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BEW ENGINEERING LIMITED

ORIGINAL EQUIPMENT MANUFACTURERS OF PHARMACEUTICAL & CHEMICAL PROCESS MACHINERY.

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Wednesday, June 03, 2026

To,
Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051, Maharashtra, India.

Dear Sir/Madam,

**NSE Symbol: BEWLTD
ISIN: INE0HQI01014**

Subject: Transcript of H2 FY 26 Earnings Conference Call held on May 29, 2026

Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, the transcript of H2 FY26 Earnings Conference Call held on May 29, 2026.

The above information will also be made available on the website of the Company at <https://www.bewltd.com/schedule-of-analyst.html>

This is for your information and record.

Thanking you,
Yours truly,
For BEW Engineering Limited

**Bhavna Dwarkadas Kukreja
Company Secretary and Compliance Officer**

BEW Engineering Limited
H2&FY'26 Earnings Conference Call
May 29, 2026

Moderator: Ladies and gentlemen, good day and welcome to the H2 and FY26 Earnings Conference Call of BEW Engineering Limited.

This conference call may contain forward-looking statements which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not guarantee of future performance and involve risk and uncertainties that are difficult to predict.

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. Rohan Prakash Lade – Managing Director from BEW Engineering. Thank you and over to you.

Rohan Prakash Lade: Good evening, everyone. I welcome you all to BEW Engineering Limited's Earnings Conference Call for the Second Half and Year-End of FY26.

Today, I am joined here by our CFO – Mr. Yogesh Darekar, and our financial consultant – Mr. Anuj Kanodia.

Before we begin, I would like to take a moment to acknowledge and thank all our stakeholders, our customers, employees, partners, bankers, as well as investors for their continued trust and support. Your encouragement has been instrumental in helping BEW sustain its growth, momentum and execute our long-term vision. Prior to this call, we have uploaded the build presentation. I believe everyone had the opportunity to go through it.

So, to start with, I would like to provide a concise summary of who we are, the market dynamics we are navigating, key recent achievements and our strategic outlook.

So, BEW has continued to strengthen its position as a leading engineer solutions provider for the Pharmaceuticals, Chemicals, Specialty Chemicals industries. Since our inception in 2011, we have built strong capabilities in the design and manufacturing of high-performance process equipment tailored to diverse industrial requirements.

Our portfolio comprises nine specialized product categories, including the six dryer variants and three filtration solutions, all focused on delivering superior efficiency, reliability and customization.

With a market share of nearly 40% in our core segment, we have established a strong presence in the industry through consistent quality, engineering excellence and customer-centric innovation.

Our equipment caters to a wide range of sectors, including pharmaceuticals, sterile applications, fine chemicals, agrochemicals, pesticides, dyes, food color and process industries. Since becoming an ASME U&R stamp certified manufacturer in 2016 and subsequently getting listed on the NSE SME platform in 2021, we have remained focused on enhancing technological capabilities and strengthening the customer trust. Today, our products are supplied across multiple international markets, including Japan, Germany, Israel, USA, and Southeast Asia, reflecting the growing global acceptance of BEW process equipment solutions.

Now just coming to the market environment and the demand trends this year:

So, this year, it remained a very difficult year from a margin perspective due to the sharp volatility in the stainless steel, Hastelloy and other special metal prices. Since many of our projects have longer execution cycles, the sudden increase in raw metal costs impacted profitability during the year.

However, we consciously adopted a balanced and relationship-oriented approach with customers in order to protect long-term business opportunities and maintain our strong market positioning. Despite this temporary cost pressure, our operational foundation has become significantly stronger. Our order books stood at approximately INR 53 crores on 31st March 2026, providing good visibility for the coming period.

We continue to witness healthy enquiry generation from pharmaceuticals, specialty chemicals, API, and agrochemicals markets, especially for the advanced filtration and drying systems. The overall market environment for process equipment manufacturers remains encouraging. India continues to emerge as one of the global manufacturers of pharmaceuticals, such as specialty chemicals and intermediates.

Capacity expansion across APIs, CRAMs, specialty chemicals, and high-value chemical segments is also driving the increasing demand for sophisticated filtration, drying, and mixing solutions. Many global companies are also diversifying the supply chain beyond China as it is creating incremental opportunities for the Indian manufacturers like us. In the pharmaceutical sector, the increasing focus on containment systems, sterile manufacturing, environmental automation, and higher process efficiencies is driving the demand for advanced dryers and filter systems as well.

Similarly, in specialty chemicals and agrochemicals, customers are increasingly investing in high-capacity and corrosion-resistant process equipment, using materials such as Hastelloy, Duplex, Titanium, and other lined equipment as well. The filter and dryer industries also undergo a structural transformation. Customers today are a lot more looking for integrated solutions that improve the product recovery, reduce contamination risk, optimize energy consumption, and improve efficiencies.

Yes, I was saying that the filter and dryer industry is also undergoing a structural transformation. Customers today are looking for very integrated solutions that improve the product recovery, reduce contamination risk, optimize energy consumption, and improve the batch efficiency. The demand is steadily shifting towards higher automation, closed-loop systems, GMP-compliant equipment, and customized process solutions.

This is particularly positive for companies like us because we are not merely fabricators, but we engineer led solution providers with strong design and customization capabilities as well. Now, coming towards the operational and strategy developments. We are among the leading players in the filtration and drying equipment segment, which is one of the wildest product portfolios in the industry.

Our dryer contributed around 48.5% of the revenue for the year FY26, while filters contributed 6.4%, demonstrating the strong acceptance of our product categories. Our products such as Agitated Nutsche Filter Dryer, Rotary Vacuum Paddle Dryers, Rotocone Vacuum Dryers, Cone Mixer Dryers, and our proprietary Spherical Dryers continue to see healthy demand across industries. One of our key differentiators remains our strong engineering and innovation capabilities.

We successfully manufactured the world's largest ANF with the drying option of 32KL and continue to develop advanced solutions for the complex customer requirements. Also, our unique Spherical Dryer design and the customizing filtration systems continue to receive stronger customer response, particularly in the pharmaceutical applications requiring efficient discharge and contamination control. Another important area of progress this year was operational transformation.

