"Anup Engineering Conference call for Analysts and Investors to Discuss the Financial Results and Performance for the Quarter Ended 30th June 2021"

July 27, 2021

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Moderator: Ladies and gentlemen good day and welcome to the Conference Call for analysts and investors to discuss the financial results and performance for the quarter ended 30th June 2021 of the Anup Engineering Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bhavesh Shah. Thank you and over to you sir.

Bhavesh Shah: Thank you. Good afternoon everybody. Thanks for participating in the call. Hope you have all gone through the press release and the investor presentation for Q1 posted in the exchange. I am joined with our Chief Executive Officer; Mr. Rishi Roop Kapoor and Company Secretary; Mr. Chintan Patel from our side. As you would be aware Anup Engineering is Lalbhai group company having global presence in heavy engineering business since 1962. We cater to wide range of process equipment including oil & gas, petrochemical, LNG, fertilizers and pharmaceuticals with extensive product range of heat exchanger, reactors, pressure vessels, columns and towers and industrial centrifuges and formed components.

Now I will run through the financials for the company current quarter. Despite second wave of COVID we had our best Q1 ever in the current quarter. The revenue from the operations was 52 crores against 30 crores in last year Q1 FY21, up by 72%. The EBITDA margin is at 24% PAT is at 8.1 crores against 5.2 crores in last year Q1 FY21, up by 55%. We are having a very strong order book position, as on 30th June was nearly 300 crores and happy to tell that since beginning of Q2 till date we have booked orders of 51 crores till date which gives us very good visibility for the coming quarter. Our liquidity position is very strong, we have fixed deposit balance of 52.5 crores as on June end. This information is available in the presentation and now we will start with the question answer session. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Kaushal Shah from Dhanki Securities.

Kaushal Shah: I have few questions, one was if you can share some updates regarding the Odhav plant, I believe the clean room there was delayed due to the COVID second wave. Also, an update on the Kheda construction and if you can kind of share some more color on the order inflows that we've had, meaning which are the key sectors so as to say and do we stick to this—if I'm not mistaken in the Q4 call we were expecting inflows of around 300 or 330 crores for the current year '21-22—so do we maintain that same inflow target or we want to revise it upwards?

Rishi Roop Kapoor: God afternoon to you Kaushal. This is Rishi here and first of all to begin with let me begin with by answering the last question that you have, that's regarding the order book. We indeed had a good run in booking the orders. Since the 1st of April since the year opened, we have gone ahead and booked almost about 150 crores already. So, which is you can say one of the best run rate that we have had in terms of order booking. We are pretty much on track with the initial indications that we had given the expectations about booking orders to the tune of about 330-

350 crores in the current year. That's very much on because we've had a very good start and the inquiry pipeline is continuing to be very robust and very strong, both from the international as well as domestic markets, so that's one part of the question.

Of course, the second is an update on the CAPEX progress in Odhav. So, the clean room project yes it did take a hit in the second wave of COVID. We really have to like it was pulled back by almost 2 months but since I think beginning of June, we have been able to gather momentum in the progress that we are making in this project. And we are certain that we will be able to complete the project in the month of September anywhere between 15th to 30th of September the whole bay, including the clean room is targeted to be commissioned.

Kaushal Shah: Regarding the Kheda plan, we were expecting regulatory approvals..

Rishi Roop Kapoor: The Kheda plant also, the regulatory approvals are very much in place and the work, we are currently in the process of renewing the contracts, renegotiating the contracts which we had already placed in the last year before the COVID struck. Those contracts are going to be renewed. We are going to renegotiate those contracts. That's the process which is already started. We intend to begin the first phase of construction in this quarter, in the current quarter in Q2.

Kaushal Shah: So, this significant order inflow momentum that you've see, if you can maybe throw little more color on which are the sectors that we are seeing a lot of attraction or activity and how do you see the forthcoming let's say for the next 4 or may be 6 quarters ahead?

