



ENGINEERING

M&B Engineering Ltd.

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17th November, 2025

To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Symbol: MBEL	To BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Script Code: 544470
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Dear Sir/Madam,

Sub.: Compliance under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– Transcript of Earnings Conference Call for the Quarter ended September, 2025

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Conference Call for the Quarter ended September, 2025, held on Tuesday, 11th November, 2025 at 4:30 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at <https://www.mbel.in/investors>

You are requested to take the same on record.

Thanking you,

Yours faithfully,
for M & B ENGINEERING LIMITED

PALAK DILIPBHAI PAREKH
COMPANY SECRETARY &
COMPLIANCE OFFICER
(M. No. F10209)



**“M&B Engineering Limited's Q2 and H1 FY'26
Earnings Conference Call”**

November 11, 2025



**MANAGEMENT: MR. MALAV PATEL - JOINT MANAGING DIRECTOR,
M&B ENGINEERING LIMITED
MR. CHIRAG PATEL - JOINT MANAGING DIRECTOR,
M&B ENGINEERING LIMITED
MR. SANJAY MAJMUDAR - NON-EXECUTIVE NON-
INDEPENDENT DIRECTOR, M&B ENGINEERING
LIMITED
MR. KEYUR SHAH - CHIEF FINANCIAL OFFICER, M&B
ENGINEERING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the M&B Engineering Limited's Q2 and H1 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

Please note that this conference may contain forward-looking statements about the Company which are based on beliefs, opinions, and expectations of the Company on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Malav Patel – Joint Managing Director from the Company. Thank you and over to you, sir.

Malav Patel: Dear shareholders, I extend a very warm welcome to you all to our Q2 and H1 FY'2026 Results Call.

I am assuming that you would have had a good chance to look at our numbers, which have been published and our Earnings Presentation which also has been uploaded on the stock exchanges as well as the website of the Company. However, after I complete my briefing, our CFO Keyur, as per our past practice, will take you through our key numbers.

From a topline growth perspective, I am happy to report that we have achieved an overall strong growth on all fronts in the current quarter more or less in line with our expectations. Thus, to elaborate, the consolidated revenues of the Company have grown by 49% in Q2 of FY2026 and 57% in H1 of FY2026 on a year-over-year basis. Both our key operating divisions, i.e. the Proflex Roofing Division revenues as well as the Phenix which is a pre-engineered building division revenues have grown quite satisfactorily during the period on a year-to-year basis. Even on a quarter-to-quarter basis, the revenues have grown quite strongly as elaborated in our detailed earnings presentation. Particularly noteworthy is the fact that in the Phenix division, our exports sales mainly to the US markets stood at a much higher number of around Rs. 54 crores against the exports of only Rs. 3 crores registered in the 1st Quarter of FY2026, which was mainly owing to the fact that in Q1 some shipments made could not be booked as income earned because of the revenue recognition principles, but which were booked in Q2.

If you recollect, we have indicated that our past trend H1 sales are generally in the range of 40%-45% of our annual sales. Our total H1 revenues in the current fiscal stood at Rs. 544 crores against H1 revenue of FY2025 of Rs. 346.79 crores, suggesting a strong overall revenue growth that we are targeting in the current fiscal. I am also happy to report that we have a very healthy outstanding order book of Rs. 930.56 crores as of September 30, 2025 comprising of the Phenix

division order book of Rs. 703.51 crores and Proflex order book of Rs. 227.05 crores. In Phenix division, the outstanding export orders. were to the tune of Rs. 122.39 crores whereas the outstanding domestic orders. were Rs. 581.13 crores. Equally heartening to note is the fact that the new order intake has remained very strong. Thus, we had an order book of Rs. 277.62 crores in Q1 of FY2026 and Rs. 394.58 crores in Q2 of FY2026 making the total order book intake of H1 FY2026 of Rs. 672.20 crores. Again, as per the announcement made earlier, this does not include the orders received subsequently after 30th September 2025, which includes a sizable export order of USD 24 million and a domestic order of INR 98 crores, which have been disclosed separately to the stock exchanges on the basis of the revised materiality guidelines for disclosure of orders. as finalized by the board.

If we talk about the margins earned by the Company in Q2 of FY2026, they have come under some pressure on account of two unfavorable reasons. Firstly, in Proflex division, since the rupee devaluation was extremely sharp and rapid, it caused a foreign exchange loss of around Rs. 2.15 crores on imports. Though we have a natural hedge owing to sizable exports that are targeted in the current fiscal, due to a time mismatch, this loss could not be mitigated in the current quarter. Another reason for margin pressure is on the Phenix division export front. As we are all aware, sectoral tariffs were imposed by the US government on imports into the US of all steel and aluminium items in two stages. Initially, a 25% tariff was imposed somewhere in February of 2025 and it was subsequently enhanced to 50% in May of 2025. Majority of the orders. taken by us either prior to imposition of the stage 1 tariff in February or stage 2 tariff in May were dispatched during the current quarter. We had to hence renegotiate with the customers. and while some of the increase was absorbed by the customers, a part of it amounting to Rs. 2.85 crores was required to be absorbed by us, which was not planned earlier and this also impacted the margins in the current fiscal.

Another aspect worth noting is the fact that if you compare this quarter's margin with the margin of the corresponding quarter in the previous fiscal FY2025, it is to be noted that the corresponding Q2 of FY2025 includes a one-time income of Rs. 14.66 crores, which was booked as a loss of profit compensation, which was agreed to be paid by one of our larger customers. against cancellation of a big order by the said customer in fiscal 2023-24. Therefore, for an appropriate like-to-like comparison in our earnings presentation, we have adjusted the Q2 FY2025 margin and the same should be read accordingly. As you would have observed, we already have a strong outstanding export order book of about Rs. 122 crores as of 1st October 2025, which is further strengthened by the additional large export order of USD 24 million received subsequently.

