DUNCAN

Duncan Engineering Limited

Transcript of the 65th Annual General Meeting held on 24th July 2026

65th Annual General Meeting of the Members held on Friday, 24th July 2026 through Video Conferencing

Transcript

Moderator Vinuthna

Good afternoon, everyone. A very warm welcome to all the panel members and shareholders for the 65th annual general meeting of Duncan Engineering Limited. We have the required members present for the quorum. Currently we have 35 members present in the meeting. This meeting is being held through audio visual means in accordance with various circular issued by MCA and Sebi. The company has made all the necessary arrangements to enable the shareholders to participate and vote on items being considered in this meeting. We sincerely appreciate your presence and participation in this meeting. Now I hand over the proceedings to the company secretary and compliance officer Miss Shanu Gupta over to you Madam.

Shanu Gupta - CS

Good afternoon, everyone. I'm Shanu Gupta Company Secretary and compliance officer of the company, a very warm welcome to everyone to the 65th annual general meeting of Duncan engineering Limited. The general circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India has allowed company to conduct annual general meeting through video conferencing or other audio-visual means, Thereby, dispensing with the requirement of physical attendance of the members at their annual general meeting. Accordingly, this 65th annual general meeting of Duncan Engineering Limited is being held through video conferencing or other audio-visual means. Shareholders attending this meeting through video conferencing or other audio-visual means shall be counted for the purpose of recurring quorum under section 103 of companies at 2013. The facility to join this meeting through video conferencing or other audio-visual means is made available on 1st come, 1st serve basis for all the members. All members are kept mute by default to avoid any background noise or to ensure smooth and seamless conduct of the meeting. Once the Q and A session starts, the name of the shareholders will be announced who have registered themselves as a speaker. The speaker shareholders will thereafter be unmuted to give a fair chance to all the speaker shareholders five minutes are allotted to each speaker. To start speaking, shareholders are requested to follow the instructions given to them by the operator. However, if due to any reason they are unable to join the meeting through video, they can speak through audio mode. If there is a connectivity problem at the speaker's end, the next shareholder waiting in the queue will be asked to join. Once the connectivity improves and if time permits, he or she will be again called to speak after the other shareholders complete his or hers. For good audio video experience, shareholders are requested to ensure the followings that NO other applications are running in the background Wi Fi is not connected to any other Devices and is there any issue they may contact the phone numbers or email IDs mentioned in the notice of AGM.

I would like to introduce my colleagues who are present at the meeting today. Mr. Vishal Segal chief Operating Officer. Mr. Kamal Saria chief financial officer, and Mr. Ankit chief of staff. The directors have elected Mr. Arvind Goenka Non-executive director and chairman as the chairman of this meeting in case of any connectivity issue at the end of Mr. Arvind Goenka, Mr. Akshat Goenka will act as a chairman of the meeting. I would like to introduce all the board members who are joining us from various locations. Mr. Arvind Goenka chairman joining from boardroom. Mr. Akshat Goenka managing director joining from boardroom. Dr. DS Gangwar, independent director and Chairman of audit committee joining from their office. The representative of our statutory auditor and secretarial auditor are also present at the meeting. This is to inform you that the requisite quorum is present at this meeting. The annual report for financial year 2025-26 has already been circulated electronically to those members whose email addresses are registered with the company or it's registrar and transfer agent MUFG in time India private Limited or their respective depository participants. For members who have not registered their email addresses, a web link provided access to complete annual report has been sent through inland letters to their registered addresses.

With your Permission, I shall take them as read. The independent auditors report on the financial statements and secretarial audit report for the year ended 31st March 2026 does not contain any qualifications or adverse remarks. Accordingly, they are not required to be read as provided in the company's Act 2013. The register of contract in which directors are interested, the register of directors and key managerial personnel and their shareholdings are available electronically for inspection by the members. Now I request Mr. Arvind Goenka to take the chair and proceed with the meeting. Over to you sir.

Arvind Goenka - Chairman

Good afternoon Ladies and Gentlemen, I welcome you all to the 65th Annual General Meeting of Duncan Engineering Limited and thank you for your continued trust and support. During FY 2025-26, your Company reported Revenue from Operations of ₹80.67 crore, compared to ₹84.71 crore in the previous year, reflecting a decline of 4.8%. Profit Before Tax stood at ₹6.53 crore against ₹6.75 crore in FY 2024-25, while Profit After Tax stood at ₹4.86 crore compared to ₹5.21 crore in the previous year. Despite the moderation in performance, we continued to invest in strategic initiatives that strengthen our long-term growth prospects. The Board has recommended a final dividend of 30%, i.e., ₹3 per share, reflecting our commitment to shareholder value.

