02.07.2021

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 & FY21 Earnings Conference Call

Symbol: JASH

We are enclosing herewith the transcript of the earnings conference call with the Investors held on Friday, 25th June 2021.

You are requested to take the aforementioned information on records.

Thanking You,
Yours Faithfully,
For JASH Engineering Limited

JASH ENGINEERING LTD. INDORE

Tushar Kharpade
Company Secretary & Compliance Officer
A – 30144
Encl.: A/a

"Jash Engineering Limited
Q4 FY21 Earnings Conference Call"

June 25, 2021

MANAGEMENT: MR. PRATIK PATEL - CHAIRMAN AND MANAGING DIRECTOR
MR. DHARMENDRA JAIN – CFO
MR. SANJAY SHARMA – HEAD OF MARKETING
MR. BHUVANESH PANDEY – HEAD OF OPERATION
MR. TUSHAR KHARPADE – COMPANY SECRETARY

Diwakar Pingle: Good evening friends, on this Q4 and FY21 earnings call of Jash Engineering Limited present with us to discuss the performance and answer questions from the investors. We have the top management Jash Engineering Limited, represented by Mr. Patel and his entire team. The Safe Harbor clause applies. We will start the call with an overview of the performance of the company. Mr. Patel will run us through some key facets of a presentation that we will share with us. During the course of the presentation, participants line will be on the listen only mode and there will be an opportunity to ask questions. Once the presentation concludes, the Q&A will start and we will open the floor to Q&A. With that said, I will now hand over the call to Mr. Pratik Patel. Over to you, sir.

Pratik Patel: Afternoon everyone, my name is Pratik Patel, I am the Chairman and Managing Director of Jash Engineering, With me is the management team comprising of Sanjay, who is the head of Marketing, Bhuvanesh who is head of operations, Dharmendra who is the CFO of the company and Tushar who is the Company Secretary. I would like to go briefly through the presentation because I believe there may be some people who have not seen it & some who are new investors So just go through it very fast with a view to give you all an idea of what the company is about.

So, let's start with the presentation first and subsequently go and address the questions which you have. Jash Engineering basically is an equipment manufacturing company, we are not an EPC contractor, we produce principal equipment for water, wastewater treatment, pumping and conveyance, as well as for stormwater. We have five manufacturing units, four are in Indore and one is in America, our unit in Austria is nonfunctional as of now. We have close to 800 employees worldwide and you are aware of revenue close to Rs. 300 crores and our major business come from exports with more than 59% of our revenue coming from businesses out of India. Company has been developed to this level by a process of acquisition and collaborations with a view to have broad range of products which can meet every requirement of a good treatment company and that is why over a period of time we acquired some companies or we signed up a technical collaboration with certain companies and today we have a wide portfolio of products which can easily meet most of the requirements of the industry.

Our major acquisition has been Sureseal, Shivpad, Mahr and Rodney Hunt, These acquisition have brought depth to the company have also given us access in markets worldwide as well as India. And one of the biggest growth potentials we have is from Rodney Hunt which will be explained in detail later on as we progress through the presentation.

So, over a period of time we invested in various facilities, including in India and America to ensure that we can produce Rs.500 crores plus worth of equipment from our facility. The investment is ongoing with small investment on further Rs.20 crore in next 2 years, we hope that we can achieve a turnover in excess of Rs.500 crores.

We invested in capabilities which ensures that we have one of the best manufacturing infrastructures today in the world not only in India. I have visited most of my competitors, so I know. I visited most of them worldwide not only in India. So, I know what we are compared to what they are and I can say proudly that we have one of the best infrastructure today for manufacturing in the world.

We make a wide range of product, the principles amongst them is water control. Water control gates brings more than 50% of our revenue today, we make various types of gates. The ones which you see in the top under the water control gates are all coming from Jash. The heavy fabricated gates series subsequently has come as an addition to Jash product range through the acquisition of Rodney Hunt.

We make a wide range of screening equipment and believe our screening equipment range is one of the biggest in the world and most of that has come on account of acquisition of Mahr Maschinenbau. Mahr was the first company in the world to start production of mechanized screens in 1927 and they were also among the first company to have a number of innovative patents which by acquiring Mahr we got all of these. Using Mahr we are developing newer technologies and are presenting these to the world including for desalination plants, where we have now becoming number one in India for screens and desalination. The material which comes out of screens needs to be conveyed to a safe disposal area before being conveyed away from the plant and we also make equipment for this with technical tie up with Mahr.

So, screens and gates from Jash and Rodney Hunt constitute presently close to 75% of our business. Other business comes from valves, we make variety of valves for various application and these valves are used in bulk solids as well as for solid liquid mixes and in water conveyance. These brings close to 14% of our turnover presently and we are significantly looking for growth in this product group. Finally, the process equipment which are required for treatment of water, wastewater or stormwater. So, we acquired a company called Shivpad and since acquisition we are in position number four in India. Our target is to become number two within next 2-3 years in this line of business also.

We are also in renewable energy, we produce power using Low Heads of water. We are first in India with this technology and we are doing now the world's biggest project which is nearly coming to its end. We also do Archimedean screw pump for pumping huge volume of water. We can pump up to 6000 liters per second and we are very successful in that in Malaysia presently and now we are rolling it out in other parts of

Asia. This year we started also with disc filter which is going to be the product of the future for us. All of these products are used in various applications as shown here. Mostly in in water, waste water for drinking water or for wastewater or for industrial use etc.

This slide shows product usage, as you can see our biggest concentration is in human waste water cycle. Thereafter we have industrial and drinking water nearly at par with each other and finally is storm water and renewable energy generation. These five sectors makes close to 100% of our turnover.

So where are these products used. So, this shows in detail each product and where they are used at what stages in the cycle they are use. Just to give you an idea how well penetrated we are with our product line in the marketplace. So, this explains where our products are going in human drinking water cycle. Similarly in storm water cycle these are the products, which we are applying in storm water cycle. Worldwide this is becoming big business because of flooding. We expect huge orders to come through from Bombay Muncipal Corporation also because Bombay also is facing a lot of storm water issue nowadays.

The renewable energy business is not picking up as we wanted but we are still quite hopeful about it. The reason this is not picking up is because of Covid government has no resources to spend on renewable energy, small renewable energy, small hydro renewable energy. However we know that this market has huge potential and we are waiting for that potential.

In the industrial sector, we supply equipment wherever water is required and so from valves to gates to process equipment to every type of product which we make is going into industrial use. Capital investment as everyone knows, is subdued in India currently. However, when the capital cycle improves in India we expect huge growth even in industrial usage of all equipment.