I wish to clarify that in all these orders, we have already factored in the impact of the additional tariff while negotiating the prices and there is only a relatively smaller portion of additional tariff liability to the extent of about Rs. 50 lakhs, which may have to be absorbed in H2. Further, while because of the impact of higher tariff, the export margins would have come down a little bit, we expect the EBITDA to still remain in higher teens from this business vertical and would

obviously be much higher than the EBITDA that we are earning in India. However, it is also to be mentioned that since as per in-air revenue recognition norms, the export revenues can be recognized only once the material reaches the US customs premises on delivered basis, effectively considering a 45-day delivery period, the shipment made from India till mid-February can be booked as sales in the current fiscal. Even then, our target is to achieve export sales of about Rs. 160 crores in this current fiscal through physical shipments of a higher value would have been made out of India in the current fiscal. As it will be evident, domestic demand under current for both our divisions is very strong. If we talk about the Proflex division, we are fully booked in terms of our available capacity, thus we have a healthy order book of two key verticals with railways and warehousing. The combined order book between these two divisions being more than 50% of our total outstanding order book of Rs. 227 crores and the demand from industrial segment is also healthy. Similarly, in Phenix division, in the domestic side, the demand from infra as well as industrial segment is quite healthy with lots of orders continuously coming for greenfield projects in this segment.

In order to meet with these increased demands for roofing, we have ordered three more mobile units, one from the UAE and two from the US. The UAE unit is already received and is under erection and will mainly come under operational by December of 2025, whereas the two other mobile units to be imported from the US will become operational in Q1 of FY2027. We remain very bullish about the massive growth numbers. even in the roofing segments from the railways as well as the agri-warehousing space.

On the PEB front, we remain extremely excited and bullish about the growth prospects in India as well as in the North American market. Thus, with the Cheyyar plant, which will operate fully in the current fiscal, we have strengthened our marketing focus in the southern markets. The Sanand plant, which is the only AISC, which stands for American Institute of Steel Construction, it is the only AISC certified plant in India today and also the only plant certified recently by the CWB, which is Canadian Welding Bureau, which will operate at near optimum capacity utilization in the current fiscal.

Again, we have already commenced the brownfield expansion project implementation at Sanand, involving additional capacity of 20,000 metric tons per annum, which will become operational in Q1 of FY2027. We will commence the implementation of the Cheyyar plant brownfield expansion in the next fiscal with similar additional capacity of 20,000 metric tons per annum, which will become operational in FY2028. As indicated in Q1, we are very much confident of achieving the overall topline of 25% growth in the current fiscal, which will translate into a total topline in the range of Rs. 1,225 and Rs. 1,250 crores with export sales targeted in the range of Rs. 160 crores as indicated earlier.

We believe that we should be able to maintain a combined higher EBITDA level in the range of around 13% on a full year basis for our current fiscal. I once again wish to convey to all our investors for your continued trust and confidence in us. Over to you, Keyur. Thank you.

Keyur Shah:

Thank you, Malav bhai. Highlights of the key performance indicators are as under.

The consolidated revenue of the Company stood at Rs. 306.85 crores in Q2 FY2026 and Rs. 544.5 crores in H1 FY2026 showing a growth of 49% in Q2 FY2026 and 57% in H1 FY2026 on a year-on-year basis. The Proflex division revenues have grown by 57% in Q2 FY2026 and 45% in H1 FY2026 on a year-on-year basis, whereas the Phenix division revenues have grown by 47% in Q2 FY2026 and 61% in H1 FY2026 on a year-on-year basis. In terms of quantity, Proflex division sales stood at 366.675 lakhs square meters. in Q2 FY 2026 as against 224.206 lakhs square meters. in Q2 FY2025 and YTD sales quantity of Proflex division was 687.728 lakhs square meters. in H1 FY2026. Phenix division sales quantity in Q2 FY2026 was 15,809 metric tons as against 12,870 metric tons in Q2 FY2025 and YTD sales quantity of Phenix division was 30,631 metric ton in H1 FY2026 as against 19,449 metric ton in H1 FY2025.

Export sales in Q2 FY2026 stood at 53.79 crores mainly to the US as against the export sales of Rs. 2.99 crores in Q1 FY 2026 making a total export sales at Rs. 56.78 crores in H1 FY2026. EBITDA stood at Rs. 36.82 crores in Q2 FY2026 as against adjusted EBITDA of Rs. 26.22 crores in Q2 FY2025. The normalization adjustment in Q2 FY2025 EBITDA being made for an amount of Rs. 14.66 crores relating to a one-time compensation amount received as a loss of profit for a cancelled contract so as to make the same comparable on a quarter-on-quarter basis.

Reported consolidated EBITDA margin in Q2 FY2026 is 12% and 12.95% respectively. Other income of Rs. 2.32 crores in Q2 FY2026 includes other operating income of Rs. 1.40 crores and other non-operating income of Rs. 0.92 crores whereas the same stood at Rs. 6.53 crores in H1 FY2026 which includes other operating income of Rs. 5.06 crores and other non-operating income of Rs. 1.47 crores. Interest income on bank FDs treated as operating income since these mainly relate to FDs kept as margin deposit with banks for bank guarantee and LC margin.

Other expense in Q2 FY2026 of Rs. 43.24 crores includes export tariff of Rs. 12.95 crores, export freight which includes sea freight, local transportation in USA and transportation from India to US is Rs. 7.10 crores and net foreign exchange loss of Rs. 2.15 crores. The net working capital stood at 79 days as of 30th September 2025 as against 32 days as of 31st March 2025. The increase being mainly attributable to substantial reduction in the level of trade creditors including batch credit to 70 days as of 30th March 2025 as against 126 days as of 31st March 2025.

I now request the moderator to start the question-and-answer session. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Raman from Sequent Investments. Please go ahead.

Raman:

Hello, sir. Thank you for the opportunity and congratulations on good set of numbers. Sir, I have few questions. One is with respect to the guidance, you have guided for Rs. 1,250 crores of revenue and in the first half we have did around Rs. 560 crores of revenue. Do you expect this

Rs. 700 crores worth of revenue to be executed in H2 and how are you planning to do that? What are the triggers? And we have a consolidated order book of Rs. 930 crores. What will be the execution timeline for this?

