

03.06.2022

To,

The Manager
Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Dear Sir/ Ma'am,

Sub.: Transcript of Q4 FY22 & FY22 Earnings Conference Call

Symbol: JASH

We are enclosing herewith the transcript of Q4 FY22 & FY22 Earnings conference call with the Investors held on Monday, 30th May 2022.

You are requested to take the aforementioned information on records.

Thanking You,
Yours Faithfully,

For JASH Engineering Limited



Tushar Kharpade
Company Secretary & Compliance Officer
Encl.: A/a





“Jash Engineering Limited
Q4 FY22 Earnings Conference Call”

May 30, 2022

**MANAGEMENT: MR. PRATIK PATEL - CHAIRMAN AND MANAGING
DIRECTOR
MR. DHARMENDRA JAIN – CHIEF FINANCIAL OFFICER**



Siddesh Chawan:

Good evening to all the participants on this call, before we proceed to the call let me remind you that the discussion may contain forward looking statements that may involve known or unknown risk, uncertainties and other factors. It must be viewed in conjunction with our business risk that could cause the future research performance or achievements to differ significantly from what it is expressed or implied by such forward looking statements.

Please note that we have mailed the results, and the same are available on the company's website. In case if you have not received the same, you can write to us and we will be happy to send the same, over to you.

To ask questions, please select the raise hand option. We will call out your name, and then request you to unmute yourself and ask the question. Please note that questions on the chat box will not be monitored on an active basis.

To take us through the results and answer your questions today, we have top management of Jash Engineering Limited represented by Mr. Pratik Patel - Chairman and Managing Director and Mr. Dharmendra Jain – Chief Financial officer.

We will start the call with brief overview of the quarter, gone past, and then conduct a Q&A session. With that said, I will now hand over the call to Mr. Pratik Patel, over to you sir.

Pratik Patel:

Good afternoon everyone. I am Pratik Patel and I am pleased to present to you the results for the FY21-22. We have already uploaded this investor presentation on to the stock exchange. Company overview and product overview is something which most of the existing investors must have already seen. So, I will not go in detail over that if anyone has any questions to ask me later concerning that, I will answer on those. I would like to go directly to the financial results.

Before financial results just like to go back and just explain to you that in financial year 2022 the product mix has been something like this, 50% of our business comes from water control gates, 25% of our business from screening equipment, 14% comes from valves and 11% balances comes from various products like hydropower, pumping, process equipment and others. Now, I would like to clarify here that every year this percentages may vary little bit depending upon some product being more successful in some markets or some product will require more in certain projects and so forth. So this is just to show that we are not based on a single product where multiple products contribute.

At the same time I would like to say that, today close to 50% of our revenue is coming from markets outside India and these shows that now we are spreading globally and our former footing compared to where we started many years back when we were mostly dependent on Indian market.

Coming to the financial performance, this slide shows the standalone performance of all the principal subsidiary companies as well as the main company which is Jash Engineering. We have a significant increase in our revenue in all three companies. However when we talk about EBITDA, we had some problems this year because of huge rise in raw material prices which has taken place over last 7-9 months and this resulted into our cost of production going up because the orders were already taken before. The good part is that in case of Rodney Hunt in America we have finally broken even and made minor profits this year and finally I can say Rodney Hunt is no more a big concern for us and now we expect it to contribute in future growth as well as profitability.

On the consolidated basis you can see that our revenue has grown significantly. However gross profit as well as the gross profit margin has reduced and the reason for reduction of that is only the increase in raw material. And same the EBITDA margin has reduced because of the same reason, in my last year presentation I had informed that we expect sales of last year due to rising costs of raw material to be more than last financial year, and that's because of the deferred tax liability we are less due to rising cost of raw materials. However the profit after tax we are able to maintain a little bit more than last financial year because of deferred tax liability which had showing a little bit improvement in the profitability.

In Q4 our total income has been close to 160 crores as against 129 crores last year. And this last quarter is contributing close to 40% of the financial year turnover and in the last quarter again as I said the raw materials price. On the other annualised basis our PAT margins have come down from 10.1% to 8.6%. At the beginning of the year I was quite confident that we will be able to improve from 10.1 to 20, however, there has been a sharp rise in raw materials and this has taken a 4 to 5% overall cost increase on our total revenue and as a result of that the PAT margins have come down. However, in FY22 our earning per share has slightly improved compared to last year and one of the reasons for that is Rodney Hunt coming back into profitability.

