"MAN Industries India Limited Q3 FY '26 Earnings Conference Call"

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MODERATOR:	**MR. RONAK OSTHWAL – ARIHANT CAPITAL MARKETS LTD**

Moderator: Ladies and gentlemen, good day and welcome to the MAN Industries India Limited Q3 FY '26 Earnings Conference Call hosted by Arihant Capital Markets 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 this conference call, please signal an operator by pressing '*', then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Osthwal from Arihant Capital. Thank you and over to you, sir.

Ronak Osthwal: Thank you. Good evening and welcome, everyone. On behalf of Arihant Capital Limited, we invite you to MAN Industries India Limited Quarter 3 and 9-month FY '26 Earnings Conference Call.

From the management side, we have Dr. Ramesh Chandra Mansukhani - Chairman; Mr. Nikhil Mansukhani - Managing Director; Mr. Sandeep Kumar - Chief Financial Officer; Mr. Rahul Rawat - Company Secretary and Mr. Vijay Gyanchandani – DGM, Investor Relations.

So without any further delay, I will now hand over the call to the Management for their opening remarks. Over to you, sir.

NIKHIL MANSUKHANI: Yes. Good evening, everyone. I warmly welcome you all to our Q3 and 9-month FY '26 Earnings Conference Call.

Let us start with the key business highlights for the quarter:

We are pleased to report the highest ever quarterly EBITDA and PAT margin in the company's history, reflecting our sustained focus on product mix optimization, strong operational discipline, and effective cost management. Export markets continue to perform well, supported by healthy order inflows and inquiries, particularly from MENA regions, Southeast Asia, CIS countries, Africa, and Asia-Pacific.

Exports remain a key growth driver, accounting for 83% of the order book. This underscores the growing global confidence in our technical capabilities, execution track record, and ability to deliver complex, large-diameter pipe solutions. Within the export mix, LSAW pipes constitute 80%, which is an increasing contribution from our value-added offerings, such as specialized coating and bends.

On the domestic front, the early green shootouts are visible, with gradual recovery reflected in selective order wins during the quarter from oil and gas companies and EPC players. Additionally, the recent union budget announcement on the revival of Jal Jeevan Mission, with proposed spending of approximately INR 67,000 crores, is expected to be significantly increase Central Government's expenditure on drinking water and sanitation in the next fiscal year. However, the pace of execution and grants to states remain key monitorables. Overall, we expect the domestic market to see a meaningful recovery in FY '27. As on date, our executable order book stands at approximately INR 4,000 crores, providing execution visibility over the next 6-12 months. With strong momentum continuing in the current quarter, we expect Q4 FY '26 to be among the best quarters in the company's history for its core business. Accordingly, we retired our original FY '26 revenue guidance of INR 3,600-INR 3,700 crores, and upgraded our margin guidance to 13%-14%, compared to the initial margin guidance of 11%-12%.

Now, coming to the status of our strategic expansion:

The company's strategic capacity expansion initiatives in Saudi Arabia and Jammu are progressing well, with key civil works and major equipment installations substantially completed. The Saudi facility is advancing as planned, and is expected to be completed by Q1 FY '27, and the Jammu facility also remains on track. Both projects will significantly strengthen our geographical reach, capacity and ability to participate in high-value contracts, ensuring diversified growth in the coming years.

With that, I now hand over to our CFO – Mr. Sandeep Kumar Garg, to review the financials. Over to you, Sandeep.

Sandeep Kumar Garg: Thank you, sir. Good evening, everyone. I thank you all for joining the discussion for our Q3 and 9-month FY '26 Financial Performance.

Let us start with the key financial highlights:

First, I will start with the consolidation results:

Total income for Q3 FY '26 stood at INR 838.7 crores, a growth of 13.7% Y-o-Y basis, and 2.9% on Q-o-Q basis. EBITDA grew by approximately 61.4% Y-o-Y to INR 136 crores, with margin expanding by 480 basis points, Y-o-Y to 16.2%, the highest ever in our history. Profit after tax grew by 61% Y-o-Y to INR 55 crores.

In 9-month performance:

Total income stood at INR 2,427 crores, up 4.5% Y-o-Y. EBITDA grew by approximately 47% Y-o-Y to INR 318 crores, reflecting sustained margin expansion across product lines. PAT stood at INR 120 crores, growing approximately 41% Y-o-Y, with cash profit increasing by approximately 47% Y-o-Y at INR 175.9 crores. On the balance sheet front, we continue to operate with a strong balance sheet. As on 31st December 2025, we have a net cash position of INR 38 crores. Overall, these results reflect strength of our business model, execution excellence, and strategic initiatives that are driving sustained profitable growth.