This shows our product offering and where we are getting our business from. So, water control gates get 54%, screen gets us 22%, as I said 75% of business is coming from these two. Valve is bringing 14% and hydro power equipment is bringing 10% to us. We hope to improve this spread, I am not very comfortable with water control gates being such a big contributor. However, we are working on it, next year we are quite hopeful that valve would be much bigger than what it is today.

So, where we do business. Today, we are no more of a company which is doing business only in India or surrounding India, we are spread everywhere 59% of our revenue is coming from businesses out of India. We are in Africa ,in Europe, we are in USA, we are in Middle East, we are in Far and Southeast Asia. As you can see we have good spread everywhere and Far and Southeast Asia is now going to become a very big part of our business because we have more than Rs.150 Crores worth orders in that area now, for the current year.

We are approved by most of the consultants and clients in India major principal contractors as well as consultants as well as out of India. These consultants which we're showing here comprises of the leading consultants in the world. So, most of the projects they are doing and as we are approved by them, we expect that our international business will grow more and more in time to come.

So, I have quickly gone through what companies about since every one of you can also access these on the stock exchange and can there what the company does, where it does the business etc. Now I come on to the financial aspect of the last year where what we have done. This shows the standalone performance of the various principal group companies and I have not covered Mahr which is generally a technology company and engineering and manufacturing. This is just a sort of a trading company. So, you can see that our revenue increased everywhere, but it has increase substantially at Rodney Hunt. In Rodney Hunt we have achieved close to 14 million in sales which is a significant growth over the last year and also we have become positive in our EBITDA in Rodney Hunt. So, though we are not profitable, net profit in Rodney Hunt. We have a minor loss this year of $5,000 which is unfortunate, because we expected at least $200-300 thousand in profit by achieving close to $15 million in sales. However, this is how the dice rolls because of various factors which are not under our control, but we are quite hopeful about Rodney Hunt in future. All I would like to say inspite of Covid we have a good year.

This shows the consolidated financials. Our revenue has increase partially. However our profit after tax has improved significantly as well as our EBITDA, which has improved significantly. This is the consolidated balance sheet, you can see that there has been an improvement from last year on most aspects of our operations. Last year, we had done close to 9.5 crore in capital expenditure. As I said earlier over the next three years, including last year, we hope to invest close to Rs.25 crores so that the company can easily achieve 500 crores in sales or in revenue in the coming years.

This is our consolidated quarterly financials figure. The last quarter we could do good and do more than Rs.128 crores worth of revenue would generate in the last quarter which also gives you an idea of the capability of the company to do business within a quarter. So, if we go by the norm even with our existing infrastructure, we can generate close to Rs.130 crore revenue every quarter. So, though it also is involving product manufactured in the third quarter, but overall, I would say that today also we are in a position to generate revenue close to Rs.400 crores with our existing capabilities. This is the consolidated balance sheet of the company for FY21.In most of the aspect you can see we have improvements.

So, that was about the year which has gone. Our consolidated order position as of today, as of 1st June is Rs.427 crores out of Rs.427 crore you can see that our order book outside India is quite high. So outside India is Rs.271 crores as against 156 crores in India. Most of our subsidiaries have good order book positions. In Shivpad we did close to Rs.19 crores last year has already order of Rs.23 crores, Rodney Hunt has already order of Rs.112 crores and they have a very good and strong pipeline. So, over all our order book is quite strong and we expect further improvement in our order book as we go down the year.

Our order pipeline also is quite strong, we already have negotiated orders as on 1st June of close to Rs.21 crore and we are negotiating orders worth Rs.67 crores as we talk. Generally over strike rate has been quite good. So, out of Rs.67 crores orders we are negotiating some of the orders have already been negotiated as we talk about another Rs.20 crore worth of order already negotiated since as on 1st June. By the end of the month we expect that we would be having another close to 10-15 crores worth of order finalized. So, overall I would say order pipeline position is quite strong despite of Covid.

Coming to what do we expect to achieve this year. We expect business out of India to bring us ₹200 crores revenue and within India ₹150 crore revenue to achieve revenue of ₹350 crores. I would put it in a bracket of ₹340-360 crore, the reason for that is the Covid phase of the second wave had been really bad and since it was not there together in all the states it has affected operations a lot. So looking into that I am giving a little conservative figure of ₹340-360 crores in spite of having orders of ₹427 crores in hand as of 1st June. In America we expect to do quite good this year, we are targeting 130 crores in sales which is close to $18 million. When I say it is close to $18 million, you have to understand that already I have about $18 billion worth of orders in hand in America and $2 million worth order we are already negotiated in America and expected to be received within any time now. Looking to that conservatively $18 million is something which we should be able to do at the bottom side. If everything goes right, we are looking at $20-21 million sales in America this year.

I would like to give a little bit information about other developments in the company. We have already started as I said last year we have invested Rs.9.5 crore and this year we are investing another Rs.9 crores by improving our facilities at all of the 3 units. After this expansion in the 3 units is done we expect to complete it by November after this expansion is done, we would be quite independent in exports. We will not be dependent too much on our domestic unit I and unit II for our export business and this will put pressure on the domestic team also to become aggressive because today lot of our domestic facilities are used for export as this would stop after November. Another development is about the Disc filter, we launched Disc filter with Invent of Germany. This disc filter are now mandatory to be installed in most of the sewage treatment plants in India. We have got the order for the first two machines and we expect to be the first company in India to start this production indigenously. Over the period of time we are projecting Rs.25 crore minimum business to come from this product line.

