

14.08.2025

To,

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

Symbol: JASH

**The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.**

Scrip Code: 544402

Sub.: Transcript of Q1 FY26 Earnings Conference Call

Dear Sir/ Ma'am,

We are enclosing herewith the transcript of Q1 FY26 Earnings conference call with the Investors held on Friday 8th August 2025.

You are requested to take the aforementioned information on records.

Thanking You,
Yours Faithfully,
For JASH Engineering Limited

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





“Jash Engineering Limited
Q1 FY26 Earnings Conference Call”

August 8, 2025

**MANAGEMENT: MR. PRATIK PATEL – CHAIRMAN & MANAGING
DIRECTOR**

MR. DHARMENDRA JAIN – CHIEF FINANCIAL OFFICER

Siddesh Chawan:

Good morning, everyone. I am Siddesh Chawan from Ernst & Young, Investor Relations and I would like to welcome you to the Jash Engineering Q1 FY26 earnings conference call.

I would like to indicate that all participant lines will be in a listen only mode, and there will be an opportunity to ask questions after the opening remarks conclude. Should you need to ask a question, please select the raise hand option under the reaction tab of the Zoom application. We will call out your name and then request you to unmute yourself to ask the question. While asking, please begin with your name and your organization. Please note that this conference is being recorded. The recording will be made available on the website within a day, and the transcript of the call shall be made available subsequently.

To take us through the results and answer your questions. Today, we have the top management of Jash Engineering limited represented by Mr. Pratik Patel, Chairman and Managing Director, and Mr. Dharmendra Jain, Chief Financial Officer.

Before we begin, I want to remind everyone about a safe harbour related to today's earnings call. Comments made during the call may contain forward looking statements that may involve known or unknown risk, uncertainties and other factors. It was previewed in conjunction with our business risk that will cause future result performance or achievements to differ significantly from what it is expressed or implied by such forward with the statements. After the end of this call, if you need any further information or clarification, please do get in touch with me.

With that said, I will now hand over the call to Mr. Pratik Patel, over to you, sir.

Pratik Patel:

Good morning, everyone, and thank you for sparing your valuable time to attend this investor call. First, I would like to briefly update you on what has happened in this quarter. As those who have reviewed the results posted on the NSE and BSE will have noticed, our performance in the first quarter was somewhat subdued. This was primarily due to our decision to defer some deliveries to US because of uncertainty relating to tariff, as well as some deliveries that could not take place as planned. So mostly it was the standalone of Jash Engineering which has contributed to this situation. At Rodney Hunt, Mahr, Waterfront and other subsidiaries, we have increased our revenue. However, at Rodney Hunt, due to the tariff situation plus new intake of people, losses have risen slightly compared to last year by \$1,00,000.

Moving to the consolidated order book, it remains strong at Rs. 875 crore, with a healthy pipeline as well. We are entering into new markets, like Vietnam, Japan, Israel and we are now trying for South Africa as well. So, we expect the healthy growth to continue, since we are expanding the market, and the demand also is quite strong from the existing markets where we are.

We have recently commissioned our new facility in Shivpad, from where we are hosting today's investor call. With this commissioning, we expect improvement in our output from Chennai facility. This facility will also be used for WesTech, a company in which we are acquiring a 90% stake. The due diligence is at an advanced stage, and we hope to complete everything by next week and include this company as our subsidiary by next month.

However, the biggest problem we are currently facing is the US tariff uncertainty. Earlier, the tariff applicable on us was 25%, plus 25% on stainless steel, and as of two days back, this has become 50% already. This puts a lot of pressure on the orders which we have already taken from America. We are in discussions with our clients, and in some cases, they have agreed to partly compensate us for the increased tariff, though this is not true in all cases.

To mitigate this, we have decided to build a new plant in Houston. Earlier we were going to build the office, but during my visit to the US in June, when the additional 25% tariff on steel and stainless steel was announced, we decided to defer the plan to build the office, and instead, we are now going to first build the plant in Houston. This plant was originally scheduled for 2028 but will now be completed in 2026. At the same time, we are also increasing our capacity in Orange, because in time to come, we have to increase our output from US plant in the revenue of Rodney Hunt from the current 30-35% to around 65-70% in the coming years.

By doing these two expansions and by the acquisitions which we are going to do of WesTech and another company in the UK, for which nearly the deal is done, the process of due diligence will start within August, and I would like to wind up that deal in September. So with these two acquisitions and the expansion that we will do in America, we are sure to mitigate all the risk associated with this tariff situation over the next few years.