Many of you must be thinking about sharp increase in our other expenses, Y-o-Y and Q-o-Q. The sharp increase in other expenses in Q3 FY '26 are primarily driven by higher freight and logistic costs associated with fulfilling a significant portion of company's executed order under DDP, which is Delivered Duty Paid.

With this, we would now open the floor for question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Divyansh Thakur from Finterest Capital. Please go ahead.

Divyansh Thakur: Good afternoon, sir. Congratulations on a great set of numbers. Sir, you have upgraded the EBITDA margin guidance, isn't the upgrade also applicable for FY '27? Are we going to see 13%-14% EBITDA margin?

NIKHIL MANSUKHANI: Yes, Divyansh. Thank you for your question. Yes, we should be trying to sustain 13%-14% EBITDA margin for FY '27 as well.

Sandeep Kumar Garg: At consolidated.

Divyansh Thakur: And sir, any changes to the PAT margin for FY '27 as EBITDA margins have changed?

NIKHIL MANSUKHANI: They will be doing better.

Sandeep Kumar Garg: They will increase in line with the EBITDA.

Divyansh Thakur: Thank you so much, sir.

Moderator: Thank you. The next question comes from the line of Viraj Mahadevia from MoneyGrow. Please go ahead.

Viraj Mahadevia: Hi. Congratulations on the fantastic numbers, especially the EBITDA margin upgrade. Just a question regarding your current expansions. How much money is left to be spent between the Jammu and the Saudi facilities as yet?

NIKHIL MANSUKHANI: Approximately 75% is already spent out. The current is around 25% and then the trials and everything.

Viraj Mahadevia: So maybe about INR 400 crores is pending to be spent?

NIKHIL MANSUKHANI: Yes, give or take. Around 25% would be INR 350-INR 400 crores.

Viraj Mahadevia: Understood. And will this all be completed in Q4 or will it spill over to Q1 as well?

NIKHIL MANSUKHANI: Q1 for the Saudi and Jammu, I think, by Q2.

Viraj Mahadevia: Q2. So by Q1 and Q2 next year and all of this will be spent?

NIKHIL MANSUKHANI : Q1 next year for the Saudi and Jammu.

Viraj Mahadevia: Understood. And in terms of your current bid pipeline, what is the value of the bid pipeline?

NIKHIL MANSUKHANI: Around INR 11,500 crores currently.

Viraj Mahadevia: INR 8,500 crores?

NIKHIL MANSUKHANI: INR 11,500 crores.

Viraj Mahadevia: Thank you. All the best.

Moderator: Thank you. The next question comes from the line of Fenil from Choice Institutional Equities. Please go ahead.

Fenil: Hi. Congratulations for the great result. I want to understand the revenue or cash flow from the real estate segment. So what is the management on the cash flow or the revenue from the real estate segment?

NIKHIL MANSUKHANI: Yes. So real estate segment, Merino Shelters is now going to launch the project. It is under RERA approval. And we should be launching it, which we gave to Paradise Group. And they should be launching it sometime in March 1st week. And this would generate an overall topline of around INR 600-INR 700 crores. This will come back into the company over the next 6-7 years. And there is no cost affiliated to this. This is purely the money coming back into the company.

Fenil: And what will be the margin from this business?

NIKHIL MANSUKHANI: There is no cost to this.

Fenil: So INR 600-INR 700 crores is our net profit, I can say.

NIKHIL MANSUKHANI: Yes. Net means not PAT.

Fenil: Yes, but there will be no any cost. So we can consider like that.

NIKHIL MANSUKHANI: Correct.

Fenil: And any guidance on a consolidated debt or what is our average cost by end of quarter and the interest cost? And what will be the range we can expect in the coming period?

Sandeep Kumar Garg: The average borrowing cost is around in the range of 8%, between 8% and 8.5%.

Fenil: And the range will sustain or?

Sandeep Kumar Garg: No, it will remain in the same.

Fenil: Great. That is all from my side. If I will get anything else, I will again come in the queue. Thank you.

Moderator: Thank you. The next question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Good afternoon. Thank you so much for taking my question. Firstly, congratulations on a great set of results. Hopefully, I am audible.