However, the biggest thing is this will give us an opportunity to bundle all of the products. This is the small video presentation I have, which will show you what the product is and how it works. This one disc filter machine can clean 35 lacs liters of water per day. This is installed at our treatment plant in the company just for demonstration purpose and you can see the quality of water which comes out after this filtration This is the quality of the water which comes out after filtration and this has been made mandatory by the Government of India for all the cities, not only for the new plants coming up, but also all the old plants India has invested over last 20-30 years. So it is a very, very big business opportunity. To give you an idea of the opportunity let me give example last week we were in Surat city, we went to 2 plants of Surat city each plant has some machines, imported Disc filter was already installed last year, these machine were ₹10 crores. In the same plant Jash has supplied Gates, Knife gates valves worth ₹2.5-3 crores. So if we are able to successfully do the Disc filter business then what business of ₹3 crores which we use to do earlier at that plant would go to ₹12-13 crores and that is what this product bring to us. The bundling of all the products will ensure that we would be unbeatable with our product offering in the treatment plant business, that is what Invent bring on the table for us. Now, the next thing which is a very good development is the business from MCGM over the last 6-7 years Bombay never had very big business potential because of non preparation of tenders and decision making. However, Bombay has already awarded two pumping stations for which we have already got orders worth ₹10 crores. Bombay has also awarded one more pumping station and in the process of award is 7 STP which is going to totally need investment of close to 14,000 crores. These are under evaluation, the bids have already been called. These orders would be finalized by the end of the year, at the same time bids for storm water pumping station has opened and it is also under evaluation, All these projects in Bombay we expect at least ₹150 crores worth of business and this means we are talking ₹150 crore worth of business in coming 3 years where presently we are doing ₹1-2 crores of business a year. So, all these will go into pushing up domestic business significantly. We see close to 40% growth in domestic demand just because of the Bombay, let forget of all the cities which also are going to invest but only because of Bombay we see domestic sales increase by 40% over the next three years.

Our present position in Singapore is very strong. We have already secured orders for products worth ₹100 crores in Tuas water reclamation project .I would like to draw attention of investors to the fact that Singapore is a city of less than 4 million people, one project in Singapore has a potential to give a business of Rs.100 crores with Rs.25 crore more to come. So, if India as a country really invest in good treatment, we can have phenomenal business opportunity. However, that is not available because of constraints of the country but this is just to show what is the potential for our business even in India though we are not getting the potential because of restriction in funding etc. Similarly, Hongkong we have got 40 crores worth of orders already and expecting another 20 crore worth of order. We are also now supplying 10 crores worths of equipment to Hong Kong International Airport, its a very prestigious project. People are easily able to supply to an international airport project in Hong Kong, but they have approved us and now we are supplying to them. Malaysia is investing a huge amount of money into storm water pumping. I hope India also does, however we talk and don't do anything but Malaysia is investing a lot. We got our first order for 7 Screw pumps in Malaysia last year and we executed that order. Those pumps are already installed and commission. Based on this we expect further orders from Malaysia more than 50 such pumps are in pipeline. When I tell you 50 pumps in pipeline, these pumps are costing anywhere between ₹60-70 lakhs to ₹1.5 crore and we expect a significant amount of this business to come to us because there is no other manufacturer in Asia, most of the manufacturer are in Europe and we have a very strong price competitive advantage against that. Finally, we plan the last phase of expansion as I said, we have done last year some ₹9 crore worth of expansion. This year, we are doing ₹9 crore worth of expansion and the last phase of ₹8 crore worth of expansion will do after November. And once all of these expansions is done the company would be in position to cater to ₹500 crore revenue for all the products.

So what I have gone through gives you an idea of what happened last year and what we are expecting this year. My final comments on what happened last year is that despite of stoppage of 7 weeks we still achieved a minor growth. However, by focusing on exports and by focusing on margins, we have been able to improve our profitability. During the last investor presentation, we had given a broad roadmap of how we intend to increase our profitability, our target is to take our PAT to above 12% in 3 years time and I am quite hopeful if we follow this strategy which we have broadcast and showcased earlier to all the investors, if we follow it rigidly we can achieve this easily. However our US operations as I said has seen significant improvement, I still recall I had been talking to investors and they were all looking at scenario whenever I talk about Rodney Hunt. I hope now investor would have more confidence seeing that we have reduced the losses significantly and we are now on a curve which only goes north. We would be showing good improvement in sales and revenue in US this year and we hope to be having significant profit in America also this year. In the end I would say with the good consolidated order book of ₹427 crores I am quite hopeful for a good year this year and I keep my finger cross that, we achieve ₹340-360 crores sales with significant improvement in our profitability.

We have a very strong board with a lot of experience people and this board is in position to guide us, so that we achieve whatever we have decided. With such a strong board and strong management team which we are having. We are quite confident of good future for the company. Mr. Sanjay Sharma have joined last year, I think in December, he also has a very good experience. So slowly, slowly, building up a team of young people who can take the company forward in time to come.

So, coming to why we are still a good investment opportunity for our investors. One is Rodney Hunt turn around when we acquired the brand, and then after we acquired the manufacturing facility we did lot of investment, we also did lot of investment in manpower. When you acquire a company abroad it is not that easy to get all the manpower correctly on day one. So, we had our trial and error. We had some pitfalls. However, I believe now we are on our path to recovery. Last year, we did USD 14 million this year we are expecting to do more than USD18 million on the higher side we expect to go up to USD 20 million and also expect to have a reasonable profit coming out of our sales in America. Once America is profitable, once Rodney Hunt is profitable we would be able to bid on projects where bonding is required. Presently we have this limitation for bonding in America we are not able to do it presently. Once we are able to do the bonding, we will be able to bid for bigger projects of $3 million, $4 million size. And when we are able to do those projects that would help us significantly scale up our turnover. So, we expected with the ability of bonding to go from $20 million to $28 million in 2-3 years time and thereafter we will again target becoming number one in America. Rodney Hunt was number one in America for more than 50 years, when we acquired Rodney Hunt brand and when we acquired Rodney Hunt operations, they were doing $33 million in sales, when they close down in 2017. I hope that in the next 4-5 years, I am again able to take Rodney Hunt back to $33 million in sales and become number one in America. We feel strongly with the new team in America, with the rate of investment which we are doing now in American plant and in manpower, we should be easily able to achieve this position in time to come. One of the reasons why we are strong in because we are approved brands and these brands are specified in the project. As these are specified in the project most of the EPC contractors have to go for these brands. Brand like Rodney Hunt, Mahr has given us good international recognition worldwide and is helping us grow fast in the world market. Other reason is we have comprehensive product base, see the type of product which we have done ensure that we able to bundle up for package for project and this bundling that helped us to increase the order value of any project. None of our competitor makes more than 2-3 or more products. Whereas we have so many different products to offer for the same project and this is an advantage to most of our clients, they want to one company which caters to the most of the needs. The moment we have disc filter business mix we change the dynamic dramatically. Thereafter we have to bring further products from Invent and these are the products in which Invent is world leader in aeration and mixing technology, they are world leader in this and this we intend to bring and give stiff competition to companies like GE, Xylem, etc. who are world leader and presently they are leaders in India, but we intend to join hand with Invent and produce these products in India and give everyone a run for the money because we will have the best technology and most economical production source in India. So, we have diversified market, we have huge infrastructure investment which we have done and these all parameters ensures that we are a very good investment opportunity even today. One of the things I would like to say that we have come with an ESOP, 120employees are the partners to the organization and with their involvement in the growth of the company we are looking for significant improvement at all aspects of our business. Thank you. I am sorry I took lot of time and I will now take all your questions.

