

**Welspun Specialty Solutions Limited**  
**Q3&9M FY '26 Earnings Conference Call**  
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**MODERATOR** **MR. ANIRUDH NAGPAL – JM FINANCIAL INSTITUTIONAL SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Welspun Specialty Solutions Limited Q3 and FY '26 Earnings Conference Call, hosted by JM Financial Institutional 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anirudh Nagpal from JM Financial Institutional Securities Limited. Thank you, and over to you, sir.

**Anirudh Nagpal:** Thanks, operator, and welcome, everyone, to the call. I will first thank Welspun Specialty Solutions Limited for giving JM Financial the opportunity to host today's call. So without much ado, I'll hand over the call to Mr. Goutam Chakraborty, Head, Investor Relations, Welspun Corp, to introduce the management. Over to you, Goutam.

**Goutam Chakraborty:** Thank you, Anirudh, and good afternoon to everyone. On behalf of Welspun Specialty Solutions Limited, I welcome all of you to the company's Q3 and 9 months FY '26 results call. Along with me, we have Mr. Anuj Burakia, Chief Executive Officer and Whole Time Director; and Mr. Navin Agarwal, Chief Financial Officer of the company.

I hope you have had a chance to review the investor presentation that was filed with the exchanges. The presentation is also available on the company's website. During today's discussion, we may be making references to this presentation. Request you to please refer to the Safe Harbor statement in our presentation.

Now we'll start the forum with the opening remarks by Mr. Burakia, and then we'll open the floor for the Q&A. So I'm just handing over the floor to Mr. Burakia. Over to you, sir.

**Anuj Burakia:** Thank you, Goutam. Good afternoon, everyone. On behalf of Welspun Specialty Solutions Limited, I welcome you all to our quarter 3 and 9-month financial year '25-'26 earnings call. Thank you for joining us today.

I will start with a brief overview of global macroeconomic environment, followed by an update on the industry landscape and a summary of our company's performance during the period under review. Thereafter, we'll open the session for an interactive questions.

The global economy continues to experience significant volatility, while some of the extremely high tariffs are being considered for rationalization. Overall uncertainty has intensified due to ongoing political -- geopolitical tensions.

Policy inconsistencies and retaliatory measures by several countries, led by United States, have added pressure on global market stability. At the same time, trade negotiations currently underway with European Union are expected to provide some relief for Indian exporters. Against this backdrop, the International Monetary Fund in its latest world economic outlook has projected global economic growth at 3.2% for 2025 and 3.1% for 2026.

Turning to India. The economy continues to exhibit resilience and strong growth momentum. India's real GDP expanded by 8.2% in quarter 2 of financial year '25-'26 compared to 7.8% in the previous quarter. Reflecting this strength, the Reserve Bank of India has revised its GDP growth forecast for financial year '26 upwards to 7.3% from its earlier estimate of 6.8%.

The Reserve Bank of India has also highlighted that domestic factors, including favorable agricultural prospects, the continued benefits of GST rationalization, benign inflation, strong balance sheets of corporates and financial institutions and supportive monetary and financial conditions are expected to sustain economic activity.

At Welspun Specialty Solutions, our focus remains firmly on strengthening our core competencies, advancing strategic initiatives in new applications and maintaining an agile operating approach. These priorities have enabled us to deliver consistent performance despite prevailing headwinds and market challenges.

During the first 9 months of financial year '26, we are pleased to have added 30 new customers while continuing to maintain strong and meaningful engagement across our entire existing customer base. From a volume perspective, stainless steel seamless pipe sales in quarter 3 financial year '26 increased by approximately 50% year-on-year, while stainless steel bar volume grew by about 22% year-on-year.

For the 9-month period of FY '26, stainless steel pipe and bar volumes recorded growth of 18% and 51%, respectively, on a year-on-year basis. Our financial performance during the quarter remained in line with our expectations. For quarter 3 FY '26, total income stood at INR229 crores, registering a 15% year-on-year growth.