NIKHIL MANSUKHANI: Yes, we can hear you.

Darshil Jhaveri: Yes. Hi. So just wanted to know like in terms of our FY '27, what is the guidance that we can expect? Because Jammu is operating partially and Saudi is also operating partially, right? So what can that contribution be like?

NIKHIL MANSUKHANI: Darshil, we would be looking at approximately 25%-30% growth in FY '27 from FY '26.

Darshil Jhaveri: Fair enough, sir. And just margins I wanted to ask because, in the last 2 quarters, we have done nearly 15% margin. So we are still guiding for like a bit lower than that, right, 13%-14%. So just wanted to know, like, are we being conservative or we feel that there are some one-offs in these that because of some project that we were able to churn the higher percentage. So going forward, we will be able to, I don't know, is this 15% also sustainable because we have done it in 2 quarters. Just wanted to ask about that.

Sandeep Kumar Garg: Yes. See, looking at the console levels and currently, the order book and also Saudi, the way it is, the order book in Saudi, which looks positive, we feel that the EBITDA levels, we will be able to manage between 13% and 15%. And we would rather be a little conservative and over perform, right. Everyone likes that. So we would rather be in the range of 11%-13% and then try and deliver above 13%. But I think this is sustainable level currently for us.

Darshil Jhaveri: Fair enough. Yes, that is good to know. And sir, just wanted to know, sir, like, next year, both of these projects will come online. So will we have a higher depreciation, right? That cost we know, but what about the finance cost? Because we would be capitalizing some amount of finance costs, right as the plant is still underway. So could you just quantify that, sir? What would be our expected finance cost?

NIKHIL MANSUKHANI: The finance cost at the console that is why you can see a difference between standalone and console, because the interest is being consolidated. That is why the standalone numbers are higher. As regards to, what was your second question on that, sorry, Darshil?

Darshil Jhaveri: No, yes, just, so what I had thought of was that till the plant is not commercialized, we don't put it in P&L. Correct me if I am wrong. I thought that would be going into some capital work in progress and not in our balance sheet or in our P&L? So just wanted to confirm that, so we account for all the extra finance cost in our P&L right now or is it in balance sheet? Because I thought that in FY '27, it would come in our P&L?

Sandeep Kumar Garg: Practically, till the project gets its COD, all the costs are capitalized and after the COD will happen, it will go to the P&L.

Darshil Jhaveri: Yes, so that is what I am saying. So there will be additional costs happening in FY '27, right? So what would that be?

Sandeep Kumar Garg: That cost will increase depending on the loan.

Darshil Jhaveri: I may be take it just offline. That is it from my side. Thank you.

Moderator: Thank you. The next question comes from the line of Rohan Baranwal from Trinetra Investment Capital. Please go ahead.

Rohan Baranwal: Hello, sir. Can you please confirm the trial completion for the Saudi Dammam plant, and also what would be the timeline for trial and the first year utilization assumption for the same, sir?

NIKHIL MANSUKHANI: So we would be completing in Q1 with the trials as well in Quarter 1 FY '27. And we are looking at around 50%-60% utilization in the year 1.

Rohan Baranwal: And on the number side, can you quantify what would be the revenue recognition that you would be doing for the first year, like operation of the plant?

NIKHIL MANSUKHANI: INR 1,500 and INR 2,000 crores depending on the steel price and everything, it will be between INR 1,500 and INR 2,000 crores.

Rohan Baranwal: Got it. And sir, can you provide us some details on the working capital side? What kind of incremental funding we would need on the inventory side or compared to the measures you have taken right now, sir?

NIKHIL MANSUKHANI: Majorly, it is from the non-fund-based side. And that would be approximately between the peak load if we are executing INR 1,500-INR 2,000 crores would be around INR 750-INR 900 crores of non-fund-based basically for LCs and BGs.

Rohan Baranwal: Got it, sir. Thank you very much. That is it from my side, sir.

Moderator: Thank you. The next question comes from the line of Satyan Wadhwa from Profusion Investment Advisor. Please go ahead.

Satyan Wadhwa: Hi, very encouraging to hear margins are going to be higher. Just wanted to know what would be your expected revenue from Saudi and Jammu in FY '28 when they are both operating at maybe 75%-80% utilization? What should we be expecting from that?

NIKHIL MANSUKHANI: So for FY '28, Saudi, we would be doing anywhere between INR 2,000-INR 2,500 crores, right.

