**Operator:** Hello and good morning. This is the third day of the Bharat Connect Conference 2026, September edition, by Arihant Capital. I welcome you all to the call of M&B Engineering Ltd. Today, from the management, we have Mr. Malav Patel, Joint MD; Mr. Sanjay Majumdar, Director; Mr. Keyur Shah, CFO; Ms. Palak Parekh from the management team; and Mr. Arpit Mundra from E&Y.

Without taking much more time, I am handing over to the management. However, before I hand over to the management, I will outline the flow of today's event. We will start with the opening remarks from the management, during which the management will briefly update us about the company, and then we will proceed to the Q&A. Participants who would like to ask questions can raise their hands or post them in the chat box. First, we will take questions from the participants who have raised their hands, and then we will move to the chat box.

We have received many questions from participants who, for some reason, may not have been able to join. However, we believe we will be able to take those questions as well. Please note that we will take the last question 5 minutes before the end of the call, which is at 2:55. Now, without taking much more time, I am handing over to the management. Thank you, sir. Please proceed.

**Sanjay Majumdar – Director:** Good afternoon, everyone. I am Sanjay Majumdar. Since we have many participants, and I am not sure whether we have interacted with all of them, I would request Malav to give a very brief overview of the company, including the history of the group and our various divisions. Then we can certainly proceed to the Q&A. Over to you, Malav.

**Malav Patel – Joint MD:** Am I audible?

**Sanjay Majumdar – Director:** Yes, please go ahead.

**Malav Patel – Joint MD:** Sir, is my presentation visible?

**Sanjay Majumdar – Director:** Yes, please move to the first slide.

**Malav Patel – Joint MD:** All right. Good afternoon, everyone. I am Malav Patel, the Joint Managing Director of M&B Engineering Ltd.

To give you a brief overview of where we originated, we are a 75-year-old organization. We are originally a family-owned company, started by my grandfather, Mr. Manibhai S. Patel, and his two brothers in 1951. We started as a civil engineering company, a small civil engineering company based in Ahmedabad, undertaking small civil works in the state of Gujarat. We primarily moved towards undertaking larger civil infrastructure projects for the Gujarat state government, working in the power sector, the roads and bridges sector, and eventually in industrial buildings as well.

Along the way, we also started manufacturing prestressed concrete sleepers, which we have been supplying to the Indian Railways for the last 45 years. For this business, we have 2 manufacturing units in the northern part of Gujarat. In 2000, or nearly 1999-2000, Chirag, who is also a Joint Managing Director of M&B Engineering, and I joined the business around the year 2000. We wanted to diversify our existing business into new-age technologies pertaining to building materials, since that has been our forte for many decades.

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Around 2001, we came across a product called Pro-flex self-supported steel roofing. It is a product developed by an American company called MIC Industries, which was originally developed for the United States Army. In 2000, this product became off-patent. Earlier, it had been developed only for the US Army.

To give you a brief overview, the United States uses this technology to establish military bases across the world because it offers very speedy and easy construction using a very limited number of resources. That is how this product became very popular among the US Army community. In 2000, as I said, this technology became off-patent and became available globally to private companies such as ours.

We contacted MIC Industries in 2001 and purchased 1 piece of equipment from them to begin with. We pioneered this technology in the Indian market in that year, which was 2001. We operate under the name Pro-flex Roofing Solutions in the Indian market.

Since this product was very new to India, we had to undertake a lot of groundwork and create a great deal of awareness. The technology was such that, once you saw it, even the technical fraternity, including structural consultants, was not able to understand how the product worked. Therefore, we had to impart a great deal of knowledge and education and create awareness about the technical principles behind the product.

It is, as the name suggests, self-supported steel roofing. The core of the technology is that, for a clear span of up to 36 meters, it does not require any structural steel support from underneath. To compare the conventional roofing system with the self-supported roofing system, the trapezoidal roofing commonly used in many industrial facilities requires a truss and purlin structure underneath the roofing sheets to hold the roofing in place.

