



ENGINEERING

M&B Engineering Ltd.

Registered Office: 'MB House', 51, Chandroday Society, Stadium Road, Naranpura, Ahmedabad - 380 014, Gujarat, India

CIN: L45200GJ1981PLC004437 | T: +91 79 2640 5563/ 2646 1314 | E: info@mbphenix.com / info@mbproflex.com

Web.: www.mbel.in

16th May, 2026

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
--	---

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 & Year ended March 31, 2026

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 & Year ended March 31, 2026, held on Tuesday, 12th May, 2026 at 4:00 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
Q4 FY26 & FY26 Earnings Conference Call”
May 12, 2026



MANAGEMENT: **MR. CHIRAG PATEL – JOINT MANAGING DIRECTOR**
MR. MALAV PATEL – JOINT MANAGING DIRECTOR
MR. SANJAY MAJMUDAR – DIRECTOR
MR. KEYUR SHAH – CHIEF FINANCIAL OFFICER

MODERATOR: **MS. KRISHNA PATEL – EY**

Moderator: Ladies and gentlemen, good day and welcome to M&B Engineering Limited Q4 FY26 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and then zero on your touchtone telephones. Please note that this conference call is being recorded.

I now hand the conference over to Ms. Krishna Patel from EY. Thank you and over to you, ma'am.

Krishna Patel: Thank you, Farah, and good afternoon everyone. We welcome you all to M&B Engineering Limited Q4 FY26 Earnings Conference Call. To take us through the results and to answer your questions, we have with us today the management of M&B Engineering represented by Mr. Chirag Patel, the Joint Managing Director, Mr. Malav Patel, Joint Managing Director, Mr. Sanjay Majumdar, Director, and Mr. Keyur Shah, the Chief Financial Officer.

Please note that the discussions that we may have today may contain certain forward-looking statements relating to future events and future performance. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. Please note the audio of the earnings call is the copyrighted material of M&B Engineering and cannot be copied, rebroadcasted, attributed in press or media without specific written consent of the company.

Now, I would like to hand over the call to Mr. Malav Patel for his opening comments. Thank you and over to you, sir.

Malav Patel: Thank you, Krishna, for the introduction. Good evening, everyone and welcome to M&B Engineering Limited's Earnings conference call for the fourth quarter and full year ended March 31, 2026. We concluded our Board meeting earlier today, and I trust you've had the chance to review the financial results and investor presentation uploaded on the stock exchanges and on our company's website. I will begin by highlighting the key performance drivers for the quarter and the full year, followed by an update on our business segments and our outlook for the coming year.

FY26 has been a landmark year for M&B Engineering, reflecting strong growth across our key operational and financial metrics. Revenue from operations grew 27% year-on-year to INR1,259.7 crores in FY26, while Q4 FY26 revenue increased by 16% to INR363.7 crores. This performance was broadly in line with our guidance and was supported by a robust order book, strong execution capabilities, and healthy order inflows across a diverse portfolio of businesses, enabling us to deliver projects efficiently and on time.

EBITDA for FY26 increased by 17% to INR157.2 crores, and profit after tax grew by 20% to INR92.6 crores. While we delivered healthy annual growth, profitability came under a little bit of pressure in the year, particularly in Q4 FY26, due to macroeconomic headwinds and foreign currency volatility.

I would also like to highlight a positive development on the tariff front. This is the US tariff. The sectoral import tariff in the US market has recently been reduced by 25%. This is a meaningful improvement, and we expect it to enhance competitiveness and improve traction in the US market going forward.

During FY26, we incurred capital expenditure of INR33 crores, primarily towards capacity augmentation and operational strengthening in line with our mid-term growth strategy. Looking ahead, our estimated capex for the year is around INR100 crores, reflecting our continued commitment to expanding capability and scale.

As of March 31, 2026, our unexecuted order book stood at INR1,083 crores, representing a 35% year-on-year growth and providing strong visibility for future execution. Of this, the Proflex division accounts for 20% at INR212 crores, while the Phenix division contributes 80% at INR 871 crores. Within the Phenix order book, export orders account for INR279 crores at 32%, with the balance coming from domestic orders.

We also achieved our highest ever order inflow of INR1,539 crores, up 28% year-on-year. This reflects the increasing adoption of pre-engineered buildings and the continued shift from conventional methods. During March 2026, we received a major domestic order worth INR73.18 crores in the Phenix division for the design, engineering, and supply of a pre-engineered building. This shall be executed over the next five months. More recently in April 2026, we received another domestic order worth INR71.95 crores for a similar scope, to be completed in seven and a half months.

The Phenix division delivered a revenue of INR985 crores in FY '26, a growth of 29%, driven by a strong demand in both domestic and export markets. Export revenue grew sharply to INR165.6 crores, up 156% year-on-year, reflecting our expanding international presence, strengthening market demand, and improved scalability. Our focus remains on North America, which is catered to by our Sanand plant. This is currently the only PEB plant in India with the AISC certification, a key requirement for most general contractors in the United States.

The Sanand plant also holds the CWB certification, the Canadian Welding Bureau, which is mandatory to supply into the Canadian market. In addition, we have built a strong marketing presence in the Eastern United States and are steadily strengthening our position by supplying PEBs and structural steel for large industrial buildings. This combination of globally recognized certification and on-ground market presence gives us a clear early-mover advantage in one of the world's most attractive markets.

The Phenix division has now been operating for over 15 years, has completed more than 1,650 projects, and has installed over 7.1 lakh metric tons till date. We are also in the process of adding approximately 20,000 metric tons of capacity in our Sanand facility, which is expected to be commissioned in Q2 FY '27. Once this expansion is completed, total installed capacity at Sanand will increase to 92,000 metric tons per annum. Thereafter, we plan to begin expansion at the Cheer plant, which is in Tamil Nadu, with the aim of making it operational by Q1 or Q2 of FY '28.

The Proflex division reported FY26 revenue of INR275 crores, growing 23%, and continues to lead the self-supported roofing segment in India. The division has now completed 8,600 projects over 24 years of operations and has installed more than 20.3 million square meters till date, reflecting the strength of our execution capabilities, scale, and long-lasting customer relationships.