Malav Patel:

Right. See, Raman, this is Malav. See, basically in our industry, because of the site conditions pertaining to the weather, 40% to 45% of the execution planned for the entire fiscal happens in H1 and the remaining, the majority part of around 60% happens in H2. This is mainly related to the weather conditions and how it affects the project sites, right? Because our execution is mainly related to the site conditions, which is much more favourable in the H2 part of the year, right? So, Rs. 550 crores translates approximately 42% to 44% of the annual target that we have made, right? The remaining 55% to 60% will come in the H2 and that is a historical trend, right? And since, as I said, it is a project cycle, most of our work happens in H2, right? So, that is the answer to your question number one. Second, the trigger, what will help us achieve this 60% of execution of the total annual sales is the current order book, right? We have a very robust order book, which we have just explained to you in my speech as well as Keyur's speech. This order book will come into, it has already come into play, it is already in our system, which will help us achieve whatever efficiencies, productivity that is going to be required to cross the Rs. 1,250 mark, right? So, that is how we are planning to execute and this current order book of around Rs. 930 plus whatever we have booked till October end, it should take us, see our generally, our pre-engineered building turnaround time is anywhere between 6 and 8 months and Proflex is around 3 and 5 months. So, based on our projection, it would take us anywhere between 8 to 9 months to complete the total order book that we currently have on hand.

Sanjay Majmudar:

Just to add, we have adequate capacity for PEB and we will be operating the Sanand unit at a near 75%-80% utilization. Cheyyar plant, the new one will start operating at around 45%-50% from this year. So, from that angle also, we are very comfortable and then the Proflex, the new third unit, which we have just, I mean the first new plant we have imported recently, the additional one is also becoming operational from December. So, adequate capacity is available.

Malav Patel:

Right and see, basically, we have more than Rs. 225 crores of order on hand for Proflex, which technically speaking, it is work worth for 10 months to 11 months. But in the first quarter of next fiscal, the equipment that is arriving from the US, that will come into play. So, that will help us shortening our turnaround time and delivering the projects all on time. We are confident about that.

Raman:

So, this follow-up, you said the Proflex mobile unit will be operational by December 2025. Can you give what is the capacity of this mobile unit and what will be the capacity of the other two mobile units which you have commissioned from the USA?

Malav Patel:

Yes. So, basically, all this equipment, we buy the same specifications, having the same specifications. So, these mobile units have a capacity of 1 lakh square meters. per annum per

unit. Effective utilization. So, the one that will be added in the end of December, it's again on an annual basis, it's going to add a lakh square meters. Same thing about the US equipment.

Raman: So, basically, you will be adding 3 lakh square meters worth of capacity.

Malav Patel: Correct.

Raman: And sir, my second and last question is, I just want to understand what's your order book to revenue conversion ratio? Like, at the start of the year, what's the order book to revenue ratio from the start of the year order book?

Malav Patel: Order book to revenue ratio, meaning it is 800.

Keyur Shah: To answer your question, I will give you two numbers. or say guidelines. Say my order book as on any date and execution later on. So, next year, next time period, order book will surpass that execution. This is the trend we are having since last 4 to 5 quarters.

Malav Patel: Raman, just a minute. Can you put the question in a different way because order book to revenue ratio, I am not understanding it clearly.

Raman: So, I just want to understand, at the beginning of the year, you have, let's say, Rs. 100 crores of order book. And for the full year, you are able to do Rs. 150 crores of revenue. So, your order book to revenue ratio is around 1.5. If I am making sense. So, I just wanted to know, is there any metrics like that which you track in terms of growth? Because I just want to understand that we have been expanding capacity and new capacity will be coming in. New greenfield capacity will be coming in next year, FY'27. So, how much growth can we expect in FY'27? Because with the existing capacity, we can do.

Sanjay Majmudar: I understood your question. So, let us evaluate the current year. As of 1/4/25, my order book was Rs. 803 crores, correct?

Raman: Yes.

Sanjay Majmudar: I did a turnover of Rs. 237 crores in Q1. My order book as of 30th June was Rs. 842 crores. We did a turnover of 306 in Q2. Now, there is influx of orders. where the new order intake is more than my execution. So, my order book has gone up to Rs. 930 crores. However, the good part is that we are having adequate capacity in Cheyyar, which was underutilized and whose utilization is going up. So, I believe that between the two quarters, easily the balance sales should happen and order book conversion will be comfortable in the range of 120% to 130% that we are achieving. Am I clear?

Raman: Yes. Just a follow up. If you can throw some growth with respect to FY'27 given that our new greenfield CAPEX will also start, if you can grow or something about FY'27 growth?

- Sanjay Majmudar:** I think considering the additional capacity and also considering the fact that our export should grow, I think around 20% to 25% is the growth we are targeting. But let us close the third quarter and we will give you a more clearer guidance. But the target is in the range of at least 20% to 25% in FY'27 as well.
- Raman:** Okay. Thank you.
- Sanjay Majmudar:** But do not treat this as guidance, okay?
- Raman:** Yes, sir.
- Moderator:** Thank you. The next question comes from the line of Harshit Patel from Equirus Securities. Please go ahead.
- Harshit Patel:** Thank you very much for the opportunity, sir. Sir, we have seen a very sharp uptick in the Phenix realizations, both on year-on-year basis as well as on sequential basis. Is this completely on account of higher contributions from exports or any other factors, if you can say that?
- Sanjay Majmudar:** Largely exports. Yes, you are right.
- Malav Patel:** Most part of it is exports because month-on-month, quarter-on-quarter, our export numbers are increasing. Our order intake, our revenues, contribution coming from exports. So, that is why you are seeing that uptick on a frequent basis.
- Harshit Patel:** Right. So, nothing fundamentally has changed with respect to the domestic market?
- Sanjay Majmudar:** No change with respect to domestic market. Yes, right.
- Malav Patel:** Here the trends have been more or less the same.
- Harshit Patel:** Understood, sir. Sir, secondly, on the Cheyyar plant, wanted to check what are the utilization levels at the moment and have we reached a stage where the overheads can be absorbed effectively? Also, given that you will be running the Sanand plant at 75%-80% utilization in the second half and given that the utilization would also be ramping up at the Cheyyar plant, what are our plans post this 20,000 MT expansion at both the sides?
- Malav Patel:** Right. See, basically, I will take it in piecemeal. The Cheyyar plant is currently operating at anywhere between 40% and 45%. We began that operation last year. I don't know if you are aware of that or not. So, we are slowly and steadily ramping up our monthly output and we will be reaching around, let's say, 55%-60% utilization of the Cheyyar plant in this fiscal, right, in H2. Our Sanand plant, our 100% capacity, for example, would be 72,000 tons currently at my Sanand facility, right. But because of the nature of the product and the product mix, the highest efficiency I can use or achieve is anywhere between 75% and 78%, which I am going to reach

in this fiscal for Sanand plant. Hence, my silent brownfield expansion, we have already taken up. So, next year's target, what we have chopped out for the Sanand plant is when this new capacity comes into effect in the 1st Quarter of 2027, it will be available for execution. That's how I can execute more business, achieve a higher volume from my Sanand plant, which would have already achieved the highest capacity utilization in the current fiscal.