In the case of the self-supported roofing system, there is no such structural steel framework. The technology behind this is that the corrugation of the panel is designed in such a way that it can withstand its own weight as well as external load factors such as wind velocity, seismic factors, and live loads required under the IS building code.

It is designed to sustain itself without such a steel structure. If you look at the slide on your screen, I am sure you can see it. The photograph at the bottom left shows the underside of the roof. At the top right of the screen as well, you can see the underside of the roof. The entire steel structure is absent.

It is a curvilinear roofing system. It is especially suitable for warehousing applications, for example, for the application shown at the bottom, railway applications, and small- to medium-sized engineering units. Here, you can see that the technology is self-supported for spans of up to 36 meters. It does not require any holes to be punctured in the entire roofing system.

The connectivity between 2 panels and the support structure is achieved through a mechanical seaming process, which does not require any holes to be punctured in the roofing system. Whether the area is 10,000 square feet or 100,000 square feet, not a single hole is required in the system. That makes it 100% leak-proof.

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Third, it is an on-site operation and is very quick. My equipment and fleet of equipment are taken to the project site, and the entire manufacturing and installation of the product takes place at the project site itself. A single panel that comes out of my manufacturing unit can be as short as 10 meters and as long as 40 meters.

If you look at photograph number 2, that is the roll-forming equipment that we purchased from MIC Industries. The long panel coming out of it is the panel being fabricated through this machine. As and when these panels are manufactured, they are connected to one another using the mechanical seaming process shown in photograph number 3.

Once 3 panels are connected on the ground, we lift them with a large crane, as shown in photograph number 4. The fabricated panels are then lifted using this type of crane and placed on the civil structure.

In the Pro-flex self-supported system, the support structure is conventional civil construction, meaning concrete. Our scope of work is limited to manufacturing and installing the roofing panels. That is what Pro-flex is about. Keyur, please go back to the applications, to the earlier photograph.

As I said, because of the core technical characteristics of the product, it becomes very viable and economical for grain warehousing and railway applications. Here, you can see a Vande Bharat maintenance depot. Since the support structure is absent, there is no surface available for birds to sit on.

One of the main advantages this product offers is that it is free from bird nuisance. In India, there is a great deal of pigeon nuisance, especially when the structure is open. For example, in this Vande Bharat pit line, all sides of the building are open. Both ends as well as the sides of the building are open. In a conventional structure in such a case, many birds would enter and create a menace because of their droppings.

In this case, since that structure is absent, it is completely free from bird nuisance. For example, this is a maintenance shed for trains. On one hand, maintenance is taking place, and on the other hand, if bird nuisance is occurring, the entire purpose of the shed is defeated. The Railways were able to identify this advantage, and since 2022, self-supported steel roofing has been included in all tenders floated by the railway industry.

One application, as you can see here, is the center photograph, which shows Hubli Railway Station. It actually won a Guinness World Record. It is a 1.5-meter-long railway platform. Here too, since the shed is open, it is free from bird nuisance because of the characteristics of the roofing. At the bottom right, you can again see the Vande Bharat depot.

We have installed more than 300 projects, covering about 600,000 square meters, in the last 3 years for the Railways alone. For the Central Warehousing Corporation and the Food Corporation of India, we have executed more than 20 lakh square meters in the last 15 years, mainly in North India, where grain production is the highest in our country.

Because of its leak-proof nature and the storage efficiency achieved within the building, it has become a very popular product for grain warehousing and storage. This is a brief overview of our

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Pro-flex business.

We are the largest in the country, with 17 such pieces of manufacturing equipment purchased from MIC Industries. To put things into perspective, in the first year, in 2001, when we brought this technology to India, we executed about 30,000 square feet. In 2025-26, last year, we executed about 1.6 million square feet. That is how we have grown this business over the last 25 years.

We hold approximately 75% market share in the self-supported steel roofing segment in India. My closest competitor has 2 pieces of equipment, which essentially limits its geographical coverage. Since I have to carry out the entire operation at the project site by taking my fleet of equipment there, the number of pieces of equipment we have makes it possible for us to cover the entire country. That is not the case with my competitors. As a result, we have been able to secure approximately 75% market share.