We have initiated SAP Business on Implementation and engaged leading consultants for operational process enhancement, financial planning, and organizational stability and scalability. These initiatives are expected to improve production planning, inventory control, execution monitoring, working capital management, and overall operational efficiencies over the coming years. We also continue to strengthen our management infrastructure.

During the year, we expanded our production floor capacity and improved the plant layout efficiency to support the large order execution and higher throughput. This position has well-catered to growth demand from both domestic and international markets. And on the export side, we are steadily expanding our global footprint.

We have already supplied equipment to markets like the USA, Russia, Thailand, Bangladesh, Israel, Indonesia, Saudi Arabia, Brazil, and several others. We are also focusing on approvals and audits from global pharmaceuticals and chemical companies, which can become an important growth driver going forward.

So, looking ahead, our focus remains very clear:

- First is to improve the operational efficiency and the margin profile.
- Second, expanding our export to our market and global partnerships.
- Third, strengthening our positions in high-value filters and dryers.
- Fourth, developing new engineering products and solutions.
- Fifth Enhancing automation and system integration capabilities, and last, building a strong leadership and execution platform for long-term scalable growth.

While near-term profitability was impacted due to unprecedented raw material volatility, we believe that these long-term industry opportunities remain very strong. With our engineering expertise, diversified customer base, integrated management capabilities, and a growing market presence, we are confident of creating a sustainable value over the coming years.

Now coming to the half-yearly financial performance:

The revenue for the operations for this half-year was INR 98.44 crores in H2 FY26, as against INR 83.26 crores in H2 FY25. So, a year-on-year increase of 18.21%, driven by a combination of new customer additions and healthy order execution momentum, reflecting sustained demand across key segments. EBITDA excluding other income was around INR 2.09 crores, and profit after tax stood at INR 2.44 crores.

Coming to our yearly financial performance:

It was INR 185.54 crores, as against INR 134.36 crores last year. So, a year-on-year increase of 38%, driven by demonstrating strong scale-up in operations and sustained revenue momentum during the year. EBITDA for the year was INR 9.61 crores, and the margin was INR 5.18 crores for FY26. So, profit after tax was INR 3.78 crores in FY26. So, this was it. So, now I am happy to open the floor for any questions you may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have a first question from the line of Harshit from Robo Capital. Please go ahead.

Harshit: Thank you for the opportunity. Just wanted to understand what is the revenue and EBITDA outlook or guidance for FY27 and FY28?

Rohan Prakash Lade: See, considering the current market volatility with respect to the prices of the steel and the Hastelloy, so I think, yes, it can definitely go up with respect to the current year. And that's why

if you see the whatever I told right now, we have brought in a specific consultant for improving the production efficiency, the operation efficiency. So, going ahead, yes, and the market which I see right now is doing good, quite good. So, definitely the revenue-wise, the EBITDA will improve for the next year.

Harshit: Sir, we used to get INR 300 crores for FY27. So, are we still maintaining it or are we deferring it for a year or so? Like, what is your outlook on that? What are your comments?

Rohan Prakash Lade: See, definitely we are trying to see how much close we can go nearby to the figure which we had given to you. Because earlier the space was a constraint, but now, as I told, the new setup is completely ready. So, definitely that will help us to achieve those targets also going ahead.

But still we are keeping those targets in our mind going ahead. So, we will see how this year goes and we will try our best to achieve those targets.

Harshit: Okay. And then the next question is regarding margins. I am looking at the PPT and it says that the input cost pressures had an impact on margins.

So, can you just elaborate on that? Why were our margins so low in Q4 FY26?

Rohan Prakash Lade: See, as I told you, because of the volatility in the raw material market, which has become very uncertain because what has happened because of this increase in the market, it has become very difficult to sustain also because earlier the market was very less and with this increase in the steel price also, whatever orders are there, so we have to close in those orders also. We have to maintain the sales also. So, somehow in order to maintain the sales and to achieve the turnover also, we had to little bit drop down our margins also because of the heavy competition also going ahead.

So, that is the reason mainly the margins have taken a hit in the last year compared to the previous years.

Anuj Kanodia: Can I add one point over here? So, see, if you will see the nature of this business, the nature of the work that is done at BEW, we have any order which we take, it has a turnaround time of around five to six months. And the raw material cost is one of the major costs which composes, which determines the price of a particular product. And it is very limited scope or room that we have in case of any kind of major volatility that happens in the prices.

Because when the raw material, when the market is volatile, it is not only about the price of the raw material, but it is also about the availability of raw material, which becomes a little challenge. So, I hope that answers your question.

Harshit: I understand, but I just have one doubt. So, the volatility of raw material actually, that raw material was more volatile in the last month, let's say March. So, I guess we would be having

some inventory before that as well. So, why were we not able to manage the inventory and why were the margins so low?

Anuj Kanodia: So, volatility of, if you will see the prices of products, for example, SS and Hastelloy, the highest price, which it touched was not in March, it was in November. And from November onwards, it started moving upside.

Rohan Prakash Lade: It was the highest in the month of March. And after March also, it has went up further. Because of the war and all the situations, it has went up further.

Harshit: Okay, understood. So, the prices have further increased. So, I guess the Q1 margins would also be in the similar range, like how we have done in Q4. Like, do we have any visibility of that?

Anuj Kanodia: We expect that the Q1 margins are going to be in a similar range. Because right now, we are all waiting. I mean, if you see the entire industry is waiting and looking forward for inflationary trend going ahead. So, if you look at the raw material prices, as well as the power costs on the both front, there is a challenge. But then we are also looking forward to implement some efficiencies by internal efficiencies in terms of production, planning, as well as our entire management, as well as leadership. And that should definitely improve or keep us a little vigilant in terms of checking our margins.

Harshit: Okay, understood. So, my last question is regarding a debt level for next year. So, just want to understand, what would be a debt level for next year? And are we going to raise any funds?

Anuj Kanodia: Currently, we are not looking for raising any further debt till the time we have any visibility in terms of stability. However, we might, we might decide to raise any kind of short term debts that will be required, which will be specific to any project. Since we have a very good order pipeline, we might, if we are you know, we are closing the deals faster. And we are, we have some visibility in terms of requirement, additional requirement of working capital, then only we are going for any kind of fundraising.

