,
Yours faithfully,
For, RATNAMANI METALS & TUBES LIMITED

Maloo Anil
Digitally signed by Maloo Anil
Date: 2024.11.21 15:09:18
+05'30'

ANIL MALOO
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above

"Ratnamani Metals & Tubes Limited Q2 FY '25 Earnings Conference Call"

November 18, 2024

MANAGEMENT:	**MR. MANOJ SANGHVI – CHIEF EXECUTIVE OFFICER, RATNAMANI METALS & TUBES LIMITED**
	MR. VIMAL KATTA – CHIEF FINANCIAL OFFICER, RATNAMANI METALS & TUBES LIMITED
MODERATOR:	**MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Ratnamani Metals & Tubes Limited Q2 FY '25 Earnings Conference Call, hosted by Monarch Networth Capital.

As a reminder, all participants' 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 this conference, please signal and operator by pressing "*" and then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Networth Capital. Thank you and over to you, sir.

Sahil Sanghvi: Yes. Thank you, Darwin. Good evening to everyone. On behalf of Monarch Networth Capital, we welcome you all for the 2Q and First Half FY '25 Earnings Call of the Ratnamani Metals & Tubes.

We are delighted to host the Management of Ratnamani, and from their side we have Mr. Manoj Sanghvi – Chief Executive Officer; and Mr. Vimal Katta – Chief Financial Officer.

So, without taking much time, I will hand over the call to Mr. Manoj Sanghvi for their "Opening Remarks". Thank you and over to you, Manoj sir.

Manoj Sanghvi: Yes. Thank you, Sahil. Good evening, everyone. I welcome you all to this call and hope everyone is doing good. Let me first take this opportunity to wish you all a very happy New Year and season's greetings from Ratnamani. Our results for Q2 and half year have been uploaded on the exchanges, and I believe all had the opportunity to go through the same.

On standalone basis, in quarter two our company has clocked the revenue of Rs. 917 crores and EBITDA of Rs. 168 crores for the half year. The revenues were Rs. 2,039 crores with EBITA of Rs. 335 odd crores. The EBITDA margin expanded in Q2, but for the first half it was broadly in line with our target range, a bit higher side of the band due to the better export product mix and lower input prices. We are confident of maintaining our EBITDA margins, as guided earlier, on annualized basis. However, on the revenue front, some dip may be witnessed. The dip is basically because of the soft metal prices and delay in some projects and offtake at the end customers' end.

As you all know, past few months demand in oil and gas remained subdued in India, but has been good in MENA region. In the last quarter, we witnessed some slowdown for dispatch clearance from customers due to seasonal factors and the project delays, but things are looking better now and expected to improve in future. Due to soft and stable steel prices, our industry has seen good demand into water segments, industrial and exports. However, the domestic oil and gas projects and CGD business is expected to remain muted for near future, and yet to show signs of any pickup. But the business traction in the other segments like water line pipes, industrial supplies and SS pipes and tubes continue to remain quite encouraged. Presently, all our plants are operating at 50% to 60% utilization, except the ERW pipes where the demand load is quite low.

Our orders on hand as on 1st November was approximately Rs. 2,900 plus crores. In line with our strategy to invest further into specialized and high value added products, with improving efficiency and utilization, we have decided for setting up cold finishing projects out of India. When we meet for the next call, we shall share more details about this project. At this stage, we can only reveal that the broader project cost is estimated around $40 million.

We have commissioned our project for manufacturing of heavy thickness pipes. This will further enhance our product basket for specialized application, and have started getting good response from the market for this segment. As we move forward, we are seeing more sustainable growth with product bouquets and approvals we have, best in segment facilities with benchmark qualities operating and financial leverage we enjoy.

Now, regarding our subsidiaries, Ravi Technoforge has clocked a total revenue of approximately Rs. 138 crores, with operationalized EBITDA margin of approximate 10-plus-percentage. On the year-on-year basis, the revenues increased by 11% despite soft steel prices. EBITDA grew marginally by 4%, but profit declined due to higher depreciation and interest cost because of CAPEX.

As informed to the exchanges, we have completed the acquisition of another 27% at Rs. 81 per share, which was based on the financial metrics and customary adjustment as per our agreement. As informed earlier, we are putting up some more automation and value addition facilities. We are also setting up an 8 megawatts captive solar power plant and expect the same to be commissioned in next four to five months. Our few developed products could not be commercialized due to geographical disturbance at the target customer side.