Keyur, please go to Phoenix. Go back to the first slide, where we have Phoenix and the numbers. Yes, this one.

Phoenix was incorporated in 2007. We entered into a collaboration with an American company called Varco Pruden Buildings, which is based in Memphis. In 2007, VP Buildings was the second-largest manufacturer of pre-engineered buildings in the world, with approximately 6 plants in the US and 5 joint ventures and collaborations across the world. They had a capacity of 300,000 metric tons at that point in time.

This collaboration lasted for 5 years, from 2008 to 2013. During this period, VP Buildings assisted us with the complete technology know-how, beginning with the design of our first plant, which we established in Sanand on the outskirts of Ahmedabad. Initially, it was a 40,000-metric-ton plant. VP Buildings assisted us with the layout design, the choice of equipment, training our entire personnel to use their design software, the manufacturing process, the project management process, and the installation methodology.

**Malav Patel - Joint MD:** The installation methodology was carried out at the project site. For 5 years, we had their assistance, and through that, we developed talent in-house.

In 2013—or in 2011 or 2012, I think—VP Buildings was acquired by an Australian company called BlueScope Steel. At that time, BlueScope had a collaboration and a joint venture with Tata Steel in India. They themselves had established a pre-engineered buildings facility in Pune.

When the time came for us to renew our collaboration with VP Buildings in 2013, they wanted us to report to Tata BlueScope Steel. That would have created a conflict of interest because we would have been negotiating for the same projects in India. Therefore, that arrangement did not work out. Our collaboration with VP Buildings ended in 2013, but during the first 5 years of operations, we developed the skills and talent required to carry this business forward beyond 2013.

In 2025-26, last year, we executed approximately 72,000 metric tons. We operate in all the states in India, and we are the largest exporter of pre-engineered buildings from India. We have now done business in more than 25 countries.

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We now have a major focus on the North American continent, primarily the United States. We began our business in the United States in 2020. That was when we obtained our first AISC certification. AISC stands for the American Institute of Steel Construction.

Even today, our Sanand facility is the first and only facility with this AISC certification. For the US market, this certification is not mandatory, but more than 90% of the customers we have served over the last 5 years have demanded this certificate. Therefore, it has given us leverage and flexibility to do business in the US market.

Last year, we also obtained our AISC certification for the Tamil Nadu facilities. There are now 2 manufacturing units in the PEB industry in India that are AISC-certified.

Besides AISC, we are also certified by the Canadian Welding Bureau, particularly for the Canadian market. In Canada, having CWB certification is mandatory. If I want to sell any of my building products in that market, I have to be certified by CWB. Therefore, we have been doing business in Canada for the last 2 years, which makes the North American market the market with the greatest potential for our export business.

Today, we have a network of more than 75 general contractors in the US. General contractors are what we call EPC contractors in India. We never deal with the end user in the US market. We always work through a general contractor. These general contractors are potential repeat customers for us over the long term.

I have a team of approximately 6 sales and project management personnel. Our sales office and head office are in Houston, Texas, where we have a sales team. We also have salespeople in the rest of Texas as well as the southeastern states. They are responsible for taking care of our existing customers as well as expanding our network of general contractors.

In 2024-25, we exported approximately 65 crores of steel building material to the US market. Last year, we did approximately 160 crores, and this year we are on track to increase that to approximately 275 crores. We are receiving a good volume of business from the US market.

That is the result of the work we have been doing over the last 5 years. It is a difficult market because the working culture itself is very different from what we are used to here in India. The quality standards, project management quality standards, and everything else are different. It required a change in mindset for my team to be able to serve US customers.

After 5 years, I can proudly and confidently say that we have moved up the learning curve and are now established enough to take on large projects in that market.

Having said that, we have executed some of the largest projects in the state of Arkansas, and as we speak, we are executing a single project worth $25 million, which is also coming up in the state of Arkansas. This has put us on the US market map, and we are known among the PEB manufacturers in that market. This is our story as far as our export business is concerned.