Harshit: Okay, Sir. Understood. All the best. Thank you. Thank you.

Moderator: Thank you. Before we take the next question, we'd like to remind participants, to ask a question, please press star and one on your phone. Next question is from the line of Santosh Singh, an individual investor. Please go ahead.

Santosh Singh: Yes, so my question is, like, we know that we are in like a volatile environment, and the industry nature is like that. So, what would be our strategy to protect our margins? I think partially you try to answer that. But I would like to hear more around this, because then we know that it is the nature of this and it is going to be like this, right? Now, this is the new normal so what management things around this? So, that is my first question.

Anuj Kanodia:

So, first, we have, we have a we are going forward with a three-prong strategy to tackle this, because as you said, it is going to be a new normal. And everybody is feeling that. So, what we are doing is we are on the first part, we are trying to bring in internal efficiency. Previously, space was a little constraint because of which our production flow was a little, little taken aback. So, that is on the first front, we are bringing, streamlining that we are bringing in efficient procedures in that in terms of planning our workflow and planning of our entire production process. That is first strategy that we are looking at. Second is that we are focusing on high margin orders. So, for example, if you see in the current year, our exports were less than 1% of our total revenue. However, in the coming year, however, in the coming year, we are, we are focusing towards seeking more export deepen means. We are already in talks with a couple of customers from abroad, from overseas, and we are looking forward that, and that will also help us relieve in terms of the margin trend. Third is we are also looking at bringing better financial management as well as operational management with implementation of SAP B1, which will also help us in effective decision-making and improve our efficiency overall.

Santosh Singh:

Okay, I understand. But yes, but doing all that, I think you will have only marginal improvements, not like something very big like 20-30% kind of thing with all these like internal efficiencies and improvements. So, that is, I think management should think something bigger on that, not like marginal improvements, you know. So, yes, that is how I am thinking around that. Okay, my second question would be, like I just said, like this is the industry, and the nature of industry is like that. So, any plan to diversify in the other areas of the business where we have some stability margins are not collapsing like this, and we are at the same time exploring the newer things happening in the different areas, like what I mean with that, like green energy, hydrogen, other areas, which is happening. So, can you comment on that? Can we explore something in other areas as well?

Anuj Kanodia:

Okay. So, if you look at your suggestion is quite validly and we thank you for the input, but I would like to point one thing, it is not only on the internal efficiencies that we are counting to improve our EBITDA, but we are also looking forward for greener pastures where we can seek high margin orders, because that is our primary, primary goal. So, I hope that answers your first question, which will definitely improve help us improve our margins.

Second thing, if you look at this entire volatility, which happened in the H2 of FY26, it was practically unforeseen by everybody, everybody from the industry, whether it is the tech giants, whether it is any of the other engineering companies. So, now that we have a visibility in terms of how this is going to be and how we have to manage our supply chain as well as the margins, we are taking steps. We might also look at steps which will help us hedge our procurement.

So, that is one more point that I want to make. Now, in terms of the product portfolio, Rohan Sir will guide you in terms of what are the changes that we are bringing.

Rohan Prakash Lade: Yes, so I think you said why we are not looking to diversify. Yes, definitely. It's not that we have not thought of it, but again, we are into sort of a business, it's an engineering manufacturing business.

So, definitely, even though we diversify we will look into some sort of a similar kind of industry only. So, as you see our current product portfolio is of only filters and dryers. So, already we have done some developments also with respect to dryers only, but the kind of dryers which we are manufacturing are mostly all batch dryers.

Whereas there is a different range of dryers which is called as continuous dryers. So, that also we have started to focus now. So, we already developed some two different dryers, and for which we already pitched some 4-5 customers also going ahead.

So, definitely, we are expecting that they should be helping, they should increase our product portfolio going ahead over the years. And not only that, since now the space is coming in, we have started approaching a lot of customers to view a complete package order also. Because whenever you see in any greenfield projects or any CAPEX or any pilot plant projects, it is not just the filters and dryers.

There are mixers, reactors, heat exchangers, filters, dryers, blenders. So, for this all-manufacturing range we are having, but we never concentrated on these other products because of the space and all these issues. But now all this is coming in, so if you see, we are having a mix of all this now.

So, definitely, we are trying to approach customers in that way only, so that we can get a lot of package orders also going ahead.

Santosh Singh: Okay, got it. Could you also comment on the pipeline which you have?

Rohan Prakash Lade: Currently, we are having an order book of INR 65 crores and in pipeline, there is an order of around 200 CRs.

Santosh Singh: Okay, and are we expecting 50-60% conversion in that? How is that? I want to understand.

Rohan Prakash Lade: Yes, we are expecting at least 50% of the conversion in that.

Santosh Singh: Okay, yes, I think that's all from my side. All the best and thank you for answering all my questions. Thank you.

Moderator: Thank you. Next question is from the line of Kaustubh Bubna from BMSPL Capital. Please go ahead.

Kaustubh Bubna: Yes, hi. Thanks for taking my question. So, your fixed assets and your net block have gone up from 12 crores to 60 crores. So, could you give the details of capacity expansion that has

happened recently? And what is the optimum revenue company can achieve on full capacity, theoretically? Yes, so your fixed assets have gone up from 12 crores to 60 crores. So, I want to understand the details of capacity expansions that have happened recently and what is the optimum revenue company can achieve on full capacity?

Rohan Prakash Lade: The details of expansion, as I told, we almost completed the expansion. As it was a neighboring land, so there was an amalgamation of both the plots, which was the balance. So, almost that is also completed now. And that is the only last leg of the work going on currently, which will be completed in this coming, in this next month itself. So, we will be on full capacity with the new expansion coming in. And with respect to that, and what was the next question you told? You asked?

Kaustubh Bubna: So, part of the question, theoretically speaking, at normal realizations in a normal market, what would the optimum revenue be? What is the optimum revenue that can be generated from the full capacity?

Rohan Prakash Lade: See, with the full capacity, yes, it can generate a revenue of, as we had said earlier, also 300 CR. Definitely, this complete manufacturing setup can generate that much of revenue going ahead.

