"The Anup Engineering Limited Q3 FY '25 Earnings Conference Call"

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MANAGEMENT:	**MR. REGINALDO DSOUZA – MANAGING DIRECTOR – THE ANUP ENGINEERING LIMITED** **MR. NILESH HIRAPARA – CHIEF FINANCIAL OFFICER – THE ANUP ENGINEERING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY '25 Earnings Conference Call of the The Anup Engineering Limited.

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

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

Please note that the company has uploaded the results, press release, investor presentation and also the outcome of the board meeting on the website of the stock exchanges and the website of the company.

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

Reginaldo Dsouza: Yes, hi. Thank you. Hello, everyone. Warm greetings from team Anup. I am happy once again to have this opportunity to share with you all our performance for quarter three and nine-month period ending December 2024.

The Anup Engineering Limited, in quarter three, we posted a revenue of Rs. 170.9 crores, a growth of 33% year-on-year, with an EBITDA of Rs. 40.2 crores at 23.6%, a growth of 34% year-on-year for the quarter. The profit after tax was Rs. 31.4 crores at 18.4%, a growth of 55% year-on-year. So, for a year-to-date nine-month period ending December 2024, the revenue stood at Rs. 503 crores, a growth of around 28%, EBITDA clocked is Rs. 115.9 crores at 23%, a growth of 29.7% year-on-year. And PAT, profit after tax, is at Rs. 87.5 crores at 17.4%, a growth of 44.8%.

Please note here, we have a lower tax rate due to some tax reversals of last year and ESOPs being exercised by a few members. This performance of the period ending December 2024 should give us a good confidence of achieving our plan for this year, that is around 30% growth with an EBITDA of around 23%.

The pure exports have seen good growth for the period at 51% and we should be closing the year with exports of over 50%. The working capital was healthy at 3.9 tonnes and net cash closed at Rs. 35.6 crores. The sectoral revenue across industries for quarter three was quite interesting. We have oil and gas at 17%, petrochemicals at 20%, hydrogen at 45% and fertilizers at 14%. Of course, these are for a quarter and will normalize for the year. But what does clearly signifies is that our capabilities are fungible across industry sectors and is not dependent on a particular one.

So, when the business exists in any of the industry sectors, we will be in a position to compete for the opportunity globally.

The product provides revenue share is in line with what we had forecasted earlier. The exchanges at 57%, mostly coming from our Ahmedabad plant, and 42% for vessels and reactors from our new Kheda facility. Surely our Kheda plan has started contributing well, which is seen from this 42% of vessels and reactors and columns coming out from that plant.

At Mabel Engineers, most projects under manufacturing are planned for Quarter 4 delivery, and hence no sizable revenue is noticed in Q3. For the period ending December, the total revenue build is about Rs. 26 crores. And with delivery is planned for Q4, we should be on plan for around Rs. 50 crores revenue that we have planned for Mabel Engineers.

Before I proceed, I would like to make a small note, a small correction in the investor deck that we have posted. On slide number 11, nine-months period FY ’25 breakup of revenue of Rs. 503 crores, the domestic numbers stand a little corrected. The domestic share is Rs. 208.4 crores which is 41.4%, exports Rs. 258.4 crores versus 51.3%, and SEZ and deemed exports is at Rs. 36.6 crores, which is 7.3%. So, this was just a correction on slide number 11.

On the development side, there have been some good developments over the quarter, quarter three. First and foremost, on our foray in to critical equipment business, we have successfully manufactured and delivered our first chrome moly vanadium modified material equipment. These were five numbers for an Indian client.

We have also started manufacturing our first solid internal equipment weighing 200 metric tonnes single piece at our Kheda facility for an export customer. In fact, this, incidentally, will be our highest single equipment value ever manufactured by Anup, and the value would be over Rs. 40 crores for one single equipment. Now, both these are in line with our strategy to have calibrated strategic inroads into critical and complex metallurgies.

Second development, on our capacity expansion plan as committed over the last call, we have started the construction of our Phase-2 at Kheda location. This will add one complete bay and one open yard. It is expected to be operational in the third quarter of the coming year, FY ‘26. So, with this, we will have, in all three complete bays and one open yard at Kheda, capable of delivering about Rs. 40 crores per year. This will be about 33% of our master plan for Kheda, which is to have seven manufacturing bays. So, at seven manufacturing bays that plant should deliver somewhere around Rs. 1,200 crores, and that's how this Rs. 400 crores with Phase 1, and Phase-2 would be about 33% of our total master plan.