Having said that, our focus on India remains at its highest because we understand how the Indian market is moving, how capital expenditure has been driven since 2020, the way industrial capex has been taking place, and what we foresee over the coming 10 years. India is going to be the

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market with the greatest potential for driving our top line and bottom line.

There is no industry in the Indian market in which we have not worked. From a simple warehouse to the most complex shipbuilding facilities and power plants, we have executed projects during our 18-year tenure in the PEB business.

This is where we are today. Sanjay, if you would like to add something, please do so. Sanjay?

**Sanjay Majumdar – Director:** Sir, I think we can move to the Q&A session.

**Operator:** We can move to the Q&A. Unless Sanjay needs to add something, he will do so. Anyone who has questions can raise their hand. If there are no questions, I will take questions from the chat window or questions that we have received in advance from some participants.

Sir, could you talk more about your US business, what you are doing in the US business, and whether you are seeing any challenges because of the current tariff risk?

**Malav Patel – Joint MD:** Yes. In fact, as most people here would know, the tariff decreased in May this year.

**Sanjay Majumdar – Director:** It decreased in April this year. Last year it was 50%; it decreased in May.

**Malav Patel – Joint MD:** For most of last year, there was a tariff of approximately 50% on all steel, aluminum, and copper imports into the US market. This was applied uniformly across the globe. It was not only applicable to India; the same tariff was applied to every other country exporting these products to the US market. It dropped to 25% in April 2026.

Last year was very difficult because of this imposition. We had to reduce our margins to remain present in that market, continue serving our existing customer base, and expand it further. Therefore, we had to take a hit on the bottom line.

Even today, our focus remains on expanding the customer base for future business because these are the customers and general contractors who will give us business in the coming years. As I said, we are expanding our team there and expanding our geographical coverage.

When we started, we had 1 person based in Houston, which is our head office for sales. We have now expanded further into the Texas region, as well as North and South Carolina, Alabama, and Memphis. In this way, we are expanding our geographical coverage.

We had been exporting our buildings mainly to the eastern seaboard from our Sanand plant through the Atlantic route. Selling the product to the western seaboard, on the California side, from Sanand became too expensive for the end user, and the shipment time was also much longer.

However, as I said earlier, our Tamil Nadu facility is now certified by AISC. Therefore, over the coming 10-12 months, we will establish ourselves on the western seaboard of the United States, which will be served from our Cheyyar plant through the Pacific route.

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You will see a change in our geographical coverage in the US market, as we expand into the western part of the country. That is something we will take up anew over the coming 10-12 months.

We remain continuously in touch with our existing network of GCs. Our sales activities are carried out by our sales team, and we expect to grow by at least 10-15% year-on-year in terms of volume in the North American markets.

**Sanjay Majumdar – Director:** The growth could actually be somewhat higher, but we will have to wait and see how things develop. The 25% tariff is still in place.

I am better off than I was last year, but besides the tariff, because of the turmoil in the Middle East, freight costs have also increased multifold. What used to cost approximately 2,000-3,000 dollars per container now costs 15,000 dollars per container.

Although we are better off on the tariff front, our competitiveness has been hurt somewhat further because of the tariff factor—sorry, the freight factor. We have to strike a fine balance. I still have to be able to sell my product to my general contractors while absorbing this hit.

Volume will remain, but there will be margin pressure because of the freight and tariff factors affecting the US business.

**Sanjay Majumdar – Director:** I will clarify this for the benefit of our listeners. Even after all this, we are still talking about EBITDA margins of approximately 16-17% for our exports to the North American and US markets. These margins were much higher when all these abnormal cost factors were not present.

An EBITDA margin of approximately 16% is still definitely 100% better than the margins we earn in the local market.

**Malav Patel – Joint MD:** Yes. The margin has essentially been shrinking. Our margin was very strong in 2024-25, then it was affected by the tariff, and then again by freight costs. Even today, our US margins are better than what we are earning in the Indian market.

**Sanjay Majumdar – Director:** Yes.

**Operator:** The next question is from Mr. Madhur Rathi. Madhur, you can unmute yourself and ask the question.

**Madhur Rathi:** The primary concern is that steel prices in India are higher than those in Vietnam and China. Given that, how are we competitive in our exports? That is the first point.