EBITDA was INR19.8 crores, reflecting a strong 52% year-on-year increase and a 9% sequential growth. EBITDA growth continued to outpace revenue growth, indicating improved operating leverage. Profit after tax for the quarter stood at INR9.5 crores compared to a loss of INR3.6 crores in the corresponding quarter of last year.

For the 9 months ended December '26 -- '25, total income stood at INR683 crores, up 26% year-on-year. EBITDA increased by about 36% year-on-year to INR52 crores. Profit after tax stood at INR18.4 crores compared to a loss of approximately INR8 crores in the same period last year.

Please note that EBITDA for both quarter 3 and 9-month period include a onetime charge of approximately INR66 lakhs relating to an additional gratuity provision following the implementation of new labor code announced by the Government of India.

Our order book at the end of quarter 3 remained stable at approximately 5,000 tonnes -- metric tons with a total value of approximately INR200 crores. I am also pleased to share that CARE Ratings have further upgraded our long-term facility rating from CARE A+ to CARE AA-, while our short-term facility rating continues at CARE A1+. In addition, our commercial paper has been rated at CARE A1+. These upgrades reflect growing confidence in our strengthened fundamentals, improved financial profile and disciplined execution.

Considering the existing business environment and the overall demand scenario, particularly in export markets, as discussed earlier, margins have remained under pressure. However, we continue to pursue our strategy of improving capacity utilization while positioning the company for future growth. In the current environment, we have further sharpened our focus on the domestic market while remaining fully prepared to capitalize on a rebound in export opportunities.

I am pleased to inform that the IBR accreditation process for our chrome alloy steel bars and tubes was successfully completed during quarter 3. Additionally, commissioning of our new bright bar project is progressing at full pace. These strategic initiatives aimed at debottlenecking operations and enhancing technical capabilities position the company strongly and make us ready as we move towards higher utilization of our steelmaking and pipe making facilities.

Our technical and marketing teams continue to drive the development of new products, grades and applications while simultaneously expanding our customer base and strengthening our market presence. On the sustainability front, I am pleased to share that the proportion of renewable electricity consumption has increased significantly from approximately 31% during financial year '25 to about 53% during 9 months financial year '26. This progress underscores our steadfast commitment to sustainability and green products as we advance along our ESG road map.

Despite an extremely challenging external environment, the company's value-driven strategy, strong customer relationships, integrated solutions and agile execution have consistently delivered progress. This reinforces our confidence in our long-term strategy focused on sustainable value creation.

With that, I now would like to open the floor for questions, please. Thank you so much.

**Moderator:** Thank you, sir. Ladies and gentlemen, we'll begin with the question-and-answer session. Our first question comes from the line of Radha from B&K Securities.

**Radha:** Congratulations on improved performance in this quarter. Sir, first question is what are the key strategies to fill the bright bar capacity that will be commissioned in this quarter? And by when do you expect to achieve full utilization of the same?

**Anuj Burakia:** Thank you. Good question. So as I was mentioning that the bright bar commissioning is happening is right now going on in full swing and will be completed very, very soon. So this is a capacity that has been built also considering the full capacity utilization of the steel plant.

So the utilization of bright bar capacity also will go in line with as we increase our overall utilization, I would say. On an immediate term basis, we can say that these being modern new equipment will definitely add to the efficiency, the speed of turning out and in delivering faster product. So I hope I have -- yes, yes.

**Radha:** The second question is, sir, one of the key strategies for growth for us has been exporting to new geographies like Middle East. So in that context, could you help us understand how big is the market size in Middle East, especially the SS seamless demand?

**Anuj Burakia:** Sorry, you broke in your first statement. Could you please repeat your question?

**Radha:** Yes, sir. Sir, one of the key strategies for growth for our company has been exporting to new geographies like Middle East. So in that context, could you help us understand what is the total stainless steel seamless pipe demand in the Middle East?

**Anuj Burakia:** So Middle East is one of the geographies that we are targeting. And plus, you see there are both like direct pipe supplies to Middle East. But more importantly for us is to seek the approvals of major oil and gas who are, let's say, established in Middle East region and who are ordering their equipment not only within Middle East, but also outside of Middle East.