FY 2025-26 was an important year in strengthening the foundations for our future. We secured EIL certification for On-Off valves, enabling us to expand our participation in the Oil & Gas sector. We also established DEL Arabia, our wholly owned subsidiary in Saudi Arabia, strengthening our presence in the Middle East.

While our reported financial performance for FY 2025-26 remained moderate, the underlying business momentum has strengthened significantly. Order booking increased from ₹73.3 crore in FY 2024-25 to ₹96.8 crore in FY 2025-26. The momentum has continued into the current financial year. We commenced Q1 FY 2026-27 with an opening order book of ₹29.3 crore, recorded Sales ₹22.2 crore, and secured fresh order bookings of ₹27.5 crore during the quarter. Consequently, we entered Q2 FY 2026-27 with an opening order book of ₹34.5 crore.

With confirmed business visibility of over ₹55 crore already in hand, we remain confident of crossing the ₹100 crore revenue milestone during the current financial year. While profitability and RoCE may continue to remain under strain in the near term due to investments in new business initiatives that are yet to meaningfully contribute to revenue, we believe these investments are essential for building a stronger and more diversified Duncan for the future.

Before I conclude, I would like to acknowledge the patience and confidence our shareholders have continued to place in the Company. We fully understand that our quarterly and year-on-year financial performance has not yet reflected the progress we are making behind the scenes. Duncan's transformation is a multi-year value creation journey, and the benefits of the strategic initiatives we have undertaken will not necessarily be visible immediately in the financial statements.

However, I would like to reassure all our shareholders that our long-term value creation thesis remains firmly intact. The key growth levers are already in motion. As these initiatives mature and begin contributing at scale, we are confident they will translate into sustainable growth, improved profitability, and enhanced shareholder value.

I sincerely thank our employees, customers, business partners, Board members, and shareholders for their unwavering support and confidence. With your continued encouragement, we remain committed to creating enduring value and delivering sustainable long-term growth for all our stakeholders.

Shanu Gupta - CS

Thank you sir, after tabling of the resolution is over, registered speaker shareholders can express their views and ask questions. Now I will pick up the formal items of business of this AGM.

The 1st item of business relates to the adoption of audited financial statement of the company for the financial year 31st March 2026 along with the reports of the board of directors and the statutory auditors they are on. The objective of this item is to comply with the requirements of companies in 2013.

2nd item of business relates to proposal to pay a final dividend at the rate of that is 30% per equity share for the financial year 31st March 2026, the objective of this. The objective of this resolution is to declare final dividend for the financial year 25-26.

The 3rd item of business relates to the appointment of a director in place of Mr. Arvind Goenka who retire by rotation and being eligible offer himself for reappointment. The objective of this item is to reappoint Mr. Arvind Goenka who retire by rotation in compliance with the requirement of article of association of the company as well as companies act 2013.

The 4th item of business relate to reappointment of Mr. Akshat Goenka as managing director of the company and approve the remuneration.

I now invite the speakers to put forth their queries and suggestions. I would request to speaker to be precise, we shall be, we shall be very happy to answer your questions and to provide clarification. Questions after all the questions are raised.

Moderator Vinuthna

Thank you have, we will now begin the question answer section. I request our speaker shareholders to switch on their camera and ask their question upon announcement of their names. I also request the speaker shareholders to keep their question short and concise to the point and kindly do not repeat the question already asked.

Now I invite our 1st speaker, Mr. Sanjog Saraf. Sir, you're now in the panel, you may unmute yourself and ask your question.

Sanjog Saraf

I am from Hope all you are safe and good healthcare that I thanks to all very nice balance sheet. Hope our CFO will be thankful. I expect my thankful to CFO for a very nice balance sheet, but after reading the that balance sheet. That I did not find any question. So how what type of question asked question to tell, So I hope next year people will be considered.
So we can be asked any question by chairman that completely been very nice and hope in the financial year. Once again thanks to all you and also our very nice week and hope same will be continued in the 26-27.

Akshat Goenka (Managing Director)

Thank you

Moderator Vinuthna

Thank you sir. Now I invite our second speaker Mr. Rohith Prakash. Sir, you're now in the panel, you may unmute yourself and ask your question.

