"Man Industries (India) Limited's Q4 & FY'25 Earnings Conference Call"

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MODERATOR: MR. PRITISH URUMKAR - ICICI SECURITIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Man Industries India Q4 & FY'25 Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. I now hand the conference over to Mr. Pritish Urumkar.

Thank you and over to you, sir.

Pritish Urumkar: Thank you, moderator. Good afternoon, everyone and thank you for joining us today for Man Industries Q4 FY'25 Earnings Con-Call.

First of all, I would like to thank Management for providing us this opportunity to host the call. From the investor relations side, we have Mr. Vijay Gyanchandani – DGM.

So without any further delay, I would like to hand over this call to Mr. Vijay. Thank you and over to you, sir.

Vijay Gyanchandani: Good afternoon, everyone and thank you for taking the time to join our earnings conference call for Q4 and Full Year of Financial Year 2025. I am Vijay Gyanchandani – Deputy General Manager of Investor Relations at Man Industries India Limited.

Joining me on the call today are members of our Senior Leadership Team, Dr. Ramesh Chandra Mansukhani, Chairman; Mr. Sandeep Kumar Garg, CFO; Mr. Rahul Rawat, Company Secretary.

I trust you had the opportunity to review our Q4 & FY'25 Results and the Investor Presentation which we have shared with Stock Exchanges and are also available on our Company's Website.

To begin today's session, our Chairman – Dr. Ramesh Mansukhani will share some key business highlights and the strategic outlook for the Company. This will be followed by our CFO – Mr. Sandeep Garg who will walk you through the financial performance for the quarter and the full fiscal year. After that, we can open the floor for a Q&A session.

With that, I would like to hand over the call to our Chairman – Dr. Ramesh Mansukhani. Thank you and over to you, sir.

Ramesh Mansukhani: Good evening, everyone. We welcome you all. This is Ramesh Mansukhani. And again, I welcome you all to our earning conference call for the 4th Quarter and Financial Year 2025.

Let me begin by sharing some key business highlights and our outlook:

We have delivered record performance for the quarter and full year. Our revenue for the year grew 12% despite a 12% decline in the steel prices during the fiscal. Our profit after tax has increased 45% year on year driven by strong operating performance, our EBITDA margin expanded 70 basis point to around 9.9%, approximately 10% EBITDA margin.

As of 31st March 2025, our order book stands to Rs. 2,500 crores, with a healthy bid pipeline of approximately Rs. 15,000 crores. All announced projects are progressing well and based on the current execution visibility, we are confident of achieving 20% growth topline during this fiscal.

We anticipate a 50 to 100 basis improvement in EBITDA margins, driven by a more favorable product mix specifically. A high contribution from non-water infrastructure projects and exports, as well as value-added execution areas such as bends and special coating. Export now accounts for around 75% to 80% of our total consolidation revenue and 80% of our current order book underscoring our commitment to expanding our footprint in key international market. We are also seeking a good traction to our ERW segment, which now contributes approximately 10% of the consolidated revenue, that is our new division started last year only. We got the API, all the accreditations to enable us to export. And we got some export orders also from Western countries. It's a mark of significant improvement in the ERW segment.

In the SAW pipe business, particularly in the LSAW category, we are seeing continuous strong traction primarily driven by robust international demand for pipeline infrastructure and a revival in large oil and gas transmission projects. The technical strength of our LSAW pipes, especially their ability to handle high pressure and long distance transport, make them well suited for these complex projects. This demand trend reinforces our confidence in sustained growth from this product line over the coming course.

Now I would like to provide an update on the monetization of our non-core assets, Merino Shelters Private Limited, a wholly owned subsidy of the Company. On 31st March 2025, Merino Shelters executed a Deed of Assignment and granted development right for a land parcel of approximately six acres, located opposite DY Patil Stadium, New Mumbai, Paradise Green-Spaces LLP, part of the Paradise Group. An upfront consideration of Rs. 70 crores has already been received. The Company will also be entitled to 30% of the total developed area, equivalent to approximately 450,000 square feet of the RERA carpet, both commercial and residential.

The estimated monetization value of our share in the developed property is expected to be in the range of Rs. 650 crores to Rs. 700 crores in 5 and 6 years. According to the total project's monetization value, this transaction is estimated to be between Rs. 720 crores to Rs. 770 crores.

Now on new business Initiatives. Both of our new projects in Saudi Arabia, Jammu are progressing well, remains on track to be operational and by Quarter 3, FY'26. We are regularly incurring our CAPEX and seeing good progress. And we will spend the remaining capex amount in the current fiscal to complete the project.

Before I conclude, I am pleased to announce that we have received the official approval from Qatar Energy LNG. It's a listed vendor. This is a significant achievement, further solidifies our position as a trusted supplier in the global energy sector. It also represents an important step in expanding our presence in the Middle East.

With that, I would like to hand over the call to our Group CFO – Mr. Sandeep Kumar, who will walk you through the detailed financial performance of Quarter 4 and Full Year 2025. Over to Sandeep.

