JASH ENGINEERING LTD

Contributing to a sustainable environment ……worldwide !

Investor FAQs : Aug 2025

SOME OF THE KEY QUESTIONS THAT HAVE BEEN ROUTINELY ASKED BY ANALYSTS / INVESTORS ARE COVERED IN DETAIL IN THIS FAQ DOCUMENT

SAFE HARBOUR

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INFORMATION ABOUT JASH ENGINEERING LTD., INDIA – AUGUST 2025

1) INFORMATION ABOUT THE BOARD OF THE COMPANY :

The board comprise of total 8 members of which 3 members are from promoter family (Pratik Patel, Suresh Patel and Rahul Patel), 1 member is our German partner since 1995 (Axel Schuette) and balance 4 members are independent directors. Brief details of the German director and the independent directors is given hereunder:

- **Mr. Axel Schuette** has wide business experience in many countries and is on the board of the company since 1995. He has experience of over 38 years in the Engineering Industry and is an expert on Knife gate and bulk solids handling valves.

- **Mr. Durgalal Tuljaram Manwani** has over 40 years of experience in precision manufacturing companies. He is also a visiting faculty member in various management institutes across India. He has worked in HAL, Nucon, Fluidomat and is presently Managing Director in Quantile Analytics Private Limited, Indore.

- **Ms. Sunita Kishnani** has wide experience of over 28 years in software and internet-based businesses. She has worked with Easymedico, a pharma retail unit of Vinilok Solutions Pvt. Ltd. as a whole time Director (Marketing) and presently is Chief Marketing Officer in Systematix Infotech P. Ltd. , Indore.

- **Mr. Brij Mohan Maheshwari** has wide experience of over 34 years is acting as Corporate Adviser & Practicing Advocate at the Honorable High Court of Madhya Pradesh (Indore Bench) mostly on corporate matters. Mr. Maheshwari has worked as a Company Secretary of Alpine Industries Limited from 1990 to 2003.

- **Mr. Rakesh Bhawsar** is practicing fellow member of the Institute of Chartered Accountant of India since 2002. He has done his Bachelor's degree in science from Vikram University, Ujjain and having rich experience of more than 22 years in various kind of Audit including Central Statutory Audit of Bank. Audit of Government Companies, Audit of Private companies and other entities including NGOs. His area of specialization is Management, Taxation and Legal Consultancy, Internal audits, Strategic Planning, etc. He is also representing various social organizations and is a Managing Trustee of Saraswati Bal Kalyan Nyas. Presently he holds the position of Independent Director on the board of Hindustan Aeronautics Ltd. (Maharatna CPSEs) also.

- **Mr. Rahul Patel** has wide experience of over 15 years and is qualified as Bachelor of Science in Electrical Engineering, University of Houston, USA. After graduation he worked in M/s Toshiba Ind. Corp, USA as a Field Service Engineer for Variable Frequency Drives. He has experience of more than 12 years and is presently actively involved in Product Development, Production, Planning, Vendor Development, Quality Management, Finance etc of M/s Micro Flat Datums Pvt Ltd, Gujarat.

This diversity of knowledge and experience of the board helps guide the management in its approach to business.

2) INFORMATION ABOUT KEY MANAGEMENT TEAM :

Only 2 members of the key management team are from promoters and rest of all the team members are professionals. The management comprise of young as well as experienced team of people with requisite domain knowledge as well as diverse experience. They have been working in the company for a significant period and have capability to lead the company in its next stage of growth. Most of these people also own shares of the company and have ESOP so that they are committed to the company for longtime.

- **PRATIK PATEL, Managing Director : (Promoter Director)**
  Qualification : BE-Production , MBA-Finance , Age 61 years
  Experience : 36 years at various positions in Jash Engineering Ltd.,
  Role : Looking after overall growth, development and strategy for the company and international marketing.

- **SURESH PATEL, Executive Director : (Promoter Director)**
  Qualification : BE-Civil , Age 82 years
  Experience : 51 years at various positions in Jash Engineering Ltd. & Jash Precision Tools Ltd.,
  Role : Looking after technological improvements in manufacturing and product design.

- **BHUVANESH PANDEY, Chief Operating Officer** :
  Qualification: BE-Electrical, DBM, MBA Finance, Chartered Engineer(CE) Age- 46 years
  Experience: He has wide experience relating to P&L handling, PPC, SCM and Purchase, Manufacturing, HR, Design and Quality. He started his career with GE as a Design Engineer and then worked with multinational companies like ABB and Andritz before joining Jash Engineering. He has varied experience of Design, Planning, Purchase, Production, Maintenance, Quality, Stores and has headed Operations for around 8 years. He was also responsible for P&L in the past company. He has a Level 2 certification from Tata Quality services for welding.
  Role : Looking after overall operations in all the 4 plants in Indore and also involved in improvements at all levels in the organization including implementing SAP.

- **DHARMENDRA JAIN, Chief Financial Officer:**
  Qualification: CA (ICAI), CMA (ICWAI), B.Sc. Age 54 years
  Experience: He has over 30 years of experience in finance & accounts and taxation.
  Role : Looking after overall Financial, Accounting, Commercial and Purchase operations in the company as well as in Shivpad.

- **SANJAY SHARMA, Vice President- Marketing & Sales** :
  Qualification: Post Diploma in Mechanical Engineering & MBA in Sales & Marketing, Age 56 years
  Experience: He has over 33 years of experience working with multinational companies like WILO Pumps, Sulzer Pumps, ITT Goulds etc.
  Role : Looking after domestic marketing and sales of all products of the company including customer relationship.

- **DURGESH TIWARI, Head of Engineering – Indore :**
  Qualification: BE(Mech), PG certification in Management-Strathclyde University Glasgow, Age 55 years

Experience : Overall 33 years of extensive experience in the area of Design and Engineering, Repair and Refurbishment services, Strategic Planning, Project Management, Cost control and Business Development in reputed organizations like Bhabha Atomic Research Centre, Sulzer Pumps, Weir Minerals and Colfax corporation covering nuclear and manufacturing industry.
Role : Looking after Engineering and design for all the products of the company.

- **TUSHAR KHARPADE, Company Secretary:**
  Qualification : CS (ICSI), B. Com, from DAVV, Indore , Age 41 years
  Experience : He has an experience of 12 years in corporate laws, secretarial and legal work, FEMA compliances and project financing.
  Role : Looking after all secretarial matters pertaining to the whole group.

- **SURESH KUMAR – Head Shivpad Engineers Pvt. Ltd. Chennai** :
  Qualification : BE (Mech), PG Diploma in Marketing Management, Age 59 years
  Experience : He has wide experience of 29 years of Industrial marketing (both Domestic & International) experience in rotating equipment namely industrial Pumps & Valves, HT&LT motors, Hermetic Compressors, Anti corrosion coatings by working in various higher positions Regional Manager/ Zonal Manager/ Chief Manager/ General Manager & Country Head (All India) with leading corporate conglomerates in India.
  Role : Looking after domestic and international marketing and sales of all the Process equipment product line of the company including customer relationship as well as Operational activities in Shivpad, Chennai.

- **RANJIT NAIR – President Rodney Hunt , USA** :
  Qualification: BE (MECH), MBA (University of Hartfort), Age 50 years
  Experience: He has worked with wastewater companies in USA & Canada and he was Vice President – Sales and Marketing at Headworks Inc, a top tier manufacturer of bar screens. He has a wide experience of 23 years of North American municipal equipment sales and also holds a patent in anaerobic treatment of municipal wastewater"
  Role : Looking after domestic and international marketing and sales of all the Rodney Hunt product line-, Mahr screen product line and Jash Schuette Knife gate valves product line including customer relationship in North America.

