



“The Anup Engineering Limited Q2 FY-26 Earnings Conference Call”

November 10, 2025



**MANAGEMENT: MR. REGINALDO DSOUZA – MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER, THE ANUP ENGINEERING
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the conference call for discussion of financial results of second quarter and half year ended on 30th September 2025 by The Anup Engineering Limited.

As a reminder, all participants' 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.

Before we proceed to the call, let me remind you that the discussion may contain certain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our businesses that could cause actual results, performance or achievements to differ significantly through what has been expressed or implied in such forward-looking statements.

Please note that the company have uploaded the results, press release, investor presentation and also the outcome of the Board meetings on the website of stock exchanges and website of the company.

I now hand the conference over to Mr. Reginaldo Dsouza – Managing Director and CEO of the company. Thank you, and over to you, sir.

Reginaldo Dsouza: Thank you. Hello, everyone, and a very warm welcome to this conference call on our Quarter 2 and H1 performance for this financial year period ending 30th September 2025.

Carrying forward on our Quarter 1 performance, I believe we have had a fairly good performance in Quarter 2 and H1. At the end of H1, the consolidated revenue achieved is INR 407.5 crores, a 20.2% growth with an EBITDA of INR 91.8 crores, a growth of 20.3% and with a 14.3% profit after tax of INR 58.3 crores, a growth of 3.1%.

The export revenue was as planned at 56%. I am pleased to state that all our 3 manufacturing locations are contributing well to the revenue growth. The Ahmedabad plants contributed INR 256 crores, that's 63% of the revenue. Kheda plant at INR 143 crores, that's 35% and Mabel Engineers with INR 8 crores, that's 2%. Mabel Engineers is seemingly low on revenue, but please note, it is in line with the project execution plan as most deliverables are in Quarter 3 and Quarter 4. Therefore, we will see substantial uptick in revenue for Mabel in the coming 2 quarters. These revenue contributions from all the locations provides the confidence and reemphasizes that our investments were timed right and are now delivering results.

The sectoral revenue across industries was also as expected with oil and gas at 42%, petrochemicals at 30%, and fertilizer and chemicals at 18%, with 10% coming from others. In terms of product mix, heat exchangers, which are predominantly manufactured in Ahmedabad

plant was at 58%, and the vessels reactors column, largely manufactured at our Kheda plant was at 38% and 4% were from silos and other products.

Broadly, the sectorial and the product mix revenue are in line with our expectations. The new order booking for Quarter 2 has improved to INR 257 crores YTD as compared to INR 65 crores in Quarter 1. Though it could have been better, had all the opportunities reached conclusion as per expected time line. Finalization of many good opportunities, including high-value tenders were pushed back a little, and is expected to be closed by December this year, hence, providing good possibilities in this Quarter 3.

We had about INR 600 crore opportunities quoted and expected to be finalized by December this year. The current pending order book is at INR 568 crores, which implies that necessary orders for growth guidance of this financial year FY '26 has been fulfilled, and we are now booking orders to be executed only in the next financial year, that is FY '27.

The working capital block was a touch high at an average 3x, that's 120 days, mainly on account of 2 factors: one, lower customer advances; and second, higher debtors owing to long cycle time orders under execution, and major being exports with FOB contracts, the duration of collection has been a bit longer as it depends on the availability of ships at the port, which is in our customer scope.

Incidentally, these equipments being very large in size has taken a little more time. For your information, as we speak, we have about INR 150 crores worth of equipment, either in inland transit to the port or site or waiting at the port for the ship. But the good part is that most of it will be closed in the next 4 to 6 weeks. Hence, this working capital position is set to improve in coming quarters with improved new order booking in Quarter 3 and Quarter 4, thereby improving customer advances, and closure of high-value purchase orders in Quarter 3.

The working capital is expected to be back at our historical expected average term of 3.5 plus. The return on capital employed, ROCE is about 22.8%.

Happy to state that all our 3 manufacturing locations that is Ahmedabad, Kheda and Mabel Engineers have shaped up well in terms of requisite capacities and capabilities, and are ready to generate about INR 1,200 crores revenue. The construction work of Phase 2 expansion at Kheda is coming to an end now, of which 1 manufacturing bay has already been commissioned, and the other one is expected before December this year.