Domestic demand seems to be stable and expecting demand from Europe and US to start showing signs of recovery in quarters to come. For our spooling business, we have started commercial supplies for basic hangers and support systems. We expect our piped spool business to commence within this quarter. The order booking and expansion program is largely on track, and presently the complete focus is on executing jobs and developing capabilities.

That's all from our side. Now, I would like to invite questions from the participants. Thanks.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Muskan from B&K Securities. Please go ahead.

Muskan: Sir, the joint venture with 51% stake that we have with technoenergy, that is a group based out of Switzerland, what will be the business opportunity from the products under spooling umbrella and domestic and in exports? And how easy is it to get the customer approval and their acceptance? And also, are there any other competitors to cater in this space?

Manoj Sanghvi: So, to answer your first question that is, as we speak, we have close to order backlog of Rs. 650 crores for the pipe spool business. Customer approval is in place. Executions will start. We will see some dispatches in this quarter and some in the next quarter. However, most of it will be dispatched during the next financial year. So, this year, our target for the spooling business is close to Rs. 150 crores.

Muskan: Sir, how many competitors are there in this space, in this spooling business?

Manoj Sanghvi: There are a lot of pipes, spooling fabricators in India. However they are mostly into oil and gas segment. Whereas what orders on hand we have is from the nuclear division. So, not much competition at the moment for the nuclear project.

Muskan: And sir, like what's the demand scenario in spooling business, in domestic and in exports, what's the opportunity there?

Manoj Sanghvi: So, not only in India, but along with our partners we are bidding for projects overseas also. So, we are quite hopeful that going forward, out of the total spooling business, 75% would still come from the nuclear business and 25% would be from the oil and gas segment, two to three years from now.

Muskan: Sir, you mentioned in the concall that JV will help to cater the oil, gas and commercial business and nuclear plants, like you mentioned right now. Can this spooling product contribute to Rs. 500 crores revenue next four, five years? And also, can you please guide us on the EBITDA margins that we get under spooling and auxiliary products?

Manoj Sanghvi: So, as we speak, we already have orders on hand of close to Rs. 650 crores. Rs. 150 crores is our dispatch plan for this year. Next year, we will target anywhere between Rs. 400 crores to Rs. 500 crores, and EBITDA margin would be similar to our blended EBITDA of metals and tubes today.

Moderator: Thank you. We have the next question from the line of Abhishek Ghosh from DSP Mutual Fund. Please go ahead.

Abhishek Ghosh: Sir, just wanted to understand in terms of the big pipeline, how is it looking, both in the line pipe and the process pipes, both at the carbon and the SS segment of it?

Manoj Sanghvi: Yes, Abhishek ji, thank you. So, as indicated in my opening remarks, line pipes, oil and gas, the demand is still quite muted. We are expecting some tenders. However, the timelines at the moment it is very difficult to say. SS and carbon steel, both processed pipes, the demand in India is a little bit on the lower side. However, there's a lot of traction from Middle East and we have been receiving a lot of orders from Middle East for the same.

Abhishek Ghosh: And sir, in terms of in terms of the water projects and the oil and gas in India, anything in terms of traction in the second-half or going forward? Because so far we have had election in the monsoons, but how should we look at it from a 12 to 15-month perspective, anything to demarcate between oil and gas and water segment, sir?

Manoj Sanghvi: Yes. So, water, if you see the order backlog, we had quite good substantial order backlog from water segment also. However, because of monsoon, the uplifting of pipes in the previous quarter was less. So, in this quarter and the next quarter, normally all the water pipes, because laying activities are much faster. So, in the next two quarters we are going to see covering up, basically.

Abhishek Ghosh: And I don't know if you have kind of said out earlier, but broadly will you be able to maintain the growth of 8%, 9% odd, that kind of growth one should expect in the current year, given that the second-half is going to be stronger given higher uplift in replacement and other things?

Manoj Sanghvi: So, standalone basis, I would say we would still be close to between Rs. 5,000 crores to Rs. 5,200 crores. So, yes, we still maintain that there would be a growth of 8% to 10%.