Diwakar Pingle: Thank you Mr. Patel for the detail presentation. We will now open up the floor for Q&A. The first question comes from the line of Niteen. Go ahead.

Niteen Dharmawat: Thank you for the opportunity. This is probably the first time Pratil Sir you know I am finding you very bullish while you are conservative also. Earlier you always sounded very concerned and would be giving warnings only and probably that speaks volume about the change that has happened and possibly visibility that you see. So my question is about the ₹350 crores revenue that you are targeting, what kind of EBITDA level that you are targeting for this.

Pratik Patel: Niteenji I said every year we are trying to improve by 1% point on the consolidated. So our consolidated EBITDA was around 18% and we would like to improve it by 1-2% this year. We have one parameter which is a little bit concerning and that parameter is increasing raw material prices but if you don't see a big problem of Covid now, in the coming months then we expect to increase our turnover and as our turnover increases, our overheads come down and so if we are able to do 350-360 crores in sales, then our overhead will counter whatever increase in raw material as happened and US contribution would also come in. So, we expect improvement in our EBITDA from 18 to 19-20%. Ultimately our aim is to give 23-24% in EBITDA in 3-4 years time.

Niteen Dharmawat: Ok. My next question is what is the consolidated net debt that you will be targeting next year?

Dharmendra Jain: This year is total ₹155 crores, fund based and non-fund based. ₹86 crores is the fund based and 70 crores is the non-fund based. This will transfer into next year approximately same. We are not increasing this year also the fund based debt only the increase slightly by non-fund based debt

Niteen Dharmawat: Finally, just a small question. You mentioned about ₹8 crores capex, as the final one that only capex that you are targeting this year or will there be any additional amount.

Pratik Patel: No that's the only capex

Niteen Dharmawat: Wonderful, thank you so much and all the best.

Diwakar Pingle: The next question comes to the line of Faisal. Go ahead, please.

Faisal Hawa: So, my question to the management is that, to me this appears like a company which can really raise sales by even like 25-30% per year The only thing that, probably we have to now spread our net worldwide and really go hammer and tongs on those sales side. So, are we not being a little less ambitious by targeting like 10-11% growth or something because of from the base that we are at and the kind of product range that we have we could be easily grow at 25-30% per year and also the technology that we we have could help us in ramping up the sales side. So, is it not that we are still you know, not realizing our true potential.

Pratik Patel: First, I would say that I am talking about ₹340-360 crore which is close to 20% at the higher side, on the lower side is around 12-13%. Now, we have to be conservative at present because we are in times of Covid where everything is uncertain. Even today I am not able to send any one outside India. Even I am not able to go outside India. How you expect thing to normal.

Faisal Hawa: I am sorry to interrupt you sir. I am actually saying like a long term trajectory for 3-4 years, you know, over 2-3 years. I am not saying you do 25% next year itself. I feel that this is a company which can easily do 25-30% growth every year for the next 3-4 years. Even if you don't do it for the next year, it doesn't make a difference.

Pratik Patel: I would say 25-30 is too optimistic, it's not possible in our type of manufacturing but yes we are targeting between 15-20% growth every year. We hope to achieve ₹500 crores in 3 years time. So, from 300 to 500 crores if we have to achieve we have to target 20% average growth every year but 30% is not possible for a company like us because we are not a mass production company. We are custom engineered products company which means we need a lot of human assets, human asset you cannot build overnight. Not in Indore we cannot build overnight and this human asset does not only mean people with brain but it is also people with brains and experience and that is something that needs time. So, even like Sanjay or Bhuvnesh or whoever we have brought in from outside, Bhuvanesh has come from GE, Alsthom, Andritz. Sanjay has come from Sulzer. They need time when they come to the company, they all need time to understand the product, to understand the technology and things like that. So these type of product are not mass produced, so we cannot achieve 30% growth at these level of operations. If the level of operations were lower than ok but at these level of operation as we go up it will not be easy to achieve 30% every year. Maybe once in a year we can do it but not every year after year.

Faisal Hawa: Ok sir.

Diwakar Pingle: The next question comes to the line of Sanjay Shah. Please ahead.

Sanjay Shah: Good evening gentleman. Pratik sir sincerely appreciate for excellent number and appreciating your enthusiasm for showing the presentation which is self explanatory. We also welcome Mr. Sanjay Sharma and Bhuvanesh and nice to meet them. Dharamji, Tusharji good evening. Pratik sir you talked about bonding requirement in Rodney Hunt. Can you elaborate what is bonding and what we can do at Rodney Hunt when we are able to achieve around ₹18-20 crore topline. What margin we can do on Rodney Hunt.

Pratik Patel: First of all when big projects are there in America, where equipment worth $3-4 million is required people ask for bonding. Bonding may be in the way of performance bond or execution bond. These bonding means that suppose you have got a $4 million dollar order they will ask you to furnish $4 million dollar bond. In America these bonds are given by the insurance companies mostly. As presently because we are in losses, no one was willing to touch us & we tried a lot. So when we are not able to open up bond, clients doubt your financial ability to close that order in time and he will keep away from you. So that has been our problem in the last few years. However we are working on getting financing done using a corporate guarantee from an Indian bank now, because we are EBITDA positive in America now and $5000 loss anyone understand is not a big loss now. So, networth also has become positive now. So, we hope to overcome the bonding issue within this year that is answer one and answer two was what was your question?

Sanjay Shah: Yeah, it was about Rodney hunt. What margin we can do when we increase from 14 million towards 20-25 onwards

Pratik Patel: It is difficult to say what margins we will do because based on what orders we have in in hand, we are expecting at least 5% net profit.

Sanjay Shah: Okay that also business after what we supply from India, right.

Pratik Patel: Yeah, we will be making profit on that. This is the profit we are talking about Rodney Hunt.

Sanjay Shah: So, that's best we are doing 10% and 5% will do from Rodney Hunt. So, it will be great. Sir, can you elaborate on what is the order from Singapore and what is the execution period we are taking to execute that orders?

Pratik Patel: See, Singapore and Hongkong both are going slow because of Covid. So ideally, we should have executed this order within current as well as next year. I believe it may not be possible and it will turn into 2023 also. So partially it will start from this year, next year and year after that.