So, our consolidated order book position as on 1st May is at an all-time high of 516 crores in which business outside India is 371 crores and revenue in India is 145 crores. All the subsidiary companies are having a good order book position with Rodney Hunt having an exceptional good order book position of close to 194 crores. Our order pipeline is also good, we already have negotiated orders close to 30 crores in the month of May which we are expected to receive soon. And we have a good order pipeline as well because projects more than 72 crores are under negotiation as of now currently and we expect to maintain a strong order book position in the future also based on increasing demand for our products worldwide. For the current year FY22-23 we are expecting

consolidated revenue in excess of 430 crores of which from Jash USA we expect 165 crores in revenue.

And let's inform you about other development which has taken place, as I already informed Rodney Hunt has turned the corner and is profitable and we expect this situation to improve year after year. The revenue of Rodney Hunt is growing by leaps and bound, last year we had a growth of around 27% and as a result of that, we are now within first four companies in the US in the water control gates business. To improve our output at Rodney Hunt we also invested on a laser cutting machine, and this was commissioned in this month, and this will significantly lower down our cost and improve our output, revenue and sales in this year because of the high output. Pending order as of May in Rodney Hunt is now in excess of \$28.4 million. This has to be seen in the context that we are targeting revenue only \$23-24 million for current financial year. So, we already have orders in excess of what we are targeting for the year. Rodney Hunt as I said has to become profitable, but it has two aspects of it, one is goods manufactured in India and then sold in America with some minor contribution coming from America. Others are goods manufactured in our Orange manufacturing facility and we expect that the Orange manufacturing facility will become profitable this year, with sales revenue in which is \$8 million which is a listed it should be \$11 million. We expect this year to cross \$11 million in operating manufacturing revenue in America.

One of the good news I would like to share is that we have a lot of land in in America and we have signed an agreement to sell this land. However we were not progressing on that but now we have received a proposal to create 66 homes each of 10,000 sq. ft. land area and of this 31 would be within the river front access and 35 are at the back without river front access. Our whole land is parallel to the river and this gives a very good opportunity to build homes which are even available to view as well as very good environment. We expect this land to be cleared by the town of Orange for the building homes and once they do it, it would help us in significantly raising revenues in excess of \$4-5 million by sale of land and this will enable Rodney Hunt to pay back the liabilities of Jash Engineering, upgrade the facilities in Orange as well as establish a new plant in Houston. Even after this excess land is sold, Rodney Hunt still be left with 60,000 square feet built up area plant and above that there is excess land also and this land has river front access but this land we will retain for future.

Other good news for Rodney Hunt is that we have got banking facility of \$1.5 million dollars on account of which now we can leave financial bonds on smaller orders which unfortunately we were losing earlier. We would also like to improve our banking facilities in America to enable us to provide bond for large size orders. The company is now profitable and we are taking it down with the insurance companies who will give some bonding limits to us.

Coming to Shivpad, we have been allotted 2 acres of land at SIPCOT Vallam-Vadagal Industrial Park in Chennai. With this land in Chennai we should be able to invest in new manufacturing facility by which can help us to take process equipment business from 30-35 crores presently, to more than 50 crores in years to come.

I am pleased to inform you that in April 2022 we inaugurated our new caste and gates manufacturing facility for export and with this development today our reliability or dependency on domestic business for export production is just limited now to sourcing of casting. This is a very good development because this isolates the export business from the domestic business and vice versa. We signed a new agreement with Invent for aeration and mixing products. The commercial production of which will start after training in 23-24. For 2023-24 we are also taking up production of a new manufacturing facility which we call new stainless steel product plant at Unit II where we have spare land available.

In Indian market I am glad to inform you that after many years with very positive development taking place with Bangalore, Mumbai, Pune as well as Hyderabad going ahead with big projects and all these projects are cumulatively worth over 20,000 crores. In fact, the latest information is MCGM has started issuing letter of intent to the contractors. Now when there are projects worth 20,000 crores under execution in the coming 4-5 years, it means that our domestic business is expected to grow by leaps and bounds because in this major metro cities Jash has as a very high market share of more than 60-70%. In the end I would like to say that our pending order position of 516 crores lead us to another significant year with high growth and we are presently targeting revenue in excess of 430 crores for year 2023. And if everything goes well we can look for higher turnover than this as well.

