

Date: June 01, 2026

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra East, Mumbai - 400051
Symbol: "SCODATUBES"

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE SCRIP Code - "544411"

Dear Sir / Madam,

Subject: Transcript of Q4 FY26 Earnings Conference Call" on Thursday, May 28, 2026

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Q4 FY26 Earnings Conference Call held between the Company and Investors on Thursday, May 28, 2026 on the Audited Financial Results of the Company for the quarter and Year ended on March 31, 2026 and future outlook of the Company's Business.

The aforesaid transcript is also being hosted on the website of the Company, <https://scodatubes.com/investor-zone> in accordance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to kindly note the same.

For, SCODA TUBES LIMITED

Jagrutkumar Rameshbhai Patel
Managing Director
DIN: 06785595



Scoda Tubes Limited

Survey Nos.: 2437, 2442, 2443, 2446, Ahmedabad-Mehsana highway, Village: Rajpur, Tal. Kadi, Dist. Mehsana, Gujarat, India, 384440.
Phone: + 91 2764 278 278 | Email: info@scodatubes.com | sales@scodatubes.com Web: www.scodatubes.com

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CIN NO.: U28110GJ2008PLC055392



“Scoda Tubes Limited
Q4 FY26 Earnings Conference Call”
May 28, 2026



**MANAGEMENT: MR. SAMARTH PATEL – CHAIRMAN AND WHOLE TIME
DIRECTOR – SCODA TUBES LIMITED
MR. RAVI PATEL – CHIEF FINANCIAL OFFICER –
SCODA TUBES LIMITED
MR. RAJ SHAH – CAPITAL BRIDGE ADVISORS
INVESTOR RELATIONS CONSULTANT
MR. HRISHIT JHAVERI – CAPITAL BRIDGE ADVISORS
INVESTOR RELATIONS CONSULTANT**

Moderator:

Ladies and gentlemen, good day and welcome to Scoda Tubes Limited Q4 FY26 Earnings Conference Call. 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 guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Samarth Patel, Chairman and Executive Director, Scoda Tubes Limited. Thank you, and over to you, Mr. Patel.

Samarth Patel:

Thank you. Good morning, everyone. And thank you for joining us for the FY26 earnings call of Scoda Tubes Limited. I hope all of you have had a chance to go through our financial results and investor presentation, which are available on our website and the stock exchanges. Joining me today on this call are Mr. Ravi Patel, CFO, Mr. Raj Shah and Mr. Hrishit Jhaveri from Capital Bridge Advisors, our Investor Relations Consultant.

Let me begin with a brief overview of how the business has progressed during FY26. It has been a year of transition and investment for Scoda Tubes. While we have continued to deliver stable operating performance, a significant part of our focus during the year has been on executing a large-scale expansion across both seamless and welded product segments.

As you are aware, we have been building capabilities to transition from a single segment seamless focus player to a more diversified stainless steel tubes company, with a presence across both seamless and welded categories.

Let me now walk you through the key highlights of the year. FY26 was the year in which we prioritized operational efficiency. We have reported revenue growth of 7% for FY26, reaching INR518 crores. The moderation in growth was primarily attributable to the shutdown of the piercing plant, impacted by gas shortages arising from the global geopolitical disruptions. Starting in April, the plant has resumed operations; however, gas prices continue to remain elevated. More importantly, our ability to significantly expand our gross margins this year provides a strong foundation as we look to scale our new capacity.

Coming to FY27, we are expecting a 25% revenue growth with 14% to 15% EBITDA margins.

Moving to operational highlights, our seamless capacity has increased to 20,000 metric ton per annum, supported by additional lines and equipment, bringing our total production capacity to 21,000 metric ton per annum in FY26. The new welded facility will be operational by H2, FY27. Equipment delivery is expected by July-August and trial runs are targeted to begin by the end of Q2, FY27.

The welded capacity expansion adds 8,000 metric ton per annum of our new capacity at an investment of approximately INR40 crores through internal accruals and term loans. The total welded capacity post-expansion will be 21,150 metric tons per annum by the H1 FY28 and expecting optimum contribution by FY29.

The welded segment opens new end-use sectors for us, that is data centers, water treatment, construction, and HVAC, which primarily used welded products. Our mother hollow mill continues to support backward integration. We have moved to 70% captive consumption, intending to be fully captive by FY28.

Coming to solar power project, we are installing a total of 8.79-megawatt DC of solar capacity. 4.99 megawatt for the seamless facility and 3.8 megawatt for the upcoming welded plant. This will primarily offset the high electricity consumption in the hot piercing process and finishing line. The project is expected to generate 137 lakh KWH annually, resulting in estimated electricity cost saving of INR8.63 crores per year, while also improving EBITDA margins by reducing our dependence on grid power and buffering utility price fluctuations. As we move on to the next phase, we are gradually shifting focus from capacity creation to improving utilization levels and driving operating efficiency.