With this, we would have increased our overall manufacturing capacity in Gujarat from 8,000 metric tonnes per annum to about 20,000 metric tonnes per year, an increase of 2.5x in 3 years. With good CAPEX already in place, the focus now would be to utilize and maximize revenue generation from these facilities. This would surely support our future revenue growth plan.

On our strategy to get more deeper and wider into the market, we had a few good developments. Our anticipated presence in Middle East region is now a reality. We now have our official presence in Dubai with our sales and marketing head EME region, stationed full-time there. This will ensure more aggressively push into the growing Middle East market. And as I mentioned in my earlier call, we would pursue having an official presence in Houston, U.S. too.

On our push towards power sector, we have made inroads and won our first direct order after many years from a customer in Europe and is under execution now. So, this marks our foray back into the power sector. This will surely pave way for many more business from this customer in future.

We have also received our first ever order for a product other than process equipment. This was our strategic intent to diversify. This is nothing but a critical power turbine component, which involves fabrication and critical machining for reputed European players in power sector. This will surely help Anup to diversify. We made good interesting progress.

We have booked our third order under Anup Technical Services. And as articulated earlier, we plan to execute small technical services and repair business to help develop our capabilities to play a larger role in the future, which is part of our strategic intent.

On our sustainability initiatives, happy to state that we have successfully commissioned our rooftop solar facility at Kheda. So, now with both our locations in Gujarat being rooftop solar powered and with our wind mill, major portion of electric power we use for manufacturing is sourced from renewables, thus helping lower our carbon footprint, and also helping us save costs in the longer run and stay competitive.

On the broader business outlook, we surely see a good traction in the coming months. We see a strong inquiry inflow from Middle East and also the domestic Indian market. The domestic market has picked up really well with projects like Bina Refinery, Petronet LNG, Reliance PTA, BPCL Kochi PP Plant and a couple of other petrochemical plants, providing good business opportunities.

Thermal power plants are backed strongly with 3 major projects kick started and expected to get into CAPEX ordering more soon. There are also opportunities available in the nuclear power sector through the project being executed by an EPC company in South of India for Nuclear Power Corporation of India.

In all, the form inquiry pipeline with us for global projects stands at approximately INR 1,100 crores. All going well, these should fuel our plan for the next financial year. Hence, as the backing of a robust inquiry pipeline and customers moving ahead with projects, especially in domestic and Middle East market, there will be good business opportunities in the near future. So, considering overall macro factors, we continue to maintain our guidance for this financial year.

I would like to state that we are also watchful of all the geopolitical developments globally and are mindful of the risks and challenges that can come our way. We are working on strategic levers and prepare to derisk any business impact due to these developments.

On the strategic initiatives long term towards sustaining growth, we have been working over the last few months on diversification and strategic opportunities. As mentioned earlier, we are looking at opportunities in the space of energy-related technologies, specialty chemical sector, package systems, et cetera. We are in discussions, and we will surely keep you all informed of the progress as we get closer.

With these opening remarks, I wish to thank you all for a patient listening. And now would be happy to answer your questions or any clarifications required. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. (Operator Instructions) The first question is from the line of Vivek Patil from Ficom Family Office. Please go ahead.

Vivek Patil: Thanks a lot for the opportunity, sir. Please pardon my questions as I am very new to the company. Firstly, what is the competitive intensity in the heat exchanger segment as a whole if one were to describe the intensity on the base of, say, for example, the size of vapor, so less than 20 tonnes, 20 to 100 and 100 plus? And also, does the complexity of the product increases as the size of the product increases? That will be the first question.

Reginaldo Dsouza: Yes. So, considering Anup's and the capabilities that we have in place in terms of manufacturing large-sized equipments, our competitive advantage lies anything about 30 metric tonnes per equipment. That's a segment that we are largely competitive with.

And the second question, whether complexity increases as a size? Of course, from the manufacturing perspective, yes, as the tonnages go up, the manufacturing complexities do increase. But I would say that the major complexity is coming as the metallurgy or the MOC Material of Construction changes, the complexities increase further with a reference to higher metallurgies.

Vivek Patil: So, anything in terms of tonnage below 30 metric tonnes is very highly competitive market. Is that the correct understanding, sir?

Reginaldo Dsouza: That is correct. Because there would be players in the market who can address those with lower capacity plants and lower overheads.

Vivek Patil: Understood. Thank you that, sir. Secondly, continuing on the same lines of competitive intensity, could you please expand on the requirements of a company to become empanelled with a large licence, for example, Engineer's India? What are the requirements for that?