Finally, we have pledged our shares with SBI for the loan taken for expansion of the company, this loan has been paid back but our pledged share were not been returned. SBI has finally agreed to return so now the promoter have no pledged share anywhere.

So our healthy order book has resulted into growth of around 23.6% and a minor growth in PAT of around 4.3%. This minor growth in PAT is not corresponding to the consolidated revenue growth of 23.6% and the reason for that is the raw material costs, brought out material costs as well as freight costs which has impacted our profit margin a lot. We could not do much because these orders were taken before the certain price rise took place. However, in the current year we are optimistic of improving this profitability in rupee wise also as well as margin wise because many of the orders from that execution are taken at higher prices. We still have some orders of lower raw material price which we have taken in early 2021 but the proportion of that order is now going down and so we expect significant improvement in our profits in this current year. Our products, demand is quite healthy. In fact, we are

negotiating some orders which would lead to 150 crores worth of order booking within next two months. And so I can say that we have a strong demand for our products within India as well as outside India and that will help us to grow at the same pace for coming few years. Thank you.

Siddesh Chawan: Thank you sir. We will now begin with the question and answer session. To ask a question I will request participants to select raise hand option. The first question is from Navin JR.

Navin JR: Thank you for the opportunity. Last year our margins were impacted due to the raw material inflation and higher shipping costs. So what is the outlook for the current financial year and you also spoke about some legacy orders which were taken at a lower cost, how much approximately in the current order book will they form.

Pratik Patel: These legacy order are now less than 20% of our total order book position. These orders should have gone in execution but because of Covid many projects got delayed so these orders also got delayed and now that prices have gone up we are negotiating with the clients to increase prices but this is a little difficult task. So I can say that out of 516 crores order book positions that we have today around 20% of the orders, are the orders which we have taken when the cost were lower. Regarding the improvement it all depends upon mix, if we are 20% done within this year along with some orders of new costing, I would say between 10 to 12% we would be expecting this year. Please keep in mind that Rodeny Hunt with revenue of \$23-24 million should also contribute to backup at least \$1.2 million. So, combined consolidated we expect that to be between 10 to 12% in the current financial year.

Navin JR: So my second question was in your presentation you spoke about Indian market which is the prospects are improving and you stated 20 crores potential out of that how much is the addressable for Jash as a company?

Pratik Patel: It is 20,000 crores. In fact, Bombay Municipal Corporation alone is 26,000 crores, Pune is 15,000 crores, everything put together is more than 30,000 crores. Now the figures are in the public domain that's why I can say with confidence. As far as our concerned I would say 4 years should give us consistently 50-60 crores additional business every year, starting from 2023 end because these projects are just been awarded, so by the time they come to manufacturing at our end it will be 23 end.

Navin JR: Thank you, sir. I'll get back in the queue.

- Siddesh Chawan:** Thank you Navin. The next question is from Zaki Nasser. Please go ahead.
- Zaki Nasser:** Pratik bhai and team Jash namaskar and congratulations on a fabulous set of numbers in difficult times. Pratik bhai how is the situation internationally with the war and our suppliers in Singapore, your shipping difficulties, raw material prices, do you see all these things being ironed out sir.
- Pratik Patel:** I don't think that's something going to be ironed out soon, shipping is still a problem, freight costs are phenomenally high, raw material also continues to be busy high but it is improving now. Future I cannot say raw material but as of today raw material prices have started going down in India but I don't know whether it will go back to the earlier levels, I doubt whether it will ever happen again. So shipping would remain a problem, atleast I will say two quarters, raw material prices are high but are not that high we will suffer because we have taken it at higher levels only already. Market environment, I was in America for a month there is no fear of war except for shortages and things like that. In Singapore, I was in Singapore as well as Philippines every market has started coming out of Covid and everyone has started growing again. So I think the key problem of Covid is behind us, the only problem would be this war which is so uncertain and no one can say anything about it today.
- Zaki Nasser:** So would it be prudent to say that we at Jash have learned to live with these uncertainties and would things will be back to normal on the growth trajectories.
- Pratik Patel:** We never had doubt about growth trajectories, the war as well as Covid as well as the shortages as well as the price rises have affected our profitability, it has never affected our growth the growth is still more than 23% in this year. And with our current order book position we can also again achieve growth in excess of 20%. We are being little conservative because we do not know what will happen and so we would like to show 430 crores whereas current order book position itself is 516 crores.
- Zaki Nasser:** And sir would you please throw some light on the disc filters which you have introduced. How is the trajectory or that product going?
- Pratik Patel:** So the first disc filter which we manufactured have been dispatched and now we have order for one more disc filter. We are going slow because we would like to totally indigenized this product before pushing it aggressively in the Indian market because when we import certain components and sell it impacts our profitability.