We received one new unit from the UAE in December 2025, which was commissioned in January 2026. The remaining two new units from the US are expected to be commissioned in Q2 FY '27. Once these additions are fully operational, Proflex's installed capacity will increase by approximately 2,00,000 square meter per annum, strengthening our ability to meet growing demand and improve turnaround times.

For FY '27, we remain confident of delivering top-line growth of around 25% year-on-year, supported by the strong order book already in hand and the continued rise in demand for pre-engineered buildings and self-supported roofing systems across different sectors. At the same time, we expect some near-term challenges. The impact of the Iran conflict is likely to be reflected in the short term, particularly through margin pressure and execution delays. Labor availability constraints, which are typical in the first quarter, along with monsoon-related challenges in Q2, may also result in softer performance in the first half of the year.

However, as our historical trend suggests, the second half of the year has consistently been stronger for us. We therefore encourage our investors to assess our performance on a full-year basis rather than a quarter-by-quarter. In summary, we remain focused on disciplined execution, delivering high-quality projects, leveraging our expanded capacities, and strengthening our presence across the domestic and export markets.

With a comfortable order book, a visible bid pipeline, improving execution momentum, and targeted capacity investments, we are confident of sustaining our growth trajectory. With that, I now will hand over the call to our CFO, Mr. Keyur Shah, to walk you through the financial performance in a greater detail.

Keyur Shah:

Thank you, Malav bhai, and good afternoon, everyone. A warm welcome to the earnings conference call of M&B Engineering Limited. I shall summarize the consolidated financial highlights for the quarter and full year ending March 31, 2026.

Q4FY26 vs Q4FY25,

- Revenue from operations stood at INR364 crores, reflecting a 16% growth compared to INR314 crores in Q4FY25. EBITDA for the quarter was INR43 crores, marginally lower by 2% versus INR44 crores in Q4FY25. EBITDA margins stood at 11.9% compared to 14% in the corresponding quarter last year.
- Profit after tax was INR27 crores, a decline of 5% from INR29 crores in Q4FY25.

Now, FY26 VS FY25

- Revenue from operations for FY26 stood at INR1,260 crores, registering a strong 27% growth over INR989 crores in FY25.

- EBITDA increased to INR157 crores, up 17% from INR135 crores in FY25. EBITDA margin was 12.5% as against 13.6% in FY25.
- PAT increased to INR93 crores, a 20% growth over INR77 crores in FY25. PAT margins stood at 7.4% compared to 7.8% in the previous year.

The reduction in margin in Q4FY26 and FY26 are due to forex loss, net loss of INR3.9 crores and INR6.04 crores respectively in Q4FY26 and FY, booked as other expense in Q4FY26, due to sharp rupee depreciation which includes unrealized loss of INR3.83 crores, Over 20% steep increase in the steel prices in domestic market which hit the procurement cost of uncovered raw material and sharp increase in export freight costs due to war impact. If we remove forex loss, adjusted EBITDA will be 13% in Q4FY26 as well as FY26.

Export revenue came in at INR166 crores, representing a significant 156% year-on-year growth. Net working capital stood at 39 days as of March 31, 2026, as compared to 33 days of March 31, 2025. Out of the net IPO proceeds of INR259.32 crores, INR137.81 crores has been utilized so far, that is 53% of the funds have been utilized as on March 31, 2026. During the quarter, INR7.5 crores was utilized.

Capex incurred in FY26 was INR33 crores and capex planned to be incurred in FY27 is around INR100 crores, which will include capex for Sanand plant expansion, part capex for Cheyyar plant expansion which will be incurred in H2 and other regular capex. That concludes with my update on the financial highlights of the company.

I shall now request the moderator to open the floor for Q&A session.

Sanjay Majumdar:

I will just add very quickly, Keyur, just one very important piece. The total other income of INR5.29 crores in Q4FY26 and INR15.67 crores for the full year actually includes INR2.69 crores in Q4FY26 as operating other income and about INR9.63 crores on a whole year basis as operating other income, which is primarily our export incentives and other operative income which we include as our operating income. This is just an additional data.

Over to you, moderator. Let's open the house.

Moderator:

Sure sir, thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Disha. Please go ahead.

Disha:

Thank you so much for this opportunity. So firstly, my question was on the EBITDA margins. You mentioned that we saw some pressure due to the war impact. So how do you see the margins overall for FY27, given the geopolitics?

Sanjay Majumdar:

So, Disha, we have been actually internally working on this. First and foremost, let's understand there are a lot of moving pieces which are still not under our control. While of course, the management's endeavour will be to make sure that whatever best we can do in terms of margins is fructified, but we feel that this is a bit premature for us to give any margin guidance for FY26-27 for three very clear reasons.

One, the whole costing currently, as you know, steel prices have gone up by 20% just in the last quarter. Then the freights are very uncertain. On the export freight availability of containers and freight, it keeps on fluctuating very widely. FX, we are not able to control exactly. While of course, we have a good export order book of about INR280 crores, we are hopeful of a continued stronger margin profile, but we want to wait and watch for at least one more quarter before which we will give any specific margin guidance.

Malav Patel:

At least, till the conflict ends and there is more clarity. Yes, because too many, too much of volatility and uncertainty factors which may, which are becoming misleading. So we want to avoid giving you any guidance as far as that goes. But growth, as far as top-line growth, I have clearly mentioned in my speech that we are quite hopeful and confident about at least 23%-25% growth because our order book is strong going forward, as well as the pipeline.

The kind of capex that is happening in the country and our increased focus in the export market, we are quite confident about achieving the top line that I have just mentioned.

Disha:

Okay, fair enough, sir. And sir, so coming onto your export mix, given you mentioned that the tariff situation in North America is much better, how do you see the overall export revenues this year and what sort of pipeline do we have currently, and what sort of order inflows are we expecting for this year?