Sanjay Majmudar: And share is above breakeven, actually, because major fixed overheads are absorbed in Ahmedabad. And there is hardly any major additional sales, marketing or any other staff that we have kept at Cheyyar. Therefore, Cheyyar is even at 40%-45% above breakeven.

Malav Patel: See, basically, our major fixed costs are shared over both the plants, right. The only addition that happened was at plant level personnel. So, absorbing that at the current utilization level of 40%-45%, it is not creating any problem in our expense records or the bottomline.

Harshit Patel: Understood, sir. Thank you very much for taking my questions. I will come back in the queue.

Moderator: Thank you. The next question comes from the line of Nikhil Purohit from Fident Asset Management. Please go ahead.

Nikhil Purohit: Thanks for the opportunity and congrats on a great set of numbers. So, firstly, a question on the one-off income. So, could you give some more details, particularly when was this order received, cancelled? And how was this exactly recognized in the books? I mean, our gross margins were optically very high. So, could you elaborate on that?

Sanjay Majmudar: See, I am not sure whether you recollect as a part of a roadshow, during a roadshow presentation for the IPO, we said that in '23-'24, we had a very large order from a Japanese PMC for a battery project. And that was almost about 150-170 crore of dispatches. We started production, we were to make major supplies in Q4 of FY'24 and Q1 of FY'25. This project involved some Chinese engineers also to be here, but for some reason it could not happen. They called it off, that project therefore did not see the ground. So, what they did, we had already started production. So, they paid us for all the raw materials that we had purchased, whatever direct overhead we had expand and there was loss of profit negotiation. Now, in Q2, they agreed to this loss of profit compensation of about 14.66 crores which was provided for, actually paid and received in Q3. However, therefore, see what happens when there is a loss of profit without any turnover, it vitiates the comparability of quarter-over-quarter margins. Therefore, though technically, this is very much a part of my own core business, but the nature is sort of a one-time compensation that we received against this contract. And therefore, we have made that adjustment only in Q2 FY'25 margin to compare otherwise the margin will appear at about 19%, which is rather abnormal. In actual, whatever is reported is including that figure, if you have seen. You get my point?

Nikhil Purohit: Understood. And that is the reason why it is not treated as an exceptional item.

- Sanjay Majmudar:** Exactly. It is not exceptional, but it is one time. So, for a better quarter-on-quarter.
- Nikhil Purohit:** So, similarly, the export tariff Rs. 2.85 crores, I mean, shouldn't that year actually be treated as an exceptional item? Because that was...
- Sanjay Majmudar:** No, I will tell you why, because see, I will tell you our terms are that we have to, we charge to our subsidiary and subsidiary in USA bills to the customer on a delivered basis. Correct? Now, for some of the orders, which we had earlier negotiated at older prices, thereafter the tariff imposed in February and May of 25%-50%, when before making dispatches, we started inquiring with the customers and some of them were reluctant. So, we decided to absorb it, which was not factored in when we had done the initial maths of our estimate. Therefore, it's an additional tariff. Tariff, I have to anyway provide for, there is a transportation cost, there is a bought out cost in USA. So, on my Inc., subsidiary Inc., my subsidiary company, when I build from India to subsidiary, for them the tariff is an expense. Correct? So, for though they recover from the customer, so they first pay clear and then deliver it to the customer and customer pays. However, what was not absorbed by the customer is additional tariff, which we had to absorb, which was not anticipated earlier. Hence, it is not technically exceptional, but it is very much part of my consolidated costs, which I am incurring for doing business in US.
- Nikhil Purohit:** Okay, understood. And secondly, domestic Phenix volumes, I think the growth came in just at 11% year-on-year, if I am not wrong. In fact, it has declined quarter-on-quarter, after a very, very strong Quarter 1, of course. Any reasons for this?
- Chirag Patel:** See, if you see this year, monsoon was extra heavy everywhere across India. So, unfortunately, our sites were not ready to take the material. And that is the reason our Quarter 2, which generally falls in full monsoon time will result in lower sales or lower tonnage dispatches, though I would have finished goods partly available with us in the form of finished goods.
- Nikhil Purohit:** Okay, but our peers. would also be impacted by this if you look at it in the monsoon. I mean, where the volume growth was not as impacted, I would say. So, like, was there any particular reason that our sites were different or something like that?
- Sanjay Majmudar:** So, you are right. So, one aspect was also the fact that we gave a little higher priority in Sanand to exports. The reason is that we were having that overhang of export orders, and we had to export quite a bit. So, if you see the export growth is very significant in Q2 and if you look at the overall volume, it is a positive growth in Q2 over Q1.
- Nikhil Purohit:** Okay, understood. And realizations are also much higher than peers. I mean, is it because of higher pricing or any reason for this domestic realizations? 142, I think?
- Chirag Patel:** See, generally, we take major complex jobs in India, our mix will be complex job where complex jobs are a lot of bought out also, as well as because of complexity, our pricing is higher than a

normal, simple box building. So, that is the reason you are seeing this a sale price of a higher value than a peer.

Nikhil Purohit: Okay. In house erection, the installation erection thing that we have, that does not impact this at all?

Sanjay Majmudar: 100%. We do 100% installation, yes.

Nikhil Purohit: Okay, so that does not impact the realizations as such, right? That is completely different?

Sanjay Majmudar: No, when I talk of my consolidated revenue, my realization includes the additional amount that I am realizing on the erection job. Service is part of the income. So, one is the product supply and then the services.

Nikhil Purohit: Got it. Okay. And this last question from my end. Our net working capital days has increased, like particularly payables have massively decreased. Has there been a change in any terms here and for the full year, where do we see this being at? Payables, particularly?

Sanjay Majmudar: So, generally, we have two elements. One is the buyer's credit, which generally in the range of, as we have explained in the past, the buyer's credit is an arrangement that we have made, where just on an SBLC, the extended credit is available from foreign branches of Indian banks or gift city branches at around 6%-6.5% cost. So, that is one element. This particular quarter, buyer's credit was it just cyclically got a little on the lower side and we had made extensive, because of the cash flows and comfortable, just to avail a little more discounts, we had made some decent, extraordinary payments to creditors also. I think on a sustainable, normal basis, in my view, the working capital cycle, once my turnover goes up, again see what happens. In the next two quarters, you will see my turnover going up. I would say a sustainable net margin, including buyer's credit, net working capital could be in the range of 55 to 60 days. This is a little on the higher side.