With that, I would like to go on to the financials. As you can see in Q1 consolidated, our revenue has increased from Rs.116 crores to Rs.133 crores. Our gross profit has also marginally increased. However, as a percentage, it has come down little bit, 1%. Our EBITA has gone down by 4% and the profit before tax, last year we had minor losses and this year, this has increased from Rs.0.4 crores to Rs.6 crores and profit before tax and after tax both have gone down compared to last year.

When you see the standalone, as I was saying last year, the biggest set back has been the standalone revenue of Jash Engineering. So last year did Rs.92 crores as against that we have done Rs.82 crores this year. There were two reasons for it, one was we could not dispatch material for Rodney Hunt due to uncertainty on the applicable tariff. And another was some of the deliveries in India also could not happen. The production was done, it could not happen. I would like to state here that Rs.28 crore worth of material was dispatched but because of US gap practice, we could not take them in our revenue in Jash Engineering. In Shivpad, revenue has increased in Rodney Hunt revenue has increased, in Waterfront also revenue has increased. However, the profit after tax as reduced in Jash Engineering because

of the reduced revenue. In Shivpad that is not a big reduction but then in Rodney Hunt last year, we had \$0.8 million loss in the first quarter, and in this year it is \$0.9 million, this is mostly because we are now rebuilding Rodney Hunt to take care of future increased production requirements. So, we are adding people in Rodney Hunt at production level and at other levels, so that once all the new expansion is done, we have a team which can take care of all the issues related to production. In Waterfront, we have had a loss of Rs.0.4 crore. I believe this is temporary in nature, and Waterfront also would be in profit this year. So overall, I would like to state that we still maintain our projections given at the start of the year that it is Rs.860 crore and with profitability anywhere between Rs.80-110 crore depending upon what finally turns out on the tariff. If tariff continue to be 50% then definitely will take a hit of \$1-2 million resulting in a somewhat lower forecast on profit after tax. However, we have to see if we as a country are able to arrange a deal with America or not. So, my response on the PAT would be more sure 1-2 quarters down the line, when we know clearly what is going to happen on the tariff front.

This is a consolidated income statement for Q1, you can see there is not a very big difference in comparison to Q1 FY25. The revenue increase at Jash would have compensated for all the shortfall which we are seeing now. And we hope that in Q2 and Q3 things will improve at standalone basis at Jash, so that we would be able to show improved performance. I would also like to reiterate that the first quarter has historically been challenging for us, so this is not a major cause for concern at this stage.

The revenue composition, you can see 69% of our business is coming from water control gates, 14% from screening, 10% from valve and 7% from hydro power and various other groups. The geographical contribution is quite spread out now, India is 42%, USA is 37%, rest of the world is close to 20-21%. So, this is a very ideal scenario for us, where the geographical contribution is quite diverse worldwide.

Our consolidated order book, as on first August is Rs.875 crore, of which, outside India we have Rs.574 crore, and within India we have Rs.301 crore. As I told before, we are reviving Mahr Maschinenbau and in Mahr Maschinenbau we have already got Rs.24 crore order book. Rodney Hunt order book is also strong. However, we are not going presently aggressively in taking orders in Rodney Hunt because of this situation of tariff and until we build up our additional facility in America, we have to be cautious if the tariff situation is not solved.

On a standalone basis, Jash Engineering has a healthy order book of Rs. 500 crore. We expect all these companies to achieve the forecasted results before. In the case of Waterfront, we have an order booking of Rs.9 crore. We have aggressively started marketing in the UK. We are building up our team by acquisition of one more company. We hope to become a pan UK company, and in 3-4 years, our target is to become the biggest sluice gates manufacturer in the UK.

Our pipeline of new orders is quite strong. We have already negotiated orders for Rs.28 crore, and we have around Rs.56 crore worth of order under negotiation. We have a quite strong conversion ratio of the orders which we negotiate. And so, I believe that our order booking would remain within the range of Rs.50-60 crores to Rs.100 crores every month.

If you remember, at the beginning of the year, I had said that we are looking for combined revenue of Rs.860 crore, which I am quite confident of achieving and also going a little bit above this. However, as I said, all our well laid plans presently are in chambers because of the USA. So we hope some clarity is there on the USA front. However, even if there is no clarity on USA, the revenue would be in excess of Rs.60 crore this year, only it may result into some variation in profit projection, but I am still confident, on view of the profitable orders that we have taken already, that we would be improving upon the profit which we had declared last year.

As I mentioned earlier, our new plant in Chennai is now operating from the first of August, commercial production has started. We have got all the necessary permissions and with this now, we are in a position to increase our output from Shivpad, the process engineering division from Chennai.