- **ROB KIBLER – Vice President Engineering – USA** :
  Qualification : Engineer, Age 73 years
  Experience : He has wide experience of 50 yrs. in the field of Product Design, Project Engineer, QA Manager, Lead Sales Manager, Value Stream Manager for Gates, and knowledge of foundry technology, fabrication technology, gate installation.
  Role : Looking after Engineering and design for Rodney Hunt product line of the company.

- **HARSHITA GANDHI, Financial Controller – RH, USA** :
  Qualification : CA (ICAI) , US CPA, B.com , Age 33 years
  Experience : Having Experience of Credit Relationship Manager at HDFC Bank Limited includes , Sales, Decision Support and Legal team for credit requirement of Corporate Customers (Emerging Corporate Group), Analyzing the Financial statements and CMA of Companies, Preparing the Credit Assessment Memorandum, completing post sanction formalities, Servicing the customer in terms of various credit facility related requirements.
  Role : Looking after overall Financial , Accounting , Commercial and Purchase operations in Rodney Hunt, USA.

- **LIZ NIVEN - Director of Operations Waterfront Fluid Controls Ltd UK**
  Qualification: Electrical Engineer – age 49 years
  Experience : Since 2007 she has been with Waterfront in a Quality Managerial role initially then as General Manager.
  Role : Director of Operations with responsibilities for HR, finance, production, procurement, team management ,design, quality and the business accreditations.

  In addition to these key management people there is adequate team at middle level to execute the vision of the management team.

3) WHAT PRODUCTS ARE MANUFACTURED BY THE COMPANY?

The products manufactured by the company can be divided into following broad categories:

- *Water control gates & Equipment :* These are varied types of gates used to isolate & control flow of water in various applications.
- *Screening Equipment :* These are varied types of screens used to remove floating waste from water in various applications.
- *Knife gate valves and Bulk solids valves :* These are varied types of valves used to handle solids and solid-liquid mixes in various applications.
- *Treatment Process Equipment :* These are varied types of equipment used in the process of water, waste water and effluent treatment.
- *Water intake Equipment :* These are varied types of gates and screens used in river / sea / reservoir water intake station for Industrial , Irrigation and Desalination plants.
- *Hydropower Screws :* These are used for generating renewable energy using low heads (0.8 m to 6 m) of water in various applications.
- *Archimedes Screw pumps :* These are used for pumping high volume of water (upto 8 cubic meters per second) for low heads (0.8 m to 6 m) in Terminal sewage pumping station and storm water pumping application.
- *Water Hammer Control valves, Air vessels, Bladder vessels :* These are varied types of valves used in long distance water transmission lines to prevent water hammer.
- *Aeration & Mixing Equipment , Turbo blowers , Decanters:* These are used in the process of waste water and effluent treatment to improve the water quality by infusing oxygen inside water.
- *Disc Filters :* These are used to reduce the total suspended solids present in treated waste water so as to improve water quality.

4) WHERE ARE THESE PRODUCTS USED ?

a) *Human Drinking water cycle :* This comprise of various applications as under and products used in these applications are mentioned in brackets -

- Collection / storage of water in dams and reservoirs : (Water control gates)
- Intake systems to take water from dams and reservoirs: (Water control gates & Screens)
- Intake systems to take saline water from seas : (Water control gates & Screens)
- Pumping stations to pump water to distant cities : (Water control gates & Screens)
- Pumping stations to pump saline water to desalination plant : (Water control gates & Screens)

- Water transmission lines to take water to distant cities: (Water hammer control valves, Air Vessels, Bladder vessels)
- Water treatment plant where water is treated and made fit for human consumption : (Water control gates, Process equipment)
- Long distance water distribution lines to cities and homes : (Energy dissipating valves)

b) *Human waste water and Industrial waste water cycle :* This comprise of various applications as under and products used in these applications are mentioned in brackets -

- Pumping stations to collect and pump waste water to distant sewerage treatment plant: (Water control gates, Screens , Knife gate valves & Archimedes Screw pumps)
- Waste water transmission lines to take water to distant plants: (Water hammer control valves, Knife gate valves)
- Sewerage treatment plant where waste water is treated and made fit for disposal or in some cases for human consumption: (Water control gates, Screens, Knife gate valves , Process equipment, Aeration & Mixing Equipment, Decanters, Turbo Blowers, Disc filters)
- Outfalls of treated water to sea or rivers: (Water control gates, Hydropower Screws)

c) *Storm water cycle :* This comprise of various applications as under and products used in these applications are mentioned in brackets -

- Pumping stations to collect and pump storm water to sea / river / treatment plant: (Water control gates, Screens , Knife gate valves & Archimedes Screw pumps)
- Storm water treatment plant where storm water is treated and made fit for disposal to river / sea or for other uses: (Water control gates, Screens , Knife gate valves)

d) *Industrial use :* This comprise of products sold in Thermal power plants / Cement plants / Petrochemical plants / Tanneries / Bulk handling terminals / Paper and pulp plants / Rayon plants etc for following use -

- Collection / storage of water in dams and reservoirs : (Water control gates)
- Intake systems to take water from dams and reservoirs: (Water control gates & Screens)
- Pumping stations to pump water to distant cities: (Water control gates & Screens)
- Water transmission lines to take water to distant cities: (Water hammer control valves)
- Water treatment plant where water is treated and made fit for industrial use: (Water control gates, Process equipment)
- Effluent treatment plant where waste water is treated and made fit for disposal or in some cases for reuse: (Water control gates, Screens, Knife gate valves , Process equipment, Aeration & Mixing Equipment, Decanters, Turbo Blowers, Disc filters)
- Outfalls of treated water to sea or rivers: (Water control gates, Hydropower Screws)

e) *Renewable energy generation :* This comprise of various applications as under and products used in these applications are mentioned in brackets –

- Canal based power generation : (Hydropower screws , Gates)
- Run of river based power generation : (Hydropower screws, Gates)
- Outfalls of Sewage treatment plants based power generation : (Hydropower screws, Gates)
- Outfalls of Sewage treatment plants based power generation : (Hydropower screws, Gates)
- Outfalls of Power plants based power generation : (Hydropower screws, Gates)

- Replacement of water wheels and other old technologies for power generation : (Hydropower screws, Gates)

5) HOW IS ANNUAL SALES BROKEN UP FOR ABOVE APPLICATION/USE ?

- *Human Drinking water cycle :* This comprise 10-15% of total sale.
- *Human waste water and Industrial waste water cycle :* This comprise 60-70% of total sale.
- *Storm water cycle :* This comprise 5-10% of total sales.
- *Industrial use :* This comprise 10-20% of total sales.
- *Renewable energy generation :* This comprise 5-10% of total sales.

The break up of sales vary from year to year by +/- 5% to 10% based on types of projects coming for execution in any given year.

6) WHO IS BUYING ENTITY FOR EACH OF ABOVE APPLICATION / USE ?

- *Human Drinking water cycle :* The direct buyer is an EPC contractor like Suez, Veolia, Vatech Wabag, Enviro Control, NCC, L&T, Triveni, Jindal Water, Megha etc . The end buyer is City/ Municipal corporation / Government Board like MCGM, BWSSB, CMWWSB, HMWSSB, DJB, AMC, GWSSB, SMC, IMC etc.
- *Human waste water and Industrial waste water cycle :* The direct buyer is an EPC contractor similar to those stated above. The end buyer is City/ Municipal corporation / Government Board as stated above.
- *Storm water cycle :* The direct buyer is an EPC contractor and end buyer is City/ Municipal corporation / Government Board.
- *Industrial use :* The direct buyer is an EPC contractor like Tata Projects, HCC, Ion Exchange, GE, Wabag etc and end buyer can be either Public sector company or a Private company like RIL, NTPC, NPCIL, BHEL etc.
- *Renewable energy generation :* The direct buyer is a Private developer for small projects and EPC contractor in case of large projects doing turnkey job for either Public sector company or a Private company.

