

“Welspun Specialty Solutions Limited
Q4 and FY '26 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Welspun Specialty Solutions Limited Q4 and FY '26 Earnings Conference Call hosted by 360 ONE Capital Market. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Goutam Chakraborty. Thank you, and over to you, sir.

Goutam Chakraborty: Thanks, Danish, and good afternoon to everyone. On behalf of Welspun Specialty Solutions Limited, I welcome all of you to the company's Q4 and financial year 2026 results call. Today on this call, we have Mr. Anuj Burakia, Chief Executive Officer and Whole-time Director; Mr. Navin Agarwal, Chief Financial Officer of the company; and also Mr. Percy Birdy, Chief Financial Officer for Welspun Corp.

The investor presentation is already uploaded on the stock exchanges and also on our website. And I hope that you have had a chance to review it. We request you to please refer to the safe harbor statement in our presentation during today's discussion. Now we'll start the forum with the opening remarks by Mr. Burakia, and then we'll open the floor for 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. I warmly welcome you all to the quarter 4 and financial year '26 earnings call of Welspun Specialty Solutions Limited. Thank you for joining us today. I will begin with a brief overview of the global macroeconomic environment, followed by insights into the industry landscape and our company's performance before we move into an interactive question-and-answer session.

The global economy in financial year '26 has been shaped less by traditional cyclical demand-supply dynamics and more by geopolitical developments, which have significantly impacted market conditions. The expansion of U.S. trade restrictions from targeted sectoral measures to broader reciprocal tariffs has introduced structural disruptions to cross-border trade flows.

According to the International Monetary Fund's latest World Economic Outlook, global economic growth is projected at 3.1% for 2026 and 3.2% for 2027 compared to 3.4% recorded in 2025. The Indian economy, however, continues to remain relatively resilient despite ongoing global conflicts. The Reserve Bank of India has maintained its FY '26 growth forecast at 7.6%, while projecting a moderation of 6.9% in FY '27.

Quarterly growth for financial year '27 is expected at 6.8% in quarter 1, 6.7% in quarter 2 before improving to 7% in quarter 3 and 7.2% in quarter 4. That said, the RBI has cautioned that geopolitical tensions, including developments in Iran, along with elevated energy prices, could weigh on the outlook. At Welspun Specialty Solutions, amid heightened volatility and

uncertainty arising from global trade actions and demand shifts, we remain proactively engaged with our customers.

Our focus continues to be on navigating the evolving external environment, maintaining operational resilience and steadily enhancing volumes. I am pleased to share that during financial year '26, we expanded our market reach by onboarding 43 new customers while continuing to strengthen strategic and meaningful engagement across our existing customer base.

From a volume perspective, total product sales volume in financial year '26 increased by 37%. Within this, stainless steel seamless pipe grew by approximately 10% year-on-year, while stainless steel bar volumes registered a strong growth of about 45% year-on-year. I would also like to highlight that overall pipe and tube volume growth got impacted primarily due to a planned maintenance shutdown of approximately 1.5 months during H1 of financial year '26.

Our financial year '26 financial performance was in line with expectations with strong improvement in profitability. For the year, total income grew 21% year-on-year to about INR904 crores. Operating EBITDA increased 52% year-on-year to INR47 crores with margins benefiting from improved operating leverage. Cash profit after tax stood at INR39 crores, marking a more than threefold increase over the previous year.

During the year, our strengthening fundamentals were recognized through rating upgrades by CARE ratings with our long-term rating improved to CARE AA- and short-term rating maintained at CARE A1+, including our commercial paper. This reflects enhanced balance sheet strength and execution discipline.

We continue to advance our value-add strategy through key accreditations and product development, AS9100D for aerospace, IBR for alloy steel bars and tubes, NORSOK M650 certification, commercialization of T91 tubes for power sector, development order from Nuclear Power Corporation of India for Nickel Alloy 800H steam generator tubes, which is under development at this point in time.

These milestones strengthen our positioning in high specification and regulated segments, supporting sustainable growth and margin expansion. I am pleased to share that our bright bar project has been successfully installed and is currently under stabilization. This initiative, along with other debottlenecking and capability enhancement efforts, strengthen our operational backbone and position us well to drive higher utilization across our steel and pipe making capacities.