Sandeep Kumar Garg: Thank you, Mr. Chairman. Good evening, everyone. Let me take you through the financial highlights for the Results:

Our Company in the Q4 FY'25 consolidated, total income is Rs. 1,233.9 crore which is 50% higher YOY and EBITDA is also Rs.136.7 crore up 88% YOY. The EBITDA margin has also increased to 11.1% which is 230 bps higher YOY and PAT for this quarter has been Rs. 68.1 crore up 182% YOY.

I will take you through the FY'25 consolidated full year number:

Total income for the full year is Rs. 3,557 crore, which is higher by 11% YOY and EBITDA for the full year is Rs. 353.2 crore, which is higher by 20% YOY. The EBITDA margin for the year as a whole is 9.9%, which has increased 70 bps from last year YOY. The PAT for the year Rs. 153.2 crore, up 46% YOY. So, these numbers what we have achieved this year are the highest ever Company has ever achieved.

Now we can open the forum for the question-and-answer now.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Pritesh Chheda from Lucky Investment. You may proceed.

Pritesh Chheda: Yes, sir. One on the Merino Shelter inflow. So now this 30% of 4,50,000 RERA carpet, what should be the flow of money with it be basically linked to you selling it regularly and based on milestone you get it? That's how it will be for the next 7 years?

Ramesh Mansukhani: The total estimation of the project, 5 to 6 years, all the approvals we got it and the work is already started. We got Rs. 70 crore year 2025. Current year revenue also we will get. Every year we will get the revenue for next 5-6 years. We are estimating around Rs. 700 crore revenue will be there.

Pritesh Chheda: Sir, that I understood. Now it will be linked to you selling that area, right?

Ramesh Mansukhani: No, we will get the area and with our consent as per the market condition, developer has to sell the 30% ours and 70% theirs. We will get 30% revenue, no expenses, nothing is there, it's a net.

Pritesh Chheda: So it's now linked to basically selling of the area.

Ramesh Mansukhani: That is correct.

Sandeep Kumar Garg: We expect almost Rs. 80 crore revenue coming in first year and then Rs. 120 crore every year over the next five years.

Pritesh Chheda: So this Rs. 80 crore first year means first year is FY'26 or first year for you is FY'25?

Sandeep Kumar Garg: No, I am talking about, FY25 is already over where we have received Rs. 70 crore.

Pritesh Chheda: Okay. So basically, now this year from the developable area you get the first tranche of Rs. 80 crores. Rs. 70 crores has already flowed in FY'25.

Sandeep Kumar Garg: That is approximately, yes.

Pritesh Chheda: Yes, sir, approximately. Okay. The second question is on the order book that you mentioned Rs. 2,500 crores and the bid pipeline that you mentioned at Rs. 15,000 crores. What was the same number last year if you have it?

Sandeep Kumar Garg: The last year's sale was Rs. 3,500 crore revenue roughly. Current year revenue has been Rs. 3,500 crore.

Pritesh Chheda: Sir, I am asking the order book number, this 2,500 which you have mentioned, if one have to compare versus last year, what it would have been at the yearend last year order book and the yearend bid pipeline last year, FY'24 end?

Ramesh Mansukhani: FY'25 end whatever we announced it, we already achieved. But this 2,500 crores, comfortable order position to achieve the new target current year because we have bid book very comfortable and we are expecting order will be materialized very soon. 2,500 crores, only will be completed in this current year, 26.

Pritesh Chheda: Okay. Sir, on the last question on the Quarter 4 number and the margin, is it that you have started booking some orders which are high margin, and hence we see what it is for Quarter 4? And so let's see, it linked to the Southeast Asia order that you had announced to the exchange. Is it linked to that and how much of that order is executed?

Ramesh Mansukhani: No, partly many projects are going together and mostly the exports. And the realization is improved because nowadays we are getting higher value-added products, very specialized products. The Company’s objective and motto is to get more value addition to reward to our shareholders.

Sandeep Kumar Garg: And I would like to add here that I think you are referring to the far east order for which execution will start from this current quarter. Q1 FY'26 we will start executing this order and this order will be completed this complete full year FY'26, order will be completed.

Pritesh Chheda: So basically we will see the H1 also on a higher growth note unlike last year FY'25, when your entire growth came in Quarter 4, is it possible that this time around the growth will be evenly spread in the whole year?

Ramesh Mansukhani: We hope and we expected the growth will continue in all the quarters.

Pritesh Chheda: And my last question is this 12% topline growth, what is the corresponding volume growth?

Sandeep Kumar Garg: Corresponding volume growth if I estimate my steel price to be stable as current year rate, this growth will come from the volume growth only.

Pritesh Chheda: So now I am asking for FY'25 the year gone by what was the volume growth?

Ramesh Mansukhani: 25 also there is a growth and 25-26 will be also growth in quantum as well as the volume amount.

Pritesh Chheda: Okay, yes.

Ramesh Mansukhani: Thank you.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. You may proceed.

Dhananjay Mishra: Congrats on good results. So just wanted to know how this accounting treatment has happened for real estate business. Like in this quarter, we have shown Rs. 368 crore revenue and Rs. 45 crore EBIT. So this is for 30% of our portion of area we would have sold in FY'25 or the Rs. 70 crore upfront money we have received. Where it is reflecting?