Moving on to IPO proceeds utilization, as you are aware, we successfully completed our IPO during the year, raising INR220 crores and getting listed on the NSE and BSE. As communicated earlier, the proceeds were allocated towards capacity expansion, working capital requirements, and general corporate purposes.

As of H2 FY26, we deployed approximately INR27 crores towards capex and INR50 crores towards working capital, with around INR74.2 crores remaining in our bank balance. We will continue to utilize these funds in a disciplined manner aligned with our growth plans, while maintaining a strong focus on capital efficiency and balance sheet strength.

I will now hand over the call to Mr. Ravi Patel to walk you through the financial metrics. Thank you.

Ravi Patel:

So, coming to financial metrics,

Revenue from operations grew by 7% year-on-year to INR518.7 crores in FY26. In Q4 FY26, the revenue was broadly flat at INR123.6 crores. Export revenue of total revenues stood at 34.6% and 44.8% in FY26 and Q4 FY26 respectively. Revenue breakup across geographies for FY26 is as follows: India, INR339 crores, Europe, INR137.8 crores, Americas, INR30.7 crores, and INR8.9 crores in others.

EBITDA in FY26 stood at INR76.2 crores. EBITDA margins stood at 14.7% versus 16.1% in FY25. In Q4 FY26, EBITDA stood at INR16.7 crores. EBITDA margins stood at 13.5% versus 14.1% in Q4 FY25.

PAT grew by 22% year-on-year to INR38.8 crores in FY26. PAT margins stood at 7.5% versus 6.5% last year, up by 100 basis points on a year-on-year basis. In Q4 FY26, PAT decreased by

7% year-on-year to INR6.3 crores. PAT margins stood at 5.1% versus 5.5% last year, down 40 basis points on a year-on-year basis.

In FY26, the company incurred INR110 crores in capex. Net block of fixed assets as on 31st March stood at INR194.4 crores and capital work-in-progress as on March 31st stood at INR8.8 crores. As we conclude, we remain optimistic about the road ahead as Scoda Tubes moves into the next phase of growth. Our investments in capacity, the new welded facility, and our solar energy initiative give us confidence in delivering consistent and profitable growth in the years ahead.

Thank you. With that, we would now like to open the sessions for questions.

Moderator: Thank you very much. The first question is from the line of Sucrit Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil: I have two questions. The first, sir you to Mr. Samarth Patel is a forward-looking question. What type of strategic levers are you prioritizing in FY26-'27 to expand Scoda's stainless steel and alloy tube portfolio, while managing raw material price volatility and positioning the company for export-led growth? That's my first question. I'll ask my second question after this. Thank you.

Samarth Patel: Thank you for the question, sir. First of all, we are only into stainless steel. We are not into alloy pipes and tubes. And regarding the growth for the future for the new capacities which we have installed, I think the prices are a bit volatile right now. Yes, you are very much correct because of the geopolitical situations because our raw material is basically the stainless-steel round bar, which is manufactured by melting of the scrap. And most of this scrap in India comes through the import.

And currently, because of the geopolitical situation, the war, the prices for imports of the scrap have been raised. Currently, the prices for base material in stainless steel has increased by 25% to 30%. But as we mentioned that these prices will be carried forward to the customer in the – what we say that, when we dispatch the orders or when we book the orders, we usually take the current prices of the raw material. That is if the price is increased by 25% to 30%, it is passed on to the customer.

Sucrit Patil: Thank you. My second question to Mr. Ravi is what type of capital allocation and risk management frameworks are being applied in FY26-'27 to balance working capital requirements, hedge against steel price and forex volatility, and sustain liquidity buffers for large-scale contract and capacity expansion? Thank you.

Ravi Patel: Yes. So, thank you for your question. Now, I would like to first say about the inventory days, which has shot up, due to the gas issue we had to shut down the plant operations, which had led to higher inventory days. But eventually, for the going ahead in FY27, we will manage these inventory days, which will go down to 160 days, which is currently 217 days. So that will help us for our revenue growth using our financial operations.

Sucrit Patil: Thank you and best wishes.

Moderator: Thank you. Next question is from the line of Adishwar Golchha from Samarsh Capital. Please go ahead.

Adishwar Golchha: Hi, sir, am I audible?

Samarth Patel: Yes, sir.

Adishwar Golchha: Great. So, if I'm getting it right, current SS capacity is around 20,000 and welded is around 1,000. And by FY27 end, the building capacity is going to increase by around 13,000, right?

Samarth Patel: Yes, true.

Adishwar Golchha: Right, great. So, and since I've mentioned, I think I've been following you guys, so this will be used to use our mother hollow capacity of 20,000 MT per year, right?

Samarth Patel: Sir, can you be a little bit clearer because your voice is cracking?

Adishwar Golchha: Okay, am I audible now?

Samarth Patel: Yes.

Adishwar Golchha: Great. So, after FY27 to increase the capacity, what all capex are we going to do? Hello?

Samarth Patel: Can you please repeat the question?