7) HOW IS THE TYPICAL ORDERING PROCESS STRUCTURED ?

We are in business of supply of equipment to projects which in turn are executed by EPC contractors for city / state / water or sewerage boards / jal nigams / industries. The complete process from generation of project to ordering in our business is as under :

- The city / state / water or sewerage boards / jal nigams / industries / government nominates a consultant for a project. This takes 2-3 months.
- This consultant prepares a draft tender and specifies the products and its specification. At this stage we visit the consultants to technically tighten the product specifications, if possible, so that only good companies can comply. We also furnish him with budgetary prices after knowing by when this project will materialize. Depending upon size of project, preparation of draft tender can take 2-4 months.
- The draft tender is submitted by the consultants to city / state / water or sewerage boards / jal nigams / industries for their approval. We visit the project authority / end user to further influence the brand selection for every equipment so that only good brands are qualified for supply to the project. Depending upon size of project, approval of draft tender can take 1-2 months.

- Upon approval of project tender documentation, a tender is called and a pre-bid date is fixed. The company reviews the tender and if anything is not suitable then it tries to seek modification in specs using favorable contractors. After the prebid , the finalized tender is then called out to bid within a certain period. Depending upon size of project the whole process can take 1-2 months.
- The invited bids are then opened and the job is awarded to the lowest bidder provided who is meeting the tender specs. Depending upon size of project this can take 1-3 months.
- Once the contractor gets the order, he will prepare the general process drawings and submit the same to government. After this he will call the equipment suppliers like us and negotiate the order with us. Depending upon size of project this can take 1-3 months.
- Once the order is placed on us, we are required to submit our drawings which are to be approved by the consultants / project authority. Depending upon size of project this can take 1-2 months.
- After getting approval of our drawings we need for delivery between 4-6 months for projects to be executed in 1 year and between 8-12 months for projects to be done in 1.5-2 years.
- So depending upon size of the project it takes anywhere from 12-24 months from the time the project is conceived to the time we deliver the material.

8) HOW LONG IS THE DELIVERY PROCESS AFTER GETTING AN ORDER ?

The total delivery period is generally dependent on the size of the order and is as under :

- For nearly 40% of the jobs comprising small value orders of Rs. 5 to 100 lacs we get about 4-7 months for completing ex-works delivery.
- For nearly 30% of jobs comprising medium value orders of Rs. 101 to 500 lacs we get about 5-12 months for completing ex-works delivery.
- For large orders worth above Rs. 500 lacs /5 crores which are nearly 30% of the jobs, we get about 6-18 months for completing ex-works delivery.
- For medium and large projects, the delivery is done in lots and is spread over multiple lots during the whole period. Generally the first lot is delivered in 5-6 months and each subsequent lot is delivered within 1-2 months thereafter and the last lot is delivered by the end of the agreed delivery period.

9) SINCE THE PROCESS OF TENDERING / ORDERING / DELIVERY IS LONG HOW DOES COMPANY TAKE CARE OF VARIATION IN RAW MATERIALS PRICING ?

Most of the orders placed on the company are on fixed price basis. In such cases the risk and benefit of price increase or reduction in raw material rests with the company.

To mitigate this the company always considers somewhat higher prices for raw materials based on market scenario and feedback for those orders where delivery time is over 12 months. However this cannot take care of huge increases in raw material prices due to some crisis or unnatural event such as war / natural calamity / pandemic disruption.

Further more such increases in raw materials due to specific events taking place worldwide are not sustainable for a long period of time and the prices eventually come down. Since the costing on new projects is done on revised prices of raw materials the company stands

to benefit on these orders when the prices come down. So a hit in profitability in a particular year is always accompanied by higher profits in subsequent year.

It should also be noted that all such crisis are generally accompanied by devaluation in Indian Rupee and since over 50% of company revenue is coming from projects outside India the gains due to devaluation of Rupee on such export orders helps in partially offsetting the price rise due to raw materials on domestic orders. Hence even in the year where there has been a significant rise in raw materials the hit to the company is not very severe in comparison to those companies which do not export so much or are solely dependent on domestic business.

10) WHAT ARE THE PAYMENT TERMS WITH CLIENTS ?

We have no standard payment terms with our clients and payment terms depends upon the type of client, standing of the client, past experience with the client and where he is from.

For most of domestic clients, we prefer 10-20% advance and balance payment before delivery or payment by way of 30-90 days LC or a 30-60 days PDC. These payment terms cover about 70-80% of the domestic business. However there are certain companies where we also agree for payment upon receipt of material at site and these comprise about 20-30% of our domestic business.

For most export clients, we prefer 10-20% advance and balance payment before delivery or payment by way of 30-90 days LC. These payment terms cover about 50-60% of the export business. However there are certain companies, including our US subsidiary, where we agree for payment within 60 days upon receipt of material at site and these comprise about 50-40% of our export business.

In many of the domestic as well as export orders we have to give bank guarantee for claiming advance and we have to give performance bank guarantee of upto 10% for claiming final payment. However we have never faced any significant encashment of guarantees issued by us till now.

11) AS THE CLIENTS ARE INFRASTRUCTURE COMPANIES DO YOU HAVE HIGH RECEIVABLES ?

Receivables depends upon the payment terms as agreed with clients. For over 80% of our clients we have payment terms of either before delivery or post dated cheque or LC with a credit period of 45-90 days. With such payment terms the risk of high receivable is very less. Only in very few cases we agree to payment with a credit period and in such cases we are exposed to risk of receivables being more if the client does not pay in agreed time.

As already mentioned before every order above a certain value delivered in multiple lots. This means that the value of a lot is significantly smaller in comparison to order value. On an average a lot is valued between 50-100 lacs and in case a client does not pay within the agreed period then we may stop delivering or manufacturing of subsequent lots thereby limiting our exposure to the client. As a result of this our exposure to high receivable from most clients is very low.

12) ARE HIGH RECEIVABLES PURCUSOR TO BAD DEBTS ?

High receivables do not mean that the quality of receivables is bad. For a custom built equipment even if a clients order is short closed the project still needs to be completed by someone else and they cannot do this without assistance of ours for our products.

The company every year accounts for bad debts on account of various reasons such as short payments received, deduction due to damage received material, deduction due to rework on supplied equipment, free replacement of parts etc. However sum total of such bad debts generally do not account for more than Rs 200 lacs annually till now. Even we have sufficient provision for doubtful debts this sum is received generally after some period but we still annually account for some bad debts so that we do not have to unnecessarily pay income tax on income which we have not been paid.

13) WHY IS THE WORKING CAPITAL CYCLE HIGH & HOW MUCH CAN IT BE REDUCED ?

The type of industry we are in is comparable to capital goods. Such products need huge working capital due to manufacturing time frame and also because of trend of sales i.e. maximum revenue in end of the year which forces us to carry inventory from start of year to end of the year. It is very difficult to improve the year end sales trend in Indian market but definitely this will improve as our export business to countries which were not under British rule improves.

Most of our clients are EPC contractors who invariably are supplying these products to their projects of their end clients such as Municipal Corporations / Water & Sewerage Boards of state governments / Industrial clients etc. In India as well as in many Asian countries where British influence is there, the financial year is generally from 1st April to 31st March. After 31st March the yearly budget lapses and so all end clients prefer to do maximum billing before this year end date.

As a result of this the total revenue in the 3 years for Q4 quarter starting 1st Jan and ending 31st March has been between 41-44% of the entire yearly revenue of that year. Of this 41-44% revenue, more than 50% billing takes place in the Month of March which means that between 20-25% of yearly revenue is billed in the month of March.