Rishi Roop Kapoor: So, like we had mentioned in the past also, the primarily the orderbook continues to be from our conventional sectors which is refining downstream, oil and gas. But that's maybe to the extent of about 68%. However, some very good progress we have been able to make, significant progress in other sectors, for example chemicals then we have been able to make good progress in power sector and we have been able to…So the chemical sector contributes about 12%, the power sector is about 2%. Though it's not really a very high proportion as of now but it's a new business stream, it's a new revenue stream that has been opened up. We made some good breakthroughs with some of the global leaders in the sector. Of course, fertilizer will continue to provide us with more opportunities, so happy to stay there that slowly we are making progress in other sectors other than the conventional refining sector. So almost about 32% is coming now from non-refinery sectors. So that's a great sign for us. And the momentum of the inquiries is I do not see any let-up in that. In fact, we are getting better choices because as we are going forward, we are improving our product mix. We are getting better approvals. We are getting our track record is becoming better than before and it is opening up doors for us on new product mix, new product categories, new customers. It's pretty kind of expected market for us is going to be quite positive in the future.

Kaushal Shah: Just one final question for my side before I come back in the queue; on the gross margin side I think you had said in the past that we will maintain this 47% kind of range. So given the RM price pressure that is coming across the board virtually for all companies, do we expect to kind of maintain this range given that you are you're saying that the inquiries continued to be very strong. the order bookings are very strong. So, are we able to kind of get orders at a decent margin, so we've had to do of compromise there?

Rishi Roop Kapoor: We have already mentioned, I think at the end when we announced the last financial year results, I think we pretty much maintain the same margins. There could be a hit of a couple of percentage points instead of 25%-26% that we have been consistently showing on EBITDA, maybe it could come down to what 23%-24% but that's about it and we are confident of sustaining this.

Moderator: We'll move on to the next that is from the line of Hardik Jain from White Stone Advisors Private Limited.

Hardik Jain: Just wanted to understand with the kind of good order book, order intake that we are getting, I just wanted to understand, so the heat exchanger and the vessel the major products that we make, does it generally go into a new greenfield or brownfield expansion or does it also go to an existing plant where they want to enhance their efficiency and capture the heat that they are losing? So, does it go even in the existing plants or it generally goes to the new CAPEX?

Rishi Roop Kapoor: No, most definitely it also is required in an existing plant as well because the equipment which are only installed there, they would need periodic replacements. So definitely shut down and replacement is a major business segment for us.

Hardik Jain: Just please excuse my ignorance because I'm new to this company. Heat exchanger is basically a product which helps a company to capture the heat and use it to generate some kind of energy, is it?

Rishi Roop Kapoor: It is one of the wide ranges of process equipment. You can say that it's one of the most widely used process equipment in the whole range. If you would see our presentation as well you will find other product categories, other process equipment categories like vessels and towers and reactors and yes, primarily the function of a heat exchanger is to transfer the heat from one medium to another that's the primary function. It is used in wide ranging applications in any process plant. It finds application across industry sectors.

Hardik Jain: Our target customers would not just be the ones who are looking for a new expansion or new CAPEX but will also be existing plants where they need to enhance their efficiencies?

Rishi Roop Kapoor: Most definitely.

Moderator: The next question is from the line of Chetan Vora from Abakkus.

Chetan Vora: I was asking how the demand environment is looking like post this COVID-2?

Rishi Roop Kapoor: Chetan you joined late but we just discussed about it that the market, the demand continues to be quite strong and we have had one of the best runs in the last may be 45 days, 50 days in this new financial year. We have booked close to the extent of about 150 crores, of orders have already been booked, so we see the trend continuing in the coming quarters.

Chetan Vora: This 150 crores will be including the 50 crores order what you got post June also?

Bhavesh Shah: Yes.

Chetan Vora: In terms of margins did I hear it correctly that you said that for the full year it could be in the range of 24%, is it right?

Rishi Roop Kapoor: Yes, the EBITDA would be in the region of about 24% is what we have stated.

Chetan Vora: Because I was just looking at our annual margins have been in the range of like close to the range of like 26% to 28%. So, I was just looking why this 24%, so what is impacting us? If we are seeing a growth and there would be better utilization of capacities then why the margins would fall down to 24%?

Rishi Roop Kapoor: You see a lot of contracts, a lot of orders that we've had are booked in at a time when the steel prices were at a different level and there were some orders where we had to take that change in the pricing of the raw material did have an impact. So, but then the latest orders are all as per the current scenario and high rates, so that should outset. This is what we are expecting in the year, it should not go below this..

Chetan Vora: So basically, the recent orders what you have bidded would be higher than the 26% margin as you as what you are saying?

Rishi Roop Kapoor: So overall in the year it should be anywhere between 24% to 26% is what we saying.