Sandeep Kumar Garg: I would take this question. The deal which we have announced on 31st of March, there was an assignment of the land which we had with us and certain CWIP. So this sale which we have accounted as on 31st March 25 is part of that value. The 30% which we are expecting further will be forthcoming in next 5 to 6 years.

Dhananjay Mishra: Yes, okay. Okay. So these kind of revenue will not reflect in future. We only have this our share of, as you said, Rs. 700 crore we are expecting over 4-5 years.

Sandeep Kumar Garg: It will be expected in revenue and profit over the period of 5 to 6 years, every year around average Rs. 100 crores to Rs. 120 crores will be coming to our P&L. Monetizing will continue.

Dhananjay Mishra: Okay. Because we have received Rs. 70 crore and we have shown Rs. 45 crore as EBIT and you also said that...

Ramesh Mansukhani: There is no relation actually, this EBITDA, etc., is our pipe business. That Merino was a non-core business which we sold out. Right, sold out. We got Rs. 70 crore as advance and the balance we will get Rs. 700 crore by way of 30% share in the property. That revenue will be additional revenue for coming years for the Company. And that will be the net received by the Company in coming 4-5-6 years.

Dhananjay Mishra: You said that from FY'26 onwards we will have Rs. 80 crore-Rs. 100 crore cashflow from FY'26.

Ramesh Mansukhani: This will continue receipt of the profit you can say.

Dhananjay Mishra: And we will have no expenses and not even marketing costs.

Ramesh Mansukhani: Our developer will pay everything, he paid everything, the work is started.

Dhananjay Mishra: Okay, because they will be selling our flats, so they will not charge marketing cost for that?

Sandeep Kumar Garg: As per our agreement, we are not going to bear any marketing cost. It is on the account of the developer.

Dhananjay Mishra: Okay. And secondly, for this Saudi CAPEX, what is the status of this debt tied-up?

Sandeep Kumar Garg: Debt, we are working with the bank. Total project is Rs. 600 crore. Rs. 400 crore is about debt portion. And we are at the final stage of freezing the bank…

Ramesh Mansukhani: In principle letter we got it.

Sandeep Kumar Garg: In principle letter, we already have.

Dhananjay Mishra: And lastly, in the presentation we have shown this breakup of 70%-30% funding through debt and equity and already CAPEX incurred. Like in case of stainless steel we have shown 1.56 billion already incurred and 2.82 billion committed. So what is the committed and CAPEX incurred figure? What is the difference?

Moderator: We have the lines connected to the management. Sir, you may proceed.

Dhananjay Mishra: Hello, my question is that in stainless steel pipe, total project cost will be Rs. 564 crore and we have incurred about Rs. 156 crore and there is one more item mentioned, Rs. 282 crore committed. So what is Rs. 282 crore committed in this slide?

Sandeep Kumar Garg: Total our project is Rs. 564 crores, correctly you have mentioned. We have spent almost Rs. 156 crores on this project, balance is committed where we have a place order for the machinery LC open and machinery.

Dhananjay Mishra: Okay, got it. Thank you. That's all from my side.

Moderator: Thank you. The next question is from the line of Darshil Pandya from Finterest Capital. You may proceed.

Darshil Pandya: Good evening. Sir, my question is related to cash flow statement. So, precisely, we have reported Rs. 300 crores of EBITDA. But if you see on the cashflow side, we just submitted around Rs. 68 crores, which is primarily driven by receivables, inventories. Obviously, know, it is offset by payables. But could you help us understand what's driving this stretch? Is it something to specific business cycle or a structural shift? What is it?

Sandeep Kumar Garg: Only the project which we are currently executing that has inventory which is getting ready and getting shipped in next quarter. That is the only reason of inventory buildup. It is project specific. As our business is very quietly, we make inventory only for the project specific and all this will be shipped and this current next quarter which current quarter we are running, inventory and debtors both will be neutralized.

Darshil Pandya: Got it. And sir, out of Rs. 1,100 crores I just forgot to understand how much have we totally incurred till date?

Sandeep Kumar Garg: Both the projects, 250 crores and balance is our commitment on LC and order placement.

Darshil Pandya: Okay. And we had some plans to even raise funds. When is this expected? Any timeline for this?

Sandeep Kumar Garg: We will not comment on that.

Darshil Pandya: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Raman K. V. from Sequent Investment. You may proceed.

Raman K. V.: Hello, sir. I just have two questions. Sir, I just want to understand the Rs. 368 crore entry with respect to the revenue from real estate segment. Like you said, there was Rs. 70 Cr. upfront payment. I got that part. So where did the additional Rs. 290 crores come from?

Sandeep Kumar Garg: You're talking about our Merino Shelter transaction, right?

Raman K. V.: The real estate, revenue from real estate segment. Yes

Sandeep Kumar Garg: I think I replied this question just now previously. I will reply you. The total land and the CWIP in the Merino Shelter, since we have assigned the land right to the developer, that property item has been sold and booked as a revenue. And against that sale, we have received Rs. 70 crore upfront.

Raman K. V.: So you got against the sale of land, right? You got Rs. 70 Cr., right?