Sanjay Shah: So, what is the order size.

Pratik Patel: Totally all the orders put together ₹140 crores. So, we expect ₹25-30 crores this year and then after ₹70-80 crores next year and then ₹30-40 crores year after that.

Sanjay Shah: That's great. Thanks for answering my question Pratik bhai.

Pratik Patel: Thank you.

Diwakar Pingle: Thank you, Sanjay. So, next question comes from the line of Anurag Roonwal.

Anurag Roonwal: Pratik sir congratulations on a great set of numbers. Sir I have two questions. First is as far as Disc filter are concerned, you talked about a potential in India, like you mentioned about the Surat project where you saw around ₹9-10 crores of equipment that was installed. I wanted to understand so how aggressive are we in terms of marketing this product in outside India and what kind of market potential this product has outside India.

Pratik Patel: So, as part of the collaboration agreement we have with Invent we are not supposed to sell it out of India. However, this month itself Invent has allow us to bid for projects in Vietnam as well as in Thailand. So, their logic is wherever they are strong they will like to do themselves, wherever we are strong and where we are getting orders for our other equipment, we can also do it because anyways they will get some royalty on the sales. So, on paper we have limitation where we can sell but they are practical and they are allowing us to sell wherever we are strong in marketing, this was for out of the India. In India I think this is a business of at least ₹75 crores from next year onwards but ₹75 crores will also have machines coming from outside India. When we start now, it would take time for us to build up scale, knowledge, capabilities and that is why I said we need 3-4 years to bring ₹25crores in sales. This business should not be less than ₹200 crores in 3-4 years time as a potential. If we become the first in India to produce it and the way we have done it in past, if we are able to do the same for Disc filter then this would become a big money earner for us and what ₹25 cores I said would have become as good as ₹50 crores for us.

Anurag Roonwal: When we say ₹200 crores, we are talking about annual revenue that this product can do in next few years you are saying.

Pratik Patel: Yeah.

Anurag Roonwal: That's a big jump that we are expecting that in that case. Okay, great sir. My next question is that I wanted to know, what's the effective tax rate that we are expecting for FY22 and the years going forward.

Pratik Patel: Nearly the same

Dharmendra Jain: Depend on the SEZ turnover because our new units in SEZ is tax free for 5 next year. This is our second year. So, 3 year also we are tax free in the new SEZ unit. So, what the turnover we do there and profitability it 100% tax free and after 5 years its 50%. So, all depend on the profitability of that unit. So, it will flexible tax rate, but it will be around whatever this year. Same as this year for the next 3 years.

Diwakar Pingle: Before I take on the next participant. I have a couple of questions on the Q&A chat board. I am just going to run it across. One is Rohan Admane asking we have invested ₹18 crores in our subsidiaries last year. Could you please elaborate on that? That is question number one.

Question number two is the company has achieved one of the best margins in Q4 FY21. Is it sustainable going forward?

Dharmendra Jain: This ₹18 crores we have transferred from receivables because there receivables is not paying timely. So, we asked RBI to convert that receivables into investment as a share capital. So, these ₹18 crores we have received from their amount and we invested in USA as a capital

Diwakar Pingle: The second one was on the margin in Q4.

Pratik Patel: So, as I already told Niteenji that we expect improvements on the annualised basis. Quarter to quarter there may be variations, but on the annualised basis we expect improvement in EBITDA as well as PAT. I hope we answered that.

Diwakar Pingle: Yeah, we go with one next one also. I know just an anonymous attendee currently at what utilization is the company operating.

Pratik Patel: So, the problem here is the utilization may depends upon the capability of the client to lift the material. So, generally is the first quarter it is very low. So, we are running our operations on 1 or 2 shift basis, not all the plants are running on 2 shift basis. As we enter second quarter, it is also the same because of the monsoon most of the sites become inoperative so, people are not interested to take the delivery, so we also do not produce that much. However, in the third and the fourth quarter, third quarter we working in 2 shift most of plant and if required a third shift for some of the plants. However, in the fourth quarter mostly everything is being run on three shifts basis. So, our capability is you can say variable based on how many shifts were running the operation and to run the shift we have to resort to either overtime or induction or additional workers.

You can say that with whatever we have done in the investment if enough workload was there each quarter then. We could have done ₹400 crores in sales.

Diwakar Pingle: The last question is from Amitabh Chakraborty ask is RM increase pass through or is it a fixed price contract.

Pratik Patel: Mostly its fixed price.

Diwakar Pingle: Okay. So, we will now go to the people that have put up their hand. And the next question comes from the line of Ashish Rampuria. Ashish, please go ahead.

Ashish Rampuria: Pratikji we are targeting ₹350-360 crores right and with the incremental capex we can reach may be ₹500 crores right. So, where and how are we thinking in terms of future expansion beyond this, the current manufacturing locations we have.

Pratik Patel: See presently we have not made any plans for future expansion after this. As you must have seen in my comments, we have also run out of space. For any future expansion we have to invest on space. We already have plans to invest on space adjoining our unit IV in SEZ, because exports is where we are focusing. As well as in Chennai for Shivpad. Shivpad has become ₹25 crore operations, we are doing all on the vendor basis. However, if we aim to be number one or number two in that line of business, we need to have our own plant in Chennai. So, the next phase of expansion would be investment in Chennai and investment in SEZ for additional land to make a new plant in 2023-24.

Ashish Rampuria: Okay, fair enough. The other thing, this Q4 performance we are talking about ₹129 crores of revenue, 24% EBIT right. Now, what stops us from repeating that performance. One, I understand obviously when you explain right that customers have to sort pick up the orders right.

Pratik Patel: In the first quarter, generally the government and customers are very relaxed after a bumper Q4 for everyone this is Indian phenomen. After the bumper Q4, Q1 of the next year is done and then monsoon comes in. So first and second quarter I have the capability but we do not have anyone who is willing to take up the material. So, there is nothing to do with our capability, it is to do with how the businesses are run in India.

Ashish Rampuria: But what about exports.

Pratik Patel: Export is always mostly in most of the British ruled country March is the year ending. So, wherever there is year ending in March you will see next 1-2 quarter slow down. Whenever year ending is end of December you will see slowdown in first quarter of the year that is in January to March. So it is worldwide you will see after the end of the year, next quarter in our type of business is a slowdown but other our capabilities remain intact. So if we are required to produce at the same level of operations we can do but not ₹128 crores because we go into fatigue, so I would say ₹100-110 crore per quarter easily we can do and after expansion we will be able to touch ₹500 crores with this infrastructure.