Abhishek Ghosh: So, that visibility is there, it's just that for FY '26 you will need to see higher inflows to be able to grow from there on?

Manoj Sanghvi: We are seeing some visibility, especially from the Middle East, Europe some projects. And if we see the order backlog also, it has started improving. So, going forward next year, maybe in the last quarter we will be able to give you the exact numbers. However, 8% to 10% should not be an issue.

Abhishek Ghosh: And sir, just in terms of capital allocation, how should we look at it over the next 12 to 15 months, which are the large CAPEX that we will incur? And which are the new capacities which are coming in in terms of old roles or any other products, if you can help us with that?

Manoj Sanghvi: We had two expansions which were ongoing, one was our spiral plant in Orissa, which will be commissioned in the first quarter of next financial year. Then we had another project of increasing our capacity in stainless steel cold finishing plant, that will be operational in this quarter. Other than these two projects, we have two projects which has been approved in the current board meeting which is setting up a greenfield plant in the Middle East for cold finishing activities and setting up another plant for manufacturing of auto parts in RTL. These are the two projects, the one in Middle East, our budget is close to $40 million and the one in India where we plan to expand capacities in RTL is close to Rs. 240 crores, Rs. 250 crores.

Abhishek Ghosh: So, overall, Rs. 550 crores, Rs. 600 crores of overall capital allocation, growth CAPEX, the new ones which have been announced?

Manoj Sanghvi: Yes.

Abhishek Ghosh: And what will be the timeline for these two to come through in terms of commissioning?

Manoj Sanghvi: So, 18 to 24 months for both. 18 months for say start of the production, however, the approvals and everything in place, within 24 months.

Abhishek Ghosh: And that is because you are seeing a lot of strong opportunity as far as your exports of SS pipes are concerned, I am saying the greenfield unit which you are putting up in Middle East, is there a lot of good option coming through?

Manoj Sanghvi: Yes, we have been already catering to this market. We have a substantial market share. One is, of course, looking at the market size and what we are supplying from here. Another is, these days with the countries being protective and the local content required, that is another reason for us to set up this plant in Middle East.

Abhishek Ghosh: And sir, just one last question in terms of the RTL expansion, is it the same product profile of Ravi Technoforge or is it newer products which you intend to do with this expansion?

Manoj Sanghvi: It will be newer products which we will add to the basket. Plus, the existing products can also be made on the same machine. But our aim is to have a diversified product portfolio over there.

Moderator: Thank you. The next question is from the line of Dheeraj Dave from Samvad Financial Services LPP. Please go ahead.

Dheeraj Dave: Question I have is, basically we see a significant increase in inventory of finished goods and work in progress as per results, almost Rs. 120 crores which was last quarter Rs. 60 crores, and year before it was kind of Rs. 36 crores. So, is it like, as in previous question and answer management indicated that water demands or water pipes demand project is delayed. So, is it a buildup of that? And how do management feel, does it mean some kind of adversely hitting margin for the September quarter? If you can elaborate, that would be helpful.

Manoj Sanghvi: No. So, as indicated, most of it was because of the monsoon, which the water pipes especially we had quite a bit of inventory which was there.

Dheeraj Dave: If you have to give a broad breakup, approximate breakup, say Rs. 120 crores increase, so how much would be like water pipe or project related thing as compared to what is the normal level?

Manoj Sanghvi: About 50% of this would be water pipe and balance would be all other products.

Dheeraj Dave: Okay, 50% would be water pipes. And when it will be implemented or the sales will be affected, would we see kind of operating leverage giving some kind of better margin in Q3 and Q4?

Manoj Sanghvi: So, this quarter, most of it will be liquidated and will come to a normalized level of inventory.

Dheeraj Dave: And we do expect kind of standalone sales top line of around Rs. 5,000 crores to Rs. 5,500 crores, right?

Manoj Sanghvi: Yes, it will be Rs. 5,000 crores, plus say about Rs. 200 crores.

Dheeraj Dave: And any guidance on EBITDA, would it be at same level or it would be affected adversely?

Manoj Sanghvi: Yes. Here our yearly guidance will remain the same, 16% to 18%, in between that anyway.

Moderator: Thank you. The next question is from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.

Ashutosh Tiwari: So, firstly on this spooling JV, for top line guidance of Rs. 450 crores to Rs. 500 crores, what kind of investment we need to make in this year, next year?