Satyan Wadhwa: And Jammu?

NIKHIL MANSUKHANI: Jammu, we would be at around INR 500 plus crores, INR 500-INR 600 crores.

Satyan Wadhwa: Great. And margins in Jammu should be around 17%-18%, right?

NIKHIL MANSUKHANI: Yes.

Satyan Wadhwa: And how does, if you don't mind, how does the whole duty drawback or GST benefit work? So do you charge GST but not book it as a cost?

NIKHIL MANSUKHANI: No. You book it and then you do all of it and then, one second, CFO will explain.

Sandeep Kumar Garg: GST is never a cost because whatever GST paid on the input is taken as an input. Whatever we buy, GST input is available and same is available for export also. And for export, we get refund of the GST based on the export. You are talking about Jammu or our pipe business?

Satyan Wadhwa: In Jammu, you get GST benefit for 3 times your capital expenditure, right? So that I assume would be on about INR 450-INR 500 crores extra land. Is that correct

Sandeep Kumar Garg: Yes.

Satyan Wadhwa: In your presentation, you said, right, 3X of investment in plant and machinery would be paid back in 10 years tenure in the form of GST credit?

Sandeep Kumar Garg: Pay the GST.

Satyan Wadhwa: Understand the mechanism of how this is paid back?

NIKHIL MANSUKHANI: No. We have to pay the GST, recover and pay the GST and then, we have to apply with that document to the government for a grant to get it repaid.

Satyan Wadhwa: This will come, I guess, back to you like a year in a year. Like after a year, it starts to come back after your first year or so?

NIKHIL MANSUKHANI: Correct. So we have to account for it. We have to pay the tax for it. And then, we make this and we send it to the government and you get it every quarter.

Satyan Wadhwa: Perfect. And the second question on this was 6% subsidy on interest. So do you, like say, if it is 9% interest rate you get 6 back so it is net free or is it only 6% interest that you have to pay?

NIKHIL MANSUKHANI: 3.5% payback rate, yes.

Satyan Wadhwa: So you get a 6% subsidy. So you only pay 3% on a 9% sort of interest rate, right? Correct?

NIKHIL MANSUKHANI: On the borrowing.

Sandeep Kumar Garg: On the borrowing.

Satyan Wadhwa: Right. Perfect. So you can run this for the next 5-7 years if you wanted to in terms of just cheap money, right? So just try to understand like housekeeping?

NIKHIL MANSUKHANI: Make the arbitrage on it, yes.

Satyan Wadhwa: Yes. Perfect, great. Thank you and all the best.

NIKHIL MANSUKHANI: Thank you.

Moderator: Thank you. The next question comes from the line of Kanan Sonpal from Capri Global Capital. Please go ahead.

Riken: Hi, sir. This is Riken here from Capri Global Family Office. First of all, congratulations on good performance as well as consistency on the margin front. Sir, firstly, I wanted to understand you sort of indicated that you will be able to maintain your clear guidance for this year which does imply almost 40% bare minimum kind of a growth that you see in the Quarter 4. Is it that you are seeing some large export order execution which is driving the kind of growth in Quarter 4 or what is it that is driving the growth in Quarter 4 if you can help understand?

NIKHIL MANSUKHANI: It is obviously execution of the existing orders in hand and most of them are for exports and plus these orders also which we got were always taken at a better margin and our execution has been very good, so we are trying to save certain percentage and that all is reflecting in the EBITDA.

Riken: Got it. That is the first question. Second question is in terms of your margin trajectory from here on, if you could outline one or two headwinds and tailwinds that you see going into the next year?

NIKHIL MANSUKHANI: So see, currently with the order book and Saudi coming operational, we see we will be able to maintain between this 13% to 15% EBITDA. We don't find any challenge in doing that, but looking at the commodities and the way commodities have really run up, going forward, every order cannot be, but I think it is safe to say for now that we will be at 13%-15% EBITDA which is somewhere we were working on in the last few years and we should be consistently able to achieve that.

Riken: Got it, sir. And lastly, if you could not related to the quarters numbers, but you did indicate some kind of partnership or approval with Aramco in your press release sometime back. If you could outline what kind of opportunities can this offer us in the longer run?