Rohith Prakash

Thank you for the opportunity. I appreciate this. This is my 3rd AGM of Duncan. I've always enjoyed attending the meetings because you provide a lot of colour in the meetings. I wanted to clarify on a couple of things. So each of the last two years we've mentioned our Intent and our capability of hitting hundred crores turnover, even the last year AGM began with the confirmation that we'll hit it the last year, but we've not been able to meet it despite hitting the milestones of BHEL in EIL certification that we spoke about. Could we give more Granular details on what is holding us from hitting the hundred crore mark, and the 15 % margin that we are targeting. So this is my primary question and in the opening speech, the chairman has mentioned that the long-term drivers of value creation are in intact and the numbers are not reflective of what is going on inside the company. Given this is the only opportunity, it'd be great if, you can detail each of these initiatives that we are taking and by when do you think it will fructify? And, it was a very interesting resolution I must say. I've not seen such a resolution on pay in any other listed company, the incentives are fully aligned with minority shareholders and that's great to see. Again, I think it's connected to my 1st question. What is the driver? I mean, what gives you the confidence given the bonus pool is to be paid in 2029, so it's not that far ahead. So what drives the confidence that we believe we will hit that milestone by 2029, that would be great to hear. And in the last AGM and before we spoke about three Key segments that will drive our value. There's a base business which is pneumatic and aftermarket. Then we have defence and then we have the valve automation segments. We spoke briefly about three of them in the annual report, but it'll be nice to know where we are in each of the segments in our business. Specifically, the aftermarket where I believe we wanted to scale from four and a half core Month to six and a half growth per month. Have you hit the target where are we? Because I believe that provides the cash flows for our growth, where are we there is also something that will be great to hear. I have otherwise shared my other questions by email with you. If that is available with you, I don't want to waste more of your time.

Akshat Goenka (Managing Director)

Thank you so much. I'll get back. Thank you.

Moderator Vinuthna

Thank you sir. Now I call our speaker number three Mr. Praveen Kumar. Sir, you're now in the panel. You may unmute yourself and ask your question.

Mr. Praveen Kumar

I'm audible mam? A very, very good afternoon to my honourable respected chairperson, respected board of director, my fellow shareholder, myself, and I'm joining this meeting from new delhi. Few observation which I love to share with the entire house, but before that sir, in this finance in the in this financial year, this is our 1st interaction with the management, so I wish the entire management team each and every dedicated employer for company, a happy, healthy and prosperous future coming down to my observation's sir. I'm with the company for more than a decade and I have the deepest respect for the entire management team, the management team is very, very solid. I truly respect to chairperson, your leadership, your dedication, your devotion to bring value creation for a retail investor like me. Our R and D is top of the class and I whole lot sport all the resolution as far as the question is concerned, please. Elaborate on CSR activity. I love to know that. I strongly believe a businessman who put country 1st and then the business is bound to grow in the future, please let us know about the CSR initiative our company is taking in detail and I love to thank our respected CFO, CS Madam, and their entire team for bringing out high standard of corporate governance mark by words. Given during the course of year what experience myself if I have any question that will be timely reply, that truly boosts our morale as per as our investment in the company is concerned. With this note, thank you for the opportunity Jay Hind sir, Jay hind.

Moderator Vinuthna

Thank you, sir. Our speaker number four Mr. Gaurav Sairoff is not present in the panel, so now I invite our speaker number five, Mr. Narendra Ambalan. Sir, you're now in the panel. You may unmute yourself and ask your question.

NARENDRA AMBALAL

Product suppliers

Moderator Vinuthna

Thank you sir. Now I call our speaker number six Mr. Keshav Garg, so you're now in the panel, you may unmute yourself and ask your question.

Keshav Garg

Sir, I have already sent my list of questions, so if the same is with you, then I'll not repeat the same questions. Yeah. Fine. So sir, now the thing is that I'm your shareholder from Pune and I'm attending your AGM since at least past eight years and always the guidance has been that we aim to grow at 15 % CAGR with 15 % operating margins. Now, if we look at our track record in the past three years, the revenue growth has been 5 %. So basically, we are growing at one