So as of now also, we are doing a few projects which belong to that region, but we are supplying to a fabricator in India or a fabricator into Europe. So any new geography is and especially Middle East is not only important in terms of supplying directly to that region, but also to seek the approvals or the accreditation from the oil and gas establishments there to be able to supply to those projects. And we are on the path. I think we are in advanced stages of gathering quite a few of important approvals very soon.

**Radha:** Sir, are you expecting any new orders from Saudi Aramco this year?

**Anuj Burakia:** Well, I think directly, I really cannot say, but that is -- I can tell you that, that is one of the important approvals that we are already engaging with them. So once done, then, of course, we'll certainly expect business coming from Saudi Aramco maybe directly or maybe indirectly.

**Radha:** Okay. Sir, third question is, so Saudi has already put an antidumping duty on welded stainless steel pipe. So do you think they can plan the same for stainless steel seamless also once they feel that there is adequate local country capacity, especially now with a company called Saudi Gulf Special Steel putting up a stainless seamless plant there and also Ratnamani putting up a cold finish line over there. So with these developments, how do you plan to export more to that region?

**Anuj Burakia:** ...something and we had lost her in between. So could you please repeat your question?

**Radha:** Yes, sir. So I'll just ask a more important question first. Sir, on the bright bars, what is our right to win? And is there any export opportunity? And do you believe filling bright bar capacity is much more easier and profitable compared to the wrong bars?

**Anuj Burakia:** So bright bar -- see, it is like this. Whatever gets exported is, you can say 90% plus is bright bar. That's how it works. So I think more important question is not the export relating to bright bar. The more important question is when do we see the export markets opening again. And we know the turmoil that is happening at this point in time. So I think we are also watching the situation very, very closely.

And eventually, it will come back to normal at some stage. So when the export volume starts increasing again, then I think 90% plus would be bright bar any which way. Having said that, even in India, in domestic market, the bright bar consumption is now increasing. And interestingly, the growing piercing seamless capacity in India also consuming a lot of bright bars in one of the sectors. Plus there are so many other applications which are now consuming bright bars in the country.

So I think it's a mix of both export as well as domestic. And what we see is that there are unique size range going up to larger sizes and the grade mix. So we have a lot of opportunity and scope for selling bright bars in times to come.

**Radha:**

Sir, what is your volume guidance for 4Q and next year, both for pipes and bars?

**Anuj Burakia:**

So I think I would not like to give any particular volumes because you see we have a very volatile market here. But as we have been guiding before and now also we are maintaining that this year, we had expected to grow by anything between 25%, 30%. And I think we'll end up growing probably better than that.

So for now, I think that is the only guidance that we can give. And we will probably would like to watch for another few weeks or, let's say, a couple of months before we will be in a position to talk about next year. I think that would be a fair ask given the situation outside.

**Moderator:**

Our next question comes from the line of Parth Bhavsar from Investec.

**Parth Bhavsar:**

Sir, just wanted to understand on the order book, right? So we -- I see that from Q4 onwards, the order book has been on a declining trend in terms of volumes, right? So I wanted to get a sense on what's happening on the ground in the domestic market, in the exports market in key regions like Europe, U.S., Middle East to get some sense like what are you looking at in terms of demand? Why there is a consistent drop in order book of not only your but even everyone's order book. So to get some sense on demand...

**Anuj Burakia:**

Yes, thanks Mr. Parth. So let me put it this way, perhaps we, as an industry or, let's say, as a world, we are engaged with the engineering industry is not for the first time we are seeing a situation like this. Before this also situations have come where the projects are postponed when the stability is not there and there is an environment of uncertainty, right, which is prevailing at this point in time.

So the real demand takes a little backseat, which means that not the projects are going to go off the books. They are still going to come. It is only that they are postponed or they are delayed or so -- which creates a pent-up demand in the end. So what we feel is like when we operate in the market, there are not only the new asset creation, but we also sell for, you can say, the upgradations or spares of the existing projects. So that demand is anyway there.