- Reginaldo Dsouza:** So, the basic capability requirements. So, any licensor that a company like us would want to get registered in, we will have to make an application with all our credentials, both in terms of design and manufacturing. And then there would be obviously a sharp audit conducted by the licensor. And then those credentials are assessed. And if they find suitable, they would take a company on board. So, it's largely the design capabilities as per the ASME core requirements or any other certified core requirements. And second, your capability in terms of manufacturing, which will involve especially welding, because welding is the core.
- Vivek Patil:** So, we believe many players in the market would have the sort of license empanelled by especially someone as large as, for example, Engineers India or Honeywell, many players --.
- Reginaldo Dsouza:** Very sorry. See I think we will restrict this call to the results related questions. I think you can reach out to us for these queries, these are all very basic nature of queries. You can join back the queue or we can answer your questions offline.
- Vivek Patil:** About the result, just had one small bookkeeping question. Can you throw some light on the increased other expenses and interest expense for this quarter? And were these one-offs? Or can we expect the number to continue? Thank you.
- Reginaldo Dsouza:** Yes. So, on the other expenses side, it's mostly on the marketing expenses side, which is contributed largely by the royalty part, because we are empanelled, as you said, with process licenses, technology licenses like Lummus transfer. So, any helix heat exchangers that we made, and we made a large, we have to pay royalty to the licensor. So, we had a good amount of helix heat exchangers and EMbaffle technology heat exchangers manufactured, for which the royalty needed to be paid to the licensor, which was not part of the previous year. So, when you compare, that looks to be on the higher side.
- But having said that, the costs are part of our cost, built in into the estimation. And that's why you will never see that impact truly on the EBITDA, and that's why you see our EBITDA maintained at that position.
- Vivek Patil:** Thanks a lot for your answer. All the very best.
- Reginaldo Dsouza:** Pleasure. Thank you.
- Moderator:** Thank you very much. (Operator Instructions) The next question is from the line of Chetan Vora from Abakkus Asset Manager. Please go ahead.
- Chetan Vora:** Yes. Hi, Regi. I really wanted to understand our order book which was always above INR 800 crores, INR 850 crores has gone down to INR 575 crores, INR 580 crores, what's your view on that and whether we would be able to see the order book again going back to above INR 850 crores, INR 900 crores, Regi?

- Reginaldo Dsouza:** Yes. Hi, Chetan. So, you are right, the order booking, as I mentioned in my opening remarks too, could have been better. If you look at the form inquiry base of the market, you will find that we are almost at about INR 1,100 crores kind of an inquiry bank position. So, the opportunities in the market stayed.
- Unfortunately, things which were supposed to get finalized, like there are a lot of tenders that we have quoted, which we were expecting it to close before Diwali holidays, but it didn't. It moved and got postponed to post Diwali, and that's where we are expecting most of these tenders and inquiries on board to be finalized either in the month of November or December.
- So, we are pretty confident of moving back to our order position. It's a small little delay from the perspective of tenders and large ticket items. And we are very hopeful, and I am confident of coming back on our order book position.
- Chetan Vora:** Great. Great. And the one thing that I noticed in this quarter, there was a stark difference between the gross margin, which has gone up to close to 54% sales minus raw mat cost, which is like all-time high. And whereas the other expenses has again jumped up quite sharply. Can you explain the thing which has helped in improving the gross margin, whereas that has been largely offset because of the increase in other expenses. You told that because of the royalty thing, but I would first like to understand why the gross margin has improved sharply? And is there any other cost, sitting in other expenses?
- Reginaldo Dsouza:** Yes. So, what I was saying is that gross will depend on the type of MOCs that we handle. As we handle more exotic, you will find the gross margins to be on the--because the material cost goes up. That's the main reason for that.
- And in terms of other expenses, as I said, in fact, we had one of the best executions in terms of EMbaffle heat exchangers in this quarter, which we have to pay a royalty to Brembana & Rolle, Italy. And added to that, we had lot of equipment delivered of Helix heat exchangers, which, again, we had to pay royalty to Lummus heat transfer. But as I mentioned, these are costs already built into our estimation and it will not impact our EBITDA any which ways.
- Chetan Vora:** Right. So, it will be fair to assume that whenever there is a high gross margin, it will be getting offset because of the outgoing account of royalty and the licensing fees?
- Reginaldo Dsouza:** No, no, it's not like that, Chetan. Incidentally, this time, what happened was, material was leaner materials, but at the same time, it was with technology product, which is either Helix or EMbaffle. If it is a normal standard heat exchanger, then it will not get offset, because we will not have the royalty to be paid for normal heat exchangers.
- Chetan Vora:** So, on a continual basis, other expense as a percent of sales, what it should be? Because ideally it was in the range of 17%, 18%. And this quarter, it has gone up close to 26%. So, what should be the range for the other expenses as a percentage of sales?