Manoj Sanghvi: Yes. So, this spooling JV, whatever we have targeted, say for next year, which is Rs. 400 crores to Rs. 500 crores, investments are in place or happening at the moment. Phase-2 of investments for pheno has been approved, so there our total investment outlay is close to Rs. 240 odd crores.

Ashutosh Tiwari: And this will be spent in which year?

Manoj Sanghvi: This will be spent mostly next year, part of it will be spent maybe 25%, 30% in this year, and balance in next year.

Ashutosh Tiwari: And how much was the Phase-1, would it be?

Manoj Sanghvi: Sorry, can you repeat the question?

Ashutosh Tiwari: What is the Phase-1 CAPEX?

Manoj Sanghvi: There is one CAPEX, Katta ji, can we have that number?

Vimal Katta: Phase-1 will be hardly around Rs. 50 crores, Rs. 60 crores at the most, yes.

Ashutosh Tiwari: So, in total around Rs. 300 crores CAPEX?

Vimal Katta: Yes, yes.

Ashutosh Tiwari: And this will be, because JV is 51:49, so it will be half by us and half by the partners?

Vimal Katta: Yes.

Ashutosh Tiwari: So, right now you mentioned that line pipe is a bit weak in oil and gas, but exports are doing better and process pipes generally are better off?

Manoj Sanghvi: Yes.

Ashutosh Tiwari: So, that means that, I mean, those are generally better margin products really for us, exports and the process pipes?

Manoj Sanghvi: Yes, exports, process pipe, in stainless steel we have welded also, we have seamless also. So, all put together, yes, some margins are better, some are average.

Ashutosh Tiwari: So, I think second-half will be very strong. And on the export side, I think with this cold finishing line getting completed in this quarter, you think that there is further addition to order book for SS seamless side, because that's an area where we have been also expanding our product portfolio?

Manoj Sanghvi: Yes, we will see utilization from this or the next quarter on the added capacity of cold finishing facilities.

Ashutosh Tiwari: So, SS order book should ideally improve from here over the next three, four quarters?

Manoj Sanghvi: Yes, yes.

Ashutosh Tiwari: So, between the two, I mean, can you guide like say between SS and CS where you think the growth will be higher over say next two to three years for us?

Manoj Sanghvi: So, stainless steel, definitely with this cold finishing facilities and another cold finishing facility which we plan to set up in the Middle East will be growth from there. However, the asset turnover ratio being less in stainless steel maybe in terms of number, however, the margins will be quite different. At the same time, carbon steel revenue growth will be quite strong after Orissa comes in, plus our heavy thickness plant once the utilization goes up.

Ashutosh Tiwari: And how has been the progress in European market? I mean, that's one market that we are focusing a lot.

Manoj Sanghvi: Europe is, overall globally if you see the prices are soft, but demand uptake is still there.

Ashutosh Tiwari: So, we are seeing improvement in our market share slowly in that market?

Manoj Sanghvi: Yes, yes.

Moderator: Thank you. We have the next question from the line of Dhananjay Bagrodia from ASK. Please go ahead.

Dhananjay Bagrodia: I just wanted to ask you sir, now, could you give any color on like volumes, this revenue degrowth how much would be from volumes and how much would be from steel price decrease?

Manoj Sanghvi: Can you please repeat, I missed in between?

Dhananjay Bagrodia: Sir, for our revenue, how much would have been volumes decrease and how much would have been realization decrease?

Manoj Sanghvi: For the first two quarters?

Dhananjay Bagrodia: No, for the second quarter for standalone any color on how much would have been realization decrease and how much would have been volume decrease?

Manoj Sanghvi: Realization decrease would be anywhere close to 15%, approximately.

Dhananjay Bagrodia: And sir, for us, which segment would have done better in terms of carbon steel versus stainless steel?

Manoj Sanghvi: No. So, basically, if we see the second quarter, other than line pipes all the other are what we had budgeted for. So, the line price is a little slow, as indicated earlier.

Dhananjay Bagrodia: And sir, now one of our competitors has been speaking of a lot of strong growth in stainless steel. Are we also seeing the same traction globally? And how, say we were able to ramp up volumes in this, direct for strong volumes going ahead also would we see similar numbers in our stainless steel?