3rd the rate at of growth which we have set for ourselves and that is more surprising. In considering that our main segments, Cement steel power, all of these segments sectors are doing great. There is a huge Capex cycle going on, but even despite all that, it doesn't seem that the even the top line is not growing. So, I mean I can understand that we are putting Some efforts due to which the margins are compressed so and now regarding the hundred crore top line, the 1st in FY 22 AGM you had forecasted that in the next three years we will surpass hundred Crorein FY 24 AGM again, it was reiterated that in FY 25 we'll do hundred crore. So now the. This I really hope that in FY 27 we are able to do finally cross hundred revenue. Sir, so beyond that sir, the legal expenses seems to have short up. I hope they are temporary. It is 3.14 crore which is really abnormal for a company of our size and nature of our business. So beyond that, only concern is growth, otherwise our balance sheet is in good shape. Beyond that sir, I don't want to repeat things that have already been somehow I don't understand why our R and D expense has become zero since FY 23, which used to be 84 Lakhs in FY 22. So, beyond that all the questions are already with you. So if you could things that you cannot answer specifically, even broadly directionally, if you can give some information that would be great sir because we are layman shareholders, we are not technical people, we don't understand the business. As well. So our understanding of the business is totally dependent upon whatever you tell us. So and sir hoping you wishing you best of luck and good health. Thank you very much sir.

Moderator Vinuthna

Thank you sir. Now I call as speaker number seven Mr. Henil. So you're now in the panel, you may unmute yourself and ask your question.

Henil Bagadia

Yeah, thank you for the opportunity, sir. So I have sent us some questions. I hope you've received this. So broadly, I'll just not repeat the same questions, but I'll just repeat some flows so you might have some more understanding on what specifics I would be wanting. some of the previous participants have already covered upon the guidance if it would be great if you could actually cover it. coming to the addressable size, I think so in some of the past agents evaluated that the legacy products have got about 80 groups of size 50 to 16 actuators, 40 to 50 in Solomonid walls and 200 plus in the vast system. So do you still hold. By that particular guidance that you've given and what are the timelines where you see us achieving close to the target market size that we're actually aiming at. So then if I actually get onto the average gross margin realizations, so how would the margin realizations change once the new product portfolio actually picks up compared to the legacy that we have right now? So if you could give some detailed understanding about the BHEL and the EIL order and with the BHEL order, how do you see. Us getting cross selling other products because I think so BHEL is also into pole classification and nuclear boilers and in the nuclear part that we've alluded that we do plan to get into nuclear defence and other strategic areas which would actually take some time. Have we actually applied or started applying for the certifications because we need something from NPCIL and several other government organizations? So anything out there. So in the EIL vendor, if I see we also got an order from BPCL in the similar scope for the on and off actuators so if I compare the margins of the EIL versus BPCL, do you see us actually getting the fruits of I mean having it's ok to accept lower margin orders from these PSUs and then translating into better margin order. Orders from directly from the remiss if you see the aftermarket dealer network, I think so, the dealer network has been fairly constant and we've not been able to achieve the permanent sales. So if you could also give some more understanding why was it not possible and the two products that we've actually got, the pulse jet walls and the school walls, how are they doing and will we be able to I mean do the guidance that we've stated earlier? So if you see the sectors that we've actually been catering to originally it used to be power steel and cement and then we actually plan to get into the adjacencies that is in pharma chemical HVAC and FMB. So, what are the R and D investments that you've actually put over the years to actually get into these near adjacencies? Because I think so the same products are not applicable out there. There needs to be some changes that have been to make into the particular product and based on this use case application. So what kind of R and D investments have we done for the agencies and what kind of investments are we doing for the strategic sectors that that's the nuclear defence and aerospace that we actually plan to get into? So if we actually see, we had actually plans to enter into the strategic sectors about three years back and, you had actually made a statement. So what is the progress that we've done? I mean, if you could just give some more understanding upon what are the products that we actually plan to get into the certifications, the time for trials, POC, and then probably some. The pilot orders and then some commercial batch orders and which areas are you actually targeting because this is not being covered in any of the previous AGM coming to the capacity part, I think so you said that one line could do probably 90 CRORES. So if I combine the efficiencies across two shifts, could we prop probably do 200 crores with NO minimal line addition or any Capex out there? So if you could give some more understanding on the raw metal margin and what spike or Volatility have you seen in this particular year? And over the years I think so the aluminium steel price have also not been constant. So how does the product pricing work across both the legacy and the new products that we have actually launched in a few years? So also if you lastly, if you could allude onto the R and D budget, I mean the number of people we have are in the amount of R and D spends we plan to do as a Percent of revenue and how big is our new product development pipeline and which particular sectors are we catering to? Because if I see originally we've just spoken up once, but if I see your does I see the transcript and your the annual report I think so we are mentioning far more sectors than that, then what is what what's your future on how much revenues you want from. Those new adjacencies and the strategic sectors compared to what we've been serving for a very, very long time. And if you actually see, I mean steel is heading into the national steel policy, you we are seeing a large amount of Capex that's actually gonna happen. Similar for cement based on the infacilities and power I think so is gonna go to 80 gW if I did not even include if I just include the standard thermal units keeping aside the ultra high megawatt plants. Some more understanding on your legacy sectors too, where we have got a 40-45% share, so what kind of potential do you see out there also? So thanks a lot for the opportunity and I would appreciate if you could address these questions in detail.