Reginaldo Dsouza: So, on an average, if you look at quarter-to-quarter, because it's going to be dynamic, you can assume 19% to 20% average other expenses.

Chetan Vora: Right, right. And other one on the interest cost also though it is not sharp, you saw that material, but the quarterly interest cost has gone up to INR 2 crores, which was like INR 60 lakhs, INR 70 lakhs every quarter. Anything which is led to this?

Reginaldo Dsouza: That's mainly because of the working capital block. If you look at our working capital block and as I explained, we had very long cycle items and largely FOB contracts, which are ODC. So, it took about 30 days from my shop to the port. So, that's where we needed some working capital, and that's why it's the short term and one-offs.

Chetan Vora: Okay. Thanks, Regi.

Reginaldo Dsouza: Pleasure. Thank you.

Moderator: Thank you very much. The next question is from the line of Jaiveer Shekhawat from Ambit Capital. Please go ahead.

Jaiveer Shekhawat: Sure. Thanks for taking my question. Regi, hi. Good evening. Regi, first question the inquiry pipeline that you have shown in the deck about INR 850-odd crores, what would be the strike rate of that? And by when do we expect to finalize that?

Reginaldo Dsouza: Yes, hi Regi. Yes. So, these are inquiry pipelines, which should be finalized as per the normal time line in the next 3 months, that's a window, which normally takes for any form inquiries in our hand. And the site rate for this because these are focused ones, their cycle should be anywhere in the region of 30% to 35%.

Jaiveer Shekhawat: Understood.

Reginaldo Dsouza: And it will be rolling. So, 1,100, if you see even in the last call, we had close to about 1,000 crore inquiries, some were finalized, the new ones came in. So, this 1,100 crores, considering the macro dynamics today in terms of how the market is moving, I believe for the next 6 to 7 months, the average inquiry pipeline should be in the range of 1,100 crores to 1,200 crores, which augurs well for us.

Jaiveer Shekhawat: Understood. So, on a quarterly basis, I think we can still expect about INR 250 crores, INR 300 crores of an order intake. If your inquiry pipeline tends to be about INR 1,200-odd crores with that 20%, 25% strike rate. Is that a fair understanding?

Reginaldo Dsouza: Yes. In fact, that's our strategy as well. The intent is that every quarter, we should be getting in at least approximately about INR 200 crores to INR 250 crores fresh order intake.

- Jaiveer Shekhawat:** Understood. With respect to your FY '27 growth target because I think you have talked about at least maintaining around a 20% growth on top of the INR 850-odd crores of revenue that you do. What kind of opening order book would you want to be starting the year with? And what order book would you be comfortable with?
- Reginaldo Dsouza:** So, at the starting, as I mentioned earlier, as we step into the first of April of the year, we wish to have at least 75% to 80% of the revenue plan for that particular year. So, if you look at from FY '27 perspective, we should be comfortable with anything between INR 700 crores to INR 750 crores.
- Jaiveer Shekhawat:** Understood. And I think this quarter, we have seen an increasing pickup in order intake, as you had also been highlighting in the previous call as well across both domestic as well as exports as well. So, in terms of your inquiry pipeline, is that more focused on the domestic at the moment? Or are you seeing uptake in the export market as well, especially Middle East and other regions?
- Reginaldo Dsouza:** No, it is 50-50. Good uptick in domestic from nowhere. If you look at previous 2 quarters, there was nothing. And International Global has continued to get in good inquiries, of course, especially driven by Middle East. So, I would say 50% is the inquiry pipeline.
- Jaiveer Shekhawat:** Understood. Thank you so much, and all the best.
- Reginaldo Dsouza:** Thank you. Pleasure, talking to you.
- Moderator:** Thank you very much. The next question is from the line of Gopalakrishnan Subramaniam from Uthranush Investments. Please go ahead.
- G. Subramaniam:** Excellent afternoon, sir. Great. So, my first question is our company's sales growth for the past 3 years has been 36%, and whereas profit growth is only 23%. And even in the trailing 12-month period, it is not a very encouraging scenario. Why this profit growth is lagging behind the sales growth consistently? This is my first question.
- Can I go to the second question? Or shall I wait for the answer and then ask my second question, sir?
- Management:** Hold, I will answer your first question. Yes. So, if you look at the tax as a percentage in corresponding period, then tax as a percentage was quite low because there were certain ESOPs. If you look at the recent declared, then during corresponding period last year, the ESOP say exercise were of 101,000. That is the reason there was a huge tax benefit, which led to a lower tax, and that is not the case in current period, that's why if you see the revenue, EBITDA and the PAT, PBT increased wherein the PAT has not decreased in the same fashion.