We remain focused on expanding our portfolio of value-added products and grades while simultaneously strengthening capability and broadening our market reach and customer base. On the sustainability front, our transition towards renewable energy has accelerated meaningfully. The share of renewable electricity consumption increased from approximately 31% during FY '25 to 58% during FY '26, with the quarter 4 run rate exceeding 70%.

This progress reflects our firm commitment to sustainability and align with our long-term ESG priorities. I'm also very pleased to share that Welspun Specialty is once again awarded with

Great Place to Work and more importantly, featured in the top 30 Indian companies in mid-sized manufacturing.

While margins have remained under pressure due to a challenging external environment and subdued demand, particularly in export markets, we continue to execute with discipline. Our focus remains on improving throughput, strengthening core operations and building a resilient platform for sustainable long-term growth. In the near term, we have sharpened our focus on domestic market to drive performance while staying well positioned to capitalize on a recovery in global demand. With that, I would now like to open the floor for your questions, please.

Moderator: Thank you so much sir. The first question comes from the line of Manish Doshi from 360 ONE Capital Market Limited.

Manish Doshi: Sir, stainless seamless pipes volumes have declined 17% year-on-year. Can you please help me out with the breakup of domestic and export mix for that stainless pipes and accordingly, a year-on-year comparison for exports and domestic mix?

Anuj Burakia: So Manish, I'll just correct you here. So our volumes of pipe year-on-year have not declined. They have increased. If I talk of financial year '25 to financial year '26, it has increased by about 10%. And as I said in my opening remarks, that is basically you can say after we have had a planned shutdown maintenance during H1 of the year for 1.5 months. So our run rate, if we really look at it, is in line with what our expectation and our projection was.

As far as export is concerned, yes, I think export markets have been difficult for the last few quarters. And on pipes, approximately, I can tell you, like last year, we had done about 20% export by volume which has come down to almost 10% this year.

Manish Doshi: Okay, sir. I actually wanted to know for quarter-on-quarter basis, it has declined. So maybe you can...

Anuj Burakia: So quarter-on-quarter if you see, it's a -- see, first of all, there are some time differences. Some of the contracts that required supplies to be done in a particular period of time. And -- plus also there have been this time some significant volume, which is goods in transit and which could not be recognized as sales on the 31st of March. So I think these are just -- I mean, we -- I would suggest that we -- on a one particular quarter, we cannot really gauge the overall long-term buildup and overall growth in the pipe volumes.

Manish Doshi: Sure, sir. So my next question would be related to the order book. So may I know the order book value as such? And how much is the pipes and how much is bars?

Anuj Burakia: I can tell you roughly, we are still hovering as we used to roughly around INR200 crores worth of order book. And also, it's a fact that the proportion of export has definitely reduced over past periods. Normally, we would always give the, let's say, projections or indication based on time periods. So our objective always is to have a pipe order book of at least 4 to 5 months, which has come down to, you can say, about 3 months.

And here, we have projects or, let's say, plans in place how to get back to 4 to 5 months. Similarly, on the steel, normally, we would desire to have an order book of 3 months and which has also come down to about 2 months. But I think these are, you can say, temporary situations. And as the market currently stands, we feel that with this improvements that we are seeing in the external markets or in the export markets, particularly, in next 2 quarters, we will see a big change coming back to the order books.

Manish Doshi: Okay, sir. Let's hope for that. Sir, I have another question related to the guidance as such. Can you help me out with volume growth, which we are expecting for stainless steel bars and pipes for the coming year?

Anuj Burakia: So Manish, had it been a very steady-state market, it would be much easier to really give a guidance. Like last year, we knew that there were volatility. And based on that, we had some plans and we had given a guidance that we will grow by 20% to 30%. Now despite unexpected Iran conflict that started, we could still get that growth, and we could still deliver.