Next, our operations at Mabel Engineers and the office at Vadodara has stabilized quite well. With these installed capacities at our manufacturing locations that is in Ahmedabad, Kheda and Tamil Nadu, we have a capacity capable of delivering revenues up to Rs. 1,100 crores to Rs. 1200 crores per year, depending on the product mix on the order book. We will expand further in line with our growth guidance.

Next, I would take a few minutes to talk on the future outlook. We are currently working on some interesting inquiry base, largely for exports. Domestic, as I mentioned earlier, has been sluggish for last three quarters now, but we are seeing some movement recently from private conglomerates, and we have been successful in getting some orders. PLC projects have not taken shape yet, though there have been some good announcements from Indian Government, both on refinery and petrochemical projects. I am sure we should see them surfacing probably over the next six to eight months.

Middle East is dominating with new gas projects, and USA and Canada and Europe we see good hydrogen projects lined up. But as you all know, last two quarters has been a wait and watch for many economies globally. Geopolitical developments, wars, speculation over policy changes due to change of regime in a major economy, trade tariffs, and many other factors have delayed decisions on some interesting projects. But having said that, my view, this will settle down eventually and projects which are of strategic importance for the energy transition roadmap will surely see the light.

Our overall pending order book as on date remains encouraging at Rs. 831 crores. And considering our plan for this financial year, it means we have an opening order book of about Rs. 600 crores executable in the next financial year, 2026. With two months' balance into the year, we should be able to bag orders in line with our growth plan for the coming year. So, our guidance for the next year, FY '26, continues to be at 25% to 30% revenue growth, and with an EBITDA of over 20%. Exports will be in the range of 50% to 55%.

So, we as a business are mindful of the risks and challenges that can come our way. We are cautious of geopolitics and how it could impact trade. We are cautious on the projects and the countries that we work with. We are cautious of the competitive landscape in India. We are also cautious of the aggression in the market to bag orders. And we are watchful of the energy transition activities globally, and also the trade tariff dynamics, and many other factors that can play.

We at Anup, the apex team just concluded our strategic business planning meet and have decided the future road map. I may not be able to spell out the strategy, but we surely have targeted a few new products and service verticals we will get into to diversify our product portfolio. I will surely share further details during our next year end call.

So, to conclude, with this position of nine-months period ending December 2024, we are on track to achieve our revenue and profit plan for this year. The encouraging pending order book with some interesting opportunities ahead gives us a more certain visibility into the coming year FY '26. I am confident that at the strength of my team and with the continued support from our reliable partners and suppliers, we will be able to deliver on our plans.

My sincere thanks to all my committed team members, our partners, our suppliers and all our shareholders for standing by and trusting in us to deliver results. We are grateful for your trust and support.

Once again, thank you all for being present on this call and for your patient listening. Happy to have your questions now. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jaiveer Shekhawat from Ambit Capital. Please go ahead.

Jaiveer Shekhawat: Sure. Thanks a lot. And Reggie and team, congrats on another strong quarter. My first question is with respect to your order intake in the international markets, just trying to understand what has happened on a sequential basis, have you seen a dip in the order intake?

Reginaldo Dsouza: No. In fact, I would say that the exports have continued. The dip has basically come in the domestic side. Exports over the last one, one and a half months in the last quarter, that's November, December, of course we have seen a little sluggish movement, mainly because the decisions are pending because of the change of regime and other tariffs and other discussions on. But now we are seeing good traction and discussions. In fact, in January we have got some good order bookings overseas.

Jaiveer Shekhawat: Sure. Because I was just trying to see the order backlog that you had at the start of this quarter, which was about Rs. 690 odd crores and which has come down to about Rs. 540 odd crores as of say the December quarter, while the revenue booking was only about Rs. 115-odd crores. So, I was just trying to see, have there been any orders that have been cancelled or that had gotten pushed out, if you could highlight any of that?

Reginaldo Dsouza: Yes. So, the revenue book is Rs. 170 crores to be precise.

Jaiveer Shekhawat: No, only on the exports market, I was actually meaning on the exports market.

Reginaldo Dsouza: Okay, so you are talking about the exports. There was a large order which we have booked close to about Rs. 20-odd crores and there was descoping and there was a short closure of the order by about Rs. 60 crores, and that's the reason you are seeing that in exports. But of course, we have safeguarded our margins, and we could quickly continue our order booking and fill those slots from some domestic and some international markets.

Jaiveer Shekhawat: Could you just explain or substantiate as to why there was a cancellation or the short change what you said?