Malav Patel:

See very honestly speaking, Disha, whatever plan we have as a top line for the current fiscal, we already have that much work on hand. So going forward, see while there is pressure because of inflationary factors in the US, the order closing has become a little bit longish. While our team is constantly endeavouring, being in touch with our end users, you know, generating inquiries, the closure of the orders or the inquiries is not coming in as quickly as it used to four months back. But we are quite hopeful.

Our exercise is on, we are there on the ground and trying to fetch for new orders. With the new tariffs, the reduction of course, it is going to be a very balanced approach. We are going to try and improve our margin as well as create a good order book going forward. So it's going to be a good balance and this reduction in tariffs has definitely given us more opportunity to do that. But I think we should be doing at least around INR300 crores in this year on the exports as against INR165.

Disha:

Okay, that is really good to know, sir. And what sort of margin differential do we see in export projects and domestic projects, if you could just give more detail on that?

Sanjay Majumdar:

So currently, Disha, at the current cost structure and pricing structure, we are looking at about 16%-17% EBITDA on the exports vis-à-vis currently about 10%-11% that we are getting in the domestic market.

Disha:

Okay. And sir, just on the pipeline for the domestic front, any sort of number we have? While exports I understand it's going to be a bit challenging for you to give me a number for, but for domestic, do we have any sort of number for the order pipeline that we're currently chasing?

- Malav Patel:** Order pipeline, see generally it is, I mean one thing I must say that our market has shown some real resilience, because the pipeline or the inquiries on hand that we've had since the last three months are probably topping the remaining part of the year that just passed.
- We are quite confident given the pipeline that we have that going forward as well it will actually be depending more on my appetite to grab new orders rather than market whether capex is happening or not. So I think we are in a good situation in a lot of ways, but these costs need to come under control, we'd be all the more confident about the order intake.
- Aditya Patel:** Just to add to that, as of now the pipeline would be in excess of INR1,000 crores. From inquiries or quotations submitted, from inquiries going on.
- Malav Patel:** Coming from different industries, different sectors, yes, domestic expect. To put things in perspective, like Aditya said, you can consider about INR1,100 crores of pipeline.
- Disha:** Okay. And sir, this 20,000 metric ton capacity that you're adding in Sanand, which we are on track for commissioning by Q2, we don't see any delays?
- Malav Patel:** Q2 has been the plan and we are going to stick to it.
- Disha:** Okay, okay. That is great to know. Thank you, sir. That is it from my side and wishing you all
- Moderator:** Thank you. The next question is from the line of Huseain Bharuchwala from Carnelian Capital. Please go ahead.
- Hussain Bharuchwala:** First question is on the order book itself. So if you can just give us the breakup of the volume in terms of exports for the full year and for the domestic? That would be great, sir.
- Malav Patel:** What we did last year you mean?
- Hussain Bharuchwala:** Yes, for FY26.
- Keyur Shah:** So export turnover for FY'26 is 7,045 tons, out of total 73,000, 7,000 is exports.
- Hussain Bharuchwala:** 7,000 is exports. And if you can give us the breakup of the other expenses that have shot up. I think you said about the forex part, but what were the other reasons if you can give us some breakup on that?
- Sanjay Majumdar:** I think mainly it is the export freight. Almost INR50 crores plus is due to export freight.
- Keyur Shah:** Yes, there are three expenses, major expenses, which is export duty, custom duty, export freight, sea freight, and transportation which we incur in the USA after delivery, to the site. So these are the three major expenditures which come to around INR42 to INR45 crores out of the total.
- Hussain Bharuchwala:** Okay. And so the large part which has shot up is one of the reasons is exports, I think sorry, on the forex side, we lost INR4 crores-INR5 crores because of the forex. On the logistics front, how much was the additional impact because of the war, if you can quantify that?

- Keyur Shah:** See, out of INR6 crores of forex, INR3.89 crores is of the last quarter, and out of which INR3.83 crores is unrealized loss. What it means is, this is based on the rate as on March 31, 2026, right? Which was INR94.78. So this is the impact of war on the forex.
- Hussain Bharuchwala:** So INR3.8 crores is the impact of war on the forex, basically, impact on P&L..
- Keyur Shah:** From end of February till let's say end of March, in a month.
- Hussain Bharuchwala:** Got it. And sir, just wanted to understand on the Phenix side, I think the volume growth for this quarter was quite weak. Any specific reason on the PEB side? I think the volume growth was, when you look at the year-on-year volume growth, it was just 8% growth. So what was the prime reason for such a low volume growth in this quarter?
- Malav Patel:** I'll give you a couple of examples. See the input materials, right after the war started. See generally January, February, March, we have good growth, but all the input materials which go into my manufacturing process, starting with the raw materials, you know, delivery started getting hampered. And I would have lost about 10%-15% volume which I can account to the war situation.
- Steel input, gas. Yes, yes, gas supplies, yes, the mills were closed because the mills use humongous amounts of gas in the production process, right? So multiple factors, and that is one of the major reasons why we were not able to deliver the volume that we projected originally.
- Hussain Bharuchwala:** Okay, so the raw material availability was one of the key concerns as well as the raw material cost had gone up so the customers had delayed.
- Malav Patel:** It happened at our end as well In our production process, we also use gas. So there were days when we did not have any gas. So all this trickled down to loss of production and the eventual volume.
- Management:** But still, we achieved 8% growth with all this.
- Malav Patel:** But yes, so rather than a 15% growth, we got 8% growth. That was the result.
- Hussain Bharuchwala:** Got it. And when you say sir next year, I think 25% guidance that you have given, so in that what, how much volume growth that you are factoring in?
- Malav Patel:** Volume in Phenix for pre-engineered buildings will go from 72,000 to 90,000. And in Proflex, it would go to 17 lakhs to 17.25 lakhs square meters. Phenix 85,000 to 90,000. That's the volume growth we're planning. About 20%-25%.
- Hussain Bharuchwala:** Got it, got it. So if the war would not have been there, so you were expecting around 15% volume growth in this quarter as well, but because of the war, you were able to only do 8%?
- Malav Patel:** Yes, correct.
- Hussain Bharuchwala:** Got it. And is there any slowdown in the demand, if you can highlight on that front on the PEB side? Is there any slowdown?