Second, I did not understand the duty differential for exports to the US between India and the US. My third concern is that our receivables outstanding for 6 months, I believe, are significant and have increased drastically. I believe they are between 50 and 100 crores. Are we recovering that money, and why has it been stuck for so long?

**Sanjay Majumdar – Director:** Madhur, I will take your first question. Vietnam and China are not our competitors when it comes to the US markets because pre-engineered buildings are a different category.

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Most imports into the US currently come from Mexico. The US is a very large pre-engineered building and structural steel market. It is a much larger market than India. The bulk of the imports come from Mexico.

Second, steel globally is also governed by an LME-type pricing scenario. We are dealing with a situation where the question is what arbitrage I enjoy by exporting PEBs from India to the US, even after paying the freight, with the customer paying part of the duty and me bearing the remaining part.

To give you some perspective, the difference between what we sell in the US and what they buy from US suppliers is still approximately 400-500 dollars per ton.

Secondly, we have established our quality over the last 6-7 years. We offer considerably more than even the local US or Mexican players offer. First, we undertake all the detailed designing ourselves. If you are a US GC, you have to get the design and detailing done somewhere.

**Management:** You have to get the manufacturing done somewhere, and then get the painting done from another source. We provide complete packaged goods in one container, with full drawings, designs, and everything. Therefore, the customer receives a tremendous benefit apart from the price.

The second benefit is time. I can ship and deliver from here within 9-10 months, even with the extended shipping times we are currently facing. In comparison, a US customer or US manufacturer does not provide delivery before 12-13 months.

We have taken 6 years to establish ourselves. We have never faced any competition. China has issues anyway.

The tariffs we pay, or the freight that anyone pays, are governed by Section 232. It is a sectoral tariff. Even though Mr. Trump announced today that he is withdrawing reciprocal tariffs from some goods imported from China, this sectoral tariff has not been withdrawn. Therefore, all goods face the same tariff.

In my view, the tariff on Chinese imports is even higher, but we do not need to go into that. Today, my biggest concern is not Vietnam or China; it is only Mexico. Mexico pays the same tariff. The freight from Mexico by land is higher than the shipping cost I pay.

Therefore, we are very competitive in the US. That is why the source of the steel does not matter. We predominantly get our steel from {? PEB ?} made locally. We source it from Tata, Jindal, and ArcelorMittal. There is no problem in terms of steel, and we also have an element of booking or fixing our margins. That is a separate matter, which Keyur will explain.

On the working capital side, please understand that we do not have such a long cycle. For Pro-flex, we take 100% advance. On the PEB side, my average receivables cycle between domestic and export business is not more than 100-110 days. Keyur, what is your receivables level?

**Keyur Shah - CFO:** The receivables level can be approximately 3 months on a blended basis. However, there are no overdue receivables. Whatever is outstanding is not due according to the

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payment terms.

Generally, below 6 months, there may be some items here and there. However, above 6 months, whatever is outstanding is yet to become due because of longer contracts. That is the reason we have also classified it as not due.

Approximately 9-9.5% is beyond 1 year.

**Management:** Sorry, Madhur, what was your third question? Receivables on the higher side above 1 year—that is what we have addressed. I have addressed the steel, US, and competition-related questions.

**Madhur Rathi:** In the annual report, it is shown that 54 crore of receivables are due for more than 6 months. That was my concern. Will this be written off going forward?

**Keyur Shah - CFO:** No, no. Out of 54 crores, 31 crores are within 6 months to 1 year. As I said, these are longer projects, and they generally retain 10% until completion of the projects. That forms part of these receivables. Therefore, the major portion of this—9% to 9.5%—relates to retention.

**Madhur Rathi:** Sir, perhaps next year you should correct this in the annual report and show it as not due, and show it as retention money instead of showing it as receivables outstanding for more than 6 months after the due date. My final question is regarding Pro-flex.