- Zaki Nasser:** But the demand in the Indian markets, do you see being acceptable.
- Pratik Patel:** Yes demand is still high, it is being met by imported machines or people who have come before us and bought their machine specified, so demand is not a problem.
- Zaki Nasser:** Thank you sir and best wishes.
- Siddesh Chawan:** Thank Zaki. The next question is from Deep Sahu. Please go ahead
- Deep Sahu:** Thank you Pratik bhai. Congratulations on a fantastic set of numbers. Pratik bhai the two questions, one in US our order book has moved from \$5 million to \$30 million dollars in last 2-3 years and the question that I had is qualitatively what is the shape of the funnel, the orders that we are contending now. Has there been any shift in terms of the size, the technical complexity, the kind of customers we engage with in US in the last 3 years? 3 years back we were small entity with not having enough financials, our balance sheet was poor in US, so that is one question. What is the qualitative shift in our engagement with the market both in order size, complexity as well as competition that we engage with?
- Pratik Patel:** I would say that we have already given this data in public about the type of orders which we have received in America. We presently have \$5.5 million order from Cansa city, we have order of \$2.1-3 million from other places and so our order profile is increasing from few 100 dollars to millions of dollars, so there have been big improvement on that. And this improvement was achieved without us being able to win. There was a project called Bird Island Project in Hawaii, where we have got an order of more than \$1.6 million which is still stuck, this order is stuck because we are not able to open the bond. So, during my previous visit I had gone there to everyone, we are trying to open the bond but if I have \$1.5 million limit from the bank and if I order for single company \$1.6 million bond than I have nothing left for future. So, bonding is a severe problem but if I get bonding facility, our balance sheet as you said have improved but on one year performance no bank or insurance companies is going to open their door to me, so it would be little bit tougher still but overall I would say quantitatively and qualitatively as well as technical integrity wise there has been an enhancement on the flow of orders.
- Deep Sahu:** And that's true for South East Asia also, the Singapore, Hong Kong, Thailand and Malaysia parts.
- Pratik Patel:** Thailand I think is a bad business as of now because of problems there, similarly Malaysia is also in a very bad position. Covid have affected many countries very

badly. However, we are doing very strong in Singapore. Mr. Gernot Mahr of Mahr Maschinenbau is presently in Singapore for last 7-8 days and we are trying to get few Indian dollars for screens in Singapore. In Hong Kong again we are very strong and we are having negotiation in Hong Kong for few million dollars worth of order which would be finalized within June July period. So, certain countries business is still strong, certain countries it is still bad or it is growing very slowly. Overall I would say because we are in many hemisphere or many countries it is not going to affect us a lot if some countries are not doing good.

Deep Sahu:

Pratik bhai my second question is more of in context of global competition. I was listening to the concall of another niche engineering company, The Anoop Engineering Ahmedabad and they mentioned that globally the ability to design a complex engineering products which need lot of casting, forging, etc. is diminishing in the western world, particularly in the US and Europe. And virtually they don't have the capacity to build customized complex engineering products. So a lot of those which was moving to China is eventually moved to India. So do you see that trend within your competition, the ability to design a very complex valve or gate or complex engineering projects, is is that diminishing? That's question number one, two is how our engineering team is, are you trying to look at building a very comprehensive engineering team out of Indore as a competitive advantage and invest into that.