- Malav Patel:** No, as I said in for the earlier question from Disha, there's enough traction in the market. Capex is still happening, there we have not shown seen any slowdown in the number of inquiries or the kind of projects, like that's not the case. Even a warehousing developer is continuing with his development and even a gigafactory is being built today, so we are not seeing any slowdown so far.
- Hussain Bharuchwala:** And even at higher steel prices people are ready to buy? Is what you are saying.
- Malav Patel:** Yes. Now Modi ji has made oil and gas expensive, so now let's see how things pan out.
- Hussain Bharuchwala:** Got it. Okay. That's it from my side. Thank you. Thank you.
- Moderator:** Thank you. The next question is from the line of Shubhankar Gupta from Equitree Capital. Please go ahead.
- Shubhankar Gupta:** First question is on the order book itself. So the PPT says that order inflow was at around INR390 crores, out of which INR75 was from domestic, right? Which means a global order book would be INR315 crores, right? So just want to understand...
- Malav Patel:** No, no, no, I'll correct you. The total order book in Q4 was about INR388 crores. Majority of that was from the domestic market. We just highlighted one of the large orders that we got in Q4, which was around INR70 crores.
- Shubhankar Gupta:** Got it.
- Shubhankar Gupta:** And just want to understand, sir, just building onto Hussain's question. So export turnover for this year is 7,000 tons out of 73k tons, right? Around 9%-10%.
- Malav Patel:** Last year. Correct.
- Shubhankar Gupta:** FY26, right. So I just want to understand how has this number trended over the last three, four years, from '21 to '24 or from '22 to '25 FY? And then how do you see it moving in the coming foreseeable years? Is there some estimate you've taken?
- Keyur Shah:** Yes, yes. So for export, we say, we have 2,400 tons done in FY'25, FY'26 it is 7,400 tons, and we expect 10,000 tons to be exported in FY27.
- Sanjay Majumdar:** Going forward, the target is to maintain at least a 20-25% growth, easily, across domestic and exports. Of course, I have to give a disclaimer, under normal operating conditions.
- Malav Patel:** Yes, and Keyur can also give you share the numbers which we achieved as far as export goes, further than FY24. He'll give you that number. That was very nominal. You can say that our major traction started two years back, right? And today we stand at 7,000, next year we are targeting somewhere around 10,000. So anywhere between 20% and 25% growth we are going to chase.
- Shubhankar Gupta:** Okay. I think that's helpful. So I think you also mentioned that Q4 you were expecting 15% growth, right? We saw 8%. Just wanted to understand, so along with let's say the gas impact

which you mentioned in the production process, what were the other second-order impacts of this war which have led to this let's say like if you had to allocate other reasons?

Malav Patel: Gas was one and major was the steel mills were not delivering on time because they also operate on gas, right? And mills were shut also in the month of March 2026. Entire month of March, two major suppliers in India were shut down, right? We were relying only on one other steel supplier and that disrupted our material inflow. So that was another major, major reason even beyond gas I would say.

Shubhankar Gupta: Okay, sir. So just kind of wanted to understand the supply side of the raw material. So going forward are we planning to stick to these two main suppliers or are we more let's say number fragmented in terms of our supply side? How is it building up?

Malav Patel: No, no, see we generally rely on these three suppliers who have been delivering on time till date, but what just happened, that was an extraordinary situation. These extraordinary situations don't come very often.

Sanjay Majmudar: So they are the largest steel producers, we are talking about Tata, JSW, and Arcelor Mittal who are reliable. But anyway, now things are normal. Now everyone's back. Now steel has become expensive, that's another thing, but supplies are in place. Steel prices have been increased in India in the last quarter by 20% plus, frankly thanks to MIP. Because minimum import prices are linked to dollars and freight and everything, so as much as the import price goes up, domestic mills immediately jack up the pricing.

Shubhankar Gupta: Okay. Got it. That's helpful. And I think those were my questions mainly. Thank you for answering so nicely.

Malav Patel: Yes, thank you. Thank you.

Moderator: Thank you. The next question is from the line of Anurag Patil from Quest Investment Managers. Please go ahead.

Anurag Patil: Thank you for the opportunity. So sir, on the data centre side, what is the actual scope of work for us?

Malav Patel: See, the quantum is, I can say in a very simple language that it will lead to a very humongous quantity coming in in the next five to seven years. But still, you know, the Indian companies, the Indian developers who are into data centre development, you know, they contemplate between iron, steel, and concrete, right?

Because they are still exploring, the subject is new for them. Of course, they have international tie-ups, international consultants working on this. So actual number I will not be able to give you because it is still in a very, very nascent stage. There's only one or two companies which have actually executed data centres. One of them is Adani and the other one I think is Hiranandani or Raheja.

These two have actual data centres they've put in place. But a lot of them are yet to come in the market. Now what technology they use, how quickly they are going to come up with it, that is still a bit premature to say.

Aditya Patel: Just to add to perspective, one data centre, thumb rule average is roughly around 12,000 to 15,000 tons of PEB.

Anurag Patil: Okay. But specifically with regard to data centres, concrete versus steel, how do we fare basically, if you can throw some light on that side?

Malav Patel: Again, you know, it is in a very, very premature stage because we are currently in fact working on a couple of inquiries for data centres and the quantum would be around 50,000 to 60,000 tons. Now actual designs we are still in the process of understanding and we really are yet unaware of what is going into making it with concrete.

So once we actually execute a couple of them, I think we will not be able to give you that answer. But steel has its advantages, it is much quicker, it has a much faster turnaround time, right? And the developers, if not today, will tomorrow see this difference in execution speed and which will be the winner again for steel construction.

Anurag Patil: Okay, fair enough. And second question sir, on the Cheyyar facility, we want to increase our utilization in FY27, but do we have enough order book from the South India region to ramp up that?