Adishwar Golchha: Yes, I'm asking, since 13,000 building will be done by FY27, post-FY27, what are the expansion plans we're going to have in terms of capacity and capex?

Samarth Patel: So, yes. As we mentioned that we are also adding new welded capacity of 8,000 tons, which will be additional. And the investment is around INR40 crores, which is funded through internal accruals and term loans. So that capacity will be operational in around in Q1 FY28 and will be at the optimum levels in by the end of FY29. So, in total, the added capacity would be 20,000 tons of seamless and another 21,000 tons of welded.

Adishwar Golchha: Got it. And sir, for 13,000 which you have planning for FY27, capex has already been done or it's still pending?

Samarth Patel: It's still underway, sir. It's still under process. The capex is still going on. So, we are expecting the welded plant will be operational in Q2 this financial year.

Adishwar Golchha: Okay. And the capex for 13,000 for FY27, what's the amount for that?

Samarth Patel: INR45 crores, sir.

Adishwar Golchha: Okay, got it. And to increase the capacity to total of 20,000 for welded, how much more capex is required?

- Samarth Patel:** Another INR40 crores.
- Adishwar Golchha:** Another INR40 crores, great. And so, I'm assuming this will be done next financial year, right, for 20,000?
- Samarth Patel:** Yes, yes, true.
- Adishwar Golchha:** Got it. And so, will there be any equity dilution happening or you will be still focusing on reducing debt and so how, you know, will you be raising more funds to meet this demand or how is it?
- Samarth Patel:** So, for now, we don't have any plan for diluting any more equity. The additional capacity as I mentioned earlier, which we are doing is from internal accruals and term loans. Yes, so there won't be any more dilution, yes.
- Adishwar Golchha:** Got it. Does it hamper our plan to reduce the debt in coming year or still intact?
- Ravi Patel:** So, the debt will somehow increase because we are adding capacities for welded also, as well as for solar projects for both for seamless and welded. So approximately INR50 crores debt will increase, but going forward after once the capacity is fully utilized, we will go on reducing the debt.
- Adishwar Golchha:** Got it. And sir, so welded we are going to increase by 20,000. Are we also going to increase the SS capacity from 20,000?
- Samarth Patel:** No, no. For the seamless, we are not increasing any capacity further. It's only for welded.
- Adishwar Golchha:** Okay, but going forward by FY29, FY '30, are we planning any expansion?
- Samarth Patel:** So we haven't planned for any new capex right now, but yes, there are a lot of chances that we do and also there are chances that we add new products, but it all depends on the market availability at that moment, maybe in FY29 or FY '30, that how is the market and what products are in demand and what are the prices and the margins at that time. So, for now, we don't have any plans for new capex. If we do, we'll let you know in the future.
- Moderator:** Thank you. So, I'll request you to come back for a follow-up question. Next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.
- Sahil Sanghvi:** Yes, hi sir. Good morning and congratulations for a resilient set of numbers in difficult times. My first question is for the capex that we planned this year, how much is already spent, what are we expected to spend this year? So how much is the capex outflow expected in FY27?
- Ravi Patel:** So, for FY26, as I told, INR110 crores was incurred. Almost INR100 CR addition would be there for the current FY27.

- Sahil Sanghvi:** Okay, okay. Understood. Second, if you can help us explain the reasons for the delay in the high diameter welded pipe capex because what we had initially planned was Q3 FY27. So, if you can help us with the reasons for the delay?
- Samarth Patel:** Yes. So, Sahil, the reasons for the delay are again the same, the geopolitical situation. Basically, all of these machines are made out of raw steel.
- Sahil Sanghvi:** Correct.
- Samarth Patel:** So again, the same thing which I mentioned earlier that there is lot of shortage, and the logistic cost have risen up, even the energy cost worldwide is growing and that is the main reason. We placed these orders in according to our prior timeline and all of the machines are supposed to come from China, So when we placed these orders earlier, almost it's been I think it's been more than five to six months, but again after the war situation in April, we got to know that it is going to be delayed and we will start receiving the machineries in maybe July or August. Even the suppliers are not sure because these containers, again, we have a logistic challenge. They come from China, so shipping cost and availability of the containers is the most major part because right now, because of the fuel surcharge and limitations of the fuel, the transportation is also at halt. So, all of this, because of all of these reasons, the project is slightly delayed.
- Sahil Sanghvi:** Got it, got it. Lastly, if you can help us understand if there are some new approvals that we've received, any of the new end-user industries we will be entering or any of the new geographies, anything we expect in the next say six months or anything that we've already received? This will help us understand on how we can achieve the volume growth that you've guided and the revenue growth for next year.
- Samarth Patel:** As you already know that we were in process for some of the approvals. But let me tell you that for Rina Marine approval, which is basically for the marine sector in Italian market, we are in the final stage of approval. So, I think probably within three to four weeks, we'll be receiving the final approval from Rina.
- Sahil Sanghvi:** Okay, okay. Sure. This is helpful. Thank you so much and all the best.
- Samarth Patel:** Thank you.
- Moderator:** Thank you. Next question is from the line of Viraj Parekh from Carnelian Asset Management. Please go ahead.
- Viraj Parekh:** Thank you so much for the opportunity. Am I audible?
- Samarth Patel:** Yes, Viraj, yes.
- Viraj Parekh:** Yes. So, you earlier guided the revenue growth for 25% for FY27. Is it possible for you to elaborate a bit in terms of the geography, domestic export, where are we, if you can break it up and explain how are we looking at the market, where are we seeing more traction and what's more promising and is there any optionality for further growth given the current situation? Like