Ashish Rampuria: Fair enough, right.

Diwakar Pingle: The next question comes in line of Navin. Go ahead.

Navin: Congratulations on good set of numbers. This regarding Mahr Maschinenbau, we had previously indicated that they would be winding up the Austria operation, but in the current press release, you had indicated that is put on hold any new development on that front.

Pratik Patel: What is happening is we are now approved in Montreal, Canada for the big project leading to million-dollar worth of screens and they have put a condition that screen have to come from either from Austria or America, not from India. So I don't want to wind up everything and then repent later. So, we any way have a very skeleton operation in Austria. Mr. Gernot Mahr is still the Managing Director earlier he was working for 100 days in a year now is working for 60 days in a year for us. And we have one or two other people who are working on part time basis. So, we decided to continue with it because otherwise we would have lost the possibilities like this.

Navin: Good. In your presentation you had indicated that you are going to focus on far and Southeast Asia which geographies are those and what potential you see in this market.

Pratik Patel: So, we are very strong now in Singapore where we have already ₹100+ crore order booking. In Hongkong where ₹40+ crores order booking, in Philippines also we are quite strong we are negotiating order for ₹10-15 crores. We are having business in Vietnam, now we are biding for ₹20-30 crores worth of projects in Vietnam. In Laos, in Thailand, in Malaysia. So, I would say quite a lot of countries in Southeast Asia and far east we are working with, including in Japan we are working with Toshiba, we are working with JFE, we are working with, Ebara etc.

Diwakar Pingle: Okay, I think I will take the next question from the line of Levin Shah. Levin your line has been unmuted please go ahead.

Levin Shah: Yeah. Hi sir. So, my first question is on the competitive intensity that you would be having in both the domestic as well as the exports or the overseas market. So, if you can throw some light over there, what kind of competition do we see, what is our market share in both mainly US, domestic and even in Asian countries.

Pratik Patel: So, in US we are quite competitive and we are growing by fast. When we started we were at zero in 2017, so from 0 in 2017 to 14 in 2021 we had a rapid growth and we now expect the same rate of growth to continue. From ₹14 million we are projecting ₹18-20 million this year. We are quite competitive for production in America as well as for production in India for the American market. The reason for that is the design and project office which is partially in India, which reduces the cost for America. When we talk of international other than America also we are quite competitive because we are based in India, our type of businesses is based as I said on human intelligence and the cost of human intelligence in India is not as high as in Europe or as in America. So, we are quite competing in that business everywhere. In India when we are talking about, we have a problem. The problem is we are too big and the competitors are very small. We have many benefits for our employees, our operation cost is high in India. However, when the project are big in size, no one likes to go to small companies and that is what is our strength. So, in big projects in India when we are talking about

Bombay Muncipal Corporation no one is going to place ₹5-10-15-20crores order to company which is doing ₹5 crores in sales. So, this is what is our strength in India. We have very high margin market share in India also. In most of the product our market share is already more than 50%.

Levin Shah: Right and sir my second question is on the arrangement. So, most of our products we would be supplying it to the contractors or the consultants and so, is our pricing like based on project to project or our products have a standard pricing and that is how you price it depending on wherever the customer is based on.

Pratik Patel: There is no standard pricing, it is based on project to project because these projects may have different technical requirements, different material of construction, different features. Two where the project are very small as I said we have more competition. So, the margins are less, where the projects are big in size the competition is less, people do not have the capability to produce as we could do and so our margins are more. So, all depends upon how we read the market, how we read the project and that is how we do the pricing.

Levin Shah: Okay, got it. Thank you.

Diwakar Pingle: Thank you Levin. The next question is from the line of Sonal Minhas. Sonal one please go ahead.

Sonal Minhas: Hi, this is Sonal. I have two questions. Sir I have been looking at your India business from a 2 to 3 year perspective and just wanted to understand, are there some regulatory triggers which you would expect in the near term, going in the next 1-2 year which can grow the business or increase the pace because it has been flattish, that’s one. And given Covid, we are talking about second wave third wave and this not going anywhere for the next may be 1-2 years. Do you expect order cancelation or inordinate delay in your orders. These are two questions. Thank you.

Pratik Patel: Let s talk about Covid first, in our history irrespective of pandemic or no pandemic we never had an order cancellation, because to cancel the order on us means they have to first cancel the project. So, generally these projects are done for cities or industries with huge capital expansion. So, midway no one cancel the project which is very rare and it is unheard of.

So that was one and now second on regulatory, in India there are lot of regulatory requirements. Unfortunately those regulatory requirements, the culprit is mostly the government. So, who is going to catch the thief when government itself is a thief. So, there may be regulatory requirement but there is no funding available. People are breaking rules with impurity, pollution control rules in this country are not being adhered to by the cities. If they do, I don't even have to go abroad for business. So why I have gone out of India for business because here no one give a damn to all the rule which we put in place. So regulatory things are in place, implementation is not in place that is not in my hand, that is in the hand of government.

Levin Shah: Do you see anything becoming better, I understand I think this is rhetoric but just asking anything which is improving.

Pratik Patel: Everywhere improvements are happening, but these are political things. Now, Covid has come, how can I assume that government will invest on wastewater treatment when they are not able to save people or when they are not able to give water. So, for a country like India with huge population and resource scarcity, we understand there are constrains and because of these constrains only we have decided it is better to do business outside so that we have some consistency in our business.

Diwakar Pingle: Next question is from the line of Zaki Nasser please go ahead.

Zaki Nasser: Pratik bhai congrats on very healthy set of numbers for the year. When you say in the coming years Jash would cross ₹500 crores could we safely assume it would be March 24, that is my question number one. Question number two is, would you slightly throw light on your total top line, how it is divided between India and the US, between private and the government departments. Like out of India how much you do to a private company and how much you do to the government's directly and same within the countries.

Pratik Patel: Not more than 1-2% of our business is with government, whether it is India or outside. We don't work with government, we work with EPC contractors who works with government. I hope this is clear.

Zaki Nasser: Yes. But how much of the turnover, the payment would come directly or indirectly through a government.

Pratik Patel: Directly from the government is less than 1%, indirectly I don't understand because I am working with the private company, the private company may be selling to government or may be selling to private company again. So, my business is 99% with a private company or a corporate. 1% of my business is directly with the government.

Zaki Nasser: Okay. Even Singapore is the same way sir.