Malav Patel: Yes, yes. Our target for this year, we have that much work. Or it's in a very final stages of closure. We have good amount of work on hand, which we can deliver in the next six to eight months. Currently, we are working on orders which will come into execution beyond that.

Anurag Patil: Okay, sir. That is from my side. Thank you very much.

Malav Patel: Yes, thank you.

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

Vandit Shah: Hi sir, thanks for the opportunity. Sir, just one question I had. You had given the guidance of 85,000 tons which is say 20% volume growth. Secondly, we've also spoken that the steel prices have gone up by 20% this quarter. I understand the order in hand will take six months for the completion, but can this?

Malav Patel: A little bit more, a little bit more.

Vandit Shah: Assuming seven to eight months of completion.

Malav Patel: Six, eight months will pass, it will take around eight and a half months.

Vandit Shah: So the new orders if the current steel prices are at the same level, then the new orders will be at the increased price side?

- Malav Patel:** It will be coming at a higher price, yes.
- Vandit Shah:** So that effect will be seen in FY27 or FY28?
- Malav Patel:** Partly in this year, partly in the next year.
- Vandit Shah:** So there can be a situation that 25% revenue growth we can outpace that based on the pricing?
- Malav Patel:** Could be.
- Malav Patel:** You are right. Bang on, correct.
- Vandit Shah:** And sir, secondly on the just exports front. So now the tariff situation, the tariffs have reduced to 25%. So currently we are paying 25% tariffs, right?
- Malav Patel:** Yes, that's right.
- Vandit Shah:** So while it was 50%, we were maintaining the same margins around 16% to 17% in exports over there. So despite the tariffs going down, we are not increasing our margin?
- Malav Patel:** Vandit, we are going to try for, as I said in my earlier answer, I am going to try and balance out my margin improvement and getting new orders but thereby increasing my customer base. I am being a little pessimistic while giving you the margins.
- Because my input costs and all are still not exactly in my control, right? I may book something today, but I don't know what the freight rates are going to be tomorrow. So I did not want to give any margin guidance whether it was for export or domestic, but this is just to throw a number at you, we have spoken this number, but I still, do not have control on my input cost, we will not be able to commit or give any guidance about these numbers.
- Vandit Shah:** Got it. And sir, lastly, so our export work is like we ship from here to our company in the US and then the US company sells all over the place, correct? So how do we manage freight costs like if we want to protect ourselves in the current situation? So is there any strategy in place to protect that freight?
- Malav Patel:** Since this steep increase in the last month and a half since the war began, we have started adding a little bit of more cushion. What increase has happened, now there was a \$2,000 of war surcharge which the shipping lines started imposing over and above the regular freight rates.
- So when such an increase, you can never plan for such an increase. You can maybe provide for a little bit of cushion, but now today when I'm quoting for a job, I'm adding adequate cushion so that, if at all the oil prices go up even beyond what they are today, then I'll be covered to an extent.
- Moderator:** As the participant's line has been disconnected, we'll move on to the next question. The next question is from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.

- Aniket Madhwani:** I just want the clarification on the export side. So previous quarters we have seen the export contributed around 18% or so and still we are on that number only. I mean we can see here 20% of this quarter's revenue has been contributed by exports. So going forward do we look to increase this number, I mean if we even look at the order book, INR280 crores is from export side. Am I correct?
- Malav Patel:** Yes, yes. That is our current year's number that we have targeted. About INR275 to INR300 crores is what we are aiming at going forward.
- Keyur Shah:** And regarding volume, yes, see currently export has contributed about 13% of the total turnover, for FY26. We aim it to maximum up to 20%. So it will be gradually we will be increasing like say, as we said 10,000 tons in the next year. Say if we put 10,000 out of 85,000 what will be it, it will be around 14% to 15%, right?
- Sanjay Majumdar:** Is your question Q4 versus Q3? This is one reason is revenue recognition, you can't recognize the revenue till it reaches the goods in transit part, yes. So the cut off was somewhere around February 10th or 12th, after which the shipments we have not been able to recognize as revenue this year.
- Aniket Madhwani:** Okay. So that amount got deferred I mean deposited.
- Sanjay Majumdar::** Yes, yes. It will be booked now this quarter.
- Keyur Shah:** This quarter.
- Aniket Madhwani:** Okay. So this quarter will be high in terms of export revenue.
- Malav Patel:** No, now it will be consistently good, I think more or less, because this large order that is coming into execution, that will go on for another seven months. So we'll be consistently delivering a certain quantum month on month.
- Aniket Madhwani:** Okay. And may I know the amount that got deferred?
- Malav Patel:** It would be difficult, we'll have to check and get back.
- Aniket Madhwani:** Okay, okay, no worries, no worries. And what is the current capacity utilization and after the Phenix plant at Sanand get the commissioned, what will be the utilization rate?
- Malav Patel:** See currently the Sanand plant last year executed, meaning utilized about 75% to 76% which is the peak, right? After 20,000 tons expansion which is undergoing right now, in the current fiscal with the output that we have planned, it will be somewhere around 65% to 68%. Chennai, Cheyyar plant, last year we did about 50% to 55%. This year we will be crossing 68% to 70%. Because of our product mix, 75% would be the peak.
- Aniket Madhwani:** And regarding the raw material cost, I mean does company have plans to hedge against the steel prices or the gas prices?
- Malav Patel:** In steel, in our country there's no hedging possible.