Once we acquire WesTech, which has a revenue of Rs.55 crore, and combine it with Shivpad's Rs 44 crore revenue, the process equipment division will have a total combined revenue of around Rs 100 crore. With this plant commissioned, both industrial and municipal production can be done in house, resulting in a lot of saving. The commissioning of this plant would help, along with the WesTech acquisition will ensure that the plant gets loaded up with more work sooner than later.

Regarding WesTech this was a subsidiary of WesTech USA. WesTech USA has 80% stake in WesTech India and the remaining 20% was owned by the employees. We are now taking 100% of WesTech stake from the USA and 10% from the employees. And the remaining 10% we will take from the employee after 3 years at pre agreed valuation.

WesTech brings us entry into high growth industrial segments which is in mining, metals and paper industries, where we were not that dominant or existing earlier. The biggest advantage WesTech brings is nearly the same type of equipment but in lighter duty we are making for municipal. With the industrial portfolio coming in WesTech also on its own can grow aggressively because they get a better product mix and Shivpad also benefits because they get an enhanced engineering team of WesTech to support them.

The combined turnover of this division, of WesTech and Shivpad would be around Rs.100 crores as per last year financials. We hope that with WesTech being merged with India we would be able to take the process equipment division from current Rs.100 crores to Rs.200 crores in 3 years time.

Another major advantage of acquiring WesTech is its seasoned team of 26 people, of whom 24 are ex-Dorr Oliver professionals with extensive experience. This is significant, as I have often said that manpower is one of the biggest challenges today. Acquiring such an experienced and profitable team will enable us to enhance both the financial and operational performance of the entire division in the coming years.

It will also strengthen our Jash Invent product portfolio, as the industrial market for Jash Invent is significant, and WesTech brings strong industrial business capabilities to support it. Overall, I would say WesTech will be an excellent addition helping us as a group, as well as individually in many of our subsidiaries, to grow faster with its expanded product range.

With this, I would like to conclude my presentation, and I would like to take any questions you have. Thank you.

Siddesh Chawan:

Thank you, sir. We will now begin the question and answer session.

Gentle reminder to all the participants to ask a question, please select the raise and option under the reaction tab of zoom application. We will now wait for a moment until the question two assemblies.

We will take the first question from Suruchi Parmar, please go ahead.

Suruchi Parmar:

Good morning, sir. I am Suruchi Parmar from NX Wealth Management. Just wanted to ask a question like last concall I remember you have told that in Orange plant, you have some labour problems. So, while you are planning to increase your capacity in Rodney Hunt, and also in Houston, you are planning for the plant setup. So will this be a problem with labour shortage, and how you are going to deal with it.

Pratik Patel:

Orange labour shortage is there, and Orange key management is a problem. These are the two problems in Orange. However, there is the BABA Act in America, and BABA Act in America mandates that for certain type of projects by 2029, 90% of value addition has to be done in America.

I would have to invest in America. Now where to invest? We are investing in Houston, because we are facing some problems with the availability of people in Orange. So we are investing in Houston. However, the Houston facility will not be able to take care of all the production that we are planning in America, so Orange also will coexist, now because we are missing problem, I cannot say we will do nothing in Orange. We have to grow Orange also get a better team of people, maybe hope more and more people will be willing to work in America in time to come in manufacturing. And with that positive note, we have to go ahead. I have got a big infrastructure in Orange. I cannot keep it aside and plan similar infrastructure in Houston. So I do believe we have a chance to get our act right in orange with competent manpower, we have put a new operations head in America who has been

with us for a few months, and I am quite confident he has the capability to turn around our situation in Orange.

Suruchi Parmar: Sir you said in your opening mark that if the same situation of tariff continues, then we get a hit of Rs.1-2 crores

Pratik Patel: Its \$1-2 million that is Rs.8-15 crore.

Suruchi Parmar: Okay. This is because while your plant is still under construction in Houston and after the Houston facility and your wrap up in other Rodney Hunt and Orange. It will improve the situation, or still, you will face such problems if the same tariff structure continues.

Pratik Patel: So please understand the tariff affects only the orders which we have already taken and which we are going to make in India. Tariff does not affect the new orders. The new orders we are already increasing, whatever is the tariff adding to it for India sourcing and quoting. So the available orders in hand only are going to get affected and out of that orders which are going to be produced in India, not the whole Rodney Hunt order book, only that part of orders which are going to be produced in India that is going to be subjected to the increased tariff.

Suruchi Parmar: Okay. What about like the figure for new orders you received in the first quarter?

Dharmendra Jain: We have already made provisions for what has been done. It was 25% earlier, and now it is 50%. For new orders that we have booked, we have factored the tariff into the estimates, though some of the orders may be from last year.