Reginaldo Dsouza: So, that was an order for a project in United States, and it was dependent on a feedstock. So, the feedstock was retained, and there were some challenges in the feedstock availability for the assessment, probably at the customer's end. So, we do not have the actual details from the customer side, but what we understand is currently they have descoped and short closed that.

Maybe they are looking at, once the feedstock revives somewhere in the quarter three of next financial year, for us it may come up again. So, we will keep our fingers crossed for that. Of course, if it revives somewhere in October, November, we should be the natural choice for that since we already completed halfway in terms of design and other stuff.

Jaiveer Shekhawat: Understood. And currently, I mean, given the momentum that you have seen over the last few quarters, what's the usual order intake trend that you are seeing on a quarterly basis on the exports market?

Reginaldo Dsouza: So, on the export side, we should be getting traction over a quarter close to about Rs. 110 crores or Rs. 115 crores per quarter.

Jaiveer Shekhawat: Understood. And it's also quite encouraging the way hydrogen has sort of shaped up for you. So, could you call out what has been the overall share of hydrogen related projects in the nine-months, and then what's your expectation going forward?

Reginaldo Dsouza: Yes. So, by the end, nine-months also it's been about 30% of our revenue comes from hydrogen. And by the year end, we believe that it will remain. Of course, in the quarter it looks a little skewed, it looks 45% for quarter three. But as I said, over the year it should normalize. And based on the numbers we have, by the time we complete Quarter 4, hydrogen should have close to about 30% to 32% share of our total revenue. And just to add, it is mostly blue hydrogen with a small share of green hydrogen.

Jaiveer Shekhawat: Understood. And the expansion that we have seen on the gross margin side, is that because of higher export mix or is that because of higher hydrogen mix in the quarter?

Reginaldo Dsouza: I would say both. When I say both, it's like one is of course export because, as I said, export on the FOREX side we are a little conservative when we book the order. So, generally we tend to release it at the end of execution on the FOREX side. And second, being on hydrogen, we see a lot of exotic materials where we see lower competition as compared to low material grade.

Jaiveer Shekhawat: Right. And in relation to your manufacturing tie up with Graham, have you been able to crack into any of your new proprietary products and in terms of how you are thinking about the overall opportunity over, say, the next two, three years?

Reginaldo Dsouza: So, when we signed the agreement, we were actually in the process of executing a project for them for an IOCL project in India. We just completed the dispatches last month. We have got a couple of inquiries right now that we are working along with them for exports, basically. And that was our objective. Actually signing the agreement, the main objective was that domestic business would continue, but we wanted to tap on the international business. And fortunately, that's what we are seeing on the table right now. Of course, it's not got into an order shape yet, but there are inquiries for exports which we are looking at.

Jaiveer Shekhawat: Sure. Anyways, I look forward to hearing more possibly in the coming quarters about newer products and services that you had decided on your strategy meet. Anyways, thank you so much. Thanks for answering and all the best.

Reginaldo Dsouza: Pleasure. Thank you.

Moderator: Thank you. The next question is from the line of Mohit Surana from Monarch Networth Capital Limited. Please go ahead.

Mohit Surana: Sir, thank you for the opportunity. A few questions. One, in the last concall you mentioned that we execute fixed term contracts. So, basically I wanted to understand if there is any volatility in the raw material prices, how do we manage that? The second question is with respect to the capacity utilization, if you can give some sense of how was your capacity utilization for this quarter and for nine-months? And the third one I will ask once the other two are addressed.

Reginaldo Dsouza: Yes. Hi. Thanks for the question. So, the answer to your first question, yes, we have only fixed term contracts. And as I would have mentioned earlier, we build in all the costs at the estimation stage itself. And most of our critical orders we do back-to-back with our vendors as well. So, from that sense, most of the critical orders where we feel that there could be a volatility, we go back to that with our vendors. And from that sense, our prices are protected.

Mohit Surana: Understood.

Reginaldo Dsouza: And the second part in terms of the capacity utilization, of course, as you know that we put up the additional capacity at Kheda in the last September. So, if you add up both the capacities together, it would be close to about 70% to 75% capacity. And as I said earlier too, we always keep about 10% capacity for short-term shutdown equipments, which are generally more profitable.

Mohit Surana: Understood, sir. Sir, just to again talk about Kheda, I mean, you mentioned that we already have one complete bay and one open yard, and the revenue potential from that will be around Rs. 40 crores, that's what you said, right?