Nikhil Purohit: Understood. Okay, sir. Those were my questions. Thanks for answering them in such detail. Thank you.

Sanjay Majmudar: Thanks, Nikhil.

Moderator: Thank you. The next question comes from the line of Raj Sarraf from Finvestors. Please go ahead.

Raj Sarraf: Sir, congratulations on good numbers. My question is, in the first half this year, we achieved 56% growth and while we target 25% growth in FY'26, does that mean that there is hardly any growth in the second half over last year H2? That was Rs. 644 crore revenue and we are targeting close to Rs. 675 crores to Rs. 700 crores next half year. This is the first question.

- Sanjay Majmudar:** That's right. So, Raj, see, as we have said, growth is a function of two things. So, last year, we did about Rs. 988 crores. So, this year, on a Rs. 1225 crores-Rs. 1250 crores, it translate to 25% growth. But if you look at last year also, last year, the second half was more pronounced and aggressive as compared to first half. So, you have to take into consideration the fact that last year, second half was near optimum. Cheyyar plant started operating from November. So, I had that benefit of extra capacity also available. This is a very realistic growth target we have put on an overall annual basis. I think this is achievable and we want to remain realistic and we don't want to unnecessarily go overboard in committing more.
- Raj Sarraf:** Can you please read out the domestic and export margin and one other thing I noticed in the result that though you explained the exchange losses and some other adjustments, so what I noticed is the expenses goes Rs. 20 crore more if I compare this to the last quarter and even the last year same quarter.
- Sanjay Majmudar:** So, bulk of these other expenses are linked to increased exports. So, if you see my CFO has given the basis of those other expenses and he will just read out once again, the breakup of that other expenses.
- Keyur Shah:** So, the other expenses in Q2 of FY'26 of 43.24 crores includes export tariff of 12.95 crores.
- Sanjay Majmudar:** Consolidated.
- Keyur Shah:** And export freight and sea freight means which is sea freight and the local transportation in India is 7.10 crores and net foreign exchange loss is 2.14 crores.
- Sanjay Majmudar:** So, almost 20 crores is the export related expenses which were not there in Q1 and last year as well.
- Raj Sarraf:** How this will be going forward in H2 sir, expenses?
- Sanjay Majmudar:** What we have always guided of course we will not frankly as a matter of strategy give separate margins for domestic and export business but export margins are obviously higher which is pushing my overall margin guidance to about 13% and I think we should be able to demonstrate that.
- Chirag Patel:** And as you asked as our export increases because our export business is on delivered basis on site at US. So, it will have all the freight, the tariff as well as the local freight from US port to the US side. So, as my export increases my other expenses will increase to commensurate the increase in the exports, maintaining that higher margin EBITDA.
- Raj Sarraf:** Okay. So, I take it 13% EBITDA margin and while our export contribution is going forward then the other expenses will also rise further.

- Sanjay Majmudar:** Yes, exactly. That's right.
- Raj Sarraf:** Thank you very much and I wish you best for the future.
- Sanjay Majmudar:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Nitin Jain from Fairvalue Equity Advisory. Please go ahead.
- Nitin Jain:** Thank you for the opportunity. So, I have just one question. Do we have any more outstanding orders booked prior to imposition of the tariffs that might impact margins going forward?
- Sanjay Majmudar:** So, Nitin, we did mention, I think Malav bhai mentioned in his speech that those old orders with a probable impact of, abnormal impact of about 50 lakhs is outstanding. Rest all is factored. We have given the indication of 13% after counting all that.
- Chirag Patel:** So, pending order around 50 lakhs can be the impact. We are still trying with our customers to absorb part of it but at max it will be about 50 lakhs.
- Nitin Jain:** Right. Thank you. That's all from me.
- Sanjay Majmudar:** Thank you, Nitin.
- Moderator:** Thank you. The next question comes from the line of Pritesh Chheda from Lucky Investments. Please go ahead.
- Pritesh Chheda:** Sir, I am unable to reconcile the margin that you have reported in Quarter 2, even after adjusting for the Rs. 5 crore one-off that you have mentioned. And this is only, let's say, with respect to Quarter 2 and your estimates or the expectation now for FY'26. Because now what has happened is you guys have highlighted a Rs. 14 crores certain accounting income for Quarter 2 last year. So, automatically the FY'25 reported margin, instead of 13% becomes 11.5% as a normalized margin. Because now a Rs. 14 crore number on Rs. 950 crore or whatever topline is about 1.5%. And until quarter one call, we were saying that exports is a higher margin versus domestic PEB. Proflex is a higher margin versus prefabs. Both of it has ticked down in Quarter 2. And now we are saying that the margin will move towards 13%. So, automatically what was in quarter one as EBITDA margin to rise higher versus FY25 margin of 13%. Now, on a like-to-like basis, it is EBITDA margin flat over 13% because suddenly the Rs. 14 crore is a one-off. So, now, is it that the margin will expand for FY'26 over FY'25 reported number or not? So, that's my confusion. And ideally, if you look at even this quarter number, with the export now going to 20% of sales, where you have at least a 15% EBITDA on GP, margin should have looked higher. So, if you could just solve this considering not looking at YOY and just trying to help us what should be the direction. I hope my question was clear and my data points were clear.