G. Subramaniam: Thank you, sir. So, going forward, what you are saying is profit growth will overtake the sales growth. Can I take it like that?

Management: It would be largely in line with the top line growth.

G. Subramaniam: Okay. So, fine. And then my second question is regarding the order. See, in FY '25, we did around INR 730 crore turnover. So, if you take 20% to that, it will be INR 880 crores is what we should be achieving in FY '26, in that we have already done INR 408 crores, which means balance INR 472 crores is there. In that INR 472 crores, we have an order of INR 569 crores, which means as of today, even if we don't get any order till March, we will have a pending order of INR 200 crores as on 1st of April.

And going forward, in the next 6 months period, we should get enough orders to cater to FY '27? So, as on 1st of April, we should have almost the entire year covered. Is my understanding correct? And in that, any American orders are slightly because, I am sure some tariff clarity will come. So, as of now, we don't have any dependence on America, but going forward, in FY '27, what will be the extent of dependent of American orders?

Reginaldo Dsouza: Yes. So, as mentioned earlier, as we step into any new financial year, we wish to have 75% to 80% of the revenue plan for that year. So, in that perspective, as I mentioned, anywhere between INR 700 crores to INR 750 crores as on 1st of April, pending order book, we should be comfortable with.

Why 75% to 80%? Logic is because there are short-term shutdown requirements, which customers want, which needs to be delivered between 6 to 8 months and which are very profitable orders. And that's the reason we keep about 20% to 25% capacity for short-term delivery items. So, that's the first answer.

On the U.S., of course, as I mentioned in my previous call, for these numbers that we are talking about right now, we have discounted any opportunities in the United States, because we are waiting for a certainty for the tariffs. But having said that, we are also in discussions with customers in the United States for inquiries, which will be materializing in 2 to 3 months' time frame. And I am pretty sure we are all hopeful that some certainty on tariffs will evolve by then. So, that should give us further fillip to the order book position before March.

G. Subramaniam: Thank you, sir. One more slight clarification, sir. The INR 200 crores invoice was pending because there was no space with the customer, have you dispatched those INR 200 core order, sir?

Reginaldo Dsouza: So, of which we have already made close to about INR 80 crores, the balance were in the process. We have not dispatched those, but we have come to a very good negotiation with the customer. They are, of course, paying us for the storage charges. And also, they have given up on date to pick up in the month of February. So, there are ships being booked and they will be delivered.

And at the same time, they will be paying us 90% of the money, even without dispatching the goods. So, all in all, pretty good settlement and more certainty in terms of when the equipments will move out from here.

G. Subramaniam: Okay, sir. And then one more thing, sir, you are saying that the short-term borrowings have gone up because there is not much of advanced payment from the customers. Is it because we are dealing with 2 big customers? And the standard terms are not giving any advance and we had to pay the raw material supplier ahead of time to get the material and all of that, is it because of being these 2 big customers?

Reginaldo Dsouza: So, let me clarify. This lack of advances is not because customers are not paying us. It's only because our order book intake in the Quarter 1 and the previous quarter was not that great, because of which the advances have dropped.

Now with Quarter 2 having improved, these advances will come as the milestones arrive in the month of November and December, and the advanced good positions would go up. So, it is not because customers are not paying, it's only because our order intake was not in line with our expectations.

G. Subramaniam: Okay, sir. Thank you. All the best and hope to meet you in the next quarter calls. Thank you, sir.

Reginaldo Dsouza: Thank you for your questions.

Moderator: Thank you very much. (Operator Instructions) The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Good evening. Thank you for taking my question. Firstly, congratulations on a great set of results, sir. A lot of my questions have already been answered. But just like one question that I had, that we are saying you want to start the year with around INR 700 crores, INR 750 crores order book, which would be around 75%, 80% of the revenue plan, so if the reverse calculate it would mean that we want to target INR 1,000 crores year for us. Is that a fair way to look at it?