And like in previous quarters also, we had said that next year also, we are definitely looking at growing by 20% to 30%. But this is a guidance based on firm plans, firm strategy -- firm business plan that has been already built. Now this definitely, I would say, if things externally become better, we can perhaps achieve even better. So we cannot completely discount the external environment, which still remains very uncertain and very volatile.

Manish Doshi: Yes, sir. Agree to that. Lastly, sir, I have questions related with the current numbers. We can see that the payable days have actually increased to somewhere around 140, 145-odd days. Any reason why there's a sharp increase?

Anuj Burakia: These are -- I mean, depends on the customers and depends on the projects. First of all -- see, important is whether the payable days are overdue or they are not. So, they are not, right? So if we are selling into projects wherein by design, the, let's say, deferred payment is for 60 days or 90 days or likewise. So, when we are selling more into India, more into strategic sectors, normally, the payment terms are a little more deferred than exports. So that may be the reason that some days have increased. But I think that's pretty well within the norms.

Manish Doshi: No, I was talking about payable days as in to the suppliers are payable?

Anuj Burakia: I think that is -- yes, I think our CFO can really address.

Navin Agarwal: Let me just pitch in here. Our payable days based on sales was, say, around 130 days in the previous year. Now it is around 160 days. So, this is a minor change which has happened, and these are like norms of business basically.

Anuj Burakia: So, time difference, basically, if you see -- this is reported at the end of the month, but then maybe in 2 months, this will come back to 130 or maybe even 120 because if you see the cash balance has increased. So, it is only that when they are falling due, then you are paying them.

Moderator: Our next question comes from the line of Shaurya Shah from Equirus Securities Private Limited.

Shaurya Shah: So just first question with respect to order book that you mentioned, right? So, may I know what segment or industry this demand is largely coming from, from the perspective of our order book?

Anuj Burakia: So, it's not -- I would not say any particular -- it's again a mix. See, we have been discussing the segments where we operate. And I think the same sectors we are operating at this point in time as well. Steel, particularly, if you ask me, it's a very wide range. It goes into so many sectors. And then we are selling into, let's say, forgers or stockholders who are niche stockholders.

So, we really would not know as to where it will end up at all times. As far as pipes and tubes are concerned, as I said, our almost 85%, 90% sales are happening in domestic. And there, our focus is absolutely on only strategic sectors. So, most of the sales obviously is coming from energy, which includes oil and gas, thermal, some bit from nuclear. This is one sector that we are really expecting to grow over the next 2 to 3 years' time, and we are completely, let's say, ready to grab that opportunity.

Shaurya Shah: Okay. And are we also seeing some good traction from the export side as well and from the order book perspective?

Anuj Burakia: See, export side is not only about Welspun Specialty, right? So overall, demand has shrunk. And to be honest, the stockholders are having lower stocks than what usually they would carry. And that is all coming out of lost confidence or lack of optimism at this point in time. So, imagine a situation if, let's say, the conflict ends and everything is fine and European economy does a bit well, then no wonder, I mean, we'll see flurry of demand coming.

But whether it will be appropriate for me to say that this is definitely going to happen in the next two quarters, it's uncertain. We don't know. But eventually, the demand will come. The source or the supply chains are not going to undergo drastic changes. So, it could be a time difference, but eventually, the demand will come.

Shaurya Shah: Okay. Okay. And from the perspective of the bright bar project as well, of course, you said giving a guidance would be difficult during these times. But on a broader basis, like from the bright bar project perspective, what kind of industry or segment are we targeting here the demand to come from? And on a broader basis, do we have any plans of what kind of growth do we expect this project to see?

Anuj Burakia: So first of all, as we had earlier also guided, the bright bar capacity is required -- was required as a debottlenecking action. We already had some bright bar capacity, but which was always falling short and we had to look for outsourcing and quality was a challenge. And so we wanted to have everything in-house and remain ready for next level growth. So, this was an important step, which was to be taken. Number two, you see anything -- I would say, 90% plus volume that get exported is all bright, right?

So, we have to have that capability ready at hand when it comes to exports. Third is, within domestic, there are certain segments like the other pipe and tube industry. There are segments wherein the grades like super duplexes or nickel alloys normally are sold as bright bars. So again, the application for all these grades is, again, a wide spectrum. It is not that it's going into one particular industry or a particular application.