However if there was to be a uniform pattern of revenue generation every month throughout the entire year than the revenue in any month would have been 100/12= 8.33%.

As against this we have between 20-25% revenue in the month of March which is nearly 3 times the normal revenue of 8.33% that should have been there in case of uniform pattern of revenue generation on monthly basis.

When the receivable situation is calculated on 31st March basis then this high billing in the last quarter skews the entire scenario on receivables. This is because nearly 100% of revenue of the month of March and about 50% of the revenue of the month of Jan & Feb will fall under the receivable category.

As a result the number of days of receivables on 31st March basis comes to about 140-142 days but if it was to be calculated on the monthly / quarterly basis then this would have come to about 95-101 days.

Revenue reversal due to dispatches effected in the last days of March but which will not reach clients by 31st March further skews the entire scenario on inventories. As a result, the number of days of inventories on 31st March basis comes to about 100-115 days but if it was to be calculated reversing effect of reversal at the year end then this would have come to about 80-90 days.

If we see Consolidated working capital cycle for Inventory & Account receivables then it was nearly same in last three year i.e. Inventory around 75-100 days & Account receivables around 115-130 days. However, during this 3 years period the Account payable / Creditors days have improved from 115 days to 95 days

14) HOW IS ANNUAL SALES BROKEN UP FOR COMPANY PRODUCTS ?

The 8 major product groups are now as under and their annual consolidated sales including exports (Exports figures in brackets) in year 2024-25 is as under:

Water control Gates / Equipment	Rs. ~ 53 Cr (Rs. ~ 383 Cr)
Screening Equipment	Rs. ~ 59 Cr (Rs. ~ 28 Cr)
Knife gate & Bulk solid handling valves	Rs. ~ 29 Cr (Rs. ~ 32 Cr)
Municipal Treatment Process Equipment	Rs. ~ 44 Cr (Rs. 0 Cr)
Water Intake Equipment	Rs. ~ 60 Cr (Rs. 0 Cr)
Renewable Energy & Pumping	Rs. ~ 5 Cr (Rs. 0 Cr)
Water hammer control valves	Rs. ~ 20 Cr (Rs. 0 Cr)
Misc (Casting, Service charges, Job work)	Rs. ~ 20 Cr (Rs. 0 Cr)

The consolidated sales in year 2024-25 was Rs. ~ 735 crores and the export sales out of India amounted to Rs. ~ 443 crores i.e. say ~ 60% of all sales.

In future Industrial Treatment Process Equipment from WesTech will become the 9th major product group followed by Jash-Invent product range as the 10th product group.

15) WHAT REVENUE CAN COMPANY ACHIEVE WITH ITS PRESENT INFRASTRUCTURE ? IS ANY NEW INFRASTRUCTURE PLANNED IN 2025-26 & WHAT REVENUE CAN BE ACHIEVED IN 2026-27 WITH THIS ADDITIONAL INFRASTRUCTURE ?

The company has achieved a consolidated revenue of Rs. ~ 735 crores in 2024-25 and has projected to achieve a consolidated revenue in excess of Rs. ~ 860 crores in 2025-26. This revenue can be achieved with the current installed infrastructure.

In the year 2025-26, following additional facilities requiring an approx. investment of Rs. 45 crores shall be commissioned :

- Manufacturing Plant at Shivpad, Chennai : A new production facility of approx. 50,000 sq feet at Shivpad, Chennai was already commissioned in July 2025 to cater to manufacturing of stainless steel process equipment for Shivpad as well as for soon to be acquired WesTech Indian operations. This was done at an approx. investment of Rs. 32 crores of which Rs. 12 crores was invested in year 2025-26.

- Extension of SEZ Unit 4 : A new production facility of approx. 60,000 sq feet to manufacture gates and screens for US/UK/European markets is in progress and this is expected to be commissioned by March 2026. This will be done at an approx. investment of Rs. 20 crores.

- Extension of Foundry & Gate Assembly shop at Unit 1 & Unit 3 : The foundry and gates assembly shop production area is being extended by approx. 11,000 sq feet at Unit 1 to increase the area under production. Additionally investment in induction furnace is being done at Unit 1 to address the issue of pollution control as well as increase yearly output by 40%. This will be done at an approx. investment of Rs. 13 crores.

  After the above facilities are commissioned then annual revenue in excess of Rs. 1000 crores can be achieved by 2026-27.

16) WHEN CAN COMPANY REACH RS. 1250 CRORES REVENUE AND WHAT INVESTMENT NEEDS TO BE DONE FOR THIS ?

The company can comfortably reach revenue in excess of Rs. 1250 crores by 2029-30, ie in 5 years from now. However to reach revenue in excess of Rs. 1250 crores by 2029-30, the company plans to stage wise invest approx. Rs. 110 crores in new infrastructure between April 2026 to December 2028 as under :

- Work on Expansion in Orange, USA manufacturing facility : We plan to increase the currently used ~ 65,000 sq feet of the old Rodney Hunt facility by another ~ 75,000 sq feet by renovating the existing sheds and making them production ready. The renovation work is planned to be started sometime in early 2026 and completed by Sept 2026 at an approx. investment of Rs. 15 crores.

- Pearland, Houston, USA Manufacturing plant : We plan to build a new manufacturing facility of ~ 70,000 sq feet at Pearland, Houston for manufacturing Gates and Screens. The plant construction work is planned to be started sometime in early 2026 and completed by Dec 2026 at an approx. investment of Rs. 40 crores.

- Manufacturing facility in Saudi Arabia : The company is contemplating setting up production facility in Middle east, preferably in Dammam, Saudi Arabia. The feasibility study for this is being carried out and a decision on whether to go forward with this plant will be taken in Q3 of 2025-26. Tentatively the company is planning to set up a plant on a plot of 100,000 sq feet with built up of approx. 60,000 sq feet to manufacture stainless steel equipment for the middle east market. The plant will be set up in 2 phases with tentative investment of approx. Rs 20 crores in Phase 1 to be done between April 2026 and March 2027 and tentative investment of approx. Rs 10 crores in Phase 2 to be done between April 2029 and March 2030.

- New office building at Pearland, Houston, USA : We plan to build a new office building of approx. 14,000 sq feet adjoining the new plant at Pearland, Houston. The construction for this office is expected to be started by Jan 2028 and completed by Dec 2028 at an approx. investment of Rs. 35 crores. This new office will allow accommodating a team required to reach a revenue of USD 100 million at Rodney Hunt. The decision on building this office will be taken based on performance of the company in next 2 years.

With its current production facility in India, USA and UK and the plans for investing in enhancing the manufacturing capabilities in USA & Middle East in coming 4 years , *the company along with its subsidiaries can achieve consolidated turnover in excess of Rs. 1250 crores as under from its various facilities after above planned round of investment is done* :

- Unit 1 Cast Products Plant – Domestic : Rs. 125 Cr
- Unit 2 Fabricated Products plant – Domestic : Rs. 250 Cr
- Unit 3 Cast Products Plant – Exports : Rs. 125 Cr
- Unit 4 Fabricated Products plant – Exports : Rs. 250 Cr
- Unit 5 Process Equipment plant , Chennai : Rs. 75 Cr
- Rodney Hunt, USA - Orange / Houston USA : Rs. 300 Cr
- Waterfront, UK – Glasgow : Rs. 75 Cr
- Saudi Arabia plant Ph 1 : Rs. 75 Cr

The process equipment products belonging to Shivpad as well as WesTech Indian operations involve extensive outsourcing. Currently both of these companies have cumulative revenue of approx. Rs. 100 crores without having any manufacturing facilities of their own. Inspite of having built up the new plant at Chennai for process equipment, this outsourcing model will continue in future as well for non-critical products and assemblies. This could lead to additional revenue of Rs. 50-100 crores coming from outsourced products in future.