Sandeep Kumar Garg: I will repeat my statement again. We have the land available with us and CWIP which was part of the construction that has been assigned to the developer and total value of the transaction as per the government guidelines is 368 which we have booked as a sales revenue in our books. Now Rs. 70 crore is the cash against that deal which we have received, balance is expected in next 6 years on the sale of the property.

Raman K. V.: Okay, I understood now, sir. Thank you. And my second question is with respect to the guidance which you gave. So I just want to understand with respect to standalone, how much business can we do in FY'26 and '27? And in FY'26, how much incremental revenues contributed to the subsidy and upcoming CAPEX?

Ramesh Mansukhani: As already informed, this time around our 90% revenue is coming from standalone. Out of Rs. 3,500 crore turnover current year, around Rs. 3,200 crore was our pipe business and then rest of the real estate, etc., So we are at 20%-25% growth as a standalone should reach around Rs. 4,000 crores as we expected and the balance will come from the consolidated from this property, Jammu and from Saudi that will come in the consolidation.

Raman K. V.: So 4,000 Cr. with respect to standalone in FY'26 or '27?

Ramesh Mansukhani: In '26.

Raman K. V.: Okay sir, thank you.

Moderator: Thank you. The next question is from the line of Raghav Rathi from Quadrun Holdings. You may proceed.

Raghav Rathi: Good evening. My question is regarding the interest cost that we have showed. So the interest cost is around Rs. 100 crores to us. And how much of the interest is towards the new project that we are taking around Rs. 800 crores of debt? How much of that has been used up? And what can be our interest cost after we have used the entire debt?

Sandeep Kumar Garg: So I will reply to this question. The total interest cost for the year has gone up from last year because we are taking high executive purchase are going on for which we have given guarantee we have used non-fund based limit. So once we give our non-fund based limit, in that case, we have to keep deposit with the bank. So if you look at that, my income has also gone a little higher from the bank interest income because I have to keep margin there. So this amount is getting nullified from the income side as external if I talk about.

Raghav Rathi: So around Rs. 14 crores that we had received as interest income.

Ramesh Mansukhani: And also the new project which we are talking about, since the project are still under the implementation stage, their interest cost will be appeared in the financial in the next year. Currently, it is part of the CWIP CAPEX.

Raghav Rathi: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Arpit Tapadia from IGE Family Office. You may proceed.

Arpit Tapadia: Thank you so much for the opportunity. And congratulations on a good set of numbers. Can you throw some light over the EBITDA per ton incurred during this quarter over HSAW, LSAW, and ERW separately?

Sandeep Kumar Garg: In our business, since we are into specialized product, where we supply product to the customer with different types of coating, with a high value coating, we don't monitor EBITDA per ton. It is not comparable because every order is different depending on the coating which customer is asking and we have been providing.

Ramesh Mansukhani: Like our coating in 3LP, CWC, FB and different kind of pipe, different dias very difficult. You can see the overall EBITDA which is approximately 11%, right?

Sandeep Kumar Garg: Yes.

Arpit Tapadia: Got it. Pardon my ignorance, how much CAPEX over the Saudi plant has been already incurred?

Sandeep Kumar Garg: Saudi, we have spent hardly anything but we have a huge commitment against the orders for equipment and machinery placed.

Arpit Tapadia: Got it. And how soon we are expecting it to commercialize?

Ramesh Mansukhani: Land development is already done and construction activities are going to start so quickly, under approval and the equipment we have. That's why it will come during this year.

Arpit Tapadia: Okay and what kind of asset turns we are expecting from the Jammu as well as Saudi plants?

Ramesh Mansukhani: Already Mr. Garg already informed around Rs. 600 crore total CAPEX.

Sandeep Kumar Garg: Rs. 550 crore. So the 550 crore is the CAPEX for the Saudi project.

Arpit Tapadia: What about asset turns? That is the level of investment we want to put in. What kind of revenue we will be generating? What is the potential of the revenue from those plants?

Ramesh Mansukhani: This is actually revenue will come in the full force once the plant is opened around Rs. 2,500 crores, once full-fledged and this Jammu will be between Rs. 1,000 crores to Rs. 1,200 crores.

Arpit Tapadia: At the full capacity running? At full capacity, 1,000 to 1,200 from Jammu and 2,500 from Saudi, is that understanding correct?

Sandeep Kumar Garg: Full-fledged around 2000 crores.

Arpit Tapadia: Both combined together?

Sandeep Kumar Garg: No, I will repeat again. Saudi will be around Rs. 2,000 crore full revenue at full capacity utilization. Jammu will be Rs. 1,000 to Rs. 1,200 crore at the full capacity utilization.

Arpit Tapadia: Got it. And how do we expect to ramp up those plants after commercialization?

Sandeep Kumar Garg: Roughly in 2 years period, we will able to achieve the optimization.

Arpit Tapadia: Got it. Okay, that's it from my side. I will rejoin the queue for any further questions. Thank you.

Moderator: Thank you. The next question is from the line of Dhavan Shah from AlfaccurateAdvisors. You may proceed.

Dhavan Shah: My question is on the revenue side. I think you mentioned that in FY'26, the standalone business can do roughly Rs. 4,000 crores of revenue. But our order book right now is Rs. 2,500 crores. So are we in the final stage of negotiation of any big order which may come in the next one or two months?