And even for the new projects, as we go forward, eventually, they will all come on stream. So before this also, we have seen periods where the demand vanish or reduces significantly for a

period of time, but then it comes back with an equal intensity. So it's only a matter of time, we believe.

**Parth Bhavsar:** Okay. Okay. Fair enough. And sir, you mentioned that the piercing capacities are increasing and which would basically help you sell basically excess bars, right? So what is your take on our company putting up a small piercing capacity or we are not looking on that particular product or we don't want to get into it. What's your take on it?

**Anuj Burakia:** So Parth, these are 2 different worlds, not that there are -- of course, there are common applications where piercing -- wherever piercing can be used, obviously, extrusion can be used, but then it is like using a premium product for a non-premium application, right?

So I think over a period of time, primarily for most of the applications, this divide has got clearly established as to where piercing will go and where extrusion will go. And that divide has got created because the value addition or a price difference has widened too much.

So -- and this is not a new phenomenon. I mean I think we have -- as extrusion players, we have learned to operate in that environment wherein we are focused on businesses or, let's say, we work in the applications where in most of the cases, only extrusion can really do the job. So for us, piercing becomes a method which is used for very different applications. And whether to get into that business or not is something strategic.

But at this point in time, I mean, we have no plans to get into that. Right from day 1, as we have been saying that we wish to chase value and not volume. And that is how with our strategy, I think it is paying off at the end of the day with so much of a turmoil outside and pressure on margins and low capacity utilization, prices have gone down, but we have been still able to deliver some respectable results here. So we will stick to our strategy, and we will only chase the value and we will not chase the volume. That is, I think, a strategy that we are going to follow in the long run also.

**Parth Bhavsar:** So basically, like you said, right, the product is different, the pricing is different, the application is different. So -- and even if you look at the capex intensity, it is quite low. So basically, it does -- piercing does well on ROCs as well, right? So why not think of it since it is -- you clearly said it, right? It's different product application, everything is different.

**Anuj Burakia:** So we -- I'm not having 100% hand on the numbers because we are not there in that field, but I can only guess. And I think I'm making a fair guess that with no entry barriers, low investment, that industry is killing itself, right? So if you look at the price decline that has happened and when I'm saying price decline is a relative price decline, which is the difference between selling price and the key raw material, which is bar, has continuously come under pressure.

Of course, it has a rub-off effect also on the extrusion product, but not so much, right? Here, in case of extrusion, it's a huge investment, and that is how we don't see, at least I am not aware of any new investment or new plant coming in India. So that's a very clear case of 2 different industries. So -- and both are going their own way. So I think as the country grows, as the

investments into strategic sectors will increase, we have a lot to look forward to as extrusion players and especially integrated extrusion players.

**Parth Bhavsar:** And similarly, sir, I had a question on welded pipes and tubes as well. Like what's our take on it? Do we intend to expand on the welded side? Yes.

**Anuj Burakia:** Good question. I think I'd actually like to answer that. You see our focus, again, is value add. And as far as welded pipes are concerned, I think there are many players, again, low entry barrier. We don't see a value in that. And neither in that case, we will remain integrated because it uses flat products and we don't produce flat products.

So an investment for us, let's say, though we are not having any firm plans, but let's say, even if in future, we will have to look for investments, we would like to go for secondary remelting. I think I must have mentioned it somewhere that these are going to be our future plans to go more and more value add and which would be in the field of being able to produce very high-grade nickel alloys and going into forging and things like that instead of going into a welded tube plant.

**Moderator:** Our next question comes from the line of Sagar Shah from SH Financials.

**Sagar Shah:** See, I'm relatively following the company lately, I mean not so long. I just wanted to understand a bit about the business. So what would be the main raw materials that we use, sir?

**Anuj Burakia:** So Mr. Sagar, this is an integrated facility focused only on stainless steel and high-grade alloys. We don't produce carbon steel or mid alloy steels. And when we say integrated, it starts from scrap melting. So one of our very important raw material is scrap, stainless steel scrap.