**Management:** Madhur, Madhur, can we move on? There are other questions as well.

**Madhur Rathi:** Okay, fine. Thank you.

**Analyst2:** What growth do you see for the industry in the future, given the current negative sentiment regarding the overall growth prospects of the company?

**Management:** The industry will grow at a CAGR of between 13% and 15%, at least for the next 5 years.

**Malav Patel - Joint MD:** It could be even higher, {? Sagar ?}. We have not discussed high-rise buildings, and we have not discussed the substantial demand coming from data centers.

The PEB industry is bound to grow because of its current penetration. India manufactures 150 million tons of steel, while PEB accounts for only 2 million tons. If you compare this with other advanced countries, PEB accounts for 15-18%. Now, all medium-sized projects automatically and compulsorily use steel.

Therefore, I do not think there is any problem. In fact, I believe it should grow even more aggressively.

**Management:** Yes, and 2 very new areas of application for steel buildings are being created.

The first is data centers, which everyone would know about. There is substantial investment coming into India from multinational and international companies as well as Indian multinationals. By 2032, the expected investment in data centers in India will be between 60 and 70 billion dollars.

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Unless there is some limitation or restriction, most of these data centers will be built and constructed using steel. Of that 60 billion dollars, a minimum of 5-10 billion dollars will be invested in the facilities being created for data centers.

Another new application being created today is high-rise buildings in steel. Until now, most tall buildings in our metropolitan cities have been made with concrete. Because of certain limitations, such as a shortage of labor, a shortage of skilled workers at the project site, pollution issues, the time factor, and the size of investments, steel as a method or material of construction is gaining popularity for this application as well.

As we speak, we are working on several inquiries related to data centers, involving thousands of crores, as well as high-rise buildings. Therefore, apart from industrial applications, these 2 new areas are being created as we speak.

Tremendous growth in the steel construction industry in India will be fueled not only by industrial capex but also by these 2 new avenues. As I said, 13-15% is a conservative number that I am giving, but at least for the next decade, we do not see any problem as far as demand or the increase in requirements is concerned.

**Operator:** The next question is from Mr. Rahul Agarwal. Rahul, you can unmute yourself and ask the question.

**Rahul Agarwal:** Thank you for the opportunity. On the export side, which other Indian companies do you compete with, and what sort of market share would you have? How much market share would companies from Mexico and other countries have?

**Management:** We do not have exact numbers, but Malav, please correct me if I am wrong. As we speak, as of today, there is no competition from any other Indian company. Is that correct, Malav?

**Malav Patel - Joint MD:** I could not hear you clearly. From whom?

**Management:** From any Indian company competing with us in the United States. I do not think so.

**Malav Patel - Joint MD:** Correct. In the US, there are no Indian companies competing with us. We are dealing with the US PEB industry.

To give you some perspective, the US steel construction industry is approximately 13 billion dollars. It can absorb any amount of supply. Even if all the Indian PEB companies establish themselves in the US, there will be ample work not only for US manufacturers but also for all the companies coming from India.

Therefore, as far as demand in the US is concerned, unless something extremely serious or adverse happens, I am not concerned about the volume that can be generated there.

**Management:** To add to what Malav said, Rahul, there is no Indian company, and the market is huge. There must be 500-600 PEB manufacturers in the US. Approximately 15-20% of their requirement, which is roughly 20-30 million tons, would come from Mexico. This is only our broad estimate.

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Our share, at 10,000 tons, is minuscule. It is very small. However, let me make one thing very clear. We started in 2017, and in 2023-24 we achieved our first breakthrough. Last year, we executed 2 large projects with values in the range of 20-25 million.

As a result, GCs have become confident that this company can execute such projects. It is not as if you go there, appoint 2 people, and start exporting. It is not that easy. You have to take the entire long route and enter that ecosystem.

Therefore, very honestly, we are not worried about competition. More importantly, there is no significant competition today. People may be trying to enter the market. Obtaining AISC certification is not the only requirement; in fact, it may be the easiest part. You could create a very good plant layout and complete everything else.