Manoj Sanghvi: I do not know which competitor, but we still consider a growth of 10% to 15% on stainless steel is what we can continue at. Plus, if we see a lot of competitors, especially on stainless steel seamless are increasing, and that too with the piercing technology. We have recently two or three other manufacturers who have come in, and two or three other companies who have announced that they are putting up a stainless-steel piercing plant.

Dhananjay Bagrodia: And sir, there was a company NCLT which was bought by Jindal Stainless, would we have looked at that? Because it was a good capacity and very reasonable price compared to other people cross the block for the same cost for the same capacity, did we look at that?

Manoj Sanghvi: I am not aware what company, was it stainless steel or carbon steel?

Dhananjay Bagrodia: No, stainless steel, Rathi.

Manoj Sanghvi: Which one?

Dhananjay Bagrodia: Rathi.

Manoj Sanghvi: I have not heard of this company, so I do not know.

Dhananjay Bagrodia: Sir, Jindal Stainless announced this acquisition.

Manoj Sanghvi: Jindal Stainless, they would have taken over something which has to do with maybe ornamental and infrastructure pipes. So, we are not into that segment at the moment.

Moderator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Networth Capital. Please go ahead.

Sahil Sanghvi: Sir, can you just give me some more details on the heavy thickness pipes? I mean, where exactly are we aiming to, I mean, which are these pockets where we will be targeting these pipes? And I mean what dimensions are there? And what kind of CAPEX we incurred for this?

Manoj Sanghvi: Our CAPEX total was close to Rs. 50 crores, Rs. 60 odd crores. And we would mostly be catering to the offshore industries. It can be an offshore oil and gas platform; it can be an offshore wind farm.

Sahil Sanghvi: And now the asset turnover will be roughly 2x?

Manoj Sanghvi: Yes, 2x, 2.5x.

Sahil Sanghvi: Also wanted to understand, I think in the first half we have spent about Rs. 160 crores in CAPEX, the number I can see from the cash flow. So, what is the targeted CAPEX spend for this year and next year, if you can give some guidance?

Manoj Sanghvi: So, standalone I think so we have Orissa, which is going on, and of course the some equipments on stainless steel cold finishing facility. Other than that most of it for Middle East would come maybe in the next financial year.

Sahil Sanghvi: And the Phase-2 of spooling also will be there, right?

Manoj Sanghvi: Yes.

Sahil Sanghvi: So, this year, on the consol side we should be somewhere around Rs. 200 crores or less than that?

Manoj Sanghvi: For the balance, yes, close to anywhere between Rs. 150 crores to Rs. 200 crores.

Sahil Sanghvi: And next year, would you be able to give some number?

Manoj Sanghvi: Next year, all put together, roughly Rs. 300 crores, Rs. 350 crores.

Moderator: Thank you. The next question is from the line of Dheeraj Dave from Samvad Financial Services LLP. Please go ahead.

Dheeraj Dave: Sir, what is the breakup of export and domestic sales during this quarter and how do you see in next year or FY '26?

Manoj Sanghvi: Say, almost 50:50, what we have orders on hand is almost 50:50.

Vimal Katta: See, almost one-third of turnover came from exports in this quarter.

Manoj Sanghvi: Yes. On the revenue side it is 30:70 or 35:65. However, orders on hand is almost 50:50.

Dheeraj Dave: So, basically, there is a 50:50 export and domestic. But what we understand is that generally the demand environment as well as volume from Middle East and other markets were better vis-a-vis Indian market, particularly kind of thing. So, the ratio would remain same, or it would change?

Vimal Katta: So, historically, normally our exports are anywhere between 30% to 40%. But since domestic demand is muted, exports we see a good demand. So, orders on hand also you can see that visibility that it is 50:50 now.

Dheeraj Dave: So, we would be getting into that area?

Manoj Sanghvi: Yes.

Dheeraj Dave: And generally export market is more remunerative?

Manoj Sanghvi: Export market is more?

Dheeraj Dave: Remunerative, profitability is better or is equal?

Manoj Sanghvi: It depends from product to product, but yes for some certain products you can say that.

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

Muskan: Sir, what is the potential revenue from the joint venture with both the phases of CAPEX that we have for these Rs. 300 crores?