Sandeep Kumar Garg: Our bid book is around Rs. 15,000 crores and we have some negotiations going on and normally this order book which I am telling is only as on April. We have full year ahead and definitely we are at the final negotiation of some good orders which once we receive we will be announcing that and we are...

Dhavan Shah: I am asking this because if I look at the order book of since last 2-3 quarters, it is already declining. It was earlier Rs. 3,200 crores-Rs. 3,300 crores, then Rs. 2,800 crores and then Rs. 2,500 crores.

Ramesh Mansukhani: No, I would more clarify. That is not a right indication and every project is having evaluation process. It takes time and we are very much confident to improve upon the order book position very soon, because there is not any barometer to gauge so many orders is coming in one quarter, the second quarter will be very less. It is not a right barometer for the market for this project and we are mostly in export business. So this kind of things always happens.

Dhavan Shah: But are we sure that the big size order like we received last time roughly Rs. 1,800 odd crore that kind of big order can also come.

Ramesh Mansukhani: Why 1,800? Maybe more also. You are directly calculating 2,500 plus 1,800. No, this is not the way. Maybe much more, I don't know at this moment. But we cannot say on this forum. But yes, good order book, good bid book, we are confident to achieve it.

Sandeep Kumar Garg: And it is a rolling process. Every quarter we get order, every quarter we execute. If I have always order for 6 months for Rs. 2,500, it will be around Rs. 5,000 crore order for a year. But it is a rolling process where every time we are getting order and we are executing order every quarter.

Dhavan Shah: Understood. And sir in ERW I think you mentioned that 10% of the revenue came from the ERW for the full year. Can you say how much is the overall volumes for FY'25 from ERW side?

Ramesh Mansukhani: Around this more than Rs. 350 crores as we indicated 10% and we hope to continue will grow this current year also because after initial problems of the accreditation now we got the lot of accreditation including API and some more complex accreditations and we got some orders from on export front with a better value addition and we are going ahead in that direction and we are hopefully to get the more capacity utilizations.

Dhavan Shah: No, 350 crore is absolute number in terms of volumes, how much metric tons?

Ramesh Mansukhani: No, not 350, approximately.

Dhavan Shah: In volume terms, in terms of metric…

Sandeep Kumar Garg: I do not have the ton, I have only rupees value this moment that's why I am giving the rupees figure, the turnover figure.

Dhavan Shah: Okay. Thank you. That's all for my side.

Moderator: Thank you. The next question is from the line of Prabal Jain from SM Holdings. You may proceed.

Prabal Jain: Yes sir, hi. Sir, I remember I think in the Q1 or Q2 con call, you mentioned that you have ventured into green hydrogen pipeline and you have got approval from EU, European Union as well.

Ramesh Mansukhani: Yes, sir. You're right.

Prabal Jain: So, sir, I just want to understand where we stand here. Do we have any significant projects here in terms of your big pipeline as something converted into actual project?

Ramesh Mansukhani: We got the compatibility to produce the pipe of hydrogen, but not any project come out in India at this moment. Regarding export front, we are working in the few countries, but still it is a nascent stage, and it is a future, but I can't say this moment maybe six months one year maybe bunch of projects will come in future that's why as a proactive Company we got the approvals and we are ready.

Prabal Jain: Okay, sir. Another question, sir. So you mentioned that your Jammu plant can do a topline of Rs. 1,000 crores to Rs. 1,200 crores at full capacity and Saudi can do Rs. 2,000 at full capacity, right?

Ramesh Mansukhani: Yes, sir 1,000 to 1,200.

Prabal Jain: So, I mean going by this and currently you are doing a topline of Rs. 3,500. So if I add this 3,500 and 2,000 and 1,000, so maximum topline that you can have with all of the infrastructure once it gets commercializes in Q3 FY'26 would be Rs. 8,000 crores, right?

Sandeep Kumar Garg: I will again correct it. This number which we are given is at the full capacity.

Ramesh Mansukhani: Within two years.

Sandeep Kumar Garg: Which is a timeline of two years because our commercial production will start in Q3 FY'26 and it will take time to ramp up that. So you are right, the time to reach full capacity in India, Jammu and Saudi, we will be reaching those numbers which was adding.

Prabal Jain: Correct. So that is what I meant. I think once you ramp up, because obviously Q3 you will be starting there will be some teething issues. So once it is at a very optimum or I would say at capacity utilization of 90%, you can do Rs. 8,000 at these topline level, right? Real estate revenue is separate.

Ramesh Mansukhani: It's a good wish actually and we are working towards that although whatever you are saying it should be but we are a conservative company that's why we do not announce it but whatever you are saying as per the calculation you are right.

Prabal Jain: Yes, so sir just wanted, because I listened to your interview also it was very good today morning. You mentioned that this year you'll be doing conservatively you mentioned specifically you can do 20% this year and next year which is interesting you said that we can also do 100%. So I mean how should we read into that?

Sandeep Kumar Garg: Sir whatever you are saying and what I am saying the both are the same thing. The next year means 26-27, there is a two year. So there will be two growth, one will be for year this one which we are aiming 20% conservative then another growth on top of that. Then I think so our estimation and whatever you are saying is going to match.