Our advantage was that our collaborator was a US company when we started this PEB business in 2008. That company, {? Varco Pruden ?}, or VP Buildings, was one of the 2 largest players in the US when it collaborated with us on the technical side.

Therefore, all our plant design, layout, and other aspects have their origin in a US player, which made things somewhat easier for us. Having said that, it is the sum total of everything.

With Chennai coming in, we are now very confident that we should start looking at the West Coast, which is also a very large market. With Europe, we are now obtaining EC certification. Particularly in the UK, we are very hopeful that the market should be better than other European countries to begin with because of the language issue, the fact that there is a good FTA, and the fact that there is no duty.

**Rahul Agarwal:** Understood. How does your pricing in the US compare with local competition there or with companies from Mexico? Are you priced at parity or at a premium?

**Management:** We are generally priced 400-500 dollars lower.

**Rahul Agarwal:** As a percentage, what would this mean?

**Management:** Against 3,300 dollars, we are at 2,800 dollars—approximately 15%? Malav?

**Malav Patel - Joint MD:** Yes.

**Rahul Agarwal:** Understood. I have one more question. What is your working capital cycle for the US business, and what is its margin profile? You mentioned EBITDA of 16-17%, correct?

**Management:** The margin is 16-17% EBITDA. The working capital cycle is approximately 40-45 days longer because I make most of the supplies. Keyur, please correct me if I am wrong. It is DDP, correct?

**Keyur Shah - CFO:** In some cases, it is 30-40 days longer, and in some cases, it is 10-15 days longer because the advance percentage is higher in US exports. We then split the supply payment into 2 parts: one against the bill of lading and one against delivery in some cases. In some cases, it is against delivery.

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Therefore, on a blended basis, it tends to be approximately 20–25 days longer than the domestic cycle—20–25 days more.

**Management:** This is offset by the higher advances that you receive.

**Keyur Shah – CFO:** Higher advances.

**Rahul Agarwal:** Understood. One last question on the domestic side: how does your pricing compare with domestic peers in the local market?

**Management:** Sorry, I did not understand you. Malav, the question is how our pricing compares with peers in the domestic market.

**Malav Patel – Joint MD:** India, as we all know very well, is a very price-sensitive market. Competition is fierce. Generally, it comes down to the relationship that the company or team develops with its customers.

Our major key accounts, which include some of the largest corporations in India, whether Reliance, Adani, or Tata, have all the choices available in the market. However, we receive repeat business from all these customers year after year.

Besides these Indian conglomerates, we have established strong relationships and confidence with some of the largest Japanese PMCs. You may know Sumitomo Mitsui, Kajima, and Takenaka. These companies are from Japan and have been in India for the last 20 years.

We have been associated with this type of customer for the last 15 years. This group of 8–10 customers provides us with the majority of our business. The confidence and comfort we have created by working together for such a long time allow us to obtain a better price.

Of course, this is to the extent of perhaps 1–1.5%, because they also have to justify the pricing internally. Therefore, I receive a small advantage over my peers.

**Management:** However, as I said earlier, competition is fierce, but volume and demand are growing at the same time. Therefore, we are not concerned about where the work will come from. It is about internal focus and maintaining these relationships, which will continue to bring us business year after year.

**Rahul Agarwal:** Understood. Thank you, sir.

**Operator:** The next question is from—[pause]—we are not taking quarterly-related questions. Sir, what percentage of your business comes from tenders, and what portion comes directly or from repeat orders?

**Management:** Tender business is virtually nil, except for perhaps some business. I would not expect it to be more than {? 3–4% ?} if it comes from {? warehouse ?} projects.

**Management:** It is hardly {? 2% ?} from vendor tenders because we do not undertake much government business. We conduct business through EPC contractors, so it is not tender-based. It is hardly {? 1.5–2% ?}. Repeat customers account for approximately 60%, in the range of 60–65%.

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**Management:** That is right.

**Management:** Sometimes it is 60%; it depends.

**Management:** Yes.

**Operator:** What is the unexecuted order book split between Phoenix PEB and Pro-flex Roofing? What top-line growth trajectory and EBITDA target are you specifically targeting for the next 3-5 years? How much of the growth will be driven by international exports versus domestic demand in logistics, industrial warehousing, aviation, and infrastructure?