Moderator Vinuthna

Thank you sir. Now I invite our speaker number eight Mr. Hitesh. Sir, you're now in the panel, you may unmute yourself and ask your question.

Hitesh K

Yeah, am I audible? Yes sir, you're audible. Great, so thank you for the opportunity. I will not review the questions which have already been asked by the previous speakers. So very quickly, post, I think EIL approval was one of the big milestones that we were looking forward to. What is the bid and the order pipelines specific to us getting approved by EIL if you can share something on that? Second is you disclosed 1st commercial defence and nuclear order for FI 26. Can you quantify the value and the product that we are looking to supply here and also the size of opportunity over the next two, three years? Like the 1st BHEL order when we got two years back, should we assume that the profitability will be low with this. Content because the 1st time that we have won it and also isn't AERB certification required if you are probably getting to some nuclear orders over here? So thirdly, the BHEL automation order, has it led to some follow on business from BHEL? And how large is the BHEL tailored SADC or Knifegate scotch in yoke? Product line now. The initial bill order that we executed was at a negligible margin, had the following orders been of better margins if you can confirm on this or probably share your thoughts on this? Also what is the usual time by when we start realizing spares and services opportunities from such context because I believe this Was the segment that you were looking to make your margins from. both for the last three years just a bookkeeping, if you can share the split between our traditional pneumatic actuators, the aftermarket sales and the project business, the revenue split between the three segments if you can share that. Sir, in the last year, our trade receivables had more than double 02:11 pros and our cash credit borings also tripled. Now what drove this and is this a permanent feature of the shift to large PSU or EPC orders that we are looking to bid for? Sir now coming to this JV which we terminated, you know, after just three months of declaration to the exchange, what went wrong and how is the wholly owned subsidiary that we are looking to set up In Saudi, how is this plan different? What is the amount of capital needed and the timelines again? Since this is a new geography for us, wouldn't the local JV partner help in exploring the market development rather than going all alone? So lastly, you know, on the 35-crore treasury. For the cash that we are sitting on, we have had only a 30 % payout. Why not a higher or a special or a buyback or what is the plan intended use for this cash? We have been sitting with this for quite some time. So my last question I think people have already you know asked you on, you know, the guidance part maybe you can. But so my one thing. Is what you sort of your realistic take on, you know, whether this new long term incentive plan that you have set, how achievable is this? Because I think we had had a similar incentive structure which was more linked to your revenue part about three years back and that we did I mean the manage the team could not hit those targets. I think these are achievable, that's from spend more time on each of these questions that will be very helpful sir. Thank you so much.

Moderator Vinuthna

Thank you sir. With this we complete speaker shareholder queries. Now I hand over the proceedings to the Company Secretary. Over to you ma'am.

Akshat Goenka (Managing Director)