Kaustubh Bubna: Okay, fair enough. And also, if I just go by the cash flow statement, if I just read the cash flow statement that you put out in the FY26 numbers, right, the company has managed its working capital due to increase in trade payables. So, the company has backed payments to suppliers to manage cash flows, if I just read the cash flow statement. So, on top of that, cash burn also happened due to the increase in PP&E in the cash flow, which we spoke about with CAPEX, which assuming is the capacity expansion that has taken place. So, long story short, it doesn't seem like the company has the balance sheet to withstand one more year of poor performance, even if it's due to macroeconomic factors beyond the company's control. So, the company would have to increase its leverage or do some other corporate actions in case of prolonged poor performance. So, what are your comments on these observations?

Anuj Kanodia: Okay, so I will just clarify this. So, if you look at the current order book that we have, we have a confirmed order book of 60 crores right now. And in terms of we are we are looking forward for another closure of around 60 odd crores till the end of the next quarter, positively.

Okay. In terms of the cash flow, what we have, so currently, if you see our borrowings are quite less. In case if we need any other to finish or to complete the order book that we currently have, okay, we might go for debt fundraising, which will, but that will be in the range of additional 15 to 20 crores, only if we require right now.

So, we are also looking to manage from our current inventory. We are also looking to manage in terms of the advances that we want to receive from our customers. And we might be a little

bit aggressive in terms of seeking advance from our customers for the orders that we are going to take ahead so that we can manage our cash flow better, in a better way.

Kaustubh Bubna: Yes, because aren't you concerned that leverage could go up meaningfully, right? If the market continues to be bad. I mean, your raw material, what I mean is the raw material costs are high and you're not being able to pass on the cost to the customer.

Anuj Kanodia: I would like to correct you on this point that the market is not bad. In fact, the market is, the order book is swelling. Okay, because of this uncertainty, it is pushing our customers to close the orders quickly.

So, what they have been sitting on enquiries, they are actually coming forward forth and pushing us to close the orders. So, that way, if you will see, market is not bad. In terms of geopolitical situation, we have to be vigilant in getting orders going ahead.

And we are also thinking on front of hedging for our procurement, because as we all know that the geopolitical situation has become extremely dynamic. However, we are taking those steps in terms of planning our cash flow in a way where execution doesn't become a challenge for us. And that is why as I told you that if required, we might seek an additional facility of 15 to 20 crores in case if we need to execute that orders.

So, one thing is for sure, market is not bad. And the new orders that we are getting, we are already factoring the cost of the increase in the raw material prices, as well as the other costs that are that are being impacted.

Kaustubh Bubna: So, then on 300 crores of theoretical revenue at optimal utilization, what are normalized margins you can expect in a normal market, like in a normal scenario?

Anuj Kanodia: See, again, the definition of normal is quite changed.

Kaustubh Bubna: No, I mean realistic. I mean, realistic scenario for your company. Not something far-fetched.

Given the current market conditions, given the raw material situation, given that new orders are being, you're saying given that new orders are, you're saying that new orders are being placed at higher prices. So, given all these things you mentioned what are sustainable margins that one can expect on INR 300 crores revenue?

Anuj Kanodia: See, if you look at INR 300 crores revenue, what we are looking for the current year, we since the entire cost cannot be passed on to the customer, we also have to be a little bit reasonable in terms of absorbing the costs. So, in this current year, we look, you're asking about the gross margins or are you asking about the PAT

Kaustubh Bubna: EBITA, not including other income.

Anuj Kanodia: Not including other income. Okay. So, we look forward that we should be able to anywhere in the range of 8 to 10 percent is what we are looking for the current year.

Kaustubh Bubna: Oh, so you're looking at 300 crores of revenue in this current year, you're saying?

Anuj Kanodia: I didn't say about the INR 300 crores revenue in the current year. When you ask me about a theoretical...

Kaustubh Bubna: Understood. Okay. Thank you so much for answering my questions.

Anuj Kanodia: Thank you very much.

Moderator: Thank you. Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Good evening, Sir. Thank you so much for letting me ask a question. Sir, just wanted to understand in terms of our order book and execution. So, we have, I think, around 60 crores of order book. So, that will be something that should be done over 4-5 months or how much, like, what will be the execution period, Sir, for this?

Rohan Prakash Lade: Yes. It is around 4 to 5 months. Max 6 months, you can say, not more than that.

Darshil Jhaveri: So, that way, we are planning to win another 60 crores in maybe the next quarter. So, that way, we will not have a lot of order book compared to, like, even if it is so competitively, our revenues could be flat or maybe negative if we have such a less order book, right? Like, how would you comment on it because 60 crores...

Rohan Prakash Lade: No, see, that is the current order book. It doesn't mean that the next quarter will be the same order book or the next half year will have the same order book. Order book, to it, that does increase. It is the current order book which I am saying. But definitely, as we said earlier also, we are seeing a rise in the market also now. So, we are seeing a lot of requirements coming in the past 2 months also. A lot of requirements closing in also because if you see, if what I see, like, from December to March, the requirements were coming but they were somehow not getting closed down. I don't know the exact reasons. But now, I think, I am seeing since the prices are going up very high because of the current situations, whatever it is, the customers are a bit worried also because they also have their budget set.

They also have their timeline set. So, they also can't delay further hoping that the prices will come down. But considering that, they are also now going ahead and closing down all the requirements so that executions can be done on time for them also.

So, yes, we are seeing a good rise in the orders also. So, that will definitely give us a good order rise also. And as the prices are increasing as compared to the last year, so the overall price also will go up.

Like, the same equipment which was manufactured last year was of a lesser price. This year, it will be of a higher price. So, that also will help us to have a good revenue.

Darshil Jhaveri: Correct. So, okay, that is something that helps a lot.

So, now you are saying, Sir, interest cost in H2 was significantly lower than H1. So, can we understand that as a sustainable cost because we don't want to increase a lot of debt, right, Sir? So, how do you look at the interest cost going forward, Sir?

Rohan Prakash Lade: Anuj, I think you can answer this.

Anuj Kanodia: Sorry, I was not able to hear the last line.