Moderator: We'll move on to the next question that is from the line of Varun Seth, an investor.

Varun Seth: Basically, my question is on the Kheda, which I understand that you soon will be starting in this quarter itself and based on previous interactions what I understand that you are supposed to start once the COVID situation settles down once monsoon settles down, so maybe post October and now we are hurrying a bit to Quarter 2. So, are we seeing more robust demand or the demand scenario has changed or why we are not preponing the CAPEX if you can throw some light on that?

Rishi Roop Kapoor: I think the situation is more clear to us. The impact of COVID at least the second wave has brought us as people, as society, as people in the industry. We have been vigorously pursuing vaccination of the workforce that we have here, both white collar and blue collar. We have made some very good progress here, so that's about it. And we are targeting, we always mentioned that we are going to begin the construction sometime in the month of October but we see an opportunity to prepone it to the previous month and we've already taken a head start on that. We are in the process of renewing our contracts and we plan to begin the construction at this time without wasting any further days.

Varun Seth: Considering the preponement and considering the robust demand outlook and the order book which we are booking, how do we now see our 1000 crores revenue target which of course was a delayed because of COVID, so now when do we expect to reach at that run rate level?

Rishi Roop Kapoor: So, like I said we had been talking about the key driver for this towards this target are going to be, the CAPEX that we are doing, the market expansion that we are doing, the technological collaborations that we're doing and Kheda is one of the biggest building blocks for achieving this number. That's also one of the reasons why we would like to accelerate Kheda, especially the first phase we want to really accelerate and get closer to our target as early as possible. We are still expecting that in about FY25 is the target that we are taken for achieving our 1000 crores number.

Varun Seth: Last question is on the clean room, so which I understand is basically will entail you to have higher value kind of orders which will have a higher margin at the end of the day. So that’s being getting started somewhere in September, so in H2 how does it impact in our overall revenue stream because of clean room in terms of revenue and in terms of overall margins and going forward if you can throw some light on that?

Rishi Roop Kapoor: In the initial H2 we are likely to commission this by the end of H1 and H2 you will not see any impact there. But yes, the following half that is the first half of next financial year, there'll be an impact because we'll be booking the orders at that time. In the second half maybe, we will be utilizing the clean room as any other bay to begin with. So, we are not going to wait for the exotic metal orders but those orders will materialize in the second half of this financial year. So, they will be executed in the first half of next year.

Moderator: The next question is from the line of Aman Vij from Astute Investment Management.

Aman Vij: My first question is on the client addition side, could you talk about what is our total number of clients as of June quarter and how many new clients do we add every year?

Rishi Roop Kapoor: Number of new consumers, is that your question please? Can you please repeat Aman?

Aman Vij: My question is this only, number of customers we have as of today and how many we added in the last one year?

Rishi Roop Kapoor: New customer addition has been muted in the last 12 to 16 months only because of COVID.

Aman Vij: What is our base of customers as of today?

Rishi Roop Kapoor: What is the?

Aman Vij: Total number of customers we have as of today?

Rishi Roop Kapoor: Total number of customers maybe it will be close to about 70-75?

Aman Vij: My second question is, post the Odhav CAPEX what will be our capacity? Basically, what kind of sales can we achieve and similarly for the first phase of Kheda CAPEX when it will get over and what kind of peak sales can we achieve?

Rishi Roop Kapoor: So, primarily what we have two units in our plan to achieve the 1000 crores revenue target. Out of which 500 to 600 crores is going to be contributed by Odhav which is where we currently operate from and which is currently actually the only functional facilities that we have. This contribution has come from Odhav and the remaining is going to come from Kheda and that is going to be divided into three phases. First phase as I mentioned is likely to begin by the end of this quarter and it should take about 6 to 7 months to be commissioned. That will add maybe about 100-150 crores of revenue to the top line in the following period. Similarly, it is going to be followed by two more phases of construction in Kheda. The completion of Kheda, the three phases is going to happen one phase each year. The next phase is going to be planned in the next year and followed by the end of third year, the third phase.

Aman Vij: To utilize this facility phase wise, so first phase say gets over in 6-7 months. So, by what time do you expect one single phase see full capacity we can utilize? Let's say 1 year after commercialization or is it, it will take time?