Pratik Patel:

Question number one regarding what's happening abroad, on is the skill set is diminishing etc. Let me say that the skill set is not diminishing, what is diminishing is the capability. Capability is diminishing because of availability of people, 3.5 years back we lost the \$27 million dollar job in Singapore that is the Tuas deep tunnel project, we lost a job to a German company called Muhr. I was in Singapore last month, Muhr is unable to execute that job, contractor placed an order on Muhr called me for a meeting and tomorrow we have another followup Zoom meeting with the contractor where the contractor already conveyed to us that he is proposing our name to be PUB for executing the balance job. While I am saying executing the balance, the balance itself will be more than 100 crores. So what I learned was that the Germans quoted very competitively and when the price went up, they were in a mess during the Covid many people left the company and don't want to join back the company. So this I have seen in many places, not only in Germany, but in America, etc. where people are no more willing to work 6 to or 9 to 6 or something like this and this has become a challenge in many countries abroad, fortunately not so in India but the complexities is not deterring them to do this, it is the lack of manpower in

these countries which is deterring them and asking them to go to India or somewhere else to get the jobs completed.

Deep Sahu: Yes, so the question was, so how do we treat our designing design engineering team in terms of expansion, because this is going to become the most competitive advantage.

Pratik Patel: So, I would like to draw your attention to two years back, we had face this big problem when we acquired Rodney Hunt, that we all of a sudden started getting these jobs from America and we were not in a position to cater to these jobs with the current team resulting into delay in making submitter drawings, delay in meeting manufacturing drawings and so forth and then we started investing in auto generation software and I am glad to say that we are at very advanced stage with that, with more than 35% of our products now being generated automatically. You can get the improvement from the fact that what we use to do is 40-45 hours we now in 4-5 hours and that is made possible because of our investment on people as well as on technology, on software's and in our line of business none of my competitors globally has been successful in doing this. Rodney Hunt when I acquired I knew they were working on it for 2 years, they were not successful. So technical superiority by using software and automation is the only way forward and we are advanced on that now.

Deep Sahu: Yeah, thank you and all the best for future.

Siddesh Chawan: Thank you Deep. A gentle reminder to all the participants to ask a question, please select raise hand option. There is a follow up question from Mr. Navin. Please go ahead.

Navin JR: Thank you for the opportunity. Sir, you spoke about the excess land which is available at Orange and plans to develop that. So, what will be our role are we planning to dispose a land or who's going to develop this piece of land.

Pratik Patel: So, the options available to us would be one is outright, we can give to the developer. So generally in America you get 20% of the cost of the houses as the cost of the land. So the cost of house in those areas between \$350-450 thousand along with the land. So, we can expect 20% of that. So the best and the fastest way to raise money would be to give away all land. However when we do that there is a chance that you may not be able to get more revenue. So, other alternative is 50% of the land give to the developer or sell it off and 50% of the land you tell the developer that he builds a house on it and when he sells 20% of the value at which he has sold he gives it to us. So this is a model which is still not frozen, on 6th June there is a meeting with town

committee and we are waiting to see the results and then we will be deciding how to go forward. However, we expect from minimum \$4 million to maximum \$5.5 million from this.

Navin JR: Sir, my second question, you spoke about lack of bonding facility is sort of impacting the growth at Rodney Hunt, if we didn't have that constraint what kind of growth can we see in Rodney Hunt and how many years would it take for us to sort of avail this kind of bonding facility.

Pratik Patel: I think with 2 years of continuous profitability, people would be more enable to give more bonding facility. The current \$1.5 million is backed by SBLC from India. So I cannot go on doing everything by baking with an SPLC. In future profitability we should approach American insurance companies and based on our profitability get bonding facility from them. Once we get bonding facility we can expect our turnover to grow by 20-30% annually, in addition to what we are going today.

Navin JR: Got it. My other question is the Invent tie up which we have the agitators and mixers, what would be the addressable market size in India and is the tie up only for the Indian market or are we also looking at the export.

Pratik Patel: We have already started producing those items, components for export back to Germany. So that project has already started. So 20-30% of the components required for that product, we are now producing it India selling back to Invent in Germany. As far as addressable market is concerned I would say should have at least market of 100 crores annually, which is being presently back by companies like Suzer, GE, Xylem and mostly it is backed by import.

Navin JR: Is this process similar to Shivpad line of business.

Pratik Patel: No this would be on the process side but not at Shivpadthis, this would be manufactured in Indore.

Navin JR: Thank you.

Siddesh Chawan: Thank you Navin. The next question is Dilip Sahu. Please go ahead.

Dilip Sahu: Pratik bhai just a bit of information, this AGM you are planning to have is a physical AGM or is it going to be a web

Pratik Patel: All our meetings are physical as well as virtual.