Prabal Jain: Okay, and just to top it up on this part, because currently we have an order book of I think Rs. 2,500 Cr. And so I'm expecting that obviously some order will flow in this year. But for FY'27, since you're operationalizing these two plants, Jammu and Saudi, do you have any pre-commitments at the order level? Because I mean, that is where we get the confidence that FY'27 is going to be better than FY'26, right?

Ramesh Mansukhani: Yes, there are some pre-commitment over there but it is a very premature to announce this moment. Let's start and then there will be more formalized will be much better. The initial because we are in same market we know, but it is premature to say something in this moment.

Prabal Jain: I understand, sir. One last question, once you operationalize it, because CAPEX till the commissioning of the facilities is sorted, but once you operationalize it, would you be requiring any significant capital for working capital or something else or you will manage internally approvals?

Ramesh Mansukhani: No, Working capital will be separately assessed by our banks. On the right time, before few months of the production, maybe 3-4 months, our banks in principle agreed to support and we are very confident to arrange the working capital limits.

Prabal Jain: Okay, great. One final piece sir, your pledge, any plans of reduction or increasing anything?

Ramesh Mansukhani: This moment, no comment.

Ramesh Mansukhani: Regarding what pledge?

Prabal Jain: The stock pledge, the equities pledge?

Ramesh Mansukhani: Our stock pledge? No, nothing.

Prabal Jain: No problem. Okay, sir. Great. Thanks. I'll get back.

Moderator: Thank you. The next question is from the line of Anil Jain from Equipassion Capital. You may proceed.

Anil Jain: Yes, sir. Good evening. Wanted to know the volume numbers of FY'25 and FY'24?

Ramesh Mansukhani: Volume number we do not have this moment. We are working on that and then we will communicate separately. This moment we do not have that right figure. Different different pipe size.

Anil Jain: Ok, can you share the capacity utilization?

Ramesh Mansukhani: Capacity utilization depends on product mix basis. This time we have five plants. You can say three plants are fully busy and two plants are partly busy. Depending on which dia, which kind of pipe, oil and gas, water, there are a lot of calculations.

Anil Jain: I understand. So can I know or at the present product mix, what is the total revenue potential from the existing plants?

Sandeep Kumar Garg: All the existing plants. New capacity will be adding up in current financial.

Anil Jain: Yes, I know that. I understand. But I wanted to know the total revenue potential from the present capacity, which we already have.

Ramesh Mansukhani: Okay, potential. Potential sir, if not increase the capacity, we can go more than Rs. 5,000 crore in the existing without putting any CAPEX, without putting any much more efforts except marketing, combination of the product mix should be in our favor. Which is in no one's hands.

Anil Jain: So like you are already projecting 4,000 crore of topline in FY'26 and we add 20% growth it comes to 5,000 for FY'27 from the present like capacity. Right?

Ramesh Mansukhani: Yes.

Anil Jain: So what are your CAPEX plan?

Ramesh Mansukhani: No CAPEX in existing, only CAPEX in Jammu which is going on and Saudi which is also going No new announcement, nothing, only this. Whatever we have taken the job on hand, first we have to complete it.

Anil Jain: Okay, got it.

Sandeep Kumar Garg: Maybe a small CAPEX expenditure is a routine expenditure will continue.

Anil Jain: That is around 25-30 crore, regular CAPEX.

Ramesh Mansukhani: Yes, Maybe upgradation of the plant and more modernization etc.

Moderator: Thank you. The next question is from the line of Kaushal an Individual Investor.

Kaushal: Yes, hi sir. Thank you for the opportunity. Sir, I just want to understand the order book pipeline of Rs. 15,000 crores, how much of it is export?

Sandeep Kumar Garg: My order book is as of now is Rs. 2,500 crores.

Kaushal: No, the order book pipeline of 15,000 crores. How much of it is export?

Sandeep Kumar Garg: You can say very safe side between 80% to 90% of it is international. Because we are an international accredited Company, all the approvals are with us for 25 countries. That's why our aim is 80%. Out of 15,000, maybe 12,000-13,000, maybe export, maybe Rs. 1,000 crores-Rs. 2,000 crores in India.

Kaushal: Okay, so 80% is export out of the 15,000 crores of order pipeline.

Sandeep Kumar Garg: Yes, sir.

Kaushal: And sir, do we do any work for Jal Jeevan Mission?

Ramesh Mansukhani: We are part of Jal Jeevan Mission. We are doing in India. Our water segment is very small. Water segment is our hardly 10% of our revenue. We have to see the flow of the money from the government. Accordingly, we can improve our contribution to the Jal Jeevan. Right now we are doing 10% roughly.

Kaushal: Okay. Sir, then lastly on this accounting entry with respect to the Merino Shelters, around 300 crores was added to the topline. Am I right?

Ramesh Mansukhani: Yes, sir. Mr. Garg is right person to reply to it.

Kaushal: Sir, around 300 crores, how much was the amount added to the topline?

Sandeep Kumar Garg: Rs. 368 crores.

Kaushal: And were there any expenses attached to this Rs. 368 crores?

Sandeep Kumar Garg: Yes, slight expenses.

Kaushal: Okay, so most of it is percolated down to the bottomline.