given the current situation, are you giving a conservative growth number or is there an optionality for a higher growth if the situation improves?

Samarth Patel:

Thank you for your question, Viraj. So yes, we are basically on the conservative side regarding the revenue growth. Obviously, we are all working very hard that we do above that, we perform better than what we are giving you as a guideline. For the future revenue, which is targeted as a balance of 40% export and 60% domestic mix with continued focus on international expansion. So, as you already saw that there was strong Q4 FY26 export growth, which overcame global trade disruptions driven by an expanding customer base and international demand.

Our resilient export performance was fueled by strong order execution, deeper overseas penetration, and global product acceptance. So, as we move forward regarding the 25% of the growth in the revenues, we are targeting around 40% of export and 60% of domestic mix, which includes both seamless as well as welded. Also, as I mentioned that we are on the conservative side, but we would like to revisit our growth outlook in H1 FY27 because current times it's very much difficult because of the geopolitical situation.

Viraj Parekh:

So, sir, I think we have approximately done INR344 crores in domestic and INR174 crores in export this year. Am I right?

Ravi Patel:

Yes, that's true.

Viraj Parekh:

Yes. So basically, if we maintain the 25% growth of INR650 crores top line in FY27, we see this INR340 crores going to approximately INR390 crores, INR400 crores in the domestic side. So that's approximately a 20% growth. And I'm looking at the domestic numbers, it's not like last eight quarters, it's not, it's been a little bit lumpier. Rather export has grown better for us.

So, a bit more on the strategy side on the domestic side of how are we looking at the order book, the clients, the leads, if that can help us firm our understanding on the 20%, 25% growth we're looking at the domestic side. Because I think export is outperforming your overall growth. So, it's the domestic which is I think which will grow less than 25% next year.

Ravi Patel:

So, the numbers which Samarth sir told, they are basically on a conservative side. As far as we talk about the domestic demand, yes, there is potential demand from the power sector, which is going to be maybe conducted by BHEL in August. So, of course, if we get the tender, if we participate and get the tender, that that would be a very good amount of order in hand. So of course, the growth will be more than 20% what we are expecting.

Also, there is a potential expansion in data centre sector, which is driven by capex from the government itself as well as the major players like Adani and Reliance. So, the welded portion which will be added, that is mostly used in the data centre, welded pipes. So that demand is also going to be fulfilled by us. So, we may be expecting more than 25% growth in domestic. But on a conservative side, as Samarth bhai told, 20% for domestic and 25% for export.

Viraj Parekh:

And last question, I'll get back in queue. I think earlier participant highlighted a little bit on your inventory days and you're saying that on a steady-state basis, they'll be at around 160 odd days.

So as these were your goals, do you think that that 160 days will be maintained or you will be maintaining a little bit of a high inventory given the current situation? So maybe we should look at a stretched inventory this year and maybe a normalized inventory in FY28.

Ravi Patel: As I told earlier, the inventory days will be reduced in FY27 from the previous FY26 because there was some this gas issues and the plant operations was shut down mostly in March. So, the inventory days will go down in FY27 and it will remain in the range of 160 to 170 days for the future years.

Viraj Parekh: And sir, what would be our peak debt next year given our capex and working capital requirements?

Ravi Patel: Next year, it will increase by INR50 crores, so assuming INR250 crores.

Viraj Parekh: INR250 crores peak debt, right? Sorry, I did not get. INR250 crores peak debt, right?

Ravi Patel: Yes, INR250 crores, right.

Viraj Parekh: Yes, perfect. Thanks a lot, sir. All the best. I'll get back in queue.

Moderator: Thank you. Next question is from the line of Parikshit from Niveshaay Investment Advisory. Please go ahead.

Parikshit: Yes, thank you for this opportunity, sir. First question I would like to ask is, why are we doing additional capex in welded pipes?

Samarth Patel: So, the answer to that is, sir, initially we did the capex for the size range of up to 8 inches in welded pipes. But when we started to explore the market and as Ravi bhai mentioned that new demands are coming up for data centre, HVAC systems, cooling systems, and water treatment plants, the usual size range which is expected to deliver in a package is up to 16 inches.