**Management:** First, let us discuss the order book. Generally, our opening order book was around {? 1,080 crores ?}. We are currently seeing good traction. On average, the order book for our PEB business remains at approximately 10-11 months, while for Pro-flex it remains at approximately 6-8 months.

First, when we publish our results, we will provide the exact details. However, current new order inflow is very comfortable, and we are quite full. We have recently expanded our Sanand capacity. There will be an announcement very soon.

We have added {? 20,000 tons ?} in Sanand, which has more or less become operational as we speak, and within the next week it will be fully operational. We will then start taking new orders for that additional capacity.

Our inquiry pipeline is substantial. We have a significant inquiry pipeline. That is the first point.

Pro-flex is operating at full capacity. We have 17-18 pieces of equipment. Again, we have clear visibility for easily the next 6-7 months. The Pro-flex execution cycle is shorter than that of PEB. We execute Pro-flex within 4-5 months. We execute PEB in approximately 8-10 months, with the average being around 8-9 months. That is the average cycle.

Regarding visibility over 3 years, we clearly stated in our Q1 call that this year we are facing 100% challenges in terms of freight, duty, and the increase in overall domestic costs as well.

However, we believe that this year we should be able to maintain our EBITDA margins more or less in the current range of approximately {? 11-11.5% ?} on a blended operating EBITDA basis.

Over 3 years, we definitely expect an improvement, but it is somewhat early for us to provide any specific guidance. Regarding growth, we are very confident. This year, we have guided for approximately 25% overall growth.

After that, we are confident of achieving a minimum annual growth rate of 20% CAGR because next year we are adding capacity at our {? Chara ?} plant. By next October, we should have approximately {? 154,000 tons ?} of total capacity.

Even after that, we are continuously scouting for a third site, which will be somewhere in North India. We will make announcements as soon as we finalize the overall location and other parameters.

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That facility will also be required because this is a geographical business. The ideal service radius is approximately 1,000 kilometers. From my Gujarat plant in the west, I can serve Delhi, the NCR, Rajasthan, parts of Madhya Pradesh, and Karnataka.

From my {? Chara ?} facility, I can cover the entire south without any problem. Therefore, I will need a third facility.

I am equally bullish on North America, Canada, European markets, and the Indian market. This gives me significant flexibility to balance margins and growth. Therefore, I am equally concerned that I must continue growing in India while remaining strongly bullish on the export markets, because that gives me an advantage in terms of margins compared with domestic competition.

**Management:** For the 3-5 year outlook, we can say that we are targeting 20% CAGR.

**Management:** Yes, a minimum of {? 20% CAGR ?}.

**Operator:** What about margins, sir?

**Management:** Margins will grow, but I am not providing any guidance.

**Operator:** We are taking the last question because only 2 minutes remain. The question is from Dhruv Sitlani. Dhruv, please ask 1 quick question.

**Management:** Are you there, Dhruv?

**Dhruv Sitlani:** Yes, Mr. Moderator. Am I audible?

**Operator:** Yes, you are audible. Please be brief.

**Dhruv Sitlani:** I have 1 quick question. How much growth do we expect in domestic business versus exports?

**Management:** Dhruv, it is somewhat difficult to say, but assume a minimum of 20% for both.

**Operator:** All right, sir. That was the last question due to the time constraint. I would like to thank the management of M&B Engineering Ltd., as well as EY, which is the IR partner.

If you have any further questions, we will be happy to connect with you. We will also be happy to connect you with the management. Without taking much more time, are there any closing comments from the management?

**Management:** That is all. Thank you very much for taking the time to understand our business. We look forward to becoming associated with you and, hopefully, to having you become shareholders sometime soon.

If anybody becomes a {? [unclear] ?} or investor, I am available at any point in time. You may get in touch with EY, our IR partner, and they can put you in touch with the concerned personnel at our company. Yes?

**Operator:** Certainly. Thank you very much. Thank you. Thank you. Thank you. Goodbye.

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Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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