Suruchi Parmar: Okay. Thank you, sir.

Siddesh Chawan: Thank you. Next question is from Dheeraj, please unmute yourself and go ahead.

Dheeraj: Thank you for taking my question, sir. Can you please throw some light on these cross margins? However, we are in line to achieve the top line guidance, and we are given but going forward how can we estimate the gross margin to shape and what is the reason behind. There is a slight dip in gross margins last quarter two and this quarter two. So, going ahead, how can we take these margins and what is impacting these margins?

Pratik Patel: The difference in margin is only about 1%, if I understand correctly, between last quarter and now. Irrespective of whether we manufacture in India or America, there is no significant impact on the gross margin. When we produce in America, we work on an American cost basis sourcing raw materials from the US, paying US labour costs, and covering US overheads then adding our margins on top. So, the dynamics remain the same whether production is in America or India.

Compared to our competitors in America, our position is favourable because we have a team of 25-30 engineers in India supporting estimation, project management, and design

engineering at a comparatively lower cost. This enhances our competitiveness and allows us to capture higher margins than they can.

Additionally, given the current push to produce in America, all players are facing similar cost pressures. If they were earlier sourcing materials from Mexico or China, that option is now restricted, so everyone's costs are rising in line with the higher American cost base. Therefore, this situation should not negatively affect our margin profile.

Dheeraj: Okay, sir. Can you tell me how much revenue has been booked from the Kansas project this quarter?

Pratik Patel: From the Kansas project I cannot give a breakup like that, but around I would say, out of the Rodney Hunt revenue at least 15-20% must be from the Kansas project.

Dharmendra Jain: 45,000 in this quarter, because of Kansa product

Dhiraj: Okay, got it and just one last question, then I will fall back in the queue. In this quarter, the screening equipment revenue has decreased a little bit compared to YoY in our revenue.

Pratik Patel: We cannot compare quarter to quarter output of different products. We are in custom build. We are not in mass production. So sometimes certain products are required more, sometimes certain products are required less. So annually or quarterly, you cannot compare different product output.

Sometimes the gate may be more, sometimes the screen may be more, sometimes the valve may be more. It all depends upon the project, which type of projects we take and which type of projects are coming out to tender.

Dheeraj: Okay, so is this mix between screening equipment and gates is also affecting the gross level

Pratik Patel: No.

Dhiraj: Okay, sir. I will get back in queue.

Siddesh Chawan: Thank you. The next question is from Navani. Please unmute herself and

Navani Naredi: Hello, yes. Hi. This is Navani Naredi from Naredi Investment Private Limited, and I have got 2 to 3 questions. So first of all, I would like to know how the performance of disc filters in this Q1 FY26 and how much it has contributed to the overall revenue.

Pratik Patel: No disc filter was delivered in Q1 we have got order for 6-7 disc filters, they are all at approval stages, and this disc filters, orders would be executed in Q2-Q3

Navani Naredi: All right, and what is the reason behind the decline in domestic demand?

Pratik Patel: Of which item?

Navani Naredi: Like the results, I could see like there is a decline in Shivpad.

- Pratik Patel:** There is no decline in domestic demand. On the end of the quarter, we have to deliver material. Now, if the client is not opening an LC, we generally do not deliver the material. We also delivered Rs.28 crore worth of material in the quarter, but they have not been taken in revenue because they did not reach the site on the last day of the quarter. So, if you see overall order booking for domestic business has increased. So the demand scenario, on annualize basis you can say, but quarter basis the reason is sometime also, if the payment have not come, we don't deliver the next lot of material.
- Dharmendra Jain:** The opening and closing reversal net effect is Rs.13 crore approximately, because last year the closing reversal is around Rs.18 crore, whereas this year our closing reversal is Rs.28 crore, so Rs.9 crore is the closing reversal effect and opening reversal also reversal. Because in last quarter of March, it's reversal is of Rs.39 crore, whereas this year Rs.35 crore. So, overall Rs.13 crore effect is reversal. So the actual effect is there.
- Navani Naredi:** So like for the whole year, FY26 guidance for Shivpad will continue to stay strong. Can I assume that.
- Pratik Patel:** All the four subsidiaries, the guidance would be there. We are expecting to touch Rs.860 plus something. Rs.860 I had informed then too it is a conservative figure, so we are still maintaining the guidance. As I said, the only problem that may occur is not on the top line. It may occur little bit on the bottom line because of this tariff situation, we don't know every day Mr. Trump changes his statement. So how can I, as a manufacturer, plan for all those things. So, until there is some stability on the tariff front, I will not be in a position to say how our will be hit by the tariff or and what it would result into in our PAT. That's why I gave a guidance that with Rs.860 crore revenue, our PAT profile would be within Rs.80-110 crore range, depending upon finally what happens at the tariff level.
- Siddesh Chawan:** Thank you. We will take a next question from Sushil Dhoot. Please unmute and go ahead.
- Sushil Dhoot:** Thank you so much for the opportunity, sir, I have a couple of question. First, when we should expect the US plant to start full-fledged production?
- Pratik Patel:** Within 2026. So in June, we took the decision to defer the office and build the plant. In July, I gave the drawings. In August first week, we have got the initial reports from the city about what is possible, what is not possible. It will remodify our plans and circulate in August, and I expect to get approvals by November, December, construction would start. Houston facility construction is expected to start. We already placed the order, by the way, so the construction is expected to start by January, February and we have been told 9 months are required to commission the plant. So definitely, even if there is a delay, completion is expected within 2026.
- Sushil Dhoot:** Thank you, sir. And second, how much Capex for this year and how much we are paying for the acquisition.