Darshil Jhaveri: So, I was saying interest cost, I think, in H2 was around 1 CR and in H1, it was around 3 CR. So, what is the significant reduction, right? So, can we maintain this trajectory like of our H2 cost?

So, what do you feel, Sir, in terms of interest cost? Because our debt on balance sheet level is similar, right, for last year and this year. That's why.

Anuj Kanodia: If you look at the long-term borrowings of the last year closing and the current year closing, there has been a significant change in it. If you look at the overall debt, there has been a significant change in the debt which has come down because a portion of our long-term loan that has also been paid, that has come down. However, see, in terms of interest cost, in case we borrow or we seek some additional facility which will be a working capital facility for fulfillment of our orders, then the interest cost might increase a little bit in the current year. Otherwise, I don't see any reason.

Darshil Jhaveri: Okay. Fair enough, Sir. And, Sir, just wanted to know, like, can we have some quarterly calls because in six months a lot of situations change.

So, if you could maybe, I don't know if we could give quarterly results, but at least we could have management interaction during the quarter that help us because it's such a dynamic situation, right, Sir, in three months, war is there, three months, war is not there. And we should also be able to help get a better call for that, Sir. That would be one request.

And, Sir, just wanted to know in terms of hedging, like, what is our key raw material and how much can we hedge? Is it available to be hedged in either MCX or globally? So, what can we do to hedge it because we have gone from 15% to maybe, like to 5% margin.

So, that's why I just wanted to understand, Sir.

Anuj Kanodia: In terms of your first request, I will definitely consider that. We will definitely consider that on the company level. In terms of your second question about hedging, our main material is stainless steel. So, that definitely can be hedged if not on MCX, but definitely on NCDX as well.

We are evaluating options right now. We don't have any, very detailed or articulated plan regarding that. So, once we we finalize something regarding that, we will definitely appraise our investors.

Darshil Jhaveri: Okay, fair enough, last question Yes. So, in terms of our revenue for FY27, can we look at around 250 CR or 230-240 CR, like a 15-20% growth, this YOY, can we look at that, Sir?

Anuj Kanodia: Well we would like to be a little reasonable as well as conservative in terms of quoting the numbers for FY27 as of now, because since the geopolitical situation is looking quite dynamically tweaked. So, right now our target will be first target or you can say optimistic target is to give a sustainable revenue growth. Whereas we are also not looking only on the growth in terms of revenue.

But this year, we are also focusing on the margins, because our priority will not be substantial growth in the revenue, but also our first priority will be to see good margins.

Darshil Jhaveri: Correct, I will join back with you for some more questions. Thank you very much.

Moderator: Thank you. Next question is from the line of Manish Kela, an individual investor. Please go ahead.

Manish Kela: Thank you. So, Sir, I just wanted to check. This is the announcement that we received from the exchanges, right? I don't remember seeing any announcement on the new order wins that the company would have received during the last six months. So, has the company stopped disclosing that or we have not received any order wins during the last six months at least?

Rohan Prakash Lade: No, we do receive orders, but we do announcements only for some very, I would say, a very big size equipment orders or very some new equipment orders by which we develop a new product like that, or something, some new visits are going up for very big customers. So, those announcements we are going. Yes, I think last announcement, last year, what we done was of Japanese manufacturers, which are visited also last year.

I think that announcement we had even in the, I think in the last year itself. Yes, this year, we didn't have any such big announcement as if to tell to our investors that something big had happened. But yes, the order, it doesn't mean that orders are not there.

Orders have kept on coming and that too of very reputed and of our regular customers as well. But yes, definitely we are going ahead. We will be giving announcements going ahead.

As I think we spoke, we are targeting now a lot of other parts also, like we are seeing a good growth from USA, US coming over in this year. So, definitely, you will be seeing a lot of announcements going ahead in this year.

Manish Kela:

Yes, maybe, I mean, I think irrespective of the size of the order, it is, it makes sense to kind of publish it to the exchanges. Because as you would understand, the stock price is also not doing too well. So, maybe that has a positive impact on the stock price.

So, that's one. Second is, I also wanted to check upon the new expansion facility. I guess it's already operational.

So, during the previous call, you had talked about the various advantages that you guys would desire in terms of shorter, what do you say, manufacturing timelines, and you need to kind of stock lower inventory and so on. So, you talked about those advantages. So, if you can give a flavor on that.

Rohan Prakash Lade:

Yes, the expansion is completed. And we are not utilized to the full capacity yet now. But yes, around 50% capacity is utilized for working purpose.

And the balance capacity will be utilized with going ahead, maybe in the next three to four months. The reason for that was, I think, as I told you, it's a neighboring plot, it's a neighboring expansion. So, there was an amalgamation of the two units.

So, that took a bit of time, because it requires some approvals also going ahead. So, that has been done. And so what the amalgamation has done that it has given an additional working space also.

So, that part was only pending, because that was creating a lot of hurdles in our day-to-day working and day-to-day operations also because of the movement of the raw materials, movement of the product, our equipments. So, because of that, that will help us reduce those particular things. And definitely, we are now trying to see how fast we can bring down our delivery schedules also.

Like the products which are taking six months, we are trying to see, we are trying to bring it down to the four months, which are taking four months, we are trying to bring it down to three months like that. So, definitely, that the space will help us to bring more deliveries also going ahead.

Manish Kela:

And can I ask as to what was the sales that we had from the new facility during H2?

Rohan Prakash Lade:

No, it was, it was very less, I would say, from the new facility, percentage-wise, if I say, it was hardly some 10% sale was done from that, 10-15%. Because as I told you, it was a bit of a bit issue because of the amalgamation was not done. So, we didn't target that much over there.

Manish Kela:

Okay. So, Sir, I also have a question on the inventory. So, you are sitting on huge inventory. So, can you explain as to what, within what time frame do we expect these inventory levels to come down to reasonable levels? And what is the bulk of this inventory? Is it steel or is it alloy, nickel alloy? So, if you can give some status on that as well.

Rohan Prakash Lade: Ah, the inventory is, yes, it's a mix of the alloy, it's a mix of Hastelloy or stainless steel. Because, again, we have to forecast what sort of order is expected, whether it's Hastelloy or whether it's stainless steel. So, a mix of both we have to keep.