Manoj Sanghvi: So, with the CAPEX, say for RTL, our revenue potential can go up to Rs. 700 crores, Rs. 750 odd crores. And for pheno, with the additional CAPEX of Phase-2, same again we can go between Rs. 600 crores to Rs. 700 crores.

Muskan: Sir, another question is, what is the current hot extrusion and cold finishing capacity in stainless steel? And how much of cold finishing we are expanding in domestic market?

Manoj Sanghvi: So, our total capacity for seamless products is 30,000 tons, which is hot finishing capacity, of which cold finish is roughly 10,000 tons, and we are adding another 1,200 tons.

Muskan: And the capacity number in spooling with two phases of CAPEX in tonnage numbers?

Manoj Sanghvi: For?

Muskan: The capacity number in spooling with two phases that we are doing, the Rs. 300 crores CAPEX, what would be the capacity number in tonnage terms?

Manoj Sanghvi: Capacity number for spooling will be anywhere close to 3,500 tons.

Moderator: Thank you. We have the next question from the line of Asim from DAM Capital. Please go ahead.

Asim: So, one clarification I wanted, so on an earlier question of, you said realization is down 15%, is that for the industry as a whole or for Ratnamani's product mix in particular?

Manoj Sanghvi: No, if you have similar company, it must be for the industry as a whole because steel prices, stainless steel prices or for that matter the commodity have gone down by that much percentage.

Asim: That is the raw material price basically, right? For us, given our product mix and the line pipe you said was weak, how much would blended realization be down Q-o-Q or Y-o-Y?

Manoj Sanghvi: On an average 10% to 15%.

Vimal Katta: Manoj ji, I am trying to step in. See, in Q2 if you look at stainless still and carbon steel both, blended, I am not bifurcating between process pipes and line pipes, so it will be close to 16.6%, both, in stainless steel and carbon steel for Q2 compared to the corresponding quarter of last financial year.

Asim: How does that compare vis-a-vis Q1?

Vimal Katta: See, if we look at Q1, then movement will be much lower, it might be close to 8% to 10% sort of thing in case of stainless steel. And in carbon steel, it was better than Q1.

Asim: For carbon steel there was a growth Q-o-Q?

Vimal Katta: Yes. Because see, quarter one and quarter two you cannot compare, because in Q2 the dispatches of process pipes were higher so realization will also be higher.

Asim: So, theoretically, line pipes being weak in Q2 versus Q1 helped you in realizations Q-o-Q?

Vimal Katta: Yes, yes. Because process pipes is a better margin business. And raw material will also be different for process pipes.

Asim: And just a theoretical question, when we talk about process pipes and carbon steel, besides the usual coated pipes or painted pipes, what other product categories are there in process pipes for carbon steel?

Manoj Sanghvi: So, it is the same kind of pipes. Maybe the coating is different, the grade is different, the specification is different, but pipes as such will remain same. The input material, the output sizes, various sizes, that's the difference.

Asim: It's the coating that may differ, not necessarily thickness.

Manoj Sanghvi: No, it can be quoted, it can be bare, line pipes is one particular size, it goes on for kilometers. So, your utilization of the plant is much better. However, when it is processed pipe, you have maybe 100 sizes, 150 sizes, so the number of sizes are much more, diameters will vary.

Asim: And last question, approximately in your total volume of carbon steel, how much percentage would process pipes be?

Manoj Sanghvi: Of the carbon steel?

Asim: Yes.

Manoj Sanghvi: I think roughly 20-odd-percent, 20%, 25%.

Moderator: Thank you. We have the next question from the line of Sriram R, an individual investor. Please go ahead.

Sriram R.: Sir, can you give us sector breakdown of your order book, like how much would be from oil and gas, renewables, steel, cement, etc.?

Manoj Sanghvi: At the moment I do not have the break up, but can be sent if required.

Moderator: Thank you. I would now like to hand the conference over to Mr. Sahil Sanghvi for closing comments. Over to you, sir.

Sahil Sanghvi: Yes. I just want to thank the management for very elaborately answering all the questions, and also thank all the participants for joining the call. Manoj sir, would you like to give any closing comments, please?

Manoj Sanghvi: Yes. I would just like to thank everybody for their time and listening to us patiently. And we wish you all a great time ahead. Thank you.

Vimal Katta: Thank you.

Moderator: Thank you. On behalf of Monarch Networth Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.