Rishi Roop Kapoor: No, it should be anywhere between 6 to 12 months since we are going to be producing similar kind of equipment, where we are already registered with a lot of companies. However, in some of the public sector companies the registration process for a new unit will take about 2 to 3 months or in some cases maybe about 4 months or 5 months.

Aman Vij: On the Odhav side, do we require any clean rooms or do we set 500-600 crores of…?

Rishi Roop Kapoor: Odhav, this is going to be the final piece of CAPEX that we will be doing here. That is going to complete the CAPEX at Odhav

Aman Vij: When do you think we can utilize this facility fully?

Rishi Roop Kapoor: Beginning next financial year.

Aman Vij: You are saying say FY23, we can see around 500 crores sales from Odhav capacity itself?

Rishi Roop Kapoor: Yes, so there's going to be obviously some lag in that because the clean room is going to be established. If their product range is going to be established so the first few orders we will be executing. It will achieve another whatever 100 crores or this addition 150 cores is going to happen over 2 years. By FY23-24 Odhav should be delivering about the (+500) crores of revenue by FY24.

Aman Vij: The final question is on your export, the order book trend. In the slide on page #17 you have given the trend and we have been following this company for some time. This number used to always be around (+350) crores and even last year June quarter which was much more in terms of restriction it was much more severe. The order book was much higher. Could you talk about that and on export side specifically? So, we used to have like almost a 100 crores of order book from exports while this year compared to March '21 it has increased but it is still lower than what it was?

Rishi Roop Kapoor: I think no particular reason as such. Maybe COVID is one of the reasons why a lot of projects we are seeing maybe they are seeing some delays because major part of Europe as you know is still affected. It could be that is one reason but one thing you must keep in perspective is that last year on 1st April 2020, the order book was 267. And that preference if you can count, we booked about 110 crores of orders where as in this case, in the current financial year we have booked close to 150 crores since 1st of April 2021.

Aman Vij: When do we expect to cross that 400 crores barrier because…?

Rishi Roop Kapoor: We have a good chance, real good chance of achieving all-time high order book in the current year.

Aman Vij: In coming 2-3 quarters you expect to have that barrier of….

Rishi Roop Kapoor: Yes.

Moderator: The next question is from the line of Shivan MS from JHP Securities.

Shivan MS: One is on the product mix change that we have been speaking about. If you could give a more detailed understanding on how our product mix is changing and is going to be changing over the next couple of years and forward in terms of the capabilities that we are building in-house; any technological collaboration that would be needed and how that would affect our industry standing and in terms of getting better orders and making our order book more holistic than what it is currently? If you could give some color on that and how our margins would change due to that?

Bhavesh Shah: Per se in Odhav facility we will continue to have similar kind of product mix between heat exchangers and other pressure vessels. But considering that our Kheda facility is going to be a built heavy bay. We will be able to produce vessels, heavy vessels as well as long towers and reactors. So, per say with Kheda coming in on board, we will have this is this more balanced since Odhav is more suitable for us to produce more heat exchanger and that's how we are chasing our order book. But going forward we would be seeing with Kheda coming up, we will be seeing this more balanced. As far as technological upgradation is concerned, we are continuing to have already two technical collaborations and we are continuing to pursue further to build up a more niche in our market offering. And your last question, if you can just… So, margins per se I mean it is not only depended on the product mix but yes, we are seeing as of now we are seeing that in most of the product mix, we keep the benchmark hurdle rate at the same levels. But it also depends on the complexity or the engineering expertise which can be different across the products end. On an average we are looking at the margins between 24% to 26% going forward.

Shivan MS: Just taking this forward I was looking at more from an application perspective. Currently if you could give some color on what is the current application. Just pardon me if my understanding is a little less currently is I am just new to the company. If you could just give some idea out here; what are the current applications where our products are being used and how is that application going to broaden over the next few years? Is there a particular chance of that happening?

Bhavesh Shah: The product mix which we are catering, goes across the industry segment but yes currently since we being more into heat exchanger right now is into more of refining but if you see, if we get along our clean room from next quarter onwards, we will be more going sector having strigent corrosive application which consumes this exotic metallurgy. And also, we are looking at the product mix coming in from paper and pulp business which is also one big segment which we are already present into, which we expand going forward. Also, then there are newer segments which will come up like Gas and everything which we are pursuing.

Rishi Roop Kapoor: Going forward I think just to add to what Bhavesh just mentioned, chemical sector is one of the sectors where we making inroads. There is also going to be natural gas and gas plants. There we already had our significant presence and we need to perhaps take that forward in the coming quarters and months and years. Apart from that, fertilizers is going to figure prominently.