- Sanjay Majmudar:** Yes, it's clear. So, Pritesh, there are two factors. which I would want to highlight. One, in the current setup of orders for exports that we have been booking, while negotiating the pricing, there is a pressure where because of the increased tariff, I have to do a trade-off. So, as against the scenario when I was on the road and we were trying to understand the situation prior to this tariff drama, the arbitrage today in US between what we do and what we supply and what the local people are supplying, which was more than \$1,200 in a normal situation has come down to \$400-\$500, which means that earlier my EBITDAs were in for US were higher than even 20 and even higher. Now, I am talking of higher-teens means in the range of 15%-16% to even little higher after absorbing all this situation. That is point number one. Point number two, in Proflex, what has happened? Most of my raw materials are imported because of the current 88 odd rupees at which I am currently booking my imports. The selling prices which should have increased automatically are not increasing, which means that my margins on Proflex are also slightly impacted even in a normal situation and PEB being competitive, local domestic business is as competitive. So, we have assumed a scenario that there is no further improvement and we have to maintain and do the business exactly in the same way we have been currently doing. This 13% as a blended margin has been guided. It can improve if any of these factors. improve, but at this point in time, this is a conservative way we look at it.
- Pritesh Chheda:** So, now you are saying that the margin number is 13 versus whatever adjustment that I was referring to is to do with incremental inflow coming at us.
- Sanjay Majmudar:** 13 is after first six months, 12, that means my next six months margin will be higher.
- Pritesh Chheda:** Yes. So, now our discussion with you is annually. So, now I am not discussing what this quarter because there is an adjustment of 1.5% in a full year number last year. So, I am trying to do full year to full year effect. Now, let's go back to Quarter 1. Quarter 1 is about a month and a half back and Quarter 1 and the way your backlogs are structured, you would have visibility for straight nine months because this year's revenue is a function of the backlog that you are carrying. All these things are nine-month executions. So, then what you're referring to as a comment to my question was incremental. That should go and affect your 27 month, not 26. So, here I am a little bit confused.
- Sanjay Majmudar:** Let's do an offline call tomorrow day after for about 10-15 minutes and then we can do a proper justice. But what we have done is after factoring what actually we have done, what is the current order book and how things are panning out, this 13% blended EBITDA on a full year basis is what we have thought it as a reasonable figure to be given.
- Pritesh Chheda:** I just confirmed this is ex-other income.
- Sanjay Majmudar:** Yes, of course. But including my operating income. RoDTEP and other export benefits etc.

- Moderator:** Thank you. The next question comes from the line of Utkarsh Chanana from SMC Private Wealth. Please go ahead.
- Utkarsh Chanana:** Hello. Congratulations on a good set of number. I just wanted to clarify, I was going through the DRHP and they were related party transactions related to Phenix building solutions for FY'22, FY'23 as well as FY'24. So I just wanted to understand the rationale which you had and the reason for which you acquired Phenix building solutions in March?
- Sanjay Majmudar:** No, so it's very simple. Earlier, we used to separate out the jobs that we received on the supply side and direction side. What we were doing earlier that all the jobs PBSPL was taking as separately and it was within the group. But what we did in order to remove the conflict, we made that company our wholly owned subsidiary. So now, as a subsidiary, 100% subsidiary, though the currently the supply jobs are in the name of M&B and erection is in the name of PBSPL, we consolidate and show it as one consolidated performance. So there is no other related party. It was just earlier the tax structure was also a little complicated. Now things are very easy with the GST, unified GST regime.
- Utkarsh Chanana:** All right, sir. And one more thing, can you shed some light on Phenix Energy Service Private Limited, which was a subsidiary and acquired by the promoters?
- Keyur Shah:** Sir, Phenix Engineering Services Private Limited was incorporated just to have the erection order. But finally, the group considered that thing with a new company instead of going with a new company, going with the old company with a track record with all our existing customers is good. So Phenix Building Solutions was already having a track record with all the customers. So we stick to Phenix Building Solutions. So having no utility for Phenix Engineering Services, we get sold off that company.
- Sanjay Majmudar:** It's a non-operative.
- Utkarsh Chanana:** All right, sir. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Vedant from Mask Investment. Please go ahead.
- Vedant:** Sir, I wanted to know in last quarter, we had some Rs. 20 crore export, which we had exported and not built, which we booked this quarter. What would be that number for Q2 that we have dispatched but not yet booked?
- Keyur Shah:** So currently, the number is 22 crores, roughly 22 crores, which is unbuilt. So delivered, but yet to be built.
- Vedant:** Okay, that we will book in Q3, right?

- Sanjay Majmudar:** Yes, but then, it is a normalizing thing. It will go on. It's a cycle.
- Vedant:** Okay, so we can expect it to increase in Q3 and Q4, like deferment, right?
- Keyur Shah:** I think so. You're right.
- Vedant:** Okay, thank you, sir. That is it.
- Moderator:** Thank you. The next question comes from the line of Devang Patel from Sameeksha Capital. Please go ahead.
- Devang Patel:** Hi, sir. Could you guide us on what will be the CAPEX on each of the 20,000 ton capacity expansion plans? And on the total amount, what will we be spending in FY'26 and how much in FY'27?
- Keyur Shah:** The CAPEX for this current year will be around, say, 60 crores, to the tune of 60 crores. And next year, it will be under the IPO. So the balance of the IPO projections will be done in the second year, which will be, again, 60 crores to 70 crores.
- Devang Patel:** Okay, sir. And secondly, when I look at the Phenix order book breakup, 51% comes from Infra. When I look at the order book breakup for our peers, they have a much higher percentage, maybe 60%-70% plus, coming from industrial. So is the nature of our PEB order book and the work includes more supply and different kind of order book breakup than peers?
- Malav Patel:** I don't know. Maybe our guess is that there could be a different nomenclature that each company uses, right? What we call as industrial, maybe we are categorizing that into Infra. But the nature of projects and the expansions and the CAPEX, which is happening in India, whichever industry they are working in, we would be working in the same industry. So probably it is a matter of different nomenclature.
- Sanjay Majmudar:** So just to elaborate, if it's a warehousing job, we automatically categorize as an Infra. But if it is a warehousing related to an industry, it is actually industrial. We don't see any such, I would say we are a bit agnostic to this and there is enough flow from pure industrial side as well.
- Devang Patel:** And when we say Infra, does it include any of the government infrastructure jobs?
- Chirag Patel:** No, at all. Bridge girders we are doing. So we have a few orders for bridge girders for flyover in Mumbai. But it is through an EPC contractor. We are not directly supplying to the, billing to the government. So that is, however, heavy structural division is there where we take heavy bridge girder work.
- Devang Patel:** That would be what portion of our order book?