Pratik Patel: Everywhere in the world. Abroad everyone knows zero from governments that everything is directly with a contractor, an EPC contract.

Zaki Nasser: Thank you and best wishes to you and team Jash.

Diwakar Pingle: The next question is from the line of KE Garg. Please go ahead.

KE Garg: So just wanted to understand what our competitive advantage is, like you mentioned that most of our competitors in India are very small, so basically, we are getting competition from MNC companies, so is our wages in India are lower, cost of production is lower or we have some basically edge in technology. So, sir which of it is the factor, which is helping us win business versus MNC competitor.

Pratik Patel: So, in India our biggest strength today are few. Number one is infrastructure, the infrastructure which I have today does not restrict me anywhere to produce anything of any size in the products which we make, so I have the best infrastructure in place. Second, best technology in place, we have the most advanced technology for every product we make, people just cannot compete. Even international companies cannot compete with us because we do better than them in most of the technologies. Now those technologies have also come through collaborations or acquisitions, but we now have it. So, first is infrastructure, second is technology, third is set up. See, I have 800 people and most of them are working with me for over a period of years. Now any MNC comes in and they want to setup shop, he also has to go through a painful process which I have gone through 20-30-40 years a back. So, let him do it and if he is able to get his act right then he can become a competitor. These are the things which everyone has to go through, no one can land in India and expect business tomorrow.

KE Garg: Sir, so basically due to these disadvantages that you just told us about. So how much is our costing lower as compared to our customers for the same product that we are offering in the market.

Pratik Patel: The costing may not be lower, costing may be lower based on client, based on competition. So, if it is a MNC who is wanting to come in the costing may be lower, but if it is a Indian domestic companies, small domestic companies the costing maybe higher. So, as I said every project we have to depend upon whether we want to give the competition or whether we want to compete strongly, we have variable pricing. So, we see our competitor, we see the scale of project, and then we price our product, so as to be competitive or sometime to make money.

KE Garg: Sure. Also lastly wanted to understand is there any risk of bad debt in our business because EPC companies keep on going bankrupt throughout the world. So, I mean what has been our experience and how do you insulate yourself from the risk of bad debts.

Pratik Patel: 50-100 lakhs per year we provision for bad debts. It doesn't mean that the bad debts are ₹100 lakhs, but we provision every year ₹50-100 lakhs and these may not comprise of big orders, this may comprise of value, this may comprise of few lakhs, which we don't get in the end of the order. So, ₹2-3 crores is provision because of IndAs provision. So Grant Thornton also does not allow us, because of the aging of the debtors. So, we provide for it but when we get the money than we show it next year in revenue or profits. So I would say generally ₹1 crore is the bad debts, but not one project, one client may be running between many different small sums. We are mostly secured payment comes, LC payment comes so we don’t have that much problem.

KE Garg: Thank you very much and best of luck to you.

Diwakar Pingle: We have a follow on from the line of Anurag Roonwal. Please go ahead.

Anurag Roonwal: Thank you for the opportunity, sir. I am just continuing with the question that I asked earlier, this was particularly to effective tax rate. So, you mentioned that it could be same as it was this year. So this year it was 16%. The reason why I am asking the question is because, Rodney Hunt was doing losses till now, next year we expected to make profit. So, wouldn't we expect the tax rate to increase from FY22 onwards.

Dharmendra Jain: Not increase because still there is losses there and they will setup up to unlimited years in USA.

Anurag Roonwal: Okay. And my second question is, when you came up with a press release for the order book there was a point when you mentioned that, even though there is a huge backlog of pending orders, there has been delaying drawing approvals and receipt of advanced payments from customers due to lock down on account of this manufacturing clearances are low which will lead to lower manufacturing load in the next couple of months. I just want you to understand this last statement wherein you are saying that the manufacturing load would be less in the next couple of months,.

Pratik Patel: So as of now we are close to ₹80 crores worth of manufacturing clearance available. So, ₹80 crores worth of manufacturing clearance would ensure that next 2-3 months we have enough order. However, further approvals does not come it may result into slow down in the third quarter. So the pressure on us is that in the next 2-3 months we should bring in enough manufacturing clearances, so that we do not see any slowdown.

Anurag Roonwal: Okay. But despite it on the lower side you are expecting that we should touch revenue of ₹350 crores in FY22. Is my understanding correct.

Pratik Patel: ₹340-360 crores.

Anurag Roonwal: Yeah, pardon me for that. Okay, thanks a lot for this.

Diwakar Pingle: Thank you Anurag. Next question is a follow up from line of Ashish Rampuria. Ashish please go ahead.

Ashish Rampuria: Thanks. A couple of questions. So, question one I think in the US they have sort of Joe Biden has introduced the new infrastructure plan and they are talking about including urban sewage systems and so on so forth. Do we see a strong Phillip, if I remember correctly you had mentioned US market is about $150-60 Million every year.

Pratik Patel: $150 million.

Ashish Rampuria: Okay, maybe Rodney used to do $50-60million. Maybe I got confused there.

Pratik Patel: Currently we are projecting close to $34-35 million in sales in 4-5 years time.

Ashish Rampuria: Yeah, maybe you would have mentioned Rodney used to do 60 earlier, and maybe market was $150. What I am trying to say is, with this new plan with the market in the US for our products grow exponentially, I mean are there any thoughts around that.

Pratik Patel: Yes, it should. See this process was set in place by Trump. So, if anyone has gone to US it needs do lot of investment in infrastructure, because the airport like we are now doing airport project at LaGuardia. So, in US needs to invest and once they are out of all these wars they will be investing a lot in the infrastructure and that may give us a very good opportunity for growth. So, what $150 million I am telling you right now is not a booming market, it is a market where it has been stationery over a period on time and this period of time has been 10 years. So, this market has not been booming for lot number of years. However they are all talking of huge investment and if that happens, we will see boom coming in US in next 2-3 years time.

Ashish Rampuria: Okay, fair enough. My question too is I think the last two updates you had released on your order book. I think one was ₹23 crores and another was again ₹20 crores limit, any reason because earlier we used to get order book in the range of ₹30-40 crores every month. Any reason for the last couple of releases, it has been in the range of ₹20-25 crores per month.

Pratik Patel: It is the first quarter of the year and first 2 months of the quarter. As I said everything goes down, so everywhere everything slow down because of that, but when you see next month we will see significant improve because now the orders have started coming in. This is always variable but the first quarter is always little bit slow.

Ashish Rampuria: Yeah, okay.