So, the challenge which we probably were going to face earlier was that we were only able to supply up to 8 inches and the customer would usually prefer a supplier who is able to supply the whole size range, that is up to 16 inches. And that is the reason that after the IPO process, we decided to go up to 16 inches and add the additional capacity of 8,000 metric tons for welded pipes.

Above 16 inches, there is a new different technology which is called A358 pipes, which is used. But for welded pipes, up to 16 inches is the required size range by each and every project and customers and even end-users.

Parikshit: Okay, got it. And sir, second question which I wanted to ask was, so what utilization are you expecting on seamless and welded front for FY27 and FY28?

Samarth Patel: So basically, for the welded, the optimum utilization will be done in FY29, which will be for the 13,000 metric tons which we are doing from IPO proceeds, as well as the additional 8,000 metric

tons which is we are doing from internal accruals. So, the optimum utilization for welded we will reach in FY29 and for seamless we will reach at optimum in FY28.

Parikshit: Okay. Any percentage could you guide?

Samarth Patel: For FY27, for seamless we will be operating at almost 70% of the utilization and for welded we will be doing I think this year would be around 25% out of the installed capacity.

Parikshit: 25%, okay, okay. Sir, so in earlier calls, you guided that you are seeing demand from the power sector as well. So, have we received any orders from BHEL recently? And on the unit economic side, I wanted to ask that so in the next five years, we are reading that government is targeting 50 gigawatt of thermal capacity addition. So, what is the demand of pipes and tubes for 1 gigawatt of capex in the power sector?

Samarth Patel: So, we don't have data for 1 gigawatt what kind of pipes and tubes or how much quantum is needed. But regarding your question, we are already approved with BHEL as we mentioned earlier, even for NTPC as well. So, what we are awaiting is for the new tender to come in, which was previously planned to come in November or December, then it got shifted to come in March or April and now it has shifted to come in basically June or July.

So, the tender is being postponed by BHEL itself, maybe because of the workload or the previous orders which are not being executed in time, they are not willing to buy or prepare for the new orders. So now what we are expecting in maybe July or August, we will be participating in the next coming BHEL orders. As we mentioned earlier, we are also working closely with BARC and we are having lot of good projects in our hand in our order book for BARC as well.

Parikshit: And sir, in the power sector, what do we mainly supply? Do we supply SS pipes or SS tubes in that seamless or welded?

Samarth Patel: Seamless SS pipes as well as tubes to the fabricators who produce heat exchangers for the boilers.

Parikshit: So, welded is not going in power sector?

Samarth Patel: Welded, currently we are still into the progress for the capex. So, once we start our welded division, yes, we'll be able to do welded, but currently the major demand is for seamless pipes.

Parikshit: Got it, got it. And sir, last question, what is our current order book?

Samarth Patel: It's around INR175 crores.

Parikshit: Okay, got it. Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Sachin from Trade Quest. Please go ahead.

Sachin: Hi, thanks for the opportunity. Am I audible?

Samarth Patel: Yes, sir.

- Sachin:** Yes, so my question is on the data centre opportunity, right? So in the FY26, we did about INR520 crores revenue. So, how much of the data centre revenue is present in the FY26? And in FY27, how do you see this increase, the data centre revenue flow from the welded pipes?
- Ravi Patel:** So, for the data centre opportunity, welded pipes are utilized more. So, talking about FY26, we are not into welded. It was total revenue from generated from seamless only. In FY27, yes, we are targeting orders from data centre related clients. So as Samarth bhai told, around 20% to 25% growth which we are expecting, data centre will be added in the welded pipes.
- Also, the new capex which we are doing from internal accruals, we are bringing in specialized mills which can produce the dimensions, which can be used specifically for the cooling system, condensing system, and HVAC systems for the data centre. So that will also be very much beneficial in regards of the product line and the technical specifications.
- Sachin:** Okay. Can we assume that we already have an order book for data centre which you want to execute in '27?
- Samarth Patel:** So currently we don't have any order book for data centre, because we are yet waiting for the welded project to be started. But yes, we already have inquiries on hand. We have customers in talk. We are already in touch with them who are waiting for our welded mill to start.
- Sachin:** Okay. And on the export, right, I see the export growing quite well. So, do you have any single sector from the export opportunity that is leading to this growth? Any particular like O&G? Yes, go ahead.
- Samarth Patel:** No, it's not specific sector. We are doing good in all of the sectors basically. In exports, major of the products comes from oil and gas sector. That demand is around almost 50% of our supplies from oil and gas sector. Rest 50% includes engineering industries, automotive sectors, power projects, and even the cooling industries and those kinds of industries.
- Sachin:** Okay. Sir, just one request to the management, right? So, if you can conduct quarterly calls and also if you can disclose as and when you get new orders, right, to the exchange, that will be beneficial, because the con calls happen once in six months and it's kind of difficult to know where the company is standing in this dynamic world. So, request quarterly call and if you get orders, right, please inform the exchanges, so that we also get to know what's happening.
- Samarth Patel:** Okay, sir. We'll sure discuss this internally and we'll look into it. Thank you.
- Sachin:** Thank you.
- Moderator:** Thank you. Next question is from the line of Jugal Parekh, Individual Investor. Please go ahead.
- Jugal Parekh:** Am I audible? Hello, am I audible, sir?
- Moderator:** Yes, sir, you're audible.