Reginaldo Dsouza: No. What I said was that in our Phase 1 we have two bays which are already commissioned up and running. We have started construction for Phase-2 where again we are building two bays, but one will be fully covered and one will be an open yard. So, when you look at the end of probably September of this year where we will have that commissioned, we will have three complete bays of 200 meters long covered under roof, and one open yard. So, effectively four bays, three covered, one open yard, and that should give us a revenue of close to about Rs. 400 crores.

Mohit Surana: Understood. So, the last question is with respect to the financials. I see your consolidated PAT is lower than your standalone pad, is it like we faced some losses Mabel, can you just throw some light on that?

Reginaldo Dsouza: Yes. So, Mabel, as I said in my initial comment, all the manufacturing that we have done in quarter three, they are all dispatchable in Quarter 4. So, there was a negligible revenue intake into quarter three for Mabel. We have a large order for Reliance getting executed. We have already started the dispatches in this month, that is in the month of January, and it will go up to March to complete that purchase order. So, most of the revenue will be booked in Quarter 4, which will get us back to close to about Rs. 50 crores revenue from Mable which we have planned, and close to about 15% EBITDA.

Mohit Surana: Understood. Thank you, sir. That's all from my end.

Reginaldo Dsouza: Thank you.

Moderator: Thank you. The next question is from the line of Vikram, an individual investor. Please go ahead.

Vikram: Yes. Hi. Excellent results again, so congratulations. A quick question on March '25, where do we see ourselves ending? I mean, at this stage we are close to what, Rs. 500 crores for the nine-months, so any sense of where we will end up with March '25 numbers?

Reginaldo Dsouza: Yes. Thanks. So, we will end up in line with our guidance of 30% growth. So, putting the numbers together, we should be about Rs. 725 crores for Anup Engineering.

Vikram: Understood. And plus Mabel another Rs. 50 crores?

Reginaldo Dsouza: Yes, standalone. Mable of course, as I said, Mabel would hit a number of close to about Rs. 50 crores, but about Rs. 20 crores of that will not be reflecting in our books because that was before we closed the share transactions.

Vikram: Okay. So, what you are saying is, the chances are consolidated number for March '25 will be Rs. 750 crores?

Reginaldo Dsouza: That's correct.

Vikram: And that means the last quarter will be a huge quarter in terms of size and Rs. 250 crores kind of a number?

Reginaldo Dsouza: That is correct, Anup and Mabel put together.

Vikram: Yes. And we have the capabilities in terms of infrastructure and all the wherewithal to kind of deliver that, right?

Reginaldo Dsouza: Yes, absolutely. We have all the projects lined up, we know what what's going to get dispatched and ready before March. We know for Mabel as well. And in terms of capacity if you look at, as I said, the current capacity is about Rs. 1,000 crores, and the moment we complete this construction that we have started, it will be Rs. 1,200 crores. So, I am pretty sure that should give you the confidence in terms of our capacity to execute.

Vikram: Excellent. And I know you mentioned that you have just finished a strategy workshop and you know that you cannot outline everything, but in terms of the key highlights, would there be different products? Would there be new technology partners? Would it mean getting into different markets? Any sense on that?

Reginaldo Dsouza: Yes, so it definitely is going to be different products, that's the reason we said products. So, it will be on products and services both. And mostly what we are looking at is mass volume kind of products. So, in a sense that it continuously keeps the volume going, what we do today is mostly customize very order we need to design and kind of stuff. We want to look at products which are more sort of not very customized, to some extent customized, but more generalistic in nature, which gives us a little bit of comfort in terms of engineering and others. And I will add to your earlier question, I am sure you would have looked at the history, last quarter is always a very, very good quarter.

Vikram: No, but this is exceptionally good, Rs. 250 crores is a big number, so that's why.

Reginaldo Dsouza: Yes. And what happens, you see, generally you would have heard me saying, Q1 and Q3 are generally not that great quarters. In a sense we have a lot of absenteeism because of festivals and other stuff. Whereas Q2 and Q4 are generally the peak quarters with full attendance, so we have a good drive in terms of project progress.

Vikram: This is very comforting because many managements in the last few days have had changes in their guidance, so it's great to see that you maintain the guidance. And it is going to be a heavy quarter, and you are already middle midway through, so I guess the level of confidence is high, so thank you.

Reginaldo Dsouza: Pleasure. Thank you for your questions.

Moderator: Thank you. The next question is from the line of Rishabh Chaudhary from Carnelian Capital. Please go ahead.