But yes, it is more on the Hastelloy because Hastelloy is something that is not available off the shelf. So, again, you have to plan a lot earlier to manage the inventory of Hastelloy. So, that is one of the reasons the inventory is on the higher side and also because of the delivery cycles which you are having.

So, the quotations are not that fast for the inventories also. Because of that, the inventory cycles are on the higher side.

Manish Kela: So, what would be the Hastelloy inventory out of the total inventory of 128 crores?

Rohan Prakash Lade: Exactly, I can't give you a number right now. But yes, it is pretty much on the higher side, I would say.

Management: Yes, can I send an email and if I can get a response on this?

Rohan Prakash Lade: Yes, you can send an email. I will let you know.

Manish Kela: I also remember during the previous calls, we had talked about not all orders that you receive, right, wherein Hastelloy is used. So, do we run into a situation wherein this inventory is still sitting with us, unutilized?

Rohan Prakash Lade: Yes, the last Hastelloy order ratio was less. And as I think I told also in earlier calls also, this inventory was particularly kept, brought in, keeping in mind some export orders which I had spoken on my earlier calls also. But somehow, it didn't went off. But whatever political reasons were there in the export part, that's why this inventory was there with us. But yes, now I think we are seeing a good increase in Hastelloy orders also. So, I think it can help us going ahead to utilize those inventories also.

Manish Kela: All right. And my final question would be on the receivable days. Again, on the higher side and the amount of debt which is greater than 6 months, can I get a flavor on that? What would be the debt sitting on books which are greater than 6 months?

Rohan Prakash Lade: Receivable day on the higher side. Yes, because again, as I told you, our cycles are on the higher side.

Moderator: Manish, I request you to join back the queue, please, as we have participants waiting for their turn. Next question is from the line of Yogansh Jaswani from Mittal Analytics. Please go ahead.

Yogansh Jaswani: Several questions on the balance sheet side. So, firstly, like the previous participant was mentioning about the inventory. So, inventory has been one thing that has been a problem for

us, not just this quarter, but I think almost two plus years. Every time we have got our margins wrong because of the commodity prices. So, why is it happening one after the other? When we were raising funds, the whole intent was that we will be able to better manage our inventory, we will be able to pay up our bills timely, that will give us good margins and we will be able to secure our inventory well in time. We did secure the inventory, but still we didn't see those margins transferring into the P&L. And again, just one last point on that. So, last call, you mentioned that some INR 20-25 crore of Hastelloy inventory was there. And similarly, there was other raw material with us. So, the prices have actually gone up. So, in fact, we should have been at inventory gain, instead of a loss.

Rohan Prakash Lade: Yes, the prices have gone up currently only. As I told you, last 4-5 months the prices started increasing and now it has gone up too high. But before that, the prices were not that high.

And the inventory which we had brought in some 2-3 years back was one of the very different prices also. And because of that, we were not able to utilize this inventory since the prices had gone down after that. But now, yes, the prices are increasing.

That's why little bit of inventory we did utilize also in the very last leg of the year also. And now also, we are trying to see how better we can utilize this inventory. So, yes, over the year, you will see that we will be utilizing this inventory.

Yogansh Jaswani: But that would be true for the Nickel Alloys and Hastelloy right? The stainless steel has been totally different.

Rohan Prakash Lade: Can you speak a little louder? I am not able to hear you clearly.

Yogansh Jaswani: I think this would be true for Nickel Alloys and Hastelloy, right possibly. But for stainless steel, the commodity cycle has been totally different. In that case, we should have been able to see some inventory gains given we get orders which are long-term and we fix prices.

Rohan Prakash Lade: Yes, stainless steel inventory, we have never built up that big. We have always keep it to the minimum levels because the prices have become so volatile. And the reason we have not done that is because stainless steel is always available all the time in India itself. Hastelloy is something that is not manufactured in India. But the timeline is huge. I remember some 2 years back, sourcing the Hastelloy material and getting it at your place would take around 14 months. Because we had to book the raw material, we had to pay them advances. Then 6-8 months was the manufacturing time. Then 2-3 months is the shipping time. If there is a delay, it goes up. So, that is a big, problem over there. So, that becomes a huge issue. But with stainless, it is not like that. JSL is the biggest producer of stainless steel. And at any given point, it is available in the market also. So, stocking stainless steel on higher levels was never done from our side. Yes, what is stainless steel which is maintained in the stock is with respect to the order flow and order book only. Even now also, every week, there is a price increase. Every week. So, we are keeping the stainless-steel stock with respect to the order book only.

Yogansh Jaswani: Like you are saying that we do back-to-back order booking of our raw material as per the orders, then the margin should not be impacted.

Rohan Prakash Lade: Yes, but right now, the prices are so increasing. Like suppose you are taking order from a customer and if the price goes up and you are not able to book on time, then it becomes a problem for us also. Because not just booking, we have to pay them also. It's not just the booking part. Even though suppose you are blocking the raw material, but if you are not paying them, then they are not blocking also. And what happens when the rates are going up, they are closing down the bookings also. So, that also becomes like, I am ready to place the order, but they are not taking the bookings also. So, that again becomes a problem. But certainly, we can't say no to the customer also. Because if I say no, there might be some other guy who will pick up the order immediately. So, that also we have to be very, much clear and be careful also while taking the orders also.

Yogansh Jaswani: And similarly, on the other two aspects of your working capital, like several participants have mentioned, the debtor and payables are also looking haywire.

Rohan Prakash Lade: Yes, I know because as I told you, because the cycles are quite big for us. Because until we don't bring down our delivery cycles, that also won't come down that fast. But yes, definitely, we are trying to improve on that also. Now this new expansion is completely coming in. So, that will help us to bring down that as well.

Yogansh Jaswani: Secondly, on the order book, I think the one which is mentioned in the presentation, from 53-54 crores, while on call you said 60 crores. So, let's say 60 crores. But this order book is also, I think, one of the lowest in the last 3-4 years. From what I can recall, I think we have been able to maintain 80-100 crores of order book. So, this has been one of the lowest.