- Jugal Parekh:** Sir, kindly explain a bit more what went wrong in the last quarter so that we could not meet our guidance.
- Samarth Patel:** Sorry, sir, can you repeat?
- Jugal Parekh:** My question is regarding the disruptions that happened in the last quarter. So, could you explain it a little bit more, whether it was one-time, will it impact us more?
- Samarth Patel:** Yes, sir. So basically, in the month of March, we saw the gas disruptions. The plant was completely on the shutdown, I mean because of the gas for almost 15 to 17 days, I think starting from 7th or 8th of March up to I think 21st or 22nd. So, the disruption was basically all because of the war situation. So, we use here PNG gas, okay? And PNG gas usually comes from Qatar for India.
- And because of that, there was a major blowback to the company. So, in the absence of gas supply disruption, revenue could have been approximately INR140 crores for the quarter. But the gas cut in late March was a single largest revenue headwind, curtailing production at a critical period. So, war-related raw material inflation added cost pressure, but the primary top-line impact was from gas availability.
- Jugal Parekh:** Okay, no problem. So how do you see the situation now? Is it normalized? Will you have some impact in the quarter one as well?
- Samarth Patel:** Availability of the gas is normalized, but the LPG, the prices are still increasing. So rising LPG prices have increased production cost and impacted operating efficiency as well. Due to lack of availability in the month of March, it impacted the production volumes by 40%. Although the availability has normalized, the LPG prices remain elevated, but the impact, it is a pass-through at a customer level with a lag.
- Jugal Parekh:** Okay. So now you see the situation as one-off or structural? Your demand of the products that we make is impacted or not?
- Samarth Patel:** No, the demand is there. Only the pricing has been impacted, but now it is being passed on to the customers as well.
- Jugal Parekh:** Okay. Secondly, why do we have to cancel the acquisition that we planned?
- Samarth Patel:** So, investment was withdrawn primarily due to operational and cross-border remittance challenges from India. Hurdles involved constraints related to regulatory compliance, banking, forex, and execution feasibility. And there's also one more reason. The import quota is expected from 1st of July in Europe. The benefit of setting up a company there was diminished because of the quota, which is being reduced by 50% in Europe and the safeguard duty is increased from 25% to 50%. So, it doesn't make any sense that we would get any benefit because of that.
- Jugal Parekh:** Okay, sir. That's understandable. Now, two small requests. One is kindly post a press note when the results are surprising because had the call been conducted yesterday, it would have been

easier for investors to tackle. But first the results came at the last moment after like two days are remaining in this month and then results window will be closed.

So, we published the results late, that is okay, but there should have been a call right after that. So, the surprise element, negative surprise could have been reduced. So it is requested that the call may be held just after the results or a press release explaining the results or surprises could be made.

Samarth Patel: Okay, sir. We'll consider it and we'll look into it. Thank you for your suggestion, sir.

Moderator: Thank you very much. Jugal, we'll request you to come back for a follow-up. Next question is from the line of Shlok from Xylem PMS. Please go ahead.

Shlok: Yes, sir. So just wanted to understand one thing. Like one of our listed peers is able to generate way better margins, about 100 to 200 basis points. Like what are the structural measures that we are taking to bridge this performance gap?

Ravi Patel: So, in FY26, EBITDA declined due to under-absorbed fixed cost from lower utilization of new capacity. So operating profitability dipped as expanded capacities were still in the commissioning and stabilization phase. So of course, the lower Q4 FY26 margins were declined. Also, we would refrain from commenting on the competition on their margins.

Shlok: Sure, sir. And sir, like we have started a new captive solar project. How much will this help in reducing the cost and improving our margins? So, what's the operating leverage to be expected in this project?

Ravi Patel: So, as I told earlier, we will get benefited. The annual savings will be around INR4.9 crores for the seamless plant as well as INR3.8 crores for the welded plant. So, the total annual saving will be of INR8 crores.

Shlok: Sure, sir. And sir, you also mentioned about the data center led orders. So how will this flow throughout welded capacity once it's live? So, what's the timeline we can expect for these orders?

Samarth Patel: So, as we mentioned, we already have the inquiries on hand. We are in touch with the customers as well as end-users. And welded project we are expecting the production to start for the welded project in H2 this financial year. So probably in the last quarter of this financial year, we can expect an order book from data centers.

Moderator: Thank you. Shlok, I'll request to comeback for a follow-up. Next question is from the line of Shubham from Chhattisgarh Investments. Please go ahead.

Shubham: Yes, hi. Am I audible?

Samarth Patel: Yes, sir.

Shubham: Sir, what was our power cost for this quarter and for FY26?