So before I start answering the questions, we have around 75 questions and I'll be addressing as many as possible in a public forum. A lot of the questions are related to things that Competitive info in nature, e.g., where they are going for approvals, what is the approval process, what is the R and D? See, we have to understand that all the products that we are into, we have been into for quite some time and when we go there. To all these places, anything I say right now in a public forum can be used against us. So there are a lot of specifics that I will not be addressing, but that's point number one. Point number two. On the hundred crore matter, there are two things where we have been behind One is the aftermarket has not at all grown like we had wanted it to grow, and the entire hundred crore crossing Story was based on our aftermarket pneumatic products. Secondly, what has happened is that as we have increasingly gotten into valves and knife gate valves, we have become a competition through a lot of our customers, and certainly we have received some blowback from our traditional Customers because of that. The 3rd thing is that the EIL approval came in December. We had initially assumed it will come by August or September being our 1st round getting into EIL we Overestimated the how quickly we'll be able to do it. And the orders have just started flowing in from the month of June. In fact, as of today we have already received eight or nine unique orders. BINA was simply the largest of them, so we put it on the stock exchange. But I believe in this financial year our order booking from oil and gas, valve automation systems is higher than our OEM order booking from our pneumatic product. So these things have just taken some time and then they have long delivery cycles, each order, you know. It takes 6-7-8 months to deliver. It's a very different oil and gas is very different from our traditional businesses. And the primary reason of not hitting hundred crores so far is that the pneumatic business has not grown and, and I don't think it will grow. I think that. I think the pneumatic business we are going to focus on margin expansion rather than trying to catch turnover and most of our growth and value creation is gonna come from valves. Anyway, now I'll go through the questions. The rohith questions 1st he asked about the resolution on bonus pay and the primary drivers of market cap increase and what initiatives and growth plans aren't the implementation. The primary drivers of value. Creation are already under implementation, the market cap and ROC will be a reflection of that. So we, so we cannot predict what the market cap will be. What is in our control is our top line, ROC, profit, all of these things. And the bottom line is going to come. As we keep trying to increase aftermarket sale, there is NO other way. The bottom line is only going to come from that and all efforts are on to increase our aftermarket sales. The top line is going to come from the oil and gas sector leveraging our EIL approvals. Yeah, question two, can you detail how each of our segments are doing base business after market valves electrical actuator and defence. Base business which includes after market is in pneumatics. We are, as I said already, we are we are we are kind of flattened just showing some growth. Valves is going to be one of our highest growth opportunities ever. Our time that we have unlocked through the recent EIL approvals is 800 crores approximately. We are investing a lot in this vertical to increase market share across ball wall, butterfly valve, night gift valve and valve automation solutions. Since Defense is a strategic long term growth area, meaningful revenue contribution is not expected immediately or for that matter in the next two, three years. We are focusing on capability development, product qualification. Some commercial orders have started come. Electrical actuators is too nascent right now and we should not factor it in this two, three years. Question number four is around after market. As I said that after market is resilient despite the core pneumatics market witnessing slight decline, we have not yet achieved the targeted at run rate at all, but we are taking. Whatever best steps are possible, and as I've already said, we are disappointed with that progress. Currently we are at a five crore monthly run rate on after market. Then this question about EIL certification and opportunities and about if there's any update on BHEL. The EIL certification, as I said, has already started translating into tangible business opportunities and I still maintain the speed at which we have gotten it, the way we have gotten it. I think it is a record of Across the industry nobody would have gotten it so quickly. And after certification, we have already received approvals and orders from practically all major oil and oil and gas refineries, but whether it is IOCL, petrolatum energy, HPCL, CPCL, numaligar refinery, practically, ok. But practically every refinery we have received one order. It maybe a 500000 order, it maybe 5000000 order, but we have made a mark in practically every refinery and that also I would say has happened in absolutely record time to, to, to so quickly secure the orders. And right now we are also in the race for a very big export order, thanks to the approval. Let's hope it clicks but one thing oil and gas is a very binary game. There are large projects either you win or you lose. There are NO second chances. So it's a it's a high stakes game and that's why the margins in the beginning are going to be lower till we don't figure out what is the pricing in the market or how to set our cost, right? We are quoting very aggressively to maximize our chances of win. Can you share updates on defense business? I've already, I've already addressed that. How important is Saudi over the next three years? Saudi is a long term strategic opportunity rather than a near term growth driver. In fact, it's sucking cash right now and we have not factored any contribution on all these upheavals that are. Happening in that region have not helped. It is, it has delayed our entry further. And currently we continue to evaluate the market and build the necessary foundations with the expectation that once established it will be a very lucrative long term business. The last question from him, by when do we think we can hit our 250 crore Revenue target, it honestly it all depends on the oil and gas business and and what is the pipeline of projects that are coming and how quickly we can, you know, win it and turn it out. This 250 crore would happen in five years, four years, three years. I would not like to Put a specific number. I can tell you all, we have five or six or seven major competitive players in India. The total turnover of all these 567 players that we are counting as our competition is 4000 groups. I don't want to get into the specific names of the who we are counting as well. Competition or not, but there are six or seven companies and their total turnover is 4000 crores, and they are doing this at roughly an ebita of 15 to 20%. So eventually over the next few years that is going to be our tam and out of that 4000 crores, how quickly and how much money. Market share we can get is going to define our growth journey. Gaurav Sud was not on the call, but he sent some questions out of that I will answer one question. His question was what are the biggest drivers that can improve a bitter margin over the next few years and his margin expansion expected from operating leverage localization, better product mix? Cost optimization or higher after market. The primary drivers of margin expansion in my view are going to be coming from scale benefits as we increase our presence in approval driven industries like oil and gas, competition will narrow to a limited set of qualified players which I just spoke about. And again, after market is where the