NIKHIL MANSUKHANI: So this opportunities with Aramco with the current oil and gas business which the plant is being put up so there is an off-take agreement which would be in place once the plant is up. Early approvals and preference of being the local player to get more business and in the long term also there are a lot of other products which they are very keen and we are developing together and maybe in the long run, we get the opportunity to set up something specifically for Aramco and they would again have an off-take with us. So it is quite premature for me to tell exactly what it is, but we are working on it, it is pretty much work in progress, but it would give a big advantage to the company of being present there first preference of moving and getting margins in place.

Rekin: Just a follow up. Does the domestic India business also benefit in any form from this kind of tie-ups?

NIKHIL MANSUKHANI: Not really.

Rekin: That is it from my side. Thank you so much and all the best. Thank you.

Moderator: Thank you. The next question comes from the line of Viraj Mahadevia from MoneyGrow. Please go ahead.

Viraj Mahadevia: Hi, Viraj here again. In the past you indicated a topline potential of INR 6,500 crores for FY '27. Assuming you are sticking to your guidance for the press release of INR 3,700 crores and a growth of 50% that would imply a topline of about INR 4,800 crores for FY '27. Can you clarify on that please?

NIKHIL MANSUKHANI: Viraj, I think we will be able to achieve INR 5,500-INR 6,000 crores in FY '27 and those were the guidelines. But again it was, please understand that the guidelines of the turnover particularly the numbers cannot be hold on to like tight because the steel prices and commodity prices have really fluctuated over the last year and a half. And we have to look at the overall outlook and also the production numbers as well. So give or take if the prices of the steel by there, we will be able to achieve more than 50%-55% growth. On the conservative level, 30%-35% growth is like conservative and realistic. But our internal goal is at 50%-55% which our budgets and everything is set.

Viraj Mahadevia: That is great. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Congratulations on good set of results, sir. Sir, you are mentioning you have INR 4,000 Cr order book currently. Was this the exit rate for this year, how we are targeting and I think you mentioned we have bid pipeline of INR 7,500 crores. So what will be the bill ratio?

NIKHIL MANSUKHANI: So bill is INR 11,500, not INR 7,500, INR 11,500. The bid ratio is 20%-30% is the average price of the wins. Currently, the order book is INR 4,000 crores. This year we would be as committed; we would be growing about 15%-20% standalone from last year. Last year standalone was INR 3,130 crores without Merino. So, this year, we will grow around 15%-20% on the standalone basis. Yes, anything else, Disha?

Disha: Yes, this Saudi and Jammu plant at optimal utilization, what sort of revenues are we targeting?

NIKHIL MANSUKHANI: So yes, now when it comes to the absolute optimization at around 75%-85% peak, which we can achieve approximately from Jammu and Saudi put together around INR 4,000-INR 4,500 crores, maybe even INR 5,000 crores.

Disha: All right. Thank you so much. That is it from my side. All the best.

Moderator: Thank you. The next question comes from the line of Sandeep Matheivanan from MoneyGrow Asset. Please go ahead.

Sandeep Mathivanan: Thanks for the opportunity. The question is related to like margin expansion which took place in this quarter. So is the improvement primarily driven by change in product mix or is it some temporary effect due to increase in commodity price? Thank you.

NIKHIL MANSUKHANI: No, it is not. This is basically value addition in the products, the businesses that we have taken and also the internal systems which we have improved, which is overall giving us the betterment in the EBITDA.

Sandeep Mathivanan: So sir, if you have the data, can you share like what percentage of the growth is driven by pricing and what percentage is driven by volume?

NIKHIL MANSUKHANI: Sorry. Pricing and what percentage by?

Sandeep Mathivanan: Volume.

Sandeep Kumar Garg: Sorry. Your voice is cracking. You are not audible.

Sandeep Mathivanan: What percentage of projected growth is driven by pricing and volume?

NIKHIL MANSUKHANI: And volume?

Sandeep Mathivanan: Yes.

NIKHIL MANSUKHANI: We can share the data with you.

Moderator: Thank you. The next question comes from the line of Nikhil Singh from Equivision Consulting. Please go ahead.

Nikhil Singh: Hello.

NIKHIL MANSUKHANI: Hi.

Nikhil Singh: Thank you for taking my question. So you have been guiding 20%-25% growth from the year's start. But when I see your quarter numbers, I don't see that kind of growth in Q1, Q2, Q3. So what makes you so confident that you would be able to achieve those numbers in Q4?

Sandeep Kumar Garg: We have a confirmed order. We have a shipment scheduled. But Q4, we are going to achieve a higher number, which will help us reaching our guided figure.