Ravi Patel: So the total power and fuel cost is approximately 17% to 18% of the total expenses.

Shubham: Of total expenses. Hello?

Ravi Patel: Yes.

Shubham: Of total expenses?

Ravi Patel: Yes, yes. For the total expenses, 17% is the cost for power and fuel.

Shubham: Okay. And what was the increase for us for current quarter in terms of power cost?

Ravi Patel: So the gas prices are increased by around 25%, but that would be eventually passed on to the customers.

Moderator: Thank you. Shubham, I'll request to come back for a follow-up. Next question is from the line of Kapil from Aarth Growth Fund. Please go ahead.

Kapil: Hello, am I audible?

Samarth Patel: Yes, sir.

Kapil: Good morning, sir. And my first question is on the production and sales volume. Can you please share the sales and production volume across seamless, welded, and mother hollow in FY26?

Samarth Patel: Sir, due to competitive reason, we do not share the volumes of any products. Sorry, sir.

Kapil: Okay. Can you please share the utilization across the segments if possible?

Samarth Patel: No, sir, we can't share that because if we do that, it's very easy to calculate the volumes, you know?

Kapil: No worries, sir. Sir, my next question is on the plant shutdown that you mentioned. For how much time the plant was not operational?

Samarth Patel: For almost two weeks, sir.

Kapil: Two weeks.

Samarth Patel: So the finishing lines and the coal productions were there, but because of the gas availability and the disruption, the plant was on the halt because each and every process needs annealing process, which includes the furnaces, which again need the gas to run.

Kapil: Got it.

Samarth Patel: There was no activity for 15 days.

Kapil: Got it. This was for mother hollow, right?

Samarth Patel: For each and every product because even for the seamless pipes, which is finished goods, we need to do the solution annealing process, which includes gas.

Kapil: Got it. And sir, the order book you have mentioned of INR175 crores, what is the execution timeline for this and what is the size of the order that we are expecting from BHEL?

Samarth Patel: So current order book, that is INR175 crores, is for 3 to 4 months from now. And for BHEL, I think we don't expect anything because yet the tender is not out. Once the tender details are out, what kind of volumes they are purchasing, maybe we can have a better idea. Because there are chances that maybe the tender will be amended because BHEL is already in too much of work pressure and lot of backlogs they are having.

Kapil: Understood, sir. Understood. And sir, my last question is on the finance cost. Even our borrowings has been decreased this year, what was the reason that led to increase in the finance cost?

Ravi Patel: So FY26 finance cost increased primarily due to borrowings from ongoing capex and investment, solar project funding, and higher working capital utilization further drove up these expenses. And also the interest on delayed income tax payments also contributed to the overall finance expense.

Moderator: Thank you. Kapil, I'll request to come back. Next question is from the line of Aryan Bhatia from InVed Research. Please go ahead.

Aryan Bhatia: Hi, thanks for the opportunity, sir. My question is on the capacity utilization effect for FY27. So just wanted to confirm the numbers. So 70% utilization will be on the 20,000 capacity and 25% utilization on the welded we are expecting is on the 13,000 capacity. Am I right?

Samarth Patel: Yes, absolutely right.

Aryan Bhatia: And second question is on the technology. So, I was reading one of the leaders was saying like that in future for seamless pipe, in the upcoming future, major of the end-users will be preferring extruded technology as compared to the piercing. So if you can help us understand like what is the difference between the seamless pipes made from the extruded one and from the piercing one?

Samarth Patel: Yes. So basically, I think you don't have the correct information because currently the market trend is even the end-users who used to buy only hot extruded pipes have opened their procurement for hot pierced pipes as well.

Because first of all, hot extruded pipes are too expensive for the market. Second, we don't have that much capacity within India which can satisfy the demand of the domestic market. Third is even the hot extruded manufacturer has to compete with a hot piercing mill where the price difference is usually very extensive.

And that is the reason even the end-users are now buying hot pierced pipes. For example, even BHEL used to buy only hot extruded pipes earlier, but now they are open for hot piercing pipe

as well. Even BARC, Bhabha Atomic Research Center, used to buy only hot extruded pipes just 2 or 3 years ago and now even they have changed their procurement policy and now they are even inviting hot pierced mills or those companies with hot piercing mill to participate in their tenders or RFQs.

So I think for the future, even more companies will allow or change their procurement policy from hot extruded pipes to hot pierced pipes. So yes, the future is okay and stable for the mills having hot piercing.

Aryan Bhatia: And sir, last question, if you can provide the EBITDA per ton in welded and seamless, like what is the EBITDA per ton we are currently getting?

Samarth Patel: No, sir, sorry, we are bound not to share that information because of competitive reasons.

Aryan Bhatia: Okay. Okay, thank you, sir.

Moderator: Thank you. Next follow-up question is from the line of Adishwar from Samarsh Capital. Please go ahead.

Adishwar: No, sir. The questions are answered. So, no further questions. Thank you.