margins are going to be really high. We have to keep trying to push that, we keep doing cost optimization and at the end of the day, of the same fixed cost base. The higher the turnover that we can garner, that that is what is going to support our. Why has our employee expense risen from 17 % of. Revenue in FI 23 to 24 % in FI 26. The company is investing ahead of the growth curve over the past few years we're building capabilities for new growth verticals like oil and gas and defense. They are needed to create a stronger platform. And as I mentioned, as revenue comes, these will be absorbed. If we actually look at our underlying pneumatic business Abida, that will still be 15 to 20 %, maybe even north of 20 %. I don't have the numbers offhand, but that pneumatic business continues to be very profitable. For us. There was also some question I'll address it here about legal expenses. Legal expenses are not litigation fees. Legal expenses are not lawyer fees, but we have a whole galaxy of consultants And advisors that are working for us, which is necessary as we go into getting approvals in all of these segments, all those costs are sitting in legal. Question What is a sustainable steady state margin in our business? The sustainable margin of 15 to 20% is achievable in our product line and as I mentioned all the other valve companies also giving that. Question 24, who are our major competitors and customers and what is our domestic market share? No, I'll skip this. I don't want to talk about competition. Next question, our revenue growth is dependent upon the growth or Capex in which sectors. The revenue growth is directly linked to Capex and maintenance cycle and thermal power oil and gas steel and sift. Next question, have you been able to get approvals from prospective customers for new and existing products? Yes, in the pneumatics business, we have already got established approvals with for a long time with several leading oem and end users. In valves, as I said, the recent EIL approval has come in. This is going to get us major orders. Apart from that, we are also trying to get the valves approved in likes of NTPC and many other places again, I don't want to give it out here. but our full roadmap is ready and benchmarked against competition and what I can say is it takes one year to. Approvals, at least another year to get turnover and the profit will come in the 3rd year. That is for any segment in the well business. Another question is there any scope of forward or backward integration? We already have a high degree of integration across our entire value chain because we have the valve, we have all the automation and all of them are certifications and which don't, we are getting it. And that is also one of the reasons why our pneumatic customers are upset with us. Because earlier we had only the automation part and we used to sell to these guys now but now we have started competing with them with the whole thing. So, so they are not very happy, which is ok, but we'll get much more business even though they're not happy. Next question, what are the constraints to scaling up our business? What are the plans to utilize our net cash balance and why are we earning a minuscule return? Key constraint to scaling the business is the long gestation cycle associated with project led business. As I said, customer approval, vendor registration, project qualification, then end user approval, then getting the order, then delivering it. And you know all these take a very long time and, in the beginning, if you approach somebody to give you approval, you have to be much cheaper than the existing players than only they are incentivized to give you the approval. So that is how you have to enter. And during this time we have to keep investing in people, capability, infrastructure, all of these things. The net cash balance is important because at some point or the other, as the orders come, their Capex will be required. And, and this is what gives us all the financial flexibility as the profits come from these segments, our return on capitals will become fine. Company's key competitive advantage. Our key competitive advantage is, is able to manage the ecosystem and get approvals across today. At the speed at which we are getting approvals in different sectors is, is unprecedented, and then we have an integrated product portfolio where we offer pneumatic, valve, accuators, everything under one roof, and we can leverage all the capabilities of all the different teams and and we have a rich brand rich. Heritage strong balance sheet multiple streams of revenue, great advisors, board members, people, support of shareholders. So all of these things, you know, come together and give us a key competitive advantage. Duncan is fully owned and registered under the company, question at what rate you see company growing over the next five years? We continue to target a cagr of 20 % plus the levers will be after market oil and gas and end user approvals Now move on to questions of Henil Bagardia, so question is please confirm the addressable potential sited earlier, 80 Crore and legacy, 50 to 16 actuator, 40 to 15 SOB and 200 plus. So and what is the phase timeline? Trying to capture. So we still maintain the addressable potential and legacy products is around that 8090 hundred crores, however you look at it, valves along all its along with all its automation, we already said that today the EIL approval we have and the markets we are targeting, the time is around 800 Crores and all our competition put together that we identify as competition is doing around 400 crores. It's it's very difficult to talk about the timeline, you know, to, to capture each segment. Then the question is around average gross margin realization differential between standalone valve integrated. Well definitely the the the margin in an integrated solution. Is much better. Competition is less, it's a more engineering driven skill. Another question around BHEL having an order backlog of four to five years and how much we can capture. Again, it all depends on at that time what price BHEL one makes zero money. So it all depends that if you need order for entry into a certain sector or to build aftermarket it it really depends on our, how empty our factory is, what we want to do. Question around BTPC and SAD supplies. The BTPS and SAD and stand pointed supplies going to ultra super critical boilers along with subcritical super critical thermal boilers question around coal gasification and nuclear. We are already catering to coal gasification projects. Pneumatic usage in nuclear power is very limited, but valves is under Explorations. Oh, specific question on BPCL BINA a refinery order. So the the highest size of the ball wall that we run is 24 " class 300 and the highest Class is 16 " class 600, butterfly valve is 12 " class 600. Butterfly well is class 12 " class 600. This is what we won. And this is also very special because our EIL enlistment is only till 10 ". Yet we have managed to so early in our journey with a 24 " order. So that is also quite commendable work done by the team. Now the next question BPCL order was taken at a breakeven point. How can company leverage this to secure larger contracts? So the BPCL order is a very strategic entry project. Successful execution will strengthen our credentials; it will include our name in the approved vendor list and improve our ability to secure larger projects going forward. See, this is how we are able to enter fast because we give the customers, we tell them that we'll substantially come in at a lower price, you approve us quickly and we are able to do that because we have other profits generating pneumatic businesses and this is how we are able to get in quickly. Once we get in, then gradually we have to figure out how to increase the margins by working on our cost structures. There's question about the margin and all we have already addressed it.