- Chirag Patel:** That would be around 5% to 7%.
- Devang Patel:** That is all from my side. Thank you.
- Moderator:** Thank you. The next question comes from the line of Smith Doshi from Okane Capital. Please go ahead.
- Smith Doshi:** Yes. So in tariff absorption side, Rs. 2.85 crore is what absorbed in Quarter 2. So actually in August 25, 2025 concall, we have clearly said in opening remarks that our U.S. exports are subject to sectoral tariff, which is borne by the U.S. customers. So we have only one month left for closing of Quarter 2. So if we are knowing that we have to absorb, then we should be very much clear about the communication side. So I think we can improve that reporting and governance side of that side. That is what I feel so. Second thing is on the Forex loss side, in slide number #8, your exchange fluctuation gain is Rs. 77 lakhs rupees and exchange fluctuation loss is Rs. 2.15 Cr. So net exchange fluctuation is Rs. 1.37 CR, not 2.15 CR. That is what two questions I have.
- Chirag Patel:** See for the export orders, as I earlier said, see it is always our endeavor to ask our customer because there were two tariffs that happened. One was in February and one was in May. So we had always requested our customers to consider our request to absorb. And we introducing new customers and new general contractors, we thought it would be prudent to help them also. So if you see overall in my Rs. 53 crore, there was a hit of only 2.85 crores, right? Vis-à-vis the duty structure would be around 50% effective will be around because we split between the US and India. So effectively much lesser, but then also compared to what it would have come to the full 53%, most of our customers have taken a hit as well. And as you rightly said that in Q1, we were still trying with our customers to it was under negotiation to absorb as much as possible. Therefore, our indication, we were unable to give at that time. Post that, all the new orders. that have been received after May, which is the imposition of tariff, already it has been fully factored in. So new orders, the recent \$24 million order also will not have any impact on the duty.
- Malav Patel:** See, it was a logical choice at that point in time. While our call in August of 2025, we were also at the same time negotiating with our customers and see, we are relatively a new entrant in the US market. It made more logic and sense for us to contain the customer rather than going for a one-time gain and having the customer absorb all the tariff, the blow that was arising out of the tariff, right? So we chose to keep the long-term customer and maybe absorb the short-term loss that is incurring, right? So it was a logical choice with the board made and the idea was to retain and which we achieved of keeping our customers on our side. So that was the whole deal.
- Smith Doshi:** And on the Forex loss side?
- Keyur Shah:** Yes, to answer your question, sir, if you see my past history and everywhere, it is always a gain. We always show gain as well as the loss. Now what we have reported as a separate item which

has impacted our EBITDA is the loss which is of the Proflex division. So that pertains to Proflex division, whereas gain is in Phenix division. So we have mentioned both. You are right that net is lower than what we have mentioned, but the loss, we want to highlight the loss what we have incurred in the Proflex division.

Malav Patel: Just for the purpose of bifurcation between loss and profit.

Sanjay Majmudar: I think what Keyur is saying is that we are reporting this on a net basis, but the fact of the matter is that if this loss had not been incurred, then the gain would have been reported as a gain and there was no loss. So the netting off does not reduce that loss. It is just a presentation.

Smith Doshi: Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Vandit Shah from Abakkus Asset Management. Please go ahead.

Vandit Shah: Hi, sir. Thanks for the opportunity and congratulations on a great set of numbers. So my first question relates to this export order of \$22 million which we have received. So can you throw some light from when will we see it coming in our books? Like from when do we see supply starting for this order? And as you highlighted before, now the margins in the export order has decreased a bit, so can we assume that it's on the same high teens margin we have received this order?

Malav Patel: See, I will answer both your questions. First is, as we speak, this project is under the engineering phase. So according to our plan and target, we should be able to start dispatching this project sometime in the last week of December or first week of January. Right. So let's say if you are considering the export benefit we get in this fiscal, whatever I dispatch from here by 10th of February, I will be able to build. So whatever I can do by between end of December and 10th February, which will be the part of the big project that we can dispatch and take gain of the same in this fiscal. Second, because of the 50% tariff, I have to be competitive. I have to be competitive in the US market, especially when I am a new entrant, when I am trying to establish and increase my customer base. So we have to take a little bit of a pressure on the margin, but it is definitely going to be much better than what we are doing in the Indian market.

Sanjay Majmudar: Yes, we should be in the higher teens. You're right.

Vandit Shah: Got it, sir. So my second question is in the roofing segment. So we have seen a great volume growth in the roofing segment. Can you throw some light on what has changed over there?

Sanjay Majmudar: Change per se? So you mean, qualitatively, in terms of how the demand is going up?

Vandit Shah: Correct, or we were expecting 10% to 15% growth in the roofing segment. The growth has been around, volume growth has been 64%.

- Chirag Patel:** See, there is a very high tailwind for this product, as we had earlier said, that we have been pushing for grain warehousing and railway opportunity, as well as the SME, and everywhere it is panning out. The accessibility of our product has improved quite a bit. And therefore, because of the high demand, if you see my current order book is about Rs. 227 crores, right? And this I have to execute probably in the next 6 to 7 months. Therefore, we have preponed the need to add equipment. And therefore, as we had earlier indicated that we would be adding two more, but we have instead ordered three more equipment. With a higher number of jobs that I have, my efficiency always improves. Because if my two jobs are near to each other, like within 50 kilometers or 100 kilometers, my efficiency improves. And therefore, this growth in numbers. has happened from H1 to H1 of this fiscal and last fiscal. But we are seeing a very robust demand going forward in the self-supporting business. We have an outstanding inquiry about 17 lakh square meters. So these 17 lakh square meter inquiries will get converted into orders in the coming months.
- Sanjay Majmudar:** So just to answer your question, the tailwind comes from railways as well as warehousing in a big way. Secondly, SME segment demand continues. But even large, bigger companies were in middle or I mean, the mid market or higher industrial major bigger industrial units for their warehousing they are preferring. So we have got many jobs even from large corporates for the roofing, like for example, Ultratech, etc.
- Chirag Patel:** Yes, Ultratech, Reliance, other large industrial corporates.
- Malav Patel:** And our order book has increased by 150% over the last few months, so and that automatically translates into higher execution, which is what you are witnessing.
- Vandit Shah:** Got it, sir. And so one last question on the cash flow front. So our operating cash flow has come at Rs. 6 crores to Rs. 8 crores. So any view by yearend where will we reach? So I understand that the trade payables have impacted the cash flow from operation. But have we set up any target?
- Keyur Shah:** Sir, whatever you have viewed is correct. So it is under strain because it has reduced. But that is due to only high payment under the trade creditors. But cash flow is very comfortable. So trade creditors, we always plan cash purchase according to the fund plan we have. So it will be always under a comfortable position.
- Sanjay Majmudar:** There is no exact budget for cash flow, but it will be always positive and comfortable.
- Vandit Shah:** Got it, sir. Thanks.
- Sanjay Majmudar:** Thank you, Vandit.
- Moderator:** Thank you. The next question comes from the line of Saumil Mehta from Kotak Mutual Fund. Please go ahead.