Reginaldo Dsouza: Yes.

Darshil Jhaveri: But then compared to the growth that we have been done in the past, that would not be substantial, right. We have been planning 20% this year, INR 1,000 crores over INR 850 crores would be around 14%, 15%. So, is there like any upside that we want to guide for in that way?

Reginaldo Dsouza: So, if you look at when I say INR 1,000 crores, it will be little over INR 1,000 crores. So, what we said is we had great 3 years in terms of our CAGR growth of 37% approximately, with lot of investments done. Now we have completed with all our CAPEX investments in terms of capacities. And now it's time for us to deliver results on those CAPEX.

So, from a lower number, we moved very aggressively for the last 3 years. And now we need to stabilize our operations. And if you have heard our guidance, we were supposed to grow aggressively for the first 3 years and then normalize it in the range of 20% to 25% growth rate, because beyond INR 1,000 crores, I am pretty sure you would understand that growing at 37% will be too tight for this kind of an industry.

Having said that, this growth plan is only for organic growth plan, anything that we are doing on the strategic acquisitions or anything else that comes our way inorganically, that would be upside of it. So, that, as I mentioned, we will come back to you as and when our developments do happen. But this growth plan is purely on our organic growth with the product portfolio and the customer base and the sector that we have today.

Darshil Jhaveri: Okay, sir. Fair enough, sir. So, just wanted to clarify that 20% growth rate would do, right? Because if I would do INR 1,000 crores or INR 880 crores, that would be roughly 13%, 14%. That was my area of concern.

Reginaldo Dsouza: INR 1,000 crores plus.

Darshil Jhaveri: Okay. Okay. Okay. That's really helpful, sir. And sir, just wanted to know you clarified a bit about the royalties, but from what I understand that the higher gross margin products also carry a certain royalty. So, even if it's a higher gross margin, eventually, the EBITDA turns out to be same as our normal heat exchangers? Is that correct way to look at it? Or you could just help us clarify how much royalty did we pay in the current quarter? So, if you could just help match those numbers.

Reginaldo Dsouza: Yes. So, the royalty percentage remains the same, irrespective of a percentage of the total value of the equipment. So, it doesn't depend on what kind of metallurgies we work with. With more exotic material, the royalty for same tonnage equipment will be higher, because the value of the equipment is higher. If it is simple metallurgies, the value will be lower. So, it's a percentage of royalty is fixed, it's a little confidential right now in terms of, because we have a confidential agreement with the licensor, we will not be able to disclose the actual percentage but you can take it in the range of 5% to 10% for different, different licenses.

So, right now, we have executed in Quarter 2 for 2 licenses, one is EMbaffle technology and the other one is Lummus heat transfer for Helix heat exchangers. So, it's a percentage on the value of equipment.

Darshil Jhaveri: Okay. Fair enough, sir. And just last question from my end, sir. With regards to the inorganic opportunity, when do we see, are we in a process maybe that we can have an acquisition in this year or next year. Could you just help us brief a bit about that?

Reginaldo Dsouza: I will be cautious to put a time line to it. There's lot of discussions on. That is all that I can mention at this point in time, because there are lot of opportunities that we are looking at, as I

mentioned in my opening remarks, especially into the new age energy sectors and specialty chemicals and packages. But sure, as we get closer, we will surely come back to you with more information.

Darshil Jhaveri: Fair enough. That's it from my side. Thank you so much. All the best.

Reginaldo Dsouza: Thank you.

Moderator: Thank you very much. (Operator Instructions) The next question is from the line of Ranjeet Kumar, an individual investor. Please go ahead.

Mr. Ranjeet Kumar, please go ahead.

Ranjeet Kumar: Hi Regi. What percentage of sales was exported to U.S. last year before Donald Trump came into place?

Reginaldo Dsouza: Sorry, if I understood the question correct, what percentage of revenue did we export to U.S.?

Ranjeet Kumar: Yes.

Reginaldo Dsouza: Yes. So, last year, overall, all put together was close to about 30% of the total exports.

Ranjeet Kumar: So, you are going to hit with tariffs. What's your forward take on this, because huge percentage of sales comes from the U.S. and tariff is going to affect you. How do you expect that in next quarter and next year?