There's a question about pricing power comparison between legacy cylinder and newly developed product lines. The pricing power is totally a game of approvals and how much control you have on your cost in house and bought out. We'll go to Hitesh's questions around that BHEL runny pet Valve automation order. So we've received our 1st RFQ for the replacement business of some of the actuator quantity supplied. Needless to mention we have quoted a very high margin to that guy. To Valve Kon and we've told him if he wants to place the order to us, we need to make up the margins, otherwise he can buy from someone else.
We will not do it at low margin. Pneumatic business we are not doing at low margin anymore, it's very clear. Then question around trade receivables more than doubling. This is going to be a, you know, part and parcel of the EPC business.

The trade because the orders are going to be bigger in size, lumpier in size, and this is this is gonna happen. Overall, we still keep control on our working capital but this is going to happen on question on Saudi that you asked, yeah, We will need a local partner and we'll suitably decide once the market improve environment improves and we. You know, do the initial legal work. So some question remains unanswered as I said and maybe you can reach out again with specific questions that I have missed but I'm able to answer and we'll do our best and.
And I'm hoping even more than you guys that finally we hit hundred crores, hundred crores this year and but what I'm very clear about is that I'm not going to spoil margin in pneumatic business just to hit the hundred crore number. We could have hit hundred crore last year also.
If we picked up orders at lower prices, but then there is NO point, there is NO point in pressurizing the factory in orders to for pneumatics where you're not making money, and the kind of competition that is coming into pneumatics. You know pricing is getting disturbed over that. so we are focusing on high margin orders.

Thank you, ladies and gentlemen. The agenda items have already been put to vote by remote e-voting and now being put for voting electronically during the meeting. I would like to inform you that pursuant to the provisions of the Companies Act 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company provided remote e-voting facility to all its members through the platform provided by MUFG Intime in respect of each of the businesses contained in the Notice convening this meeting. Such remote e-voting was opened on Tuesday, July 21, 2026, at 9.00 a.m. (IST), and concluded on Thursday, July 23, 2026, at 5:00 p.m. (IST). Members present at this Annual General Meeting who have not cast votes through remote e-voting may avail the facility of e-voting during the meeting. The guidelines to vote during the Annual General Meeting have been mentioned in the Notice of the meeting. The result of e-voting during this Annual General Meeting, along with the results of remote e-voting will be scrutinized, and a consolidated result will be declared subsequently. Please refer to notice for the same. Mrs. Shaswati Vaishnav, Practicing Company Secretary is appointed as scrutinizer in connection with the e-voting process.

-This concludes the transaction of business mentioned in the Notice convening the 65th Annual General Meeting of the Company. I now request the e-voting to take place. Please note that the e-voting can be done for another 15 minutes from the conclusion of this meeting. The results of e-voting will be announced on receipt of the scrutinizers report. E-voting results will be announced within two working days of the conclusion of AGM as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The result will be submitted to stock exchange and hosted on company's website. I would like to extend a sincere Vote of Thanks to our Hon'ble Chairman and the esteemed Members of the Board. I also thank all our shareholders for their valuable participation, continued trust, and support. We deeply value your association and look forward to your continued encouragement in the years ahead.

Thank you and have a wonderful day.