- Sanjay Majumdar:** So Aniket, just to add, as we have been explaining, we try to cover the raw material, main raw material steel to the maximum extent possible for the given order inflow plus anticipated orders which are at the final stage. Problem is you can cover with all your calculations you can't go beyond 80% to 85%. 15% remains open.
- So this hit that we have taken is on that 15% to 20% which remained open. What is covered means we either place a firm order, either it has to be in my inventory, or it has to be already ordered at the committed price by these big steel mills. This is the only way you can hedge, yes, and it is, we have found it to be the most effective. Because in no quarter you would see such a steep volatility. That's the real pain point.
- Malav Patel:** This is an extraordinary situation, we can never plan for such a situation, you know.
- Moderator:** I'm sorry to interrupt sir, but could you please return to the question queue? There are several participants.
- Aniket Madhwani:** Okay, fine. Yes.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from Equirus Securities. Please go ahead.
- Vaibhav Shah:** Yes thank you very much for the opportunity. I have just one question. So what is our total employee strength at the FY26 end and how will it grow over FY27 and 28? And it will be really helpful if you could break it by the segment or the plant-wise.
- Malav Patel:** Employee strength, white-collared professionals, it would be around 440 in Phenix and about 150 to 160 in Proflex. This is the professionals. Workers would be total both plants put together 1,600.
- Vaibhav Shah:** Understood. Thank you.
- Moderator:** Thank you. The next question is from the line of Arvind Arora, A Square Capital. Please go ahead.
- Arvind Arora:** Yes thanks for the opportunity. Sir, so you mentioned like 80% contract in the current order book is like we hedge and 20% is open. So is it like we hedge and that's how we protect our margin or do we have price escalation clause in our contract with the client?
- Malav Patel:** No, no, see ours are fixed price contracts because execution time-wise it is anywhere between 6 months and 12 months, you know, they don't go beyond a year. And the industry trend is such that it is only based on fixed price contracts. So the moment we bag any of the orders, we secure this 80% to 85% material either through our hard inventory, in-transit material, or we will secure that 85% of the new order quantity with the mill. At least the price is fixed. Only thing that remains open is that last 15% to 20% of RM which generally is booked when my engineering and design gets finalized.

- Arvind Arora:** Okay, understood. And sir, you mentioned like there is a difficulty in the conversion to order from last three to four months. So is it like because of these issues that you mentioned or this is like some other issue at a company level or this is at the industry level?
- Malav Patel:** I think you're talking to export conversion, inquiry into orders, right? This was in context with export orders. You talking about the timeline between inquiry and order closure, that's what you are wondering to know?
- Arvind Arora:** Yes.
- Malav Patel:** Yes, see generally, generally in the US market it takes around 6 to 8 weeks. Okay. What we have experienced in the last two months that 8 weeks has become 12 weeks, or even 16 weeks in some cases. Because the larger the project becomes, the financial closure, etc, take a much longer time.
- And in the scenario of rising costs, you know, the end users generally take their own time, make sure that all the resources are in place before they would get into any order closures with vendors like me. Inflation in the US has well increased. So oil and gas prices, petrol prices have gone up to \$4 and in some cases in California \$7. So all these factors are weighing down on order closures and other matters.
- Arvind Arora:** So will there be any short term impact in the closing the orders like due to there might be a speculation from company side like to wait for three months to like so that the price could decrease or something like that?
- Malav Patel:** There is a possibility, yes. Meaning, if let's say for example I am a customer who is not hard-pressed on putting my new project up, would probably choose to wait for two months and see how the prices are going. That is a possibility. Yes.
- Arvind Arora:** And sir on the data centre scene, like when you have announced on the street like as you said right now it's not possible and there are certain works which is going on. So any timelines by when you can announce something material on the data centre?
- Malav Patel:** This is an ongoing process and these are very, very large projects and a lot of engineering goes into it. So the customer himself takes a very long time putting all the specifications in place and then when it comes to me, my engineering department takes equal amount of time determining the design and the quantum of steel that is going to go in the building. So it is a process and the day we have that clarity we'll be more than happy to share it with you.
- Arvind Arora:** Okay, understood. Thank you sir and all the best.
- Malav Patel:** Yes, thank you, thank you.
- Moderator:** Thank you. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.

- Ankur Gulati:** Thank you. Sir if I add other income I got 11.9% EBITDA. You mentioned forex loss, can you please explain a bit more about that. And second, what will be the guide path to go from 12% EBITDA to the 13.5% EBITDA we had before tariffs?
- Keyur Shah:** My plain EBITDA is 12.48% and if you consider this forex which is 0.5%. So that put together makes 13%. The other income is covered.
- Sanjay Majumdar:** So as I said, Ankur, that other income has two components, other operating, that other operating we include, we also include the other income but even if we exclude the other non-operating income, then also it will be in the range of about 12.5%.
- Ankur Gulati:** Sir I'm sorry, can you please explain because I am getting INR43 crores odd on 363 revenue, that is becoming 12%, so there is 50 to 70 basis point gap. If you can help us?
- Keyur Shah:** Sir, EBITDA is always with other income, as we mentioned in the P&L, right? So it is 11.9% what you are calculating, right? That is, you removed non-operating income, right? That is to the tune of INR6 crores for full year, right? And you removed that other income which is non-operating to the tune of INR6 crores, that's why you get 11.91%.
- Sanjay Majumdar:** And then you add your forex part, it will become about 12S Adjusted, yes.
- Ankur Gulati:** And this forex loss is because of what, hedging or what?
- Sanjay Majumdar:** No, no, this sudden rupee depreciation and translation, mainly translation. You close your accounts at INR94.78.
- Keyur Shah:** See, post-war situation in February, the dollar increased drastically from INR89-90 to INR94.78 and this has resulted into conversion of all the liability at INR94.78, which is notional, right? But we have to account it for in the books of account as per the accounting standard, which is to the tune of INR3.83 crores. And this is the result.
- Ankur Gulati:** Okay. And sir, when does the lower tariff start?
- Malav Patel:** It's implemented. So I think it came into effect on 6th April. So after that, whatever our consignments reach will have an imposition of 25% sectoral tariff.
- Moderator:** I'm sorry to interrupt sir, but could you please return to the question queue?
- Ankur Gulati:** Can I have one more last one, please?
- Malav Patel:** Yes.
- Ankur Gulati:** So, regarding your export -- based on the earlier guidance of 17 or, let's assume, 17 to 14 -- this will now start reflecting in Q2. This is because, as you begin the process now, I think it will take about two months for the actual deliveries to take place, right? So 15 to 17 of export and whatever the domestic is let's say 11-12, that is something which we'll see in Q2, is that fair?