NIKHIL MANSUKHANI: Also, Nikhil, one very important thing. Our business cannot be looked on quarter-on-quarter. Our business is always looked at a holistic basis. And we are very confident because we have our shipments lined out. Our production is already ongoing and quite a lot of it is already done. And we are shipping those products out. So we are more than confident to achieve the guidelines which are given by us.

Nikhil Singh: One more question on your Saudi plant. As you have said that you do around INR 2,000 crores from Saudi plant in FY '27, what are your plans for FY '28 and beyond? Since Saudi is seeing a lot of demand for line pipes in their energy transition and their desalination plants. So what are your plans on expanding those Saudi plants beyond FY '27?

NIKHIL MANSUKHANI: So FY '27 guidance was between INR 1,500-INR 2,000 crores. FY '28 is between INR 2,000-INR 2,500 crores. And we are confident between FY '29, it would probably go around INR 2,500-INR 3,000 crores. So these are obviously, like we said, these are our expectation and estimation. Some orders which are in line pipe, which negotiations are going on, some Aramco orders which will come by FY '27 second half. So these are expected numbers. If there are some big order and we get it and we are able to churn it around, even the numbers can go up. Also, these numbers are fluctuating around 15%-20% depending on the commodities price. So that is what we are expecting.

Nikhil Singh: Thank you. Thank you so much for answering my questions. That is it from my side.

Moderator: Thank you. The next question comes from the line of Divyansh Thakur from Finterest Capital. Please go ahead.

Divyansh Thakur: Sir, thanks for taking my question again. I wanted to ask that in the last call also you mentioned that from the Jammu plant it will be around INR 500 crores in the Fiscal Year ‘27. So are we not going to see a ramp up in FY '28? And you also gave a guidance of around INR 7,000 crores of revenue. Would you like to revise that? Thank you so much.

NIKHIL MANSUKHANI: Our guidance, as per the topline we will be able to achieve by 2028. But also the commodity prices also depend on that, right. So if the commodity prices are 20%-25%, it will be easier for us to achieve those guidelines versus if the commodity prices drop, obviously the volume has to go much higher to achieve the same numbers. So this is an expected guideline of what currently we are expecting the steel to be at and everything and the commodities to be at.

Divyansh Thakur: Thank you so much and all the best.

Moderator: Thank you. The next question comes from the line of Viraj Mahadevia from MoneyGrow. Please go ahead.

Viraj Mahadevia: Hi Nikhil, quick question. Would you be able to give us a sense of the funds coming in from Merino, the real estate over the next few years? Is it more back-ended towards 2029-30? Or will we see some of it come earlier? And also, will those funds be prioritized for debt pay down? And when do you think you will become net debt free without any further expansion?

NIKHIL MANSUKHANI: The Merino revenues will start in FY '27 itself. We are expecting between INR 70-100 crores FY '27. And this will continue for around 6-7 years approximately. The total revenue will be between INR 600-700 crores. There is no expense out, so this is all income which is coming into the company. This all money and the free cash flows will be used for reducing the debt portions in the company. And we see by 2030, the numbers of debt are dramatically down. Some debt we won't pay on purpose because of the Jammu with the 6% interest benefit. We would pay it down as per the dates given and not prepay it. But the rest of the debt we would like to use our free cash flow and everything for repaying the debt. And some other, if CAPEX planned out at a later stage, we will keep you posted.

Viraj Mahadevia: Great. Thank you.

Moderator: Thank you. The next question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Thank you so much for taking my question again. So sorry, this might be a bit of a repeated question. But I am just having some problems reconciling the numbers. So we are saying in the standalone business, we will have around 20%-25% growth. So that would maybe take us from INR 3,600-INR 4.500 on the upper end. Jammu, we are thinking of around INR 500 crores?

NIKHIL MANSUKHANI: I said 25%-30% growth on FY '27 on consolidated numbers. And I said internal guideline is 50-55% with what we are seeing the numbers currently with Saudi and everything. But 25%-30%

is just a guideline that we are saying. But internal numbers are 50-55% which is on consolidated level, which is Saudi, which is India, and which is partially for Jammu as well for some quarters.