- Shaurya Shah:** Okay. Understood.
- Anuj Burakia:** So, it's overall broad basing of a value-added facility and which also is a showcase as this is one of its kind and customers, especially the export customers who always like to have this kind of facility for gaining confidence and giving you more business.
- Moderator:** Our next question comes from the line of Maitri Shah from Sapphire Capital.
- Maitri Shah:** Congratulations on the results. A few things. Firstly, on the growth, like now you mentioned there are a lot of headwinds from the macro scenario going on. What sort of growth are you expecting, maybe on the conservative side for this year? And margin...
- Anuj Burakia:** I already said, Maitri, that we are still looking at going anything between 20% to 30% this year. I think it will not be fair to make an assessment or declaring an assessment what is going to happen each quarter, right? But overall, we have a strategy in place. We know which customers we are approaching. We know which projects we are working on. And we are more than confident that unless something very, very drastic external thing happens, we are very confident we'll be able to achieve 20% to 30%, could be even more depending on the market.
- Now margin, I think would not be inappropriate for me to really talk about it. What only I can talk about is that if you would have carefully seen the last year, what has started to happen is as we are increasing the utilization, our operational efficiencies are kicking in, right?
- So, in simpler words, we can say that every additional ton -- and that, too, when we are chasing value over volume, which means that our growth of volume is -- despite it is 30%, 35%, I would still call it modest because we have not been chasing volumes on low value, low-grade stuff, right?
- So, we will remain focused on that. And while we are focused on that, so every additional tonnage that is adding to our portfolio is only going to bring hopefully disproportionate margins, compared to the existing average. So, the key remains the same, what had been for the last 4 quarters, we have been saying that we want to utilize our capacity more and more, but in a meaningful manner. And that is what we are going to follow over the next few quarters as well.
- Maitri Shah:** Correct. But we've seen in the last 4 quarters, we've seen a bit of a kind of -- I would say, like a dip on the realizations as well. So, do you see that kind of improving for the next year? Or do you see them being stable for next year, the realization per ton? Where do you see that number going?
- Anuj Burakia:** The realizations are a factor of 2 things because we are not selling one particular grade or one particular product. So, realizations are a factor of two things. Sometimes you may find while the prices have gone down, the realization per ton increases because the grades which sell at a higher price have more proportion in your sales mix, okay?
- So, to make it simple, I can tell you that the realizations have definitely gone down, and that has gone down by, you can say, about 5% if I look at on a per ton basis. At the same time, the raw

material obviously also gets corrected, but may not be with the same degree. And that is why the per ton margins -- gross margins might have taken some hit.

Now those are made good by the operational efficiencies that have come in and which have -- you can say, which have brought in much higher plus than the difference of the material margin that got hit because of the market factors.

Maitri Shah: Sir, the margins I feel like are going to increase through operating leverage and again, maybe the higher-grade volume chasing that taken off where we're going to have the upside.

Anuj Burakia: So, I can say with confidence that currently, what's existing in the market is perhaps the bottom. Things -- if you look at scrap prices, of course, they -- now in the last 3, 4 weeks, we have seen that they have started to increase, and we are watching carefully. And accordingly, the prices have also started to go up. But I think it's more pushed by the cost increase and less by the demand.

But in the last year, FY '26, I can say the pricing level was perhaps near to bottom. And the last one quarter also got hit by increase of energy costs, which had to be absorbed. As a good company, you cannot really pass on everything. So -- but now slowly, the market start absorbing the effect and then that plus effect will also seemingly start coming very soon.

Maitri Shah: And one question on the effective tax rate. What do you expect that to be for FY '27 and FY '28?

Anuj Burakia: Sorry, your voice. Could you please repeat your question?

Maitri Shah: Effective tax rate for FY '27 and '28?

Anuj Burakia: So that is 25%. Yes, 25%. But you see since we have the accumulated losses in the company of the past, yes. So accordingly, the deferred tax asset gets created and so your PBT basically becomes the PAT.