Moderator: Thank you. Sir his questions were answered. We'll move on to the next. Next question is from the line of Akshay Darji from Self-Shine Industries. Please go ahead.

Akshay Darji: Thank you for the opportunity. My first question is what is the average realization per ton for seamless pipe?

Samarth Patel: Sir, we are not sharing that information due to competitive reasons.

Akshay Darji: Okay. And my second question is could you share the order book quantity-wise breakup between seamless and welded pipe?

Samarth Patel: Sorry, order book?

Akshay Darji: Order book quantity-wise breakup between seamless pipe and welded pipe.

Samarth Patel: No, sir, even that we cannot share because of competitive reasons. It's not possible.

Akshay Darji: Okay, that's all from my side.

Samarth Patel: Thank you.

Moderator: Thank you. Next question is from the line of Sachin from Trade Quest. Please go ahead.

Sachin: Hi, thanks again for the opportunity. So just want to clarify, since we lost few days because of certain disruptions in Q4. Qualitatively, I wanted to know in Q1, can we consider that it will be a normalized quarter with all the operational especially on the oil and gas issue solved with all the 3 months available for revenue generation?

- Samarth Patel:** Yes, sir. Everything is smooth now. Everything is normalized, just a little bit higher cost.
- Sachin:** Okay. And a quick question again on the seamless capacity that came online say few months back. So are we seeing any operational issues or technical issues there or is it like, completely integrated and ready to go for production revenue?
- Samarth Patel:** We are so completely integrated. We are not facing any kind of technical challenges right now. And yes, we are all ready to go and we are in fact already as we talk now, we are already running at our, full capacities for this quarter.
- Sachin:** Okay. So the order book that you mentioned, right, INR175 crores for three to four months, do you not have any like long-dated orders say which have quarterly supplies with visibility of multiple quarters? Because 3 to 4 months, INR175 crores seems like a very short time and with no visibility for say next few quarters. So I just wanted to understand how does the company work on the order book side.
- Samarth Patel:** So sir, as we mentioned that for the next upcoming BHEL tender we'll be participating. So such kind of tenders with higher volumes are usually extended for a very long period of quarters. But currently as we mentioned that we are working, with multiple customers, stockholders, export customers, fabricators, and even with some domestic stockholders, the order book is usually for 3 to 4 months. But once we participate in the BHEL tender and once we have some good quantities from them, then yes, we'll be able to do for a long-term run.
- Sachin:** Okay. Last question is INR175 crores is a confirmed order book. Have you submitted any tenders or bids for those tenders and they're in various stages of evaluation at the customer side?
- Samarth Patel:** Not right now. We are still waiting for the new tenders to come in, especially from BHEL and BARC.
- Sachin:** BARC. Okay. Thank you. But this kind of order book and this run rate on an average will be continued. You mean to say like you keep on getting small orders, is it? That's what you're saying.
- Samarth Patel:** It's not usually small orders. There are also big orders out of INR175 crores, but yes, this orders we receive them continuously every few months.
- Sachin:** Okay, so you're confident of this run rate of whatever you're showing right now.
- Samarth Patel:** Yes, sir.
- Sachin:** Okay, thanks. Thanks for answering all the questions. Thanks.
- Moderator:** Thank you. Next question is from the line of Shubham from Chhattisgarh Investments. Please go ahead.
- Shubham:** Sir, our debtor days, sorry, our receivables increased by 36% as whereas our revenues were only 7% up. So, what was the reason?

- Ravi Patel:** So, for debtor days, there has been major supply chain disruption, which resulted in longer payment cycles across the industry and overall logistic issues led to higher debtor days.
- Shubham:** So, supply chain issues, how could that lead to elongated debtor days? I mean your payment should be done regardless of supply chain, right?
- Samarth Patel:** No, but we are working for the project orders. Like if any fabricator is working for orders of exports, the equipment is shipped, it has to be shipped to Middle East or Europe. So that supply chain I'm talking about, the disruption. In fact, payment cycle across the industry was disrupted.
- Shubham:** Okay. And do we have milestone-based payment system for our project-based orders or how does that work?
- Samarth Patel:** Sorry, milestone-based? No, there's nothing like milestone-based. It's usually agreed terms between a fabricator and a manufacturer, which is usually it depends on mutual understanding that how the situation is.
- Shubham:** Got it. And one last question on industry as a whole. So, you said we had a plant shutdown. So, was it an industry-wide situation that happened or was it just to our geographical area?
- Samarth Patel:** It was industry-wide, but it is also very much important to understand that it was also geography-wise. So, both factors were working.
- Shubham:** Okay, got it. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as a last question. I now hand the conference over to Mr. Samarth Patel for closing comments.
- Samarth Patel:** Thank you everyone for joining today's call. Please feel free to reach out to Capital Bridge Advisors in case of any query. Have a good day.
- Moderator:** Thank you very much. On behalf of Scoda Tubes Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.