Presently not all plants are being continuously run all round the year on 24 hours basis due to various limitations such as load availability in the beginning of the year and manpower availability. By increasing the number of production shifts daily, further increase in revenue could be achieved so as to reach Rs. 1500 crores revenue.

17) CAN COMPANY NOT REACH RS. 1250 CRORES REVENUE EARLIER THAN 2029-30 ?

A company like ours and the business that we are in have certain advantages like high entry barriers due to high capital requirement, long time required in registration and approvals with all users, highly skilled and experienced manpower requirement and higher margins. Businesses like these cannot be easily scaled up very fast and any rapid growth will result into capability mismatch leading to margin deterioration. The company is aiming for margin improvements and does not plan as of now to go on a path of high growth by sacrificing margins.

To exceed Rs. 1250 crores revenue not only we have to build up our infrastructure by investing about Rs. 155 crores in our various facilities between April 2025 & March 2030

but also built up a strong team to handle Rs. 1250 crores business. We are a custom engineered products company and not a mass production company and for such businesses, building team takes time. Hence even if investment of Rs. 155 crores can be done in one go it will not be advisable to do so as pace of building infrastructure and pace of building a team is different. Ideally we will like to invest gradually in both ie in infrastructure as well as in team building so as to be ready to cater Rs. 1250 crores business without stretching the entire operations. This will also allow us enough time to grow the market and grow the product range so as to cater to increased manufacturing capability.

We are targeting an annual growth of between 10-15% in next 5 years and on the basis of this we expect to cross Rs. 1250 crores turnover by 2029-30.

However, if development of team , infrastructure and market can happen at the same pace then it is still possible that we may achieve Rs.1250 crores revenue by 2028-29 ie in 4 years instead of in 5 years.

18) WHAT WILL BE THE ESTIMATED BREAKUP OF CONSOLIDATED REVENUE OF Rs. 1250 CRORES PROJECTED BY 2029-30 ?

The quantum and value of our products required in any project depends upon various factors like size of project / criticality of technology / performance requirement / type of automation required in project and type of technology used in project.

Hence the individual value of various products can vary by +/- 10% or more every year based on scope of these products in various projects executed in a given year. As a result, the rate of growth of every product will not be consistent every year.

The 10 major product groups by 2029-30 and projected revenue of each product group by then is expected to be as under :

- Water control Gates / Equipment : Rs. 725 – 775 Cr
- Screening Equipment : Rs. 150 – 175 Cr
- Knife gate valves & Bulk solids handling valves : Rs. 100 – 115 Cr
- Municipal Treatment Process Equipment : Rs. 80 – 100 Cr
- Industrial Treatment Process Equipment : Rs. 125 – 150 Cr
- Water Intake Equipment : Rs. 100 – 125 Cr
- Renewable Energy & Pumping : Rs. 25 – 30 Cr
- Water hammer control valves & Air vessels : Rs. 25 – 35 Cr
- Mixing & Aeration Equipment, decanters, turbo Blowers : Rs. 20 – 25 Cr
- Disc Filters : Rs. 20 – 25 Cr

19) WHAT IS ESTIMATED ANNUAL SALES POTENTIOL FOR THESE PRODUCTS IN INDIA :

India is still not able to meet the full demand of treated drinking water in most of its cities and is not able to treat more than 50% of waste water generated in its cities and villages. Hence the real need for these equipment is very high but the actual demand is dependent greatly on government spending on water / waste water / storm water infrastructure and

investment in various industries. Similarly on the industrial side India lags a lot on per capita demand for Power, Steel, Paper, Cement, Petrochemicals and other daily need materials and as the country develops and progress the per capita demand for these products will increase leading to substantial addition in Industrial use of our products.

Tentative present annual requirement on the basis of last 10 years of market demand can be considered as follows :

- Water control Gates / Equipment : Rs. 150 Cr
- Screening Equipment : Rs. 150 Cr
- Knife gate valves & Bulk solids handling valves : Rs. 200 Cr
- Municipal Treatment Process Equipment : Rs. 200 Cr
- Industrial Treatment Process Equipment : Rs. 400 Cr
- Water Intake Equipment : Rs. 250 Cr
- Renewable Energy & Pumping : Rs. 50 Cr
- Water hammer control valves & Air vessels : Rs. 75 Cr
- Mixing & Aeration Equipment, Decanters, Turbo Blowers : Rs. 200 Cr
- Disc Filters : Rs. 75 Cr

The total annual business for all these products in India will be about Rs. 1750 - crores. In the GOI budget announced in July 2024 a lot of investment is planned for water , sewage treatment and reuse in 100 top cities as well as for flood mitigation in certain parts of the country. If these announcements are backed by honest efforts then the annual business potential can grow easily to Rs 2000 crore in India for products being currently made by the company.

20) WHAT IS PRESENT ESTIMATED SALES FOR THESE PRODUCTS WORLDWIDE ?

It is very difficult to project estimated annual sales for these products worldwide since the same is also guided by intention of all government to improve water and waste water infrastructure and availability of funding.

However we can give an estimate of North American requirement and the requirement for the Rest of the world less Indian market can be considered to be same as that. The tentative requirement of these products in North America is as under :

- Water control Gates / Equipment : Rs. 1500 Cr (USD175 M)
- Screening Equipment : Rs. 1500 Cr (USD 175 M)
- Knife gate valves & Bulk solids handling valves : Rs. 2200 Cr (USD 250 M)
- Treatment Process Equipment : Rs. 1500 Cr (USD 175 M)
- Water Intake Equipment : Rs. 870 Cr (USD 100 M)
- Renewable Energy & Pumping : Rs. 500 Cr (USD 60 M)
- Water hammer control valves & Air vessels : Rs. 500 Cr (USD 60 M)
- Mixing & Aeration Equipment, Decanters, Turbo Blowers : Rs.1300 Cr (USD 150 M)
- Disc Filters : Rs. 500 Cr (USD 60 M)

So if the North American market is of Rs. 10,000 crores then the rest of the world market can be assumed to be equal to this and hence the total market in the world will be about Rs.

20,000 crores. However English speaking markets may be only 60% of the world market and it is only in these markets where company will focus in future. *So broadly speaking company has access to about Rs 12,000 crore market all over the world for its entire current product range.*

21) WHAT WILL LEAD TO FUTURE GROWTH FOR THE PRODUCTS MADE BY THE COMPANY?

Waste Water Treatment : Currently only 40-45% of the waste water generated in India is being treated. Even within this, only about 25-30% of treated water may be meeting the latest discharge water quality norms set by NGT. Hence a huge investment has still to be done in the waste water treatment sector to achieve over 90% waste water treatment capacity in India. Waste water treatment will result into huge offtake of company products in primary and secondary treatment plants.

Water Reuse : As population as well as industrialization grows, availability of water will become scarce and this will lead to increased focus on Reuse of water. Reuse means converting waste water to either process water and use in industry needing high amount of process water such as Power plants / Textile hubs / Chemical hubs / Irrigation or converting sewage water to drinking water as being done by Singapore. Resue will result into huge offtake of company products in tertiary treatment plants.

Desalination : This will be the only recourse for Sea based cities / islands / countries where very low rainfall is there (like Arab countries). Desalination is already a USD 30 billion industry and is expected to grow to a USD 50 billion dollar industry by 2040. Desalination plants need products made of special metallurgy such as Duplex and Super Duplex which are very expensive and difficult to process. Many cities in India are also now opting for desalination as a source for their water requirement. Desalination will lead to use of company's products having higher value in comparison to conventional projects where product value is lower.