Maitri Shah: So we still have those for FY '27 at least?

Anuj Burakia: Yes. Yes, we have. We have close to, you can say, INR500 crores, which culminates to about more than INR120 crores, INR130 crores of tax shield.

Maitri Shah: That is great. And in the presentation, you mentioned that we have kind of been accredited for aerospace application. So, any kind of color you can give on that? Is that a new industry that we're going to be branching out to? Any innovation we're doing on that side?

Anuj Burakia: So, one similar example of, I think, some other accreditation I had explained in the past, I'll just repeat that. You see what happens is these are accreditations, right? So, which means that if we are selling a grade which is, say, for example, an X grade, that sells for oil and gas and that also sells for aerospace.

Now aerospace accreditation means that your quality -- particular quality requirements of the same grade are aligned or in line with what an aerospace criticality needs, okay? Now what happens is, let's say, if there is a large stockholder who is holding that X grade, a particular size,

would always want that with the material, every other accreditation comes so that you don't have to keep multiple pieces or multiple stocks of the same material. Are you with me?

So, let's say, if a stockholder in Germany wants to keep that particular item, and if I am offering them five certifications and aerospace is missing, they would like to buy from somebody who can give them all six. So, in a way, it's a confidence building that when the customers see that the company is aerospace approved, I mean, obviously, they look at you differently. And second is also a requirement for selling larger volumes into a wider group. I could explain aerospace certification well.

Moderator: Our next question comes from the line of Jash Bhurjee from Jash Bhurjee Investments.

Jash Bhurjee: I have a question on the raw material movement in prices. How do we compare between the lag between the raw material movement prices compared to the price reset?

Anuj Burakia: Like every other -- I would say, every other material, the fall in the price is captured immediately and the rise in the price takes time to sell. But I mean, on a serious note, I mean, you see, in stainless steel, I can tell you that the important elements, which is the scrap and a couple of important ferro alloys, which is nickel and molybdenum.

If there are just fine-tuning happening, so obviously, it takes time to really pass on both sides. So company may get benefited for some time or it may be at an adverse situation for some time. But when there is a stark difference, like, for example, nickel increased by \$2,000 on LME over a period of, let's say, 1 week.

So that gets passed on almost immediately, everyone increases the price, right? Similarly, if the scrap increased by \$100, for example, and which actually happened in last 3, 4 weeks, the scrap and everything has gone up by anything between \$100 to \$300. So that has been now captured in the costing and the pricing has been accordingly changed.

Jash Bhurjee: And you would say that this is larger to cost increases than demand, right?

Anuj Burakia: Yes, you can say that because you see scrap is something which is a global factor. It is not something which is only India-centric or India dependent. So obviously, when the freights have increased globally, sea freights have increased, there are restrictions in the supply chain. And all of that has pushed up the scrap prices across, not just stainless steel scrap, if you look at mild steel scrap also has gone up.

So that is a factor. And -- so that is something which has increased the cost and due to which the prices have also gone up. We are seeing a little traction on the demand side. But normally, in a steady-state market, if stainless steel has to go up by \$300, \$400, then it has to be -- conventionally, we have seen that it is always based on demand or, let's say, due to demand increase. But here is a mix of both, I would say.

Jash Bhurjee: Understood. Understood. And the NPCIL's steam generator tubes that we have developed and the orders that we've got for it, what stage of commercialization are we at in that and the revenue potential in this?

Anuj Burakia: so this is -- as we mentioned that this is the development order in first place. So this is a product which is the heart of nuclear power plant. And you can say that for decades, this had been an item highly protected because of its criticality. And it is only very recently that the authorities have become open based on very detailed assessments and audits, a development order has been awarded.

Now the process of getting quality assurance plans and all of that approved is a very detailed and very threadbare. So this award was towards the end of last year. And currently, we have already ordered the raw material. So you can say it is in process, and we see -- we expect in next 2 quarters, we will make meaningful progress. And we are targeting that within next 2 to 3 quarters, we are able to deliver successfully.