- Sanjay Majmudar:** You are broadly right, but we have decided not to give any specific guidance till we get more clarity, yes, because my input costs are still not in my control. But in domestic it is not 12. So that 11-12 is a very, very good way of saying, but there is nothing like 12 in domestic.
- Ankur Gulati:** Okay, I'll fall back in queue, thanks.
- Sanjay Majmudar:** Thank you Ankur.
- Moderator:** Thank you. The next question is from the line of Devang Patel from Sameeksha Capital. Please go ahead.
- Devang Patel:** I had a question on the working capital. If I see the operating cash flow it's minus INR36 crores, within that there is an outflow INR179 crores because of trade and other receivables. If I just look at the receivables in the balance sheet, it's up INR47 crores but in the cash flow the number is much higher. So the question is, what explains the outflow on OCF, are they any one-offs here?
- Keyur Shah:** Sir my working capital cycle is mixed of the current assets as well as current liabilities as we have put it into the presentation. That is coming to 39 days for FY26. Now what happens, see if you see working capital changes which is affecting my cycle, working capital changes is impacted by my payment to creditors or my inventory building, which is again payment to creditors.
- Now if you remember, my IPO includes INR65 crores of GCP that is general corporate expenses which is mainly used for the working capital. Now as that fund is available, I will obviously make the payment to creditors. So which will result in two ways, it will impact my working capital cycle adversely as well as it will impact my cash outflow from operations.
- Because of I'm paying to my creditors.
- Sanjay Majmudar:** Because you are using long-term sources to pay creditors
- Keyur Shah:** So that will be usage of the fund, right? And GCP is not part of the working capital inflow. Therefore it shows negative impacting my total cash outflow from operations.
- Devang Patel:** Okay, I got your point on payables. On receivable I'll connect with you offline. I just have a quick question on the tariff reduction in US. You had a large INR200 crores order previous quarter. Now that the tariffs are reduced, do you get to retain the benefit or is it passed on?
- Malav Patel:** A part of it, a part of it. Because that was the original clause in our contract, that we have to, in case of any increase, there would be sharing of the tariff and in case there is any reduction, then also there will be a sharing of the benefit. So a portion we are going to keep and a part of it the customer is going to be taking advantage of.
- Devang Patel:** Right sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Hrishit Jhaveri from CBA Asset Management. Please go ahead.

- Hrishit Jhaveri:** Thank you for giving the opportunity. Partially my questions have been answered. Just one follow-up on the previous participant. What will be the Q4 utilization for both the plants due to the war?
- Malav Patel:** Q4, my Sanand plant would be around 75%. Sanand plant is operating whole year it operated at peak level. And my Cheyyar plant about 52% to 55%.
- Hrishit Jhaveri:** So, because the war has been extended even into spillover in Q1, what do you see how much would be the impact on the utilization for Q1?
- Malav Patel:** Basically, it is going to be a peak at Sanand because I have adequate orders to continue and keep my shop floors loaded at both the plants. Even Cheyyar will improve.
- Hrishit Jhaveri:** Okay understood, thank you Malav.
- Malav Patel:** Yes.
- Moderator:** Thank you. The next question is from the line of Guru Darshan from Kitara Capital. Please go ahead.
- Guru Darshan:** Yes sir, thank you. I just had one question, it's more of a clarification. Despite maintaining 100 days of inventory, your production in March was impacted considering the war situation escalated towards the end of February. Of course I'm assuming majority of raw material is in the form of raw materials than majority of inventory is in the form of raw materials and work in progress and assuming 35 to 50 days inventory sits in production plant. I just wanted to understand the disconnect between you saying production was impacted versus maintaining 100 days of inventory?
- Malav Patel:** See Guru, the 15%-20% of ours that we keep open, that is generally non-standard items and without having these non-standard items in my inventory, it affects my supplies because the customers generally don't allow supplies to happen if the materials that are delivered are not installable.
- And that is why some of my large projects, the deliveries got impacted. As I said in the month of March, two large mills which are our major suppliers, the entire month their mill was shut. I was required to depend only on one mill and that one mill had pressure of deliveries from all manufacturers like me as well as a hundred others.
- So my delivery times got affected. Even that one mill that was running was encountering gas shortage. Because gas is one of the main ingredients to run the plant. So, regarding my deliveries from there as well -- it was a double whammy, right? For one, demand was high, and there was also a gas shortfall.
- So what I was supposed to get in three weeks, let's say it took about seven-eight weeks to get the deliveries. That's what impacts it. That last 15%-20% of the material also make a very big difference.

- Guru Darshan:** Okay, understood. Congratulations on the good numbers, sir, considering the challenging environment. Thank you and all the best.
- Malav Patel:** Thank you for understanding. Thank you.
- Moderator:** Thank you. The next question is from the line of Rajat Baldewa from Kizuna Wealth. Please go ahead.
- Rajat Baldewa:** Yes, hi sir, thank you for giving me the opportunity. Just one question. In Q4 order inflow was INR387 crores, down sequentially from INR480 crores in Q3, and the current unexecuted order book is around INR1,083 crores against a revenue of INR1,260 crores, which implied a order book to revenue ratio of 0.86. How do you frame the adequacy of this cover and what does the current bid pipeline look like in terms of value?
- Malav Patel:** Current bid pipeline would be to the tune of INR1,000 crores. These are inquiries from different sectors, generally the industries that we cater to. It would be a good mix of large orders, medium orders, and small orders. So the bid pipeline is strong and we are confident. Now let's hope it remains that way in the coming time because still even as we speak the uncertainties are still looming.
- Rajat Baldewa:** Okay and sir just one last question, just want to confirm, correct me if I'm wrong. Given the situation because of steel price volatility, 20%-25% steel price hike from INR49,500 per ton to INR58,500, so and demand in PEB sector is also robust, so are you being able to pass on the price hike? Correct me if I'm wrong.
- Malav Patel:** For the new orders we quote, we will obviously be using the new pricing. So that's what we are practicing, that we'll never hold back the increase if there is already not a contractual sign-off happened between me and the customer. Unless and until I receive the advance, the price is not fixed.
- Rajat Baldewa:** Okay. Thank you, sir. Great.
- Malav Patel:** Yes.
- Moderator:** Thank you. The next question is from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.
- Dharmil Shah:** Hi, thank you for the opportunity. So just wanted to confirm few things. The volumes mentioned for exports were 7,000 in FY26 and 2,400 for FY25, right?
- Keyur Shah:** Yes, Yes. That's right.
- Dharmil Shah:** Yes, so just continuing on this. I mean on based these numbers, export realizations are somewhere around INR2.3-INR2.7 lakhs per ton versus, I mean if I compare it to the domestic realizations, it's almost 2x of what we earn in the domestic market.