Reginaldo Dsouza: Yes. So, let me get it right.

Ranjeet Kumar: What are you doing to mitigation?

Reginaldo Dsouza: So, 30% of our exports. So, that's roughly about 15% of our revenue we exported last year. This year, if you look at, we have hardly anything that is exported to U.S. directly, because we didn't have any order book from there. We focus more on Middle East.

Tariff, of course, as I mentioned in my last call as well, for us, whatever contracts that we take from our customers is Freight Onboard, FOB, India port. So, obviously, it impacts us in terms of landed cost and the competitiveness when customer looks at it from U.S. lens. But as I said, in all our projections that we made, we have right now discounted for the business from U.S. Anything that comes from the U.S. is going to be a bonus for us.

Having said this, as mentioned, we are in talks with customers right now from the United States for many inquiries despite having 50% tariffs. And we are pretty sure based on the conversations and I believe the way tariffs are, things are going to normalize and maybe in maximum 3 months.

But of course, as I said, that's going to be a bonus for us. We have discounted business from U.S. from our projections right now.

Ranjeet Kumar: And when did you start your office in Houston?

Reginaldo Dsouza: We have not started. We have plans to start. We are just waiting for how things pan out, considering the current scenario, and we will take a call. So, we thought it was right to start the office in Middle East, in Dubai, because that was a bigger priority for us at this moment. The next would be Houston.

Ranjeet Kumar: Perfect. Thank you. What are the reason companies 6 decades old, 60 years old, and you are in oil and gas and petrochemical while Houston is probably \$550 billion GDP that combined Gujarat and Maharashtra together, and consuming 19 million barrels a day. How do you explain that you had no presence in Texas and U.S. for this long, and you are in oil and gas. Because for me, oil and gas, U.S. is bigger than Saudi Arabia or UAE combined.

Reginaldo Dsouza: Yes. So, that was part of our strategy, how do we expand. We started off with many countries in Middle East. We had representations in Abu Dhabi. We had representations in Oman, Kuwait and now official presence in Dubai, and the next stop is at Houston. So, it's a strategic plan. I do understand and I take it that Houston is the biggest hub for oil and gas.

But I think we have been doing pretty well in terms of connecting with customers, because as you know, 7 to 8 EPC contractors gives us 70% to 80% business for us, and the EPC contractor is the same who executes the project largely in U.S. too. So, from that perspective, we were pretty fortunate to get repeat orders from our EPC contractors. Why now we feel the need to be in the United States and having a presence in Houston is to cater to the other customers who are local and who do not work with the large EPC contractors.

So, in short, it was part of our strategic game plan to spread at a defined pace.

Ranjeet Kumar: Do you have presence in Canada?

Reginaldo Dsouza: We don't.

Ranjeet Kumar: Thank you.

Reginaldo Dsouza: Thank you for your question.

Moderator: Thank you very much. The next question is from the line of OP Gandhi from Sidhi.

OP Gandhi: Yes. Good afternoon. My first question is, what is the potential of U.S. market? And if U.S. tariff is removed, then will you revise the guidance from 20 to higher price? And my second question is about the competition from glass lined heat exchangers.

- Reginaldo Dsouza:** So, in terms of glass lined heat exchangers, let me answer that. We are not into glass lined heat exchangers, so we do not compete with them. We are purely nonglass-lined at this moment. In terms of U.S., U.S. can be--
- OP Gandhi:** And suppose if U.S. tariff is shortly announced, then will you revise your guidance for next year?
- Reginaldo Dsouza:** Okay. So, our guidance was largely from the perspective of our strategic roadmap of growth. Yes, with the U.S. providing more opportunities, we could look at a slightly higher percentage. But broadly, our growth plan of 20% plus was guided by our strategic road map.
- OP Gandhi:** Okay. Thank you, sir.
- Reginaldo Dsouza:** Thank you. Pleasure.
- Moderator:** Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Reginaldo Dsouza for closing comments.
- Reginaldo Dsouza:** Thank you all for your interesting questions, and I hope I was able to clarify to your satisfaction. In case if you have any further queries, please feel free to connect with us, and we would be happy to respond. I take this opportunity to thank my wonderful team at Anup, and to each and every stakeholder helping us deliver performance. A big thank you to our shareholders for your trust and support, as always. Thank you. Take care and stay healthy. Thank you.
- Moderator:** Thank you very much. On behalf of Anup Engineering Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.