Dilip Sahu: Okay. So this time the AGM is going to be at Indore, physically.

Pratik Patel: Yeah.

Dilip Sahu: Great, thank you.

Pratik Patel: So, the status of Singapore current order is, we have already started manufacturing, and we have delivered this year atleast 15-20 crores out of the 65-70 crores orders which we have and new orders which we have got, we are at the submittal stage and if it comes through then the new orders we have to deliver up to 20-30 crores this year. So the total 75-100 cores worth of orders which we have in Singapore, I think this year we will deliver anywhere between 15-30 crores.

This is a dicey question, with the investment of laser cutting machine at Orange, we will have increase few people because output now, just to give an example the water jet cutting would do the same job in nine hours, the laser cutting machine is doing it in 22 minutes and this I saw personally when I was in Orange last week. So when the cutting is so high, they need new vendors so that we get in time and output can go up. So, today we are around 40 to 43 people from 40 to 43 people we will go to 50 people this year, adding people in marketing also because we have to now start investing in marketing for future growth. So ultimately we will be adding 6-7 people and growth in turnover would be also around \$6-7 million in this current year. The employee cost presently around 20% in America now and the turnover goes up the employee cost start coming down.

Siddesh Chawan: The next question is from Jay Mehta. Please go ahead.

Jay Mehta: Good evening, sir. First of all, congratulations on an excellent set of numbers. So my question is on the operating cash flow, from year on year if I compare it has come down significantly, if you can explain.

Pratik Patel: I will ask Dharmendra because he is better financial guy than me to answer this question.

Dharmendra Jain: Yeah, this year basically the reason for down in cashflow is because some of the receivable which we expect in the March itself is slightly deferred in terms to April, so one of the reasons is that. And second is our major sales are going to be towards March only, so this is because we are not getting the fund of that receivable in same

financial year. So, these are the 2 reasons we are getting some negative figure in cash flow of consolidated. Otherwise it will be normal.

Pratik Patel: For last 3 years we have not increased our working capital limits. In spite of the expansions we have done and in spite of the funding Rodney Hunt we have done. So, eventually, because our cash flow is improving year after year and another reason has been that with the higher profitability we have been able to manage with the existing working capital limit. Though this year the profitability as a percentage has gone down and that also reflects a little bit in this cash flow.

Jay Mehta: My second question would be on the raw material side. If you can explain how much is the increase in raw material prices since last year and how much are we able to exactly pass it on to our customers

Pratik Patel: Passing on I would say very less percentage. Infact because of pass it on we could not move execute around 20-30 crores worth of orders which we have partially manufactured and are not shipping because we are negotiating and negotiating for advance with the clients.

Dharmendra Jain: Highest increase in the raw material prices around 55%, which has come down but it is still 40% higher compared to last year. If you see last year conversion ratio it is increased 7-8% compared to last year. On consolidated basis it would be 4-5%.

Jay Mehta: Thanks a lot. That helps a lot.

Siddesh Chawan: The next question is from Sanjay Shah, please go ahead.

Sanjay Shah: Good evening gentlemen and congrats to the team in this challenging times. Pratik sir I would like to know we are now in a very good spot. We are passing through a journey Rodney Hunt from a rough to a very stable tyrant, so are we looking to venture into new geographies, new verticals, to take forwards is growth ahead after this 1-2 years journey

Pratik Patel: No, we are still stabilizing. So I would say Rodney Hunt of 2-3 years of continuous growth and profitability will give me the confidence to move forward. However, I always say if opportunity comes I will not be lacking, so I will be conservative as far as looking to opportunity is concerned, but I would like to stabilized Rodney Hunt first before looking at any diversified market as well as new opportunities.

Sanjay Shah: So, you are citing 20% growth current year, don't you think it is bit conservative looking at the rising cost and volume wise, order book size. Will it be possible to grow better than what you estimate.

Pratik Patel: If you know me well, I always try to be a little bit conservative so that I don't have to apologies later. But at the same time we have to understand that around us there is caps. There is a lot of uncertainty which is going on, so I would rather say 17 to 20% grow, then say 30% growth. Let me achieve 17% and you would be happy, if I say 25% and if I don't achieve you would be unhappy.