So why is this difference and if even if we compare it to some of the US PEB companies, it's still I mean quite high. So could you just explain what the difference is and why is it so stark difference?

Malav Patel:

See basically there is a large chunk of materials that we buy from the local market. They are called bought-outs in our language, There are buildings which require several such different kinds of bought-outs and the price of those bought-outs coming from the US market is comparatively a much, much higher than what it is in India.

They can range anywhere between INR1 lakh per ton to let's say INR2 lakh per ton. It depends on the item that we're sourcing. So it would have so happened that in the orders that we executed where you realize this price, the amount or the quantum of bought-outs from the US markets would have been on the higher side.

And that's why this price per ton that you see is two to three times higher than the Indian prices.

Keyur Shah:

Plus there is the freight component as well -- and there is also a slight impact from duties. It's a combination of everything.

Dharmil Shah:

Understood. So the parts we source from US, I mean are those sign different ?

Malav Patel:

Yes, the qualities are different, the specifications are different, there's many, many variables. Because there in the US market, the aesthetics of the buildings that we generally deliver are very different than what we actually do in India. It's a mix of commercial as well as industrial buildings and not only industrial, whereas in India in 99% of the cases it is only industrial.

Dharmil Shah:

Understood. But despite duty in fact realization have come down, at least in the export business. But okay, maybe it will be a product mix issue.

Malav Patel:

The impact of this is yet to be felt. Meaning we'll see that impact in the coming quarters.

Dharmil Shah:

Understood. And again just comparing the other expenses across the two years. I mean it has almost increased by 90% from INR88 crores to INR161 crores. Probably you already explained but just wanted to know what was the major reason?

Keyur Shah:

Major thing is export as we said, because see we during the last two to three years our export has increased multifold, say like INR65 crores to INR165 crores in one year. So based on that all export expenses which is duty as well as sea freight and local transportation in USA is clubbed and put as an export expense in the other expense schedule. And which is the major component of that increase.

Malav Patel:

It will continue to move forward.in the coming time, you'll see this number jump up because the numbers that we are targeting in this year is again almost double, I think if not double then at least 80% more. So you'll see more of it coming in the coming time.

Keyur Shah:

40% of the other expense is export expense.

- Dharmil Shah:** Got it. And if we look at the cash flows for last two years, I mean our cash flow from operations have been quite weak. Any particular reason?
- Keyur Shah:** No sir, as I explained earlier, see cash flow from operations get conversion when we make the payment. Now since last two years, due to paucity of fund what we do is we do cash purchases. And on top of IPO fund availability of GCP also we made cash purchases and payment to creditors, which has resulted into lower, means negative cash flow from working operations.
- Actually if you see my balance sheet, we are sitting on say INR90 to INR100 crores of cash balance which is not counted in this thing, right? Which is the reconciliation figure. So if you see just take one figure of INR64 crores of GCP and my cash flow from operations is say INR30 crores negative, so if you remove this INR64 it is INR34 crores positive rather. Because INR64 crores doesn't form part of my working capital operations cash.
- Malav Patel:** Simply put, when long-term resources were used to reduce your creditors and we are buying cash, so that is always a positive generation but additional long-term resources used to reduce the level of creditors and therefore this dichotomy appears but it is actually not so. Positive thing. Yes.
- Keyur Shah:** And this long-term fund was used because of the object in the IPO.
- Dharmil Shah:** Yes, that's fine. Understood. Thank you, thank you. Yes, that's it and thank you and all the best.
- Malav Patel:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from Equirus Securities. Please go ahead.
- Vaibhav Shah:** Yes thank you very much for the opportunity. So just continuing on my previous question. While you have mentioned employee strength at the FY26 end, could you mention how it will grow over FY27 and '28?
- Management:** My production team will go up by about 200 people in Sanand. I'm talking about the workforce. And if you see my shop floor engineers and supervisors and my project management department it would be around 25 to 30 professionals.
- Sanjay Majumdar:** Nothing much really, Yes.
- Vaibhav Shah:** And for Cheyyer?
- Malav Patel:** Cheyyer, we are just recruiting to fill the gap. There is no expansion in it right now, so whatever number of people are missing currently that we are planning to fill out and that would be to the tune of around 25-30 people. This is the workforce, not professionals.
- Vaibhav Shah:** Okay, understood. Thank you.
- Malav Patel:** Yes, thank you.

- Moderator:** Thank you. The next question is from the line of Hrishit Jhaveri from CBA Asset Management. Please go ahead.
- Hrishit Jhaveri:** Thank you for the follow-up, sir. I just wanted to understand because we are doing cash purchases to procure the raw material, what would be the margin alpha we are getting of that advantage?
- Keyur Shah:** Yes, cash purchase always give some benefit out of it, but very little. Meaning half a percent or so. On debt purchase. Yes.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the floor back to the management for closing comments.
- Malav Patel:** Yes. Thank you everyone. On behalf of the Management of M&B Engineering Limited, we thank you all for joining us on our post-earnings call today. We hope we have been able to address majority of your queries.
- You may reach out to me or our Investor Relationship Partner, Ernst & Young for any further queries that you may have and they would connect with you offline. Thank you. Moderator we can close the call now.
- Moderator:** Sure sir, thank you very much. Thank you all. On behalf of M&B Engineering Limited, that concludes this conference. Thank you all for joining and you may now disconnect your lines. Thank you.