Now this actually will mean a very significant addition of, you can say, an approval or a capability in the company as this is a high-value product and all nuclear plants that get built in India, and there are -- if you look at NPCIL policy or government policy, they're looking at adding almost more than 20 gigawatts in probably next 10 years and which is a huge for nuclear.

And having this steam generator tubing approval means that not only steam generator, but the next criticality tubes, which are also high value, they automatically get added to the capability and the market opens for us. So this is like building our muscle for grabbing the opportunity which we are seeing around the corner.

Moderator: Our next question comes from the line of Jigar Shroff from Financial Research.

Jigar Shroff: Congratulations on a good set of numbers. Sir, did you mention the current order book, sir? I don't know if I missed it?

Anuj Burakia: Okay. Thanks, Jigar. So we mentioned is approximately about INR200 crores in value. And honestly, not to my liking, but that's what the situation outside is. And this cannot force us to start chasing volume instead of value. So we stick to our cardinal principle of only chasing value.

And therefore, despite the external conditions, we still wish to only chase value. And we have plans, and we are very, very confident that in next 2 quarters, we'll be back to our original state where we had like almost 3 months of order book in steel, and 4 to 5 months in pipes and tubes.

Jigar Shroff: Okay. And sir, what would be -- I mean, if you could give a perspective of the capacity utilization across various segments?

Anuj Burakia: We have a good headroom, I would say. Last year, we utilized on steel about 50% of the capacity, which means we can -- from here, we have the capability to double up our production. Of course, it will happen in steps and stages. And that's why we are targeting anything between 20% to 30% this year as well. And similarly, on pipes and tubes, you can say we are utilizing about 60%, 65% of the capacity. And so there also, we have a headroom to grow.

Jigar Shroff: And any guidance on capex for the current year, sir?

Anuj Burakia: So currently -- see, we did major capex on bright bar facility and some upgradations last year. So this year, we do have plans for some upgradations and automation and those kinds. We are not going to add any great new facility or new capacity. So I would think about INR10 crores of total capex this year, some of which is a part of a spillover from the erstwhile project, which is already going on and maybe some bit of new additions and upgradations here and there, but nothing great, nothing major this year.

Moderator: Our next question comes from the line of Sunil Jain from Nirmal Bang Securities.

Sunil Jain: My question relates to more of your export business. So how much of the revenue you got from export in the last year? And how much is the export to the Middle East countries where currently the situation is disturbed?

Anuj Burakia: If I -- since your voice broken between. So if I understood correctly, you are talking about export business, right?

Sunil Jain: Yes.

Anuj Burakia: Right. And so specifically, you see we are into 2 products, which is bars or, let's say, steel. Now steel is something which will sell to, you can say, mostly into B2B, right? When I say B2B, so if we are selling our steel to a forger, now the forger may be utilizing it to produce plunges or shafts and then exporting it to Middle East.

So we may not know in all the cases how much of our steel is going and landing into Middle East area, right? But I can tell you that as far as domestic market is concerned, the effect seems less since the volumes have grown and there, we are seeing a very good traction.

As far as export is concerned to, let's say, Europe and also to Southeast Asia, which are, again, big suppliers of steel or related manufactured component to Middle East, we are definitely seeing a dip in demand, and that is what is reflecting in our proportion of exports also.

So similar is the case of pipes and tubes, where the tubes are going into heat exchangers or other different kind of equipment and then those are getting exported into various countries, including Middle East. So it is somewhere bringing an effect, no doubt about it. But if you'll ask me that what we are directly exporting to Middle East, I mean, we have very, very low exposure.

Sunil Jain: Okay, sir. That's good. Sir, second question relates to -- you said that this selling through B2B. So can you define how much is sold through channel or distributors and all? And how much percentage is direct to the consumer like OEM and all?

Anuj Burakia: Well, you see I think our -- as far as India domestic, which is the main market at this point in time and export remains only 20% in steel. The culture in export market, you can say is that most of it goes to the stockholders, and they are very large. Each of those -- and that includes the likes of ThyssenKrupp and the JK Metals of the world, who are holding stocks in billions.