Rishabh Chaudhary: Sir, thank you for the opportunity. Could you shed some more light on the order book visibility for the coming year and how we will achieve our revenue target of 30% growth year-on-year? Where do you anticipate the growth coming from?

Reginaldo Dsouza: Yes, hi Rishabh, thanks for the question. So, as I said, we see a good traction of course in the export market for now. The inquiry bank that we are holding, we are holding close to about Rs. 900 crores kind of an inquiry bank as on date. Of course, 70% is coming from exports. And domestic, we see a revival, we have got a couple of projects on the cards with inquiries from customers coming in. So, we should be good for the next two months. In fact, January also has been good in terms of some order booking, both domestic as well as exports. So, we should be very comfortable for 30% growth for the next year. As I said, we already have Rs. 600 plus crores up our sleeves executable into next year. And with the pending order book position and the visibility seen in the market today, we should be comfortable for a 30% growth next year.

So, where we are seeing the growth in exports, it is largely coming from the hydrogen stream, which is largely fueled by the US and Canada, and to some extent some European countries. The Middle East is throwing up a lot of projects on gas, currently also we have a large contribution of gas projects from the Middle East. And we have a few inquiries up our sleeves for gas as well. And in domestic, of course the private players are mostly on petrochemical side right now, the PVC, VCM kind of projects from Reliance and Adani. When the PSU starts, which have already announced a couple of projects, they would be mostly on the refinery and petrochemical projects based on the guidance from Indian Government. So, these are the factors that we see we should be doing some good work. So, hydrogen, I believe, will continue to be about 20% to 30% kind of a contribution in our growth journey.

Rishabh Chaudhary: Understood, sir. That was quite elaborate, that's a lot for that. Secondly, the EBITDA margin guidance that you gave was (+20%) as against (+23%), 23% odd we are looking at this year. So, any specific reason for guiding for a lower margin in the coming year?

Reginaldo Dsouza: Not specific. I will only say that we are little conservative in a sense that since growth is on the agenda, we would not compromise growth. And that's the reason we are being a little conservative. Otherwise, we should be good around this number that we have even this year.

Rishabh Chaudhary: Understood, sir. And just one last question, typically once you book an order, what is the kind of lead time we see for it to translate into execution in our revenues?

Reginaldo Dsouza: Are you asking from the lead or are you asking from the inquiry?

Rishabh Chaudhary: From an inquiry, once an order has been booked, from then to when it translates into revenue.

Reginaldo Dsouza: Okay. So, as of today, the product portfolio that we deal with, it is anywhere between 11 to 12 months, average. Some products could be 8 to 10 months, some could be 12 to 14 months on an average 11 to 12 months.

Rishabh Chaudhary: Okay, understood. Thanks a lot sir.

Reginaldo Dsouza: Thank you.

Moderator: Thank you. The next question comes from the line of Mohit Surana from Monarch Networth Capital Limited. Please go ahead.

Mohit Surana: My questions are already answered. Thank you.

Moderator: Thank you. The next question is from the line of Bhavya Sonawala from Samaasa Capital. Please go ahead.

Bhavya Sonawala: Hi, thank you for the opportunity. So, my first question is regarding the Graham agreement that we have signed. Just wanted to understand, do you see more opportunity where we are able to manufacture on behalf of our clients like Graham? Do you see more opportunity like this coming ahead in exports as well as in domestic markets?

Reginaldo Dsouza: Yes, there are. In fact, we are in discussions with some end users and customers. So, we are looking at opportunities like this because it helps us to book our volume, rather than we having to struggle every time for an order. So, we prefer to be exclusive manufacturers for our customers like Graham. So, yes, opportunities are on the table, once it materializes we will surely come back to you on it.

Bhavya Sonawala: Okay. And are these specifically for export, or we are looking at domestic and export mix altogether?

Reginaldo Dsouza: So, these opportunities like Graham, right, they are probably the proprietary equipment holders. So, they do projects globally, including India. Same with Graham. But our objective would be, once associated with licensers like Graham, it gives us an opportunity to tap even into the export market. Domestic any which way we can compete and probably if you are competitive we can bag the order from them. But I think such strategic tieups helps us to get more into export in addition to the domestic market.

Bhavya Sonawala: Okay, understood. And my just last question probably might be difficult for you to answer, but with the new administration in the US, and they have taken a stand against the renewable energy in terms of solar and wind, do you see any effect in future going ahead to hydrogen and probably other nations following it? Any kind of thoughts that you can share?