Sanjay Shah: Thanks sir. I understood and wish good luck to you and team.

Siddesh Chawan: Thank you, Sanjay. There is one question on the chat box from Rajiv Venkatesh. Can you comment on the promoter holding reducing?

Pratik Patel: So, promoter holding if you go to the presentation it is close to 53-54%, in which even 5-6% is held by Mr. Anil family also there, we have already separated and they are invested in the company and they are still being called as promoter of the company. This does not include Mr. Axel Schutte who is deeply involved in the company. Axel with me in Houston when I was in America, to review the operations and Axel Schutte still has 6% of the equity of the company. However we are not 6-7% ideally but we are not classifying him as a promoter the company though he has been with the company for more than 30 years, for a simple reason that he has express his wish to one day exit the company. So, along with Axel Schutte, friends, relatives and my family, I think 62-63% is within us. 53% is promoter, 7% is Axel, 16-23% is friends and relatives.

Siddesh Chawan: There is a follow up question from Rajat Sethia. in the legacy order which form 20% of order book, what are the chances that we will get price hikes and what kind of margin or losses do we expect to make if we don't get price hike.

Pratik Patel: So, I would say on any given order and not this 20% order, to get a prize it is very difficult and it is controversial. I will say only around 10% of our total orders we are able to get some price hike because the client is at fault. Wherever the client is not at fault he has given us an advance and the project is stuck his appeal is that his people is suffering so why do you want to make me suffer more by increasing the prices. So, I will say it is little bit tricky, we can get sometimes but we will not get it always.

Siddesh Chawan: What kind of margin or losses do we expect?

Dharmendra Jain: There is only reduction in the margin of 4-5%.

Pratik Patel: So, sometimes it could be no profit no loss also, but if deep losses are there then we will stop the production and definitely renegotiate.

Siddesh Chawan: Thank you, that was the last question. Axel sir would like to say something.

Axel Schutte: Yeah, first of all, thank you very much for the opportunity to participate also in this meeting with the shareholders. And I have to report my big pleasure to be with Pratik together in April and May in America, to see the progress which had made now there and it is my real big hope and I guess also security that what has been installed now there is bringing this company to a very nice progress in the upcoming years and we can expect also continuous profits. And these are the major and best positive news we can take for the company. We see that the company is very well placed in the industry and the customers would be fully booked out. We can receive or can expect also for the future good and strong orders and even in America when the bonding problem is also get released, we also there on the safe side to hit also big orders. The range of competition which we are facing now, I think we are much better in position than in the next coming years from that point of view, the situation at Jash is looking very good. And this is of course thanks to the management, thanks to the people working along and under Pratik and together with Pratik, we have a very good team in place. And what makes me very happy is also that we have a generation now working at Jash which we can expect that stay a couple of years longer than me. And I am with the company since 30 years and I never ever have had any problems with this company and my pleasure was to come it to help as much as possible to get new products online and to consult whenever I was asked to do that to the company to the management. So, for the next coming year it looks it looks very positive. All the shareholders I think can follow it also and seeing that the share value is also increasing which is our big pleasure as well as shareholders. And I keep my fingers crossed as everybody of you stays healthy and motivated for the next coming year. I'm looking forward to see you in India as well as the next Zoom meeting for the next upcoming board meeting then. So thank you very much once again, my big pleasure to everybody. Have a good day.

Siddesh Chawan: Thank you. I would request Pratik sir to give any closing comments.

Pratik Patel: I would like to say that for the years I have been hearing some of the investors really worried about Rodney Hunt and along with some of the investor Axel Schutte was also worried about Rodney Hunt. And I think we have now worked on that, we today have a very strong team in America. The team initially in America was very raw,



young because we cannot afford it. But now we have a lot of experience people who are joining the team, people with 15-20-25 years of experience are now on board in America. I can only say that until we do something foolish, we are now looking at very exciting growth and exciting improvement in profitability. Sometimes you plan a very good profitability and strategy, but factors beyond your control, in this case it was the Covid related price rise, shipping and other things but I am sure that if such cows does not take and as per the current status which we have I am looking forward to make this a very strong and profitable company in years to come. Thank you.

Siddesh Chawan:

Thank you for joining us today. If you have any additional questions you can reach out to us anytime. We wish you good health and look forward to seeing you again in next quarter. Have a good day. Thank you.