Diwakar Pingle: We will take the last question from the line of Navin. Go ahead.

Navin: Yeah. I wanted to know why the other income during the fourth quarter is lower.

Pratik Patel: See other income is nothing but variable exchange rate. We don't have any other businesses. So, when we send material and when we get payment after 90 days the difference between the rate at which we sell them and the rate at which we realize is becoming other income. Actual according to me it is not other income it is my business income. But as per the rules that has to be shown as other income, that is why it is shown as other income. If the actual variation is not high, then the other income would be low.

Navin: And what is a typical cancellation rate in the confirmed order book, which we see every year.

Pratik Patel: 0.1-0.2% and this also happen from unethical companies, most of the ethical companies don't do that. When I am talking of unethical companies, I am meaning to say that someone negotiated order and then some of our competitor went and offer at much lower price and then there may be some companies do that and then they may cancel the order.

Navin: So, one last question from my end constraining that our operations are size in US and other geographies are increasing. This lumpiness and execution do you see that coming down typically a first quarter is very low and as we progress the fourth quarter is the best quarter.

Pratik Patel: This is not, I could also wish like you wish but this is not happening. So it is still the first quarter is low, the second quarter is little bit improved, the third quarter is doing good and fourth is booming it is still like that.

Dharmendra Jain: 18-19 it is there but from 20-21 and 21-22 both are because of Covid it will down by the first two quarters.

Pratik Patel: As always Covid is hitting us in March and April.

Dharmendra Jain: But 19 and 19-20 if you see it will be more or less same four quarters in the standalone.

Navin: Thank you. Yeah.

Diwakar Pingle: Thank you so much. The next questions for my new Sonal Minhas. Please go ahead.

Sonal Minhas: I want you to understand, you have a fairly decent track record of converting your PAT to your cash flows. So, what is the target to retire debt of roughly ₹150 crore you were talking about, to the earlier caller. Do you want to maintain these debt levels or do you want to retire them from cash flows over the next 2-3 years.

Dharmendra Jain: This ₹154 crore is including non fund. Our fund base loan is only ₹86 crore. We are regularly retiring whatever due. We are not deferring the loan and rest of ₹7 crore is working capital loan, so it will be required for regular day to day working capital need.

Sonal Minhas: Okay, got it understand that.

Dharmendra Jain: From last 2 years we have not increased any working capital loan.

Sonal Minhas: Got it. So, second question is a little more philosophical maybe there is no direct answer to that just wanted to understand, that you said that you work with private companies and they may be working with governments, most of these projects are with the government or with pseudo government entities, given the nature of the product I am assuming. So, is there a way in which, let's say there is a plan to diversify where the end order of the project is actually private corporate and more and more private corporate so the products, which are maybe relevant for let's say a wastewater, sewage treatment plant or private, maybe I'm wrong in understanding just want to understand this.

Pratik Patel: You are not wrong. If you see the way the international business is going, let us talk about UK. The British government needs a six-year framework. Government does not operate water or wastewater facilities, its all privatized. It is also going in that direction, how soon it will happen no one knows but if you see in Nagpur most of the water distribution is privatized now. So, this ₹2,000 crores project order to Suez and they are privatizing. So slowly in India also we are seeing a trend where instead of government handling water and wastewater, the private companies are doing it for the government and charging per liter water supply. So that is the future, that could happen and whatever is happening it happens here also but these have happened only in advance countries in the world and not everywhere.

Sonal Minhas: Sir okay. Just following on this one, the valves and the pumps they are not relevant for the discharge or a sewage discharge made from let's say a manufacturing plant or a manufacturing setup, that's not the relevant segment here even in the future.

Pratik Patel: Yeah. Everything goes in the same treatment plant depending on capacity a big pump may be required, big valve will be required or a small valve may be required. So, all the products are bundled together into a single project.

Sonal Minhas: Understand that. So, let us say that the government will be privatized that but right now the end user of these is government larger treatment plans, not the smaller individual treatment plants at a manufacturing setup, maybe using.

Pratik Patel: So, overall 70-80% ends are with government, 20-30% owns with private companies plants like Reliance Jamnagar or NTPC, etc. So, 20-30% goes to private entities and 70% or sometime 80% goes to end client as government.

Sonal Minhas: Got it. So, even the private ones we are talking about here are large private names which you talked about, like NTPC.

Pratik Patel: Because small one don't need. And small one we are also not competitive as I said before. So sometimes we also don't address that market.

Sonal Minhas: That's it form myside. Thank you.

KE Garg: Wanting to understand whether we are presenting Chinese market, and also are we facing any Chinese competition in China as well as outside of China.

Pratik Patel: China is out of accounts for us. I was very hurt on a project that we were supposed to get it but when situation between India and China spoiled and China and America spoilt. It was Shenzhen around $2 million and we lost it. They gave it to European competitor, because China is not transparent, they can do whatever they want. So, China is not our focus market. But Hongkong is, fortunately in Hong Kong Chinese companies are not getting an easy entry. Hongkong is very quality conscious because British used to run that country. So, we don't see much of Chinese competition because as I said our business is not mass production and China is very strong in mass production and they don't like to go where custom made with long discussion and long correspondence is involved because they hate English correspondence.

KE Garg: Also, sir wanted to understand that is our main competence is fabrication. The products that we are manufacturing, basically is it the fabrication process that we are using.

Pratik Patel: Casting as well as fabrication. So, out of the total business which we have close to 30-35% business come from cast products and balance from fabricated products.

KE Garg: Okay. So, basically the skill sets that we have in our company and the infrastructure we have. So, can it be used in some adjacent market for the products that we aren't already manufacturing but we can use the same skill set to manufacture that. I hope I am making sense to you.

Pratik Patel: You are making sense to me but it does not make marketing sense because I have to go into a virgin market and create a name. Whereas I have already created a name and I have lot of potential to address. If there was no potential to address in the current market where we play than I would have done what you suggested. It is not so the case today.

KE Garg: Great. Sir best of luck to you.

Pratik Patel: Thanks

Diwakar Pingle: So, can we have a closing comments from Mr. Patel.

Pratik Patel: Thank you everyone for patiently hearing me out. Sometimes I believe I go too long on most of my things but you have had enough patients to hear me out for 1.5 hour now. In case anyone has any further question they can always write to Diwakar or to me and whoever like to visit us I assure you please come here and you will be impress with the infrastructure that we have put in place today in our facilities and you will not regret your visit to Indore. Thank you everyone for hearing me patiently and for being with us during this time. Thank you