Shivan MS: My second question is on the revenue ramp up that we are targeting. If you can just give some color that this is fresh demand which is going to be generated within the industry in the various sectors that we are catering to or this would be a more of a market share gain from some other competitor. If you could give some color here?

Rishi Roop Kapoor: It is going to be a mix of both because we are gaining ground and obviously to that extent, we are doing a lot of things that were being done earlier by our competitors, some of our competitors so we are gaining ground. As far as that is concerned but also the opportunity size itself is increasing so it's a mix of both.

Shivan MS: But it would be more towards the CAPEX cycle coming and setting in into the country. That would be a good understanding?

Rishi Roop Kapoor: Maybe I would put it like this that we have been able to find newer areas where we can do a lot more for our customers and we are giving them now options as a manufacturing options which is much more viable than some of our other competitors. I think that gains precedence over this other reason that you mentioned.

Moderator: We will move on to the next question that is from the line of Ankit Babel from Subhkam Ventures.

Ankit Babel: You did mention that by FY24 the revenue contribution from your Odhav facility would be on 500-550 crores. By then what kind of a contribution, we can expect from the Kheda facility?

Rishi Roop Kapoor: I would think anywhere between 200 to 300 crores because by that time two phases of Kheda would have definitely been commissioned.

Ankit Babel: It's fair to assume that in FY24 if all having any unforeseen circumstance, the company can do a revenue of around 700 to 800 crores, is what the target is?

Rishi Roop Kapoor: Revenue of 700 to 800?

Ankit Babel: Crores?

Rishi Roop Kapoor: Yes, focus of that's the whole reason why Kheda is going to come up definitely.

Ankit Babel: This Phase 1 of Kheda which you would be starting construction in September-October. What kind of CAPEX you are planning to incur in the first phase?

Bhavesh Shah: Yes so, we are estimating a CAPEX of close to around 75 crores which would also include the development of the facility so the CAPEX after the first CAPEX would be that slightly lesser. This even will grow the site development cost.

Ankit Babel: It means then that the CAPEX for Phase 2 and Phase 3 would be relatively lower.

Bhavesh Shah: Yes, that is what we should expect.

Rishi Roop Kapoor: But it is in the same order because it's going to cover more number of bays. Phase 2 and Phase 3 are going to have more number of bays. In that way it may even out.

Ankit Babel: But the revenue potential of each phase would be around 150 crores, right?

Rishi Roop Kapoor: For sales yes.

Ankit Babel: The revenue potential of each phase would be around 150 crores, right?

Rishi Roop Kapoor: Yes definitely, as a minimum. The plant is going to be designed to be scaling up further beyond FY25.

Ankit Babel: My last question then is that the Kheda plant; what I understand is that there will be technologically better than the existing Odhav plant and if I am correct, in the past you had mentioned that the ticket size of orders would also increase once the Kheda capacity is on scene. So, is it true, will the ticket size also improve? And do you see such orders, you bidding in the next 12 months?

Bhavesh Shah: So, ticket size will definitely increase since we are going build up, it would have a higher capacity, it would have a bigger standard bay. Technological capability wise I believe, we would use the technology for both the plants but yes Kheda obviously we will have the more modern facility.

Rishi Roop Kapoor: Kheda, we are targeting Kheda to be the best fabrication facility as far as India is concerned. That's how the aim that we have taken and it is definitely going to be equate with the best of equipment, best of planted machinery, best of way outs. To that extent I think definitely Kheda is going to be a benchmark in itself.

Ankit Babel: Any risk to all these estimates barring any unforeseen circumstances? Any other risk you foresee?

Rishi Roop Kapoor: Your voice is not very clear, could you please repeat the question?

Ankit Babel: Any risk which you foresee to achieve all these things I mean barring any unforeseen or circumstances?

Rishi Roop Kapoor: No risk as such. Yes, of course having the pandemic situation we are dealing in, we don't know how it's going to pan out in the coming quarters. We are anticipating that with a higher rate of vaccination maybe things are going to improve and it won't hit us like it did in the second wave but barring that I think we have a market side which is available. We have a large opportunity available to us. We have a very good track record. We have very good word of mouth amongst our customers, repeat customers are continuing to grow. We are adding at the same time newer customers. I think barring any unforeseen circumstances, no risk as such which we are able to anticipate.