Rohan Prakash Lade: Yes, because I think as I told you, prior to this, like say from December to March, as I told you, a lot of requirements were there. A lot of requirements were there, but customers were not going in and putting the orders. But now, as I told, as I told that in the pipeline, there are orders of around 200 crores. And even in that 50%, if you target, still it is 100 crores business. So, with those 100 crores and 60 crores, anyways, it will be 160 crores over there. And not only that, the booking will keep on increasing over months and months now. Because we are seeing customers have started closing the orders very fast now, very fast. And that to some big, big orders are closing down now.

Yogansh Jaswani: And any specific reason why we don't have any export orders? Because this year, I think, hardly we did any export orders. We were very, last year we had several export orders.

Rohan Prakash Lade: Before to that, before to last year, if you see earlier 2 years, one year we had a very big order from Bangladesh, which is around INR 25-26 crores itself. So, that was a big order for us from a single region. And prior to that, next to that year, there was a big order from Thailand, which was also worth around INR 15-16 crores. So, that's why you saw that quite a lot of good exports

happening in those 2 years. After that, there was not such a big order from any particular region. We had some 3-4 orders only, like one from USA, one from Egypt, one from Russia, one from Nepal. So, that is how we did. So, that's why the exports were less. But now, as I told you that we are already in talks with, we have signed an NDA with Japan also. One of the customers visited also our facility. So, they are about to close the order on us. And we are going to exhibit in November this year in Japan as well with one of our equipments over there. And also with USA, we are in talks for closing down on a good set of orders, not just orders, but for continuous manufacturing over the years now. So, definitely that updates, you will be getting up very soon. So, all these things will do help us to increase the export this year.

Yogansh Jaswani: Got it. And one last question. So, I think in the past, we were talking that we will be working with our bankers and with improving scale and business, we will be able to get a better rate of interest. So, what has been the update on that? Have you been able to get a better rate? And if yes, what is the current rate?

Anuj Kanodia: We are in negotiation for that. First, we are initiating the negotiation with our current bankers to seek better finance cost. And the company is alternatively also looking at other facilities and other types of instruments. And hopefully something should work out in a couple of months.

Yogansh Jaswani: I am saying, what is the cost of borrowing for us as of now?

Anuj Kanodia: So, as of now, the cost of borrowing is somewhere around 9.5 to 9.75%. Thank you.

Moderator: Next question is from the line of Harshit from Robo Capital. Please go ahead.

Harshit : Hi. Thank you for taking my question again. Sir, I understand that the nature of business is so that the turnaround time is say five to six months.

And as you rightly said that the new normal has been changing and it is a totally different scenario right now. So, let's say, right now we have an order book of INR 50 crores to INR 60 crores. And say we end the year at a flattish growth of, let's say we clock a revenue of INR 200 crores in FY27.

So, the incremental 150 crores of order book that we are going to make, are we going to take any price hike or what strategy are we going to implement to to stabilize our margins? Because do we... I just want to understand how is the competitive intensity over here? Why are we not able to take any price hike or maintain margins?

Anuj Kanodia: So, definitely, as I said in the earlier as we also asserted in the earlier questions our order book now stands at around 65 crores only because we have been a little vigilant in terms of the margins and the current geopolitical situations which is impacting the costs. Going ahead also, whether we close in 200, whether we close in 240 or depending on what we have targeted and how things turn in the later months of this year our first priority will be to safeguard our

margins. We will be approaching a balanced strategy since the competition is also there. So, we have to approach a balanced strategy in terms of our revenue as well as margins.

Harshit : All right, Sir. All the best.

Moderator: Thank you. Next question is from the line of Keshav Harlalka from BHH Security. Please go ahead. Since there is no response, we will move on to the next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Yes, thank you so much for allowing me another question, Sir. So, I just wanted to elaborate a bit more on our inventory and order booking.

So, so when we get an order, we book the raw material, right? Or how does it work? Because our, I think, inventory is around INR 130 crores, which is nearly 75% of our revenue, right?

Like of this year. So, can you walk us through how do we book inventory or how does it work?

Because previous participants also asked the question that if we have such a huge inventory, the impact shouldn't come that much, right? Or how does it go ahead?

So, can you just walk us through that process?

Rohan Prakash Lade: I was not able to hear you. Sorry.

Darshil Jhaveri: So, I was asking, Sir, we do back-to-back order booking, right? If we get an order, we would be booking raw material, right? For buying it. So, do we get any credit? We would be getting some credit period or is it a spot payment. So, how does that process work through? Because if we have 100 crores plus inventory, that is nearly 70% of our revenue, we should have some better like... at least gross margin should not suffer so much, right? Could you just explain the process? How does that work through, Sir?

Rohan Prakash Lade: See, yes, definitely. Generally, in a normal case, when the steel mast and the steel are not fluctuating, and they are pretty much on the standstill level.

So, in those cases, we do stock raw materials because we know that the prices are not going to jump like that. So, we are able to plan also with our orders and with our raw materials also. And we can place at a good price also.

But whatever has happening from the last, I think, six to eight months, the prices have been quite volatile and they have not been at all standstill. So, when such things happen, we are not booking any raw materials.

Basically, stainless steel, I am saying. What are inventories you saw are, as I told, it is morally of the Hastelloy, which I spoke just a few minutes back with some other questions.

The reason also I told why the Hastelloy inventory is on the higher side and why we are carrying it over the years. So, because of that, only you will see the inventories on the higher side. But at any given point, with respect to the current situation, we are only booking materials with respect to the orders only.

Like, suppose any order comes, then only we see to book it. But with current market scenario and very high volatility, we have to be very careful because even though we take orders, sometimes the booking is not going through. Because stainless steel, JSL is not sometimes holding the bookings.

They are not going ahead. So, sometimes we do end up buying the raw materials at higher prices, which we are not expected. But yes, likewise, we have to be very careful because the prices are literally going up every week, which the situation was never earlier like this.

So, yes, we would have to be careful with that.

Darshil Jhaveri: Okay, got it. So, Sir, Hastelloy, if you could get a quantitative value, like out of 120 crores, Hastelloy would be 50 crores or any range also. I don't want your exact number.