Reginaldo Dsouza: I think it's too early to comment. Of course, we will wait for policies to be announced. But having said that, if you look at our product portfolio and the industries that we serve, solar and other renewables does not impact because we are not in that field. Hydrogen is, but we are on the industrial hydrogen which I believe is here to stay. So, from that perspective, not a direct impact, but yes, when economies get impacted, we will have to be cautious and vigilant.

Bhavya Sonawala: Thanks a lot, sir. And all the best.

Reginaldo Dsouza: Thank you so much.

Moderator: Thank you. The next question is from the line of Balkrishna, who is an individual investor. Please go ahead.

Balkrishna: Mr. Dsouza, congratulations for your good set of number to you and your team.

Reginaldo Dsouza: Thank you.

Balkrishna: I just want to know few things. One is, current debt level in the company. And second thing, this current expansion plan is going on, so sir I want to know, it is fully by internal accruals or it will be done by debt?

Reginaldo Dsouza: So, thanks for the question. We are net debt free, so we do not have any debt, net. And whatever investments that we are going to do even in Kheda now for Phase-2, it will be completely from internal accruals. I hope that answers your question.

Balkrishna: Yes, got it. Thank you.

Moderator: Thank you. The next question is from the line of Shyam Maheshwari from Aditya Birla Mutual Fund. Please go ahead.

Shyam Maheshwari: Thanks a lot. Hi sir. Congrats on a great set of numbers.

Reginaldo Dsouza: Hi. Thanks.

Shyam Maheshwari: Yes. One question on the US side, again. I think you mentioned it in your opening remarks, but just wanted to understand a little bit more in detail. So, as far as we know, the Trump Administration has now kind of stopped any further disbursements when it comes to the IRA, and that involves your hydrogen ecosystem as well. So, is there any sense that you are getting from your end customers as to when they maybe kind of halting or taking out more cautious approach towards their ongoing projects, particularly in the US?

Reginaldo Dsouza: Yes. So, we have heard this, we have also read these policies. Now what we understand from our customers is whatever orders that we are executing, these are large multinationals and end users basically. So, they have invested their own fund to get this project going. And we do not see. So, even now, of course there could be some other technical reasons why projects get delayed. Because what happens is these items, once we supply this equipment, these have to be modularized in a package. And these modules generally will be moduled in places like China or Indonesia and other places.

Now, the tariff structure will definitely greatly impact them, because finally it's a landed cost which will impact for the end user. So, they are cautious in a sense, waiting and watching as to what would be the tariff structures, because based on that they will have to define from which countries they need to buy. And I think the cautious approach that I have mentioned in my opening remarks is basically what we are saying is from the tariff perspective the end users are a little watchful and they are waiting for some concrete understanding on the trade tariffs. Other than that, in terms of projects, I believe hydrogen is here to stay, we all know. We are talking about industrial hydrogen gas. And we do not see any projects. In fact, in Europe, we are getting good opportunities in hydrogen at the moment. So, I hope I have answered your question.

Shyam Maheshwari: Yes. And sir, how much would the US be as a percentage of our hydrogen business?

Reginaldo Dsouza: So, of the overall hydrogen business, the 30% that I spoke about, US standalone this year would be close to about 26% to 27% of that. Of which we have completed the part we are going to execute in this quarter, so we should be good at that.

Shyam Maheshwari: We have significant business from other geographies as well then, 70% of the hydrogen business is from other than US?

Reginaldo Dsouza: Yes.

Shyam Maheshwari: Understood.

Reginaldo Dsouza: So, apart from hydrogen, we have a very strong business. So, currently the biggest account for us today is coming from the Middle East. Middle East, two countries that is Abu Dhabi which is from ADNOC, Abu Dhabi National Oil Company; and the second is Saudi Aramco, which is in Saudi Arabia. And I am sure these two companies are like two countries. So, most reliable and that's why I used the word earlier that we are very cautious on which countries and which companies we work with.

Shyam Maheshwari: Interesting. Perfect sir. Thanks for the detailed explanation and all the best.

Reginaldo Dsouza: Thank you so much.

Moderator: Thank you. As we have no further questions, I would now like to hand the conference over to Mr. Reginaldo Dsouza for closing comments. Over to you, sir.

Reginaldo Dsouza: Thanks. I once again take this opportunity to thank my wonderful team at Anup and Mabel, and to each and everyone helping us deliver this performance. A big thank you to all of you, our shareholders, for your trust and support as always. Thank you. And on behalf of my team, I wish to all of you happy days ahead. Take care and stay healthy. Thank you so much.

Moderator: Thank you. On behalf of the The Anup Engineering Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.