And the business design is such that when a customer comes, let's say, a refinery goes into shutdown maintenance, they would require 500 different items, right? And what we are

supplying could be maybe 3, 4, 5, 10 items out of that. So all these stockholders are large aggregators and they kind of complete the bill of material when it comes to large requirements.

So that is how things operate in most of the export markets, including South Africa, Europe, Taiwan, anywhere we go. Here in India, I would say, 90% plus of our sales are going directly to the users to the -- either they are forgers or pipe mills or machinery companies or any of those.

Sunil Jain: Okay. Great. Sir, last question related to the price increase, which has happened recently. So is there any time -- there will be definitely a time difference between you procure your raw material and the finished goods is sold. So do we make inventory gain in that or no?

Anuj Burakia: See, we -- from the very beginning, Sunil ji, we had been very disciplined in our raw material coverage, and we don't take exposures, which can -- we have seen times when things can really go haywire. So in our case, you can say we are literally sort of back to back and plus the inventories that we carry in our order book all the time would nearly be the same. So if there is an increase in raw material price, whether we buy that raw material the same day or not, but we increase our selling price and vice versa.

Moderator: Our next question comes from the line of Souvik Mohanty from Nuvama Wealth Management.

Souvik Mohanty: Sir, I have two questions. The first one being what would you estimate our volume growth would have been if we had not taken the planned maintenance? And the second one is with respect to the domestic market. Currently, as we are focusing on domestic market, could you give us some quantitative numbers in terms of if we have increased our branding spends, if we have expanded our sales team in order to penetrate the domestic market?

Anuj Burakia: So I will take the second part first. Of course, we are expanding our team as we expand the customer base as we have to approach different segments and different customers. And you see this is a business which doesn't -- where it is very rare that you are able to sell thousands of tons in one deal. These are always small numbers. And therefore, obviously, the effort -- customer effort is very, very high.

So we are consistently adding capability and competence to our sales team, number one. Number two, as far as the -- your first part was concerned wherein -- just one thing -- so as I was mentioning the number of months that the shutdown was taken was 1.5 months. So if I just literally take that as a mathematics, probably instead of 10%, we would have grown by 20%.

Souvik Mohanty: So do you think -- I mean, looking at the market scenario, do you think we would have been able to grow at 20% is my question?

Anuj Burakia: Yes, of course, why not? I mean, see this shutdown was in H1. And we always were sitting on the order book, including now. So it was a planned shutdown, which was planned during FY '25 -- in the middle of FY '25 and some of those things required a lot of, you can say, preparation, ordering of spares and ordering of services.

And so it was well planned, and a major one was taken and then it started to give the desired benefits of productivity, quality, lesser downtime and things like that. And this is something that

requires to be done or is recommended to be done every 5 years, right? So we had completed 5 years ever since in 2020, this major overhaul was done. And then I see this coming again maybe towards 2030, '31.

Moderator: Our next question comes from the line of Manish Doshi from 360 ONE Capital Market Limited.

Manish Doshi: Sir, I just had one small bookkeeping question. So investments for this FY '26 has it increased? Can I know the nature of the investments? That will be all, sir.

Anuj Burakia: Yes. Thanks, Manish ji. I think I'll request our CFO, Mr. Navin ji, to take up this question.

Navin Agarwal: Yes, our investments and cash includes some amount of cash, some amount of FD, some amount of mutual fund and bonds investment in PSU.

Moderator: As there are no further questions from the participant, I would like to hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Anuj Burakia: Thanks, everyone. In closing, we remain firmly focused on driving continuous improvements in operational performance and efficiency while proactively addressing evolving customer requirements. Our strategy is centered on capturing opportunities early, strengthening our market position and expanding our presence across both existing markets and new geographies, laying a strong foundation for sustainable long-term growth.

Regarding this next phase, when Welspun Specialty continues its transformation from a foundational strength to a bold and respectable contender, our vision remains clear and focused towards maximizing stakeholders' value. We trust we have addressed your questions satisfactorily. Should you have any further queries, please feel free to reach out to our Investor Relations team, who would be happy to assist.

Thank you once again for joining us today. We look forward to connecting with you again soon.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of 360 ONE Capital Market Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.