Sandeep Kumar Garg: No, I will say, somebody asked a question to me earlier.

Kaushal: Yes, it is a little bit confusing, can you explain it again, I am sorry?

Sandeep Kumar Garg: Certain cost of the land assigned, CWIP which has gone into cost of P&L and EBITDA is around Rs. 40 crores from that business.

Kaushal: Okay, only Rs. 40 crores has translated down to EBITDA. Rest of the EBITDA that means of Rs. 150 crores is from the pipes business?

Sandeep Kumar Garg: Yes. Sorry, 300 crores plus.

Kaushal: For the year, you are saying for the full year.

Sandeep Kumar Garg: EBITDA from the core business is Rs. 328 crore. And console level is Rs. 353 crore.

Kaushal: Yes, that's for the full year, right? You are talking about the full year.

Sandeep Kumar Garg: Yes, that's correct.

Kaushal: Yes, okay. And sir, how do the raw material prices affect us? Our margins have been pretty consistent over the last 4-5 years but how do raw material prices affect us? Like say for example if one quarter raw material prices were to shoot up, so how does it have an effect on us? And with what kind of lag?

Sandeep Kumar Garg: See, our business is that once we get an order confirmation, same time we get raw material rates also freeze and confirm and hedged. So any fluctuation in the raw material prices, doesn't affect our project and project profitability.

Kaushal: Okay, so you are confident of maintaining this 8% to 10% of operating margin going forward?

Sandeep Kumar Garg: As soon as the order confirms, my customer confirm me the price. I get my raw material prices also confirmed with my supplier, so that protects my profit margins and profitability is protected.

Kaushal: Okay, but sir, this is a little confusing. Out of the Rs. 368 crores, only 40 crores has translated to EBITDA. So where has the other Rs. 228 crores gone? Like what was the major chunk?

Sandeep Kumar Garg: It was the cost which has been incurred over the period in the project.

Ramesh Mansukhani: Work in progress.

Sandeep Kumar Garg: Capital work in progress, construction and cost of the lease, other expenses.

Kaushal: So in the balance sheet, where was it standing for all these years?

Sandeep Kumar Garg: Yes.

Kaushal: Where was it, in which line, in which item was it in the balance sheet?

Sandeep Kumar Garg: It is a part of the inventory.

Kaushal: So you have written it off against the Rs. 368 crores, around Rs. 220 crores you have written it off.

Sandeep Kumar Garg: No, repeat what you asked.

Kaushal: I'm just trying to understand the accounting because there's some confusion. Rs. 368 crores went to sales and the Rs. 228 crores you're saying went to some expenses and Rs. 40 crores was EBITDA. So in the balance sheet, where was the Rs. 228 crores showing?

Sandeep Kumar Garg: Since I told you the total profit is 40 crores, so around what value has gone into expenses which was part of my inventory which I was accounting as CWIP and construction cost and other expenses.

Kaushal: So that's one thing. CWIP should have gone down right? But CWIP from year-on-year has gone up.

Sandeep Kumar Garg: No, it has been completely removed. Value is zero now. Everything has been sold in Merino Shelter. There is a new CWIP.

Kaushal: Okay, that is a new CWIP that is going on. The Saudi plant and the Jammu plant. Understood. So now for the remaining 5-6 years, we will show more revenues of around Rs. 350 crores round about?

Ramesh Mansukhani: Our projection roughly is around Rs. 700 crores from the project. And in 2026, '27, '28, '29, '30, next 5 years every year we are seeing 80 crores to 100 crore revenue every year will be there.

Kaushal: So then that makes the total saleable value as 368 plus 500 crores. That is upwards of...

Sandeep Kumar Garg: Rs. 700 crore revenue will be in book in coming years. That will be no expenses from our side.

Kaushal: So that we separate from this Rs. 368 crores? Yes, that is in addition to that.

Sandeep Kumar Garg: Yes, now you got it.

Kaushal: So the total sellable this thing is 368 plus 700. Is that the right way to understand?

Sandeep Kumar Garg: No, it is our expected revenue over the next 6 years and 368 is already booked.

Kaushal: Okay 368 is already booked. So this is the accounting entry. Now in terms of cashflow we have received only Rs. 45 crores from the developer.

Sandeep Kumar Garg: We have received Rs. 70 crore from the developer so far, upfront.

Kaushal: Okay.

Sandeep Kumar Garg: Balance amount is receivable as the sales will happen we will be receiving those. Every year the sale will come but no CWIP. No expenses.

Kaushal: So the sale that we have booked, sir I think I will take it offline actually. I will take this offline because it's a little confusing. So I will get in touch with the IR and get in touch with you. I will do that.

Sandeep Kumar Garg: There is my IR Mr. Vijay and if you have any questions we can reply you offline.

Kaushal: Valorem is the IR so I will get in touch with you because I am a little confused.

Sandeep Kumar Garg: Okay, thank you.

Kaushal: Sorry to take your time. Thank you. Thank you very much.

Moderator: Thank you. The next question is from the line of Radha from B&K Securities. You may proceed.

Radha: Thank you for the opportunity. I wanted to know the key geography where we are exporting each of the pipes separately, if you could mention for LSAW, HSAW and ERW?