Rohan Prakash Lade: I can't give you a figure right now. If you want the details, you can mail me. I will separately let you know on that.

Darshil Jhaveri: Okay. Fair enough. That's it from me. Thank you.

Moderator: Thank you. Next question is from the line of Manish Kela. Please go ahead.

Manish Kela: Sir, you have taken, what do you say, services of consultants to enhance operational efficiency. So, can you give us a flavor as to what are some of the suggestions which have come out and if we have already started implementing those?

Rohan Prakash Lade: Yes. We have hired a consulting firm who are having experience of more than 200 plus years. So, they will be helping us to bring in efficiencies in all the departments like production planning, sales and marketing, design, and all these departments, they will help us to bring in the efficiency.

So, they are working with us from now, almost from past 45 days over here. And weekly they are coming over here. So, they will be having one-to-one discussions, one-to-one meetings with our departments, with all the heads as well.

And they will be seeing how to work on the corners so that wherein we can bring in a lot of efficiencies in the production as well as in the planning. So, that will help us to reduce our delivery cycles also. It will help us to streamline our production planning also, which I feel is lacking over the past few years.

Because of that also, we are not able to bring down our deliveries. And not only that, this will help us to have good revenue also. Because it was like that, we might end up using a much higher raw material than what we had, than what we expected.

So, because of this efficiency, it will keep us on track also that what exact raw material is to be used. And not only that, as we told, we are implementing SAP also. So, that also will help us to have our exact inventory data.

Currently, we don't have that. So, it was a bit of a problem for us also to manage the exact inventories also. So, all this thing will bring in efficiencies and that will help us going ahead to plan our production activities also.

And it will help us to streamline our complete flow of work also. So, yes, definitely, it will show a bit around also over the years because of this particular consultant and the SAP system which we are bringing in now.

Manish Kela: So, when do we expect this assessment to get completed? I guess your PPT says by Q2 financial year 26. It should be Q2.

Rohan Prakash Lade: So, as you told here, it is showing that. But it's a slow process. It is not that it can be done very fast. So, it is a slow process of over two years to have that complete turnaround also. Because for over the years, we are working in a specific manner, which I, when these people came in, they told us that this is not the way you should work. This won't bring in efficiencies in your work. In fact, it will increase a lot of difficulties also going on because you have a very big space also. So, accordingly, the space also, they analyze how the flow should be there. So, that is something which I never thought when I was when we were working. So, yes, it's a slow process. Even though the implementation will be there, but the actual effect will take time because our whole team, they have to go through it. They have to bring changes in their approach, in their behavior. The particular thing has to be done in this way only. So, whenever you put in such processes, there are a lot of yes and no.

So, yes, it does take time to implement such things. But yes, once it's implemented, it does wonders. It helps you streamline your processes because right now, I have to be involved in a lot of activities over here.

So, going ahead, that will definitely come down and it can run smoothly also. So, that will help us to achieve our targets also going ahead with respect to order book also.

Manish Kela: And what would be the P&L hit on account of the services that we have taken from the consultancy and also from Anuj Kanodia?

Rohan Prakash Lade: I think that we can tell you separately. You can put a mail to us, so we can let you know on that.

Manish Kela: Yes, sure.

Moderator: Thank you. We will take a last question from the line of Amit. Please go ahead.

Amit: Thank you. My question is regarding the peak revenue. There was a discussion earlier that it will hit 300 crores. I just wanted to reconfirm my understanding that at that scale of revenue, did you say that we will do about 10% odd margins? Is my understanding correct?

Rohan Prakash Lade: Yes.

Amit: Okay. So, we are lowering our margins guidance because I remember asking you this question about margins, I think a couple of calls earlier and that time you were reiterating much higher margins, I think.

Rohan Prakash Lade: Yes.

Amit: And my second question is on the revenue. Like whenever suppose '27, the visibility is low, but say, if by FY 28, we hit about, say, INR 230 crores to INR 250 crore revenue, that time also you will expect similar margins, right?

Rohan Prakash Lade: See, generally, whenever you target higher margins, sorry, higher and higher revenues, so margin has always taken a hit because previously when we were at a 100-crore level, we used to target only a very, very good margin orders. We used to let go of margins with less margins, we used to let go those orders. We never targeted those orders because we know we are, we are okay with the 100 crores turnover also. But now, whenever you target big turnovers, so yes, the margin does take hit. But even though saying that, we spoke, we spoke in the call earlier also, that we would be targeting better margins this year. Suppose even though we are not able to achieve the target turnover numbers, but we will like, we would, we would, we would be only targeting to have a better margin. So, 10% is a minimum margin, we are saying, but yes, definitely, we will try to see how much, much better we can get, at least some around 13% or 14% margin will try to get down. And if the exports come in every year, definitely the margin would go up.

Amit: Right. And typically for the order book that we have, like, what is the, like, which are the companies that we compete against for the order book?

Rohan Prakash Lade: See, mainly if you see, we are working mostly, if you see our order book come from a lot of dryers, like, like Agitated Nutsche Filter Dryer dryers and some Paddle Dryers, which are manufacturing. So, for them, we are competing, we are competing with two other manufacturers, both are in Gujarat region. But we don't compete with them for, for all the products, we are competing with them in two, three products only. but again, those two, three products are the ones which are giving us the maximum revenue.

Amit: Right Okay. That's, thank you. That's it from my side.

Moderator: Thank you. I now hand the conference over to Mr. Rohan Prakash Lade, Managing Director for BEW Engineering.

Rohan Prakash Lade: So, I think, thank you for everyone. So, just in the closing statement, so I would like to say this year, we mark a period of continuous, continuous progress for the BEW. And our foundation remains strong, built on engineering excellence, customer trust, and discipline execution. And with our new facility, we are set to come online. So, we are entering an exciting phase of scalable growth also. So, I would like to thank you for, for all of taking out the time and attending this call. I am thankful to each member of BEW, as well as our clients, creditors, Bankers and financial institutions, and all of our stakeholders. So, for any other queries or information, so please do get in touch with us. Thank you.

Moderator: Thank you. On behalf of BEW Engineering Limited that concludes this conference call. Thank you all for joining us and you may now disconnect your lines.