And then the second important raw material is ferroalloys, like ferrochrome, ferronickel, molybdenum, niobium, for those kind of alloys. So these are our major raw materials. And we produce stainless steel long products, which are bars, ingots, blooms, bright bars, and we also produce seamless pipes and tubes.

**Sagar Shah:** And sir, who would be our competitors, sir, in the sense?

**Anuj Burakia:** So you see on the steel side, there are players in India, but how we differentiate is because of our size range, which is bigger and unique. And second is the kind of grades that we produce, which -- some of which are -- we are the only producers as of now in India and some are like very few players.

So on the product side of it, we certainly end up differentiating. Though otherwise, there are, of course, stainless steel producers also in big volumes in India like Viraj Steel and Mukund, which are primarily wire rods. So there are players.

**Sagar Shah:** Even Jindal Stainless, sir?

**Anuj Burakia:** Jindal Stainless is into flat products, which is a different field altogether, different applications. So that is not something that we'll consider as our competition. On the seamless side, as I was just mentioning in the previous question that a lot of we are seeing players have come in. But

strategically, I think extrusion is completely different ballgame. And there, we have a few players, some good ones also.

Ratnamani is one established extrusion player. And then we have Jindal Saw came up. And then, yes, I think -- and plus there is one company in Government of India Defense, but they only do for strategic government projects, nuclear fuel complex. And so pretty much these companies, yes.

**Sagar Shah:** And sir, what about -- I mean, our capacity utilization, I mean, across the -- because the plant, sir, would be...

**Anuj Burakia:** So our steel capacity, and this is I'm saying that we are not considering investing any money on further expansion or anything. So in stainless steel, we can, as a Stage 1, go up to 100,000 tonnes of liquid metal, which means about 85,000 tonnes salable, including the quantity to be used in captive pipe plant. And currently, we are operating at about 50%, you can say.

So this -- in last 2 years, we have grown from 20%, 25% to now above 50%. And that's how we are progressing. Similarly, on pipe, currently, we are operating at about, you can say, 60%, 65%. So in both the cases, we have a huge headroom. And we are looking forward to a little improved markets, improved sentiments. As far as we are concerned, I mean, we cannot control the market, but we remain completely prepared that given an opportunity, I think we are, as a company, ready to grab the opportunity.

**Sagar Shah:** So I think in one of the earlier calls, you had mentioned that you intend to take the capacity to about 80%, 85% in 2 years' time?

**Anuj Burakia:** Yes, that still is what is our agenda.

**Sagar Shah:** Okay. And sir, final question, what is the status of the BHEL order that we have procured for supplying boiler tubes?

**Anuj Burakia:** Quite a lot of it has been already delivered because there was -- there is obviously a delivery schedule attached and plus BHEL also governs the deliveries based on their usage and things like that. So -- but I think quite a lot of it is already delivered, maybe some tail left.

**Moderator:** Our next question comes from the line of Radha from B&K Securities again.

**Radha:** Sir, the presentation mentions that a constructive outcome of the upcoming EU trade agreement would be beneficial to the company. However, my understanding was that there is no antidumping duty on seamless pipe exports from India to EU. So is this statement pertaining to bars only?

**Anuj Burakia:** No, I think it is for both. There is no antidumping from India, but there is a quota system, tariff rate quotas. So there is a volume which -- up to which it is a duty-free export into EU, both for bars as well as for seamless pipes and tubes. And once the quota exceeds -- and the quota is on a quarterly basis. So once the quota is over and any product then after that gets into EU is charged with 25% duty.

So while we are not aware as of now, whether there will be any interventions being brought as far as these quotas are concerned. But as industry, I mean, together, you can say that through the appropriate councils, we had certainly discussed and presented to the government that these are the aspects, the tariff rate quota is kind of restrictive for the volumes from stainless steel to Europe, and it's an important market.

So on the behalf of industry, this should be also taken up so that the quota system, if not increased, at least it is maintained and it should not become a further bottleneck given the current situation of market. So we are yet to know as to what happen -- what will happen on that, but that's related to the quota.