Ramesh Mansukhani: Yes, madam. What is your question? Can you repeat it please?

Radha: Yes, sir. I want to know the key geographies wherein we are exporting for each of the pipes separately, HSAW, LSAW and ERW.

Ramesh Mansukhani: Yes. It cannot be mixed. Every segment is different and every use is also different. For oil and gas it is separate and for water and non-critical uses are different.

Sandeep Kumar Garg: Geographically, MENA is our biggest customer which consists of North Africa and Gulf and Saudi. These are the biggest consumers, our biggest customers. But we export to other areas also, less like currently we are executing a big order for the Far East. We supply our pipes to part of Canada, other part of world also. Europe also Europe, Canada, but those volumes are major business come from MENA and Far East.

Radha: So is it safe to assume that 80% of the 90% exports would be done to MENA region?

Ramesh Mansukhani: No. It depends on project. Depends on project. we cannot say geography always changes. Our presence in 25 countries, including Far East Asia, MENA region, that's why we see where the more projects are coming. The geography can be changed. But 70%-80% export is our objective, our aim, which we are achieving.

Radha: Could you give us some light in terms of is there any tariffs on either of the products that we are exporting or the current tariff scenario in these regions in our export market?

Ramesh Mansukhani: We are not in the USA and there is no tariff impact. And mostly oil and gas segment covered by government buyer most of the countries, the tariffs is not going to make any impact. But not on us.

Sandeep Kumar Garg: Here I would like to add something here that Trump government, whatever tariffs they have put in US, is going to benefit manufacturers from India because they will become at par with suppliers from other countries. So it opens a door, opportunity for Indian manufacturers to export to US because they become at par with the other country where they would have a duty free export.

Radha: So currently we are not exporting to US and if in case there is any tariff situation, you are saying it would be a favorable situation for the Company.

Sandeep Kumar Garg: Yes, it will be better position for us.

Radha: What is the tariff rate, the current situation that US and Europe are imposing on LSAW and HSAW?

Sandeep Kumar Garg: There is no exposure to US.

Radha: Not for the Company sir, for the industry.

Sandeep Kumar Garg: Sorry?

Radha: For the industry sir.

Sandeep Kumar Garg: I cannot comment on this.

Radha: Just to understand the potential.

Sandeep Kumar Garg: Very few.

Radha: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Darshil Pandya from Finterest Capital. You may proceed.

Darshil Pandya: Sir, just to confirm from the previous call of Q3. Additionally above 4,000 crore which we are targeting, 1,500 crore additionally is what something we are targeting right now?

Ramesh Mansukhani: 4,000 is our goal.

Darshil Pandya: Hello. Yes.

Ramesh Mansukhani: What is your question? Can you once again repeat it, please?

Darshil Pandya: Sir, in the last call you mentioned that we are looking at around Rs. 1,500 crores of additional revenues which capacities are coming live?

Sandeep Kumar Garg: You are talking about Jammu and Saudi capacities?

Darshil Pandya: Yes, sir. That capacity will be operational from Q3 of current year. And they will also contribute. Last time we have given some numbers, but definitely we are hoping, working towards to achieve those numbers?

Moderator: Thank you. The next question is from the line of Arvind, an Individual Investor. You may proceed.

Arvind: Hello. Congratulations for good set of numbers, sir.

Sandeep Kumar Garg: Thank you.

Arvind: Sir, I have 2-3 questions. Is there any dividend declaration, you say, for FY'25?

Ramesh Mansukhani: No. Not now. In future, I don't know. Currently, our board has not proposed any dividend. Currently in this balance sheet no, but in future I don't know.

Sandeep Kumar Garg: And the reason being we are into expansion mode so we want to reinvest the profit into our CAPEX project.

Arvind: Okay and one more question sir regarding this, is there any update regarding the Man Infra. The old issue that and there is no update from the Company yet so. So eager to listen about it.

Ramesh Mansukhani: No, that is matter that is sub judice and that's why we do not want to comment particular. Particular subject we do not know, you are talking overall, you are talking any specific and that's why there is a matter sub judice**,** but that is a separate Company, and we are separate, there is no impact on this Company whatever they are doing.

Arvind: No, 4-5 years ago you told us that shareholders get a free allotment of Man Infra shares. We are waiting.

Ramesh Mansukhani: So, the matter is pending in court. Nothing has yet happened. As soon as a decision is made we will surely inform you about it.

Arvind: Right. So, no update about it, that is why I asked.

Ramesh Mansukhani: No, movement in few years.

Arvind: Okay. And regarding the Merino Shelter deal, is the company going to reward shareholders?

Ramesh Mansukhani: When revenue comes, then ultimately it is coming for you. Whatever is coming to the Company, there is no loan, nothing, whatever comes those money are yours. Whatever crores that come it is yours. The profit in pipes business, the Jammu's profit will also come. Saudi's profit will also come. Everything is yours.

Arvind: Okay. Thank you.

Moderator: Thank you. Due to time constraint, that was the last question. I now hand the conference over to the management for closing comments.

Ramesh Mansukhani: Thanks a lot, all good listeners and to all the arrangers and to make this successful this far. Thank you once again.

Moderator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.