In addition to future opportunities coming from Waste Water treatment, Reuse and Desalination, a great opportunity will come on account of climate change. As a result of climate change two events will take place worldwide ie Flooding & Sea level rise.

Flooding : In times to come, flooding will become bane of many towns and cities worldwide because on account of climate change when it will rain it will pour down like anything in a limited area. This will happen randomly and will affect cities more because the cities were not developed keeping this factor in mind. As a result all cities will have to plan for storm water drainage systems and storm water pumping stations. This segment was not focused upon in past but in future a lot of attention will have to be paid on this if huge damages and insurance liabilities have to be avoided. This will bring new opportunities for company's products.

Rising sea water levels due to climate may affect many countries and cities worldwide and they will have to undertake huge investments to safeguard life and property. By 2030 most low lying area of Jakarta will be 300-500 mm below sea water resulting into frequent inundation during storms or high tides. By 2100 cities like Singapore will be 1150 mm

below sea level during storm surge condition. All those cities and countries facing this situation will have to make dykes / bund and pumping stations to safeguard themselves.

All the above 5 requirements will result into huge business opportunities for the company and is in addition to the demand that will be generated due to current deficit in drinking water treatment capacity in India and worldwide.

22) WHO ARE COMPETITORS FOR THESE PRODUCTS IN INDIA ?

The major competitors (Indian companies / International companies) in India are as under:

a) Water control Gates / Equipment : Indian Valve Company, Yeshwant , Durga Engineering, Oriental Casting, Bharat Industrial Corporation.
b) Screening Equipment : Johnson, Huber , Eurotek, Triveni Engineering.
c) Knife gate valves & Bulk solids handling valves : Fouress Engineering, Bray valves, Orbinox / AVK, Flowlink, Galaxy.
d) Treatment Process Equipment : Emico-KCP, Triveni Engineering, Voltas, Parchure.
e) Water Intake Equipment : Triveni Engineering, Gujarat Machinery Works, MacMet.
f) Renewable Energy & Pumping : WAM group- Italy , Spaans Babcock - Netherland
g) Water hammer control valves, Air Vessels, Bladder vessels : Delta valves , Durga Engineering.
h) Mixing & Aeration Equipment, Decanters, Turbo Blowers : Sulzer , SFC.
i) Disc Filters : Aquaerobic-USA, Nordic-Denmark, Siemens – USA, Premier Tech.

23) WHO ARE COMPETITORS FOR THESE PRODUCTS OUT OF INDIA ?

The major competitors out of India are as under :

a) Water control Gates / Equipment : Hambaker-UK, Fontaine-Canada, Whipps-USA, Waterman-USA, RW Gates-USA, Hydrogate-USA, Orbinox-Spain, Muhr-Germany.
b) Screening Equipment : Miand-Italy, Huber-Germany, Headworks-USA.
c) Knife gate valves & Bulk solids handling valves : Bray valves-Canada, Orbinox-Spain, Erhard-Germany, Stafzo-Sweden, ITT Valve -USA, CMO-Spain.
d) Treatment Process Equipment : Sismet-Turkey, Misc small local players.
e) Water Intake Equipment : Passavent-Germany, Hubert-Netherlands, Perrier Sorem-France
f) Renewable Energy & Pumping : WAM group- Italy , Spaans Babcock – Netherland, Landustrie-Germany, Andritz-Austria.
g) Water hammer control valves, Air Vessels, Bladder vessels : Doroth, Israel.
h) Mixing & Aeration Equipment, Decanters, Turbo Blowers : Sulzer , SFC.
i) Disc Filters : Aquaerobic-USA, Nordic-Denmark, Siemens – USA, Veolia- France

24) WHICH GEOGRAPHIES COMPANY OPERATES IN & WHAT REVENUE CAN COME FROM THESE GEOGRAPHIES ?

The company operates globally in over 40 countries but its market is divided under 3 broad geography with each geography having potential to contribute as under to total revenue :

- India : 40-45 %
- North & South America : 35-40 %
- Rest of World : 20-25 %

Currently 60% of our revenue comes from supply of equipment to projects outside India. Growth from American subsidiary and UK subsidiary will ensure that we would be able to achieve the aim of meeting 65% as revenue coming from out of India.

Presently the revenue growth outside India has been faster than in India but we feel that after 2028 the revenue growth in India will also increase significantly. As a result in future the break up for equipment supplied within India and those supplied to projects outside India will be about 40% & 60% respectively.

Eventually the company is aiming at relatively uniform spread between all geographies so as not to be too dependent on any one geography. This will spread the risk faced if something goes adverse in any one geography due to factors beyond company control or due to some competitor.

25) WHAT SEPARATES COMPANY FROM ITS PEERS ?

a) **Approved Brands** : The business is based on brand approval from end users. The company markets its products under Jash, Jash-Schuette, Jash-Rehart , Mahr Maschinenbau , Rodney Hunt , E&M Jash, Waterfront , Jash Invent , Shivpad and Sureseal brands. These brands are approved by major municipal corporations, sewerage boards, consultants and large EPC companies in India and abroad (US, Europe, Middle East, South East Asia and Africa).

The acquisition of Rodney Hunt in USA, Mahr Maschinenbau in Austria, Waterfront in UK and E&M in Hongkong has ensured that the company has now access in all the principle markets that it is targeting through these brands.

Availability of internationally known brands like Rodney Hunt, Mahr, Schuette, Waterfront and E&M Jash ensures easy acceptance of company products in international market and faster approval in new markets worldwide.

b) **Comprehensive Product Base** : No other peers or company in India or in world manufactures more than 3 products mentioned above under point 3. This diversified product base ensures that adverse market condition due to competition in any one product or by any one company will not severely affect company performance. This also allows company to package a project there by insulating it from price competition in any one or two products.

c) Diversified markets and Global reach : Unlike most of its peers, the company is not focused only on Indian market. Its markets are diversified with supplies in over 40 countries. Hence until there is a global recession or major global conflict, any set back or political upheaval in any one country or few countries does not affect its operations. To deleverage dependency on any one markets the company targets to have between 30-40% business from its 3 major business markets of India , North & south America & Rest of World.

This focus of spreading the markets is helping exports grow and today company has achieved 60% sales from markets outside India. The company is presently on course with its target of achieving 60-65% sales from export markets in next 3 years time so as to reduce its dependency on Indian market which puts severe pressure on cash flows as well as on margins.

d) **Infrastructural investment** : The company has put in place one of the most comprehensive infrastructure for manufacturing of these products and has created capacities and capabilities which are biggest amongst its peers. It has now a total of 4 plants in Indore with 2 plants dedicated for domestic business and 2 plants dedicated for export business, 1 plant in Chennai, 1 plant in Orange, Massachusetts, USA and 1 plant in Glasgow UK. With all plants put together, the company has nearly 700,000 sq feet plant area under cranes. This enormous infrastructure ensures that when there are big projects or projects needing fast delivery or complex projects the clients prefer to opt for the company instead of its peers.