Darshil Jhaveri: I get it. Because Saudi itself would be around INR 1,500 crores, right? That is what we are targeting. I am not saying it is a guidance that will be firmly holding. But around INR 1,500 crores is the target that we have from Saudi itself, right? So that itself would increase our revenue by more than 30%, right, without even any growth in standalone or Jammu coming into play? So that is why I just wanted to ask about that, sir. So standalone, I am assuming we will have some growth. And Jammu is again a target and not going to catch hold of it. Just for our purposes that maybe this is the potential that we can reach. So Saudi is around INR 1,500. So Jammu from FY '27, what are we expecting, sir?

NIKHIL MANSUKHANI: We are expecting approximately INR 300 crores.

Darshil Jhaveri: INR 300 crores, right. Fair enough, sir. That is it from my side. Thank you so much.

Moderator: Thank you. The next question comes from the line of Punit Chokhani, an Individual Investor. Please go ahead.

Punit Chokhani: Thank you for taking my question. I actually had two questions. One, when you say INR 2,000 crores of revenue coming from Saudi, what percentage utilization are you factoring in? And second question is if you can throw some light on how large is the Saudi market in terms of tonnage? Potentially, just want to get a sense of how large can a business like this be, say, 5 years from now?

NIKHIL MANSUKHANI: So the consumption is almost 50% at INR 1,500-INR 2,000 crores. It is at approximately of 50%-55% level in Saudi. And the Saudi market, looking at the current Saudi market and our current capacity, we would be able to, probably if the market is very good and with the value-added business of coating and everything, we would be maybe able to scale it up to approximately INR 4,500-INR 5,000 crores.

Punit Chokhani: This is based on the commitments that you have as on date and what you see in terms of order pipeline, right? I just want to get a sense?

NIKHIL MANSUKHANI: It doesn't happen as per that. Basically, you have to see what kind of size, thickness of pipes comes. A lot of times, there is a single size and you run it across the year. Then you get a much better yield and output versus if you do multiple sizes, your tonnage drops. So your consumption is high, but your revenue is not because you are not able to remove the same kind of tonnage which you would have removed in a different size. So it is all variable. But that is what we do, that we see which best works for the size and output and also value, right? You want to get the best price and best EBITDA out of certain businesses.

Punit Chokhani: Of course. Just one more question, in relation to Merino Shelters, which is the real estate business, you said about INR 600-INR 700 crores is what you expect to get over the next 3-4 years, right? How much percentage share is that of the total revenue that is collected by your partner?

NIKHIL MANSUKHANI: 30% of the revenue which is going to come in, of the total revenue, is to Man Industries (Merino Shelters basically).

Punit Chokhani: So INR 600-INR 700 crores is 30% of total collection, just to understand that, right?

NIKHIL MANSUKHANI: INR 600-INR 700 crores is 30% to the total collection.

Punit Chokhani: Yes, great. Thank you. That is all from my side. Thank you.

Moderator: The next question comes from the line of Harsh Jain, an Individual Investor. Please go ahead.

Harsh Jain: Hello. Good afternoon. So my question is on the line of the delay of the workflow. So why there is a delay in both the plants, Jammu as well as Saudi Arabia? So it would be operational in Q4, but now it will be in Q2 of FY '27. So can you please give me an update on that?

NIKHIL MANSUKHANI: So Saudi is pretty much on time. We are already doing the trials and everything. That is why we are confident of Q1 production. Jammu is slightly delayed due to the war and the natural calamities of the flooding and everything which happened this year. So due to that, a lot of manpower, power, everyone came back and then it took us quite a bit of time to restart and rebuild all the activities. And that is the main reason why it is running slightly delayed.

Harsh Jain: Understood. And also, now your bid book is around INR 10,500 or INR 11,500. So earlier it was around INR 15,000 crores. So there is a lot of discrepancies. Can you throw me light on this?

NIKHIL MANSUKHANI: These are bid books. Basically, we keep bidding a lot of projects and the bid book actually changes very often, like we might be bidding hundreds of projects. And when the bids go away, certain we get, certain someone else get, certain we don't qualify. So when we say bid book is also if for taxation or duty reasons, we are not able to supply in that region. All those put together go into the bid book. So that is why it is varying. And actually, if you see next month also, it will vary because every month we are bidding so many projects worldwide.

Harsh Jain: Yes, sir. Understood. That is it from my side. Thank you.

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

NIKHIL MANSUKHANI: Thank you. Thank you everyone for the conference.

Sandeep Kumar Garg: Thanks all the participants in attending the call and showing confidence in our business and our results. Thank you very much.

NIKHIL MANSUKHANI: Thank you.

Moderator: Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.