**Radha:** Sir, how much is the quota?

**Anuj Burakia:** So from India, for the bars, the rounded off number would be about 140,000 tonnes a year, which is for the bars. Pipe is less, is about 20,000 tonnes a year.

**Radha:** And is there any antidumping duty on bars, sir?

**Anuj Burakia:** There is no antidumping as such. As I said, once we -- like, for example, they would open 35,000 tonnes quota in the beginning of quarter, okay? And you take an example, if the quarter is, let's say, September, December, 1st of September, they will release for India 35,000 tonnes duty-free import.

And let's say that quota is filled up and normally, it happens is that a quota gets filled on day 1 because every single kg of bar actually comes and sits there before the end of previous quarter and gets cleared on first. So any further quantity that goes in after that is charged with 25% duty. So you can call it antidumping, you can call it by whatever name, but they allow duty-free up to certain volume and beyond that, they charge.

**Radha:** Okay. And sir, since they have 40% duty on China, so do you think that in the last 1 year, how our export volumes have reduced strategically, has the export volume for Chinese also reduced to European?

**Anuj Burakia:** I think -- see, on the standard product, which is your standard scheduled pipes, which is in sizes, quite a lot of that market, not now, but last more than 2.5 years or perhaps 3 years is already taken by piercing mills. Earlier, there used to be a lot of imports that was coming from China and now also under advanced license, a lot of material is still coming from China, which either the piercing mills in India are supplying for that requirement or there are cold finishing companies in India who are buying the hollows from China under the advanced license and then they finish it to the tubes and then they send it to -for exports. So that business had been like that for last more than a couple of years.

**Radha:** Okay. That's helpful. And secondly, sir, in November '25, the Indian government had temporarily eased import restrictions for permitting sale of non-BIS compliant SS products in India. So was there any loss of sales due to this? And has this restriction been lifted now?

**Anuj Burakia:** See, that restriction continues to remain lifted, right? And as of now, I think it is eased until the end of March. And we know that the imports are coming. So somewhere that has also affected all the companies in India. But I don't think that's coming in, let's say, very huge volumes and completely denting the industry.

But we are still now as industry working with the government and trying to pursue it that whichever such routes of infiltration, which were closed and the restriction should be imposed back. So this was a temporary easing that was done. We don't see this to be continuing for a very long time. But as of now, it's fine. I mean we are not so greatly affected, if you ask me.

**Radha:** Okay. Sir, last question is, what is the domestic market share for the company in bright bars and pipes currently? In bars and pipes currently.

**Anuj Burakia:** Very difficult question because the market is also evolving. And in the whole scheme of things, only bright bar it's difficult to say how much is the market. But you see in India, overall consumption of long products between black, bright and billets is about 0.8 million tonnes. And what -- let's say, if I remove the wire rods and all would be about 0.6 million tonnes.

So out of 0.6 million tonnes, what we are selling is hardly at this point in time, 30,000 tonnes. So you can imagine, I mean, maybe 4% -- 3%, 4% of the total market. But I think this would not be the most appropriate measure because this 0.6 million, 0.7 million tonnes has a wide range of products, very, very wide range, right?

And in stainless steel, it is no -- I mean, I don't think there is any manufacturer which can do the complete range. So if we really go on a product level basis, let's say, the size range that we produce and the market size to that, I think we would be about 10%, 15% of the total market size.

**Moderator:** As there are no questions from the participants, I would like to hand the conference over to the management for the closing comments. Thank you, and over to you, sir.

**Anuj Burakia:** Thank you. I'd like to emphasize that the company remains focused on driving operational efficiencies, advancing early mover initiatives aligned with India's growth story, addressing evolving and complex customer requirements and expanding our customer footprint across both existing markets and new opportunities.

As always, we remain sharply focused and committed to delivering long-term value for all our stakeholders. I hope we have been able to address your queries satisfactorily. Should you have any additional queries, please feel free to reach out to our Investor Relations team, who will be happy to assist. Thank you once again for joining us today. We look forward to reconnecting with you in the near future. Thanks.

**Moderator:** Thank you so much, sir. Ladies and gentlemen, on behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.