26) WHAT IS COMPANY RATIONAL FOR ACQUISITIONS / COLLABORATIONS:

The company rational for collaborations / acquisitions is as under :

a) **Collaborations :** These are done for bringing in technologies of future in the country with possibility of manufacturing in India for the entire Asian market using well established network of the company. The company has to pay technology fees and royalty on every product sold for a period of time. Presently the company has following live collaborations:

- Rehart, Germany : They are leaders in Archimedes screw pump and Hydro power generator technology.
- Invent , Germany : They are pioneers in mixing and aeration technology and have a good technology for Disc filters. This is a company based on product research and development and tie up will allow easy access to technology for various products.
- Stealth Valves , Canada : They offer technology for energy dissipating valves but the company has not been able to successfully push this technology in India.

b) **Acquisitions** : These are done for bringing in new product addition with a view to scale up business or to acquire brands for the purpose of entrance into new markets. The company has carried out following acquisitions :

- *Sureseal, Mumbai :* They were market leaders in India with their Water hammer valves technology and had niche high margin product for water transmissions line. This acquisition gives us a foothold in the business of valves used in water transmission lines and opens up client connection for future expansion into Butterfly valves / Air valves / Sluice gate valves / Check valves etc. Tie up with Stealth valves for Energy dissipating valves was done to strengthen our niche offering in transmission lines business.

- *ShivPad Process Equipment Pvt. Ltd., Chennai :* The company acquired ShivPad to enter into Municipal process equipment business as these equipment are part of the same water and waste water treatment projects where company supplied its main products like Gates, Screens & Knife gate valves. Acquisition of ShivPad enabled the company to offer a strong package of equipment meeting over 40% of the total requirement of mechanical equipment in a treatment project.

- *Mahr Maschinenbau GmbH, Austria :* Mahr was the first company in the world to develop mechanized screens in 1927 and is an iconic brand in Industry with atleast 25 copycats of its products worldwide. The company first entered into technical collaboration with Mahr to introduce their technology in India and within 2 years acquired this company in 2014. The acquisition was done to grow this business in USA (a 100 million USD market for screens) since Mr Mahr was not ready to invest time and money in doing this.

- *Engineering & Manufacturing Ltd., Hongkong:* This company was owned by Mr Mahr and this brand was used by him to sell in Hongkong market. As E&M had more than 70% share in Hongkong market we had to get this brand along with Mahr Maschinenbau and that's why this company was acquired.

- *Rodney Hunt, USA :* By establishing Jash USA we had realized the huge potential that USA had for Water control gates. However, on the basis of Indian brands we were not getting required success as getting approval for Jash brand was turning out to be a time consuming and costly process. Jash had worked before with Rodney hunt in 1980-86 period and so when this brand was available in end of year 2016 we took it over so as to bring more strength in US market. From Zero sales in 2017 we expect to cross 40 million in sales in 2025-26.

- *Waterfront Fluid Controls Limited, UK :* The company acquired 80% stake in Waterfront, UK to capitalize on the closure of Hambaker , a leading gate and screen manufacturer in UK. With this acquisition we hope to fill the void created by closure of Hambaker in UK. We are investing in it to ensure that equipment for short delivery projects are manufactured and supplied from UK facility. Long gestation projects will be delivered from other facilities in India or USA or Austria.

  In addition to above the company is in the process of carrying out following two acquisitions in the second half of 2025-26 :

- *WesTech Process Equipment India Private Limited, Mumbai :* The company will acquire 80% stake in this company from WesTech LLC and 10% stake from its employees in India. The remaining 10% stake will be acquired at the end of 3 years after acquisition. The process of acquisition is expected to be over by Sept-Oct 2025. WesTech is very strong in the Industrial Process Equipment business where ShivPad has presently low penetration. This acquisition will help consolidate our process equipment business to become one of the largest in India and enable us reach scale of operations.

- *Industrial Penstocks UK :* The company plans to acquire 100% stake in this company and subsequently merge it with Waterfront in UK. Industrial Penstocks is located in midlands and so it brings us near to most of the utilities located in heart of England. This will enable Waterfront to gain pan-UK footprint and offer better services to clients located in England. The process of acquisition is expected to be over by Sept-Oct 2025.

27) WHAT ABOUT SHIVPAD ACQUISITION & HOW IS IT PANNING OUT ?

Shivpad was acquired in year 2011-12 and before acquisition in year 2010-11 its turnover was Rs 4.5 crores. Since its acquisition using Jash strength in marketing / Jash relationship within the industry / dedicated client base of Jash , Jash has managed to establish Shivpad brand all over India and it is now approved by most authorities / cities.

As a result the Treatment process equipment business from Shivpad / Jash has grown to Rs 45 crores in year 2024-25 and we expect it to become a Rs 75 crores business by year 2029-30. Shivpad products are now gradually being exported out of India and this too will lead to further growth in its business. In addition to this, Shivpad will also bring innovation in product portfolio in next 2-3 years by entering into new relationship with international leaders so that it always remain in forefront in India with modern technology. Acquisition of WesTech will help ShivPad immensely in upgrading its technology.

28) WHAT ABOUT MAHR MASCHINENBAU ACQUISITION & HOW IS IT PANNING OUT ?

Mahr Maschinenbau (MM) was acquired in year 2014-15 and at the time of acquisition its turnover was less than Rs 5 crores with only few people employed. At the time of acquisition, Hongkong was the only market where Mahr Maschinenbau was selling screens directly. The prime reason for –this acquisition was to get access to best screening technology in the world and acquiring the Mahr Maschinenbau brand as they were the first in the world to launch Mechnaized screens in year 1927 and had many technology patents.

Immediately within 6 months of acquisition all the manpower employed were removed and only Mr. Mahr was retained as MD of the company. All design work was given to an employee on contract basis and all production was shifted out to India. In Austria only product development is being done and any manufacturing work, if required to be done, is done on contract basis.

The losses incurred at Rodney Hunt, USA in the first 4 years of its acquisition was putting strain on the whole company and so it was decided to first focus all resources to make Rodney Hunt profitable and as a result investment on Mahr Maschinenbau as well as on Screen business in USA and Europe / UK was put on the back burner. However, Mahr brand was still promoted strongly in India and its traditional market of HongKong.

Mahr brand is now well established in India and is now approved by most authorities / cities. Using Mahr team, many new products are now developed and introduced. As a result of all this, today we do screening and screening conveying equipment worth over Rs. 60 crores every year using Mahr technology. Over the years, using marketing strength of Jash and its various subsidiaries, Mahr products have been sold in additional markets of Middle east, Singapore etc.

Now that Rodney Hunt is well established and has become profitable, we intend to refocus on Mahr Maschinenbau and revive its operations and brand worldwide. We restarted billing in MM from 2024-25 and by 2026-27 we hope to have revenue of Euro 3 million / Rs. 30 crores in MM. US can also offer significant growth opportunity for Mahr product due to popularity of the Mahr brand in USA. However, this calls for investment into a new team for promoting these products in US market. We eventually intend to restart screen business in USA from 2026-27 and expect USA to bring in revenues in excess of USD 3 Million / Rs. 25 crores to the screen business by 2029-30.

29) WHAT ABOUT RODNEY HUNT ACQUISITION & HOW IS IT PANNING OUT ?

The agreement to acquire Rodney Hunt brand was done in September 2016 and the acquisition of brand after making full payment was done in January 2017. Marketing operations under name Rodney Hunt Inc. were started thereafter in April 2017. The manufacturing facility of Rodney Hunt in Orange, Massachusetts was acquired in August 2017 and the plant after reorganization and disposal of some machinery was restarted in August 2018.

From 4 people in January 2017 the Rodney Hunt team has grown to nearly 75 people in 2025-26 out of which about 25 people are based in Houston office and 50 people are based in Orange Plant and office. Houston office handles Marketing, Project management, Finance and HR functions and Orange office handles Design, Procurement and Spares sales. In Orange about 10 people are engaged in office and about 40 people are engaged in manufacturing activities.

Rodney Hunt has achieved revenue of USD 36 million in 2024-25 and has already become profitable by wiping out all accumulated losses. The manufacturing plant at Orange too is expected to breakeven in year 2025-26 upon achieving sales in excess of USD 20 million.