Moderator: We will move on to the next question that is from the line of Dipen Sheth from Crystal Investment Advisors LLP.

Dipen Sheth: I have a question on the apparent change in margins that has happened in this quarter and it's not related to just this quarter but as we move forward, how does it reflect on the strength and the franchise of the business? I would have expected that when you run with a typically less than 1 year order book, then you can book commodities pretty much through forwards and to that extent you are reasonably insulated from changes in steel prices because the minute the orders come in, you work out a quote and you go on that basis. The 200-300 bps loss I think it's more than that in gross margins is a little worrying. I am not sure whether it's because of product mix change or whether it indicates the fact that we really have to go by what commodity prices impose on us? That's my first part and I will ask you my second question later.

Rishi Roop Kapoor: What happens is that in the current situation the options to get the best, kind of prices that were getting earlier, has become very limited. To that extent the supply chain itself is constrained. And we are in the business of buying a steel which is a specialized steel. It's not really forming the kind of; it does have a definitely a large impact of the steel prices is there in that but it is always been a challenge for us. So yes, we do book orders at the time when we, as soon as we receive the orders and that's what we try to do. But a lot of times what happens is that, especially in the last few months since the pandemic has hit us, is that there is an engineering cycle which has got prolonged because once we receive the order there is about 4 weeks of engineering which is involved, 4 to 6 weeks. That has to be complemented by approvals from our customers and final freezing of that engineering inputs. Based on that the orders can be finalized. That the order though they are tied up but the all holes can be removed and orders can be given a green signal. The vendors can be given a green signal to proceed with manufacturing. What we have observed, since the time the pandemic has hit and also combining it with the supply chain constraints that we have where most of the steel mills and most of the tube mills, the forging shops have been going pretty full. That window of kind of getting the best slot with the best price has got limited. That has seen maybe you know erosion of 2%.

Dipen Sheth: I will take that with a long-term view that okay it's a little bit of parts and parcel of being in the business. You are still an outstanding quality business for me. If this goes beyond the 200-300 bps that we are seeing now that's when I will question how great the business is in the mind of its customers and hence will you not have that pricing power but for now it's a little bit of fluctuation, we should learn to live with it, that’s how real life is. No worry. The second question is that given the exuberance around the chemical industry and particularly specialty chemicals and also in a number of bulk chemicals are not so specialty kind of product lines. There's a whole lot of fresh investments being announced by so many companies across this spectrum whether it's fine chem, whether it's the fluorochemicals guys, even whether it’s the fertilizer guys and so on. To that extent it's a little disappointing that your orders are still just concentrated more than two-thirds in Refining and Oil & Gas. We have got a great presence there but frankly outside of Refining and Oil & Gas, I would expect a lot more flowering. I completely grant you the fact that 300 crores or whatever we are today and if I take another 50 crores in July so maybe we are at 350 odds is not a bad number at all but I would have loved to see the composition tilting more and more towards chemicals.

Rishi Roop Kapoor: Absolutely agree with you. That's something which has been driving us as well to venture out into newer sectors and yes chemical sector does present a great opportunity to us and we are gearing up to capture that opportunity. This clean room is going to be one of the factors we had more specifically. We would not like to do the pots and pans again in any of the sectors that we enter into. We would like to do the more specialized, the highest end equipment there. So that's where we are, that's where our forte lies.

Dipen Sheth: Any traction in the API space for example or is that out of bounds for people like you?

Rishi Roop Kapoor: There would be because ultimately if there's a process, it's the part of the process industry overall. It is going to be having opportunity for us but like I said we would be gunning for the most severe applications, most strenuous applications which demand the best of material.

Dipen Sheth: Are you doing anything high-tech like glass lined vessels or something? Not yet?

Rishi Roop Kapoor: No, glass lined vessels is not in our product range and the market size is pretty limited there, we have other players to take care of the market.

Dipen Sheth: Just a little bit of housekeeping. I guess the group exposures are now out of the balance sheet completely?

Rishi Roop Kapoor: Yes.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Mr. Rishi Roop Kapoor for his closing comments.

Rishi Roop Kapoor: Thank you everyone for participating in the con-call.

Moderator: Thank you. Ladies and gentlemen, on behalf of the The Anup Engineering Limited that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.