- Saumil Mehta:** Thanks for the opportunity. So two questions. In continuation to one of the previous participants question, now we completely agree that there are headwinds in the US market because of the tariff and also the raw material cost increase in both the business maybe. assuming this uncertainty remains at least for the next 3 or 6 months, no one knows the timeline. But at this point in time, the order winnings, what you will do will be based on the conservative outflow. So is it fair to assume that if not more, but at least even for the first half of FY'27 or the first nine months, the margins on an overall basis in the export market will be structurally lower than what we were envisaging maybe a year-1.5 year back. I am not telling it will continue in '28, but at least in 6-9 months, given whatever you will build now will execute in the next 6-9 months.
- Sanjay Majmudar:** So Saumil bhai, you're right in your assumption. The only thing can change is that if there's a proper, I don't know, trade pact and if things start becoming again normal, we will have to see. But otherwise, what you are saying is right. We have to be conservative. Rather than going overboard, we believe that this is a minimum sustainable level at which we are operating.
- Chirag Patel:** And secondly, even after considering the 50% impact of tariffs, this large order we have got and a few more other large orders. are under final negotiation. So still, customers in the US are finding our product at a much reasonable pricing. Had it not been this tariff, the accessibility would have been much better. And for us, the margins would have improved drastically and dramatically. But as you rightly said, because of the environment currently where we are in, what is going to happen, what the Supreme Court is going to say or what Trump is going to act in the next one quarter. But still, the people's acceptability of our product is very high in the US, as well as we will be doing much better margin than our domestic market and which will help us keep a much better, improved margin profile overall on a consolidated basis.
- Malav Patel:** So basically, we will try as much as possible to strike a fine balance between creating and expanding our customer base and the prices. We will maintain this fine balance. It is a logical choice.
- Saumil Mehta:** Sure. And a second question, for Keyur bhai, I understand the payables have come down, but ideally that should have given some sort of benefits in terms of the procurement cost or something. So, I mean, has that benefit come into this quarter? And what would be a ballpark number, if at all, which probably has also arrested a meaningful decline in otherwise margins could have been?
- Keyur Shah:** Sir, whatever we have planned as a cash purchase or say other way around like factoring or other which has reduced, helped reducing our creditors are mainly for stocking purpose, which is currently for the stock and which will be consumed in next coming quarter. So, the impact will be coming into the next quarter.
- Saumil Mehta:** Okay, fine. Got it. Thank you so much and all the best for subsequent quarters. Thank you.

Keyur Shah: Thank you.

Moderator: Thank you. The next question comes from the line of Yamank Kumar from Findoc. Please go ahead.

Yamank Kumar: Sir, I just got one question. So, in DRHP, it is mentioned that you have a capacity of 18 lakhs for Proflex business, for SQM meter. So, is that correct? Because in your last call, you have said that your one unit can only produce up to 1 lakh of SQM per annum.

Chirag Patel: Correct. See, in DRHP, we have shown as the installed capacity. My actual execution capacity will be about 75% of my installed capacity. So, the rated capacity, what you are saying is correct. But my actual execution capacity will be pushing to 75% and at best 78% to 80%.

Sanjay Majmudar: But see, because they are mobile plants have to shift from one location to other. So, transit time and all those factors have to be factored in. If I run a plant continuously at one place, then I can easily do 1.5 lakhs. There's no problem.

Yamank Kumar: Okay, sir. Thank you so much. That's all from my side. Thank you.

Moderator: Thank you. The next question comes from the line of Raman K from Sequent Investments. Please go ahead.

Raman K: Hello, sir. I just have a follow-up with respect to the capacity. What's our Cheyyar capacity? Is it like 31,800 or has it increased to 72,000?

Sanjay Majmudar: It's 31,800.

Raman K: Yes, the greenfield CAPEX will come next year when?

Sanjay Majmudar: Brownfield will be next year in Cheyyar. It will be available in FY'28. Then it will be about 52,000.

Raman K: Okay, understood. Thank you so much.

Moderator: Thank you. The next question comes from the line of Vedant from Mask Investment. Please go ahead.

Vedant: Sir, considering the margins, new orders we have booked at lower margins. So, what would be the margin trajectory in FY'27 versus 13% that you have guided for FY'26?

Sanjay Majmudar: Mr. Vedant, I think it is a bit premature. But you can say a minimum sustainable 13. Let us see. But it's not to be treated as a guidance. Let us see and wait for a quarter more.

Vedant: Okay. So, we can expect at least based on current condition at least...

Sanjay Majmudar: Yes, I think so. 13 could be the baseline number on which you should work.

Vedant: And sir, last quarter, we have mentioned that we are expecting new orders to be in Rs. 50 crores to Rs. 100 crore range and we got a good order in US of about Rs. 200 Cr. So, any other big orders. in pipeline from US or domestic side?

Sanjay Majmudar: Yes, there are quite a few. We will be making announcements as we get.

Vedant: Thank you, sir. Any pipeline if you can give, sir, of these?

Sanjay Majmudar: It will be a bit premature, yes.

Vedant: Thank you.

Moderator: Thank you. The next question comes from the line of Jainam Doshi from Kriis PMS. Please go ahead.

Jainam Doshi: Thank you for providing the opportunity. Just wanted to understand what was the operating margins of Proflex last year and going ahead, what is the steady state margins which we can expect?

Sanjay Majmudar: We do not share our individual vertical margins, but you please kindly look at it as a blended margin only. But last year and this year Proflex so far is more or less in sync, a little bit under pressure because of increased raw material costs, but we are trying to absorb it through increasing in the selling prices, but it is an ongoing process.

Jainam Doshi: Okay, got it. Thank you. That's it.

Sanjay Majmudar: Thank you very much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's call. I would now like to hand the conference over to Mr. Chirag Patel, Joint Managing Director for closing comments.

Chirag Patel: Thank you very much, everyone. Thank you all the shareholders. I hope we have been able to give an insight on the quarter and the coming quarters.

Sanjay Majmudar: And we always remain available for your further queries. Thank you and have a good evening.

Chirag Patel: Thank you.

Keyur Shah: Thank you.

Moderator: On behalf of M&B Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.