The North American market for these products is in excess of USD 150 million and Rodney Hunt by the year 2029-30 is expected to grow to over USD 60 million company. This will enable it to reclaim the 1st position in US market which it had held for over 50 years till 2015. By the year 2029-30, the team in US is expected to grow to about 125 people with about 45 people in non manufacturing activities and rest in manufacturing activities at its two manufacturing location in Orange and Houston.

30) WHAT ABOUT WATERFRONT ACQUISITION & HOW IS IT PANNING OUT ?

The agreement to acquire 80% stake in Waterfront was done in 2023 and the acquisition of the stake was completed in April 2024. We have already increased its manufacturing facilities and are in process of increasing and strengthening its marketing team and network.

When we acquired this company its revenue was around 2.5 million pounds. We are targeting to achieve revenue in excess of 4 million pounds in 2025-26 and earn a slight profit. We have set aggressive targets for future growth and are quite confident to increase its revenue to over 12 million pounds in 4 year's time.

In addition to its current product line of standard Water Control Gates, we will utilize Waterfront to push our product line of Screens , Knife gate valves and Heavy Fabricated gates.

31) IS COMPANY CONTEMPLATING ANY MORE ACQUISITIONS-?

In the last 14 years, the Company has acquired companies like Sureseal-Mumbai, Shivpad-Chennai, Mahr Maschninebau-Austria, E&M-Hongkong, Rodney Hunt-USA and Waterfront Fluid Controls Limited-UK to increase the product spread or to enter into new markets. The company has immensely benefited from all of these acquisitions.

The Company is currently in the process of acquiring WesTech Process Equipment India Private Ltd., Mumbai and also Penstocks UK Ltd., Leicester, UK. These acquisitions are expected to be completed by Q3/2025.

After these two acquisitions, the Company is not contemplating any further acquisitions soon. The reason for this is that the company will still take 4 years to realize the full potential of Waterfront in UK and the impending acquisition of WesTech in India and Penstock UK in UK. If the company is successful in realizing the full potential of all these acquisitions then the company will be able to increase it product spread as well as revenue substantially. Hence the present focus will be to consolidate the operations in India, USA and UK so as to make the company very profitable before looking for any further acquisition.

That said, the company is continuously getting feelers for acquisition from smaller and weaker companies around the world in its line of business. If the company comes across any substantive proposition for making an acquisition and if this is attractive from point of view of valuation, growth or product addition then the company will be cautiously open to evaluate and consider the same.

32) WHAT NEW PRODUCTS THE COMPANY PLANS TO ENTER INTO IN FUTURE ?

The Company has recently gone for new product addition in collaboration with Invent AG., Germany who are world leaders in Mixing & Aeration technology. The tie up with Invent has enabled Jash to produce Disc Filters from year 2022-23 for Indian market and for possible export to Invent / surrounding countries depending upon approval of product quality by Invent.

From year 2023-24, other products from Invent portfolio like Mixers, Agitator, Decanters, Turbo Blowers etc are added up under a JV company. All these products are required in secondary treatment process of waste water. Demand for these products will pick up as implementation of new sewage disposal policy mandated by National Green Tribunal (NGT) & Ministry of Environment (MOE) starts becoming effective. These new products can contribute Rs.50 crores to company revenue by 2029-30.

These products will result into stronger package offering from Jash and also result into growing the average order size. As a result marketing cost will come down, margin improvement will take place and turnover will grow.

In addition to products from Invent, the company is also on the lookout for improvement in technology for the Treatment process equipment business. Acquisition of WesTech Indian operations will greatly help the company in this.

33) IS THERE ANY FURTHER UPSIDE TO PAT MARGINS AND WHAT STEPS IS COMPANY TAKING TO ACHIEVE THAT ?

In 2024-25 the Consolidated PAT of the company was over 12 %. Inspite of this high PAT margin of 12% we still see a good upside to improvement in PAT over the next 3 years and can improve this by 1% to 2% in relation to the total revenue by taking following steps :

a) Improvement in PAT due to increasing profitability of Rodney Hunt : Presently Rodney Hunt has no significant contribution to the consolidated PAT of the company. In year 2024-25 RH had revenue of USD 36 million and PAT of USD 2.1 million amounting to standalone PAT of 7%. In 2025-26 we expect the revenue to go above USD 40 million and at this revenue we expect at least USD 2 million in profit amounting to standalone PAT of 5%. This reduction is on account of sudden imposition of reciprocal tariff by US government. As RH continues to improve its performance over the next few years we expect it to ultimately achieve standalone PAT in excess of 10% and thereby contribute 1% improvement in our consolidated PAT.

b) Improvement in PAT due to reduction in Manpower Overheads : Most of the top management has been put in place by the company and so manpower with high costs will be no more be required to be added after 2024-25. As a result the increase in revenue in coming years will lead to reduction in manpower overhead by at least 1% of revenue which can contribute to about 0.5% to the consolidated PAT of the company.

c) Improvements in PAT margins due to change in market and product profile : Export business is expected to grow to 60-65% of the total revenue in next 2-3 years. We expect this to lead to improvement in consolidated PAT margins by upto 1% since the export business gives higher margins than domestic business.

The above 3 points can lead to 1-2% improvement in the consolidated PAT of the company.
In addition to this, the company is constantly investing in offering new products having higher value addition and relatively better profit margins, upgrading its manufacturing efficiency and operational efficiency and reducing errors which is common in custom manufactured products company. This too should lead to reduction in costs and if these reductions are not passed on to the clients to gain market share then this too shall help the company in improving its PAT. We are quite confident of achieving a Consolidated PAT of 13-14% of our revenue in next 3-4 years time.

34) WHAT IS PRODUCT WISE PAT MARGIN & WHAT IS THE MARGIN DIFFERENTIAL BETWEEN DOMESTIC & EXPORT BUSINEES ?

The company is not in mass production and over 80% of the company products are custom designed or custom manufactured. The margin on each product varies depends upon varied factors like size of project / criticality of technology / performance requirement / size of product / type of material / type of competition etc. Hence the individual margin of various products can vary by +/- 5 to 10% or more based on these parameters.

The same criterion applies even in products supplied outside India. However the margin differential between domestic and export business varies between a minimum of 5% and can go up as high as 15% in some special / critical projects.

35) WHAT CAN BE POSSIBLE IMPEDIMENTS IN YOUR GROWTH & PROFITABILITY PLANS ?

A company based on custom engineered products needs highly skilled and experienced manpower at key positions to ensure better control over all processes and limit the mistakes being made. If company is not able to recruit intelligent and skilled manpower or is not able to retain these people, then it could face problems.

We are amongst the best pay masters in our City and in our Business. We also offer a very nice environment to our employees. In addition to this we have an ESOP scheme covering most employees. Out of a staff team of nearly 350 odd employees nearly 235 staff have opted for ESOP and this ensures that they feel as being part owners of the company. The market cap of shares held by staff due to ESOP scheme is in excess of Rs. 175 crores creating immense pride in the staff for jointly creating wealth as a part of the company. With all this we hope to be able to recruit and retain the best employees in the company.

Other than experienced and efficient manpower we do not see any other impediment that can affect our growth and profitability plans.

36) WHAT OTHER THREATS YOU VISUALISE IN THE NEAR FUTURE ?

Increasing protectionism by many countries by raising tariff or promoting manufacturing in their countries is going to be critical factor affecting business potential in future. An effective strategy to mitigate this risk can be worked out once consistency in policy on these issues is spelt out by these countries.

We already have manufacturing facilities in US and UK and are planning on setting up manufacturing facilities in Saudi Arabia. On account of this we believe we are well placed in long term to mitigate any risk to our business from tariff or local manufacturing promotion by the major markets that the company is focusing on. However, in the short term, the company operations will be affected on account of sudden and adhoc tariff imposed by US.

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