- Pratik Patel:** Acquisition, both the acquisition put together, we will be spending around Rs.40 crore
- Sushil Dhoot:** And any capex amount guidance, sir. How much we are spending this year.
- Pratik Patel:** Close to 40 crore.
- Sushil Dhoot:** Okay, and the last question, sir, is there any legacy orders are still there in our order book, which are margin direct, if I am not wrong, last quarter it was.
- Pratik Patel:** Legacy orders are there, but if they are profitable, neither you nor I should be worried. If there are legacy orders at a loss, then both of us should be concerned. The Kansas order in America is still ongoing, and I expect to complete it by January–February. This Kansas order is the only legacy order that carries a negative outlook for us.
- Sushil Dhoot:** Thank you so much for the opportunity, and best of luck.
- Siddesh Chawan:** Thank you. We will take the next question from Pariksit Kabra. Please go ahead.
- Pariksit Kabra:** Hi. Thank you so much for the opportunity. I wanted to double click on the demand side again, sir. I know you are saying that the demand has not changed, but if we look at the order book, even though the order book has been rising at a broad level, the speed at which is rising is falling consistently. So, we have peaked at 28% order book growth then went to 13%, 10%, 3% and this time it's minus 8% and what is also another trend is that in the export order book, we have not actually shown any major growth over the last almost 5 quarters. and the domestic order book has its own trend. But let me at least begin with an overall order book and the export order book. Can you please explain what is happening in the demand scenario here that why are we seeing the same kind of 15-20% order book growth that we were seeing earlier.
- Pratik Patel:** See one of the biggest reason is in America. Now, my order book in America, as of today is \$40 million. However, we do not have capacity to produce more than that present in America. So, I can take orders, but it would be like putting into a problem, because when you cannot deliver the older orders, and you keep on taking new orders, you will face problem. That is why we are building up capacities so that we can produce in America. The new orders in America are more and more BABA compliant, which means you have to produce in America. Now, if my capacities are constrained, I will prefer not to take too many orders so that I don't displease the customer, but you can ask, why did we not build up the capacity before. We did not build up because we were not so sure about high tariffs. If the tariffs are low, non-BABA jobs we can still do in India, but with high tariffs, even non-BABA jobs we will have to do in America. So, one of the major reasons has been low intake of orders in America because of that. So, we have not grown in the same rate in America, order booking wise, as we were growing before.

Pariksit Kabra: Perfect makes sense. And in terms of domestic the last two quarters, there has been a slower growth in order book. So is there any change in the demand scenario within India itself or is this just a matter of quarter to quarter trends.

Pratik Patel: It is also quarter to quarter trend. See, understand, last year, MCGM announced Rs.21,000 crore worth of orders for wastewater treatment plant. So, all those orders we also got was in the last year. Now, these all orders by the time they come in for MCGM, by next 2-3 months, all those orders would have come in. So obviously thereafter there will be no orders from MCGM, and then other projects will come and the order. So, our order accumulation also sometimes could be lumpy, but will not be like a commercial industry where every month a fixed intake of order will be there and they will grow every year. So, I would say we have to look at two things when we see an order book. As a company, I look at two things. One, what is my capacity. Can I deliver these orders within a year because if I take orders for more than a year delivery, because it is a fixed cost order I open myself to some risk, and the global uncertainty ensures that your well at plans can go wrong. So, if my capacity to produce is of Rs.800 crore, I should not take orders of more than Rs.1000 crore, that is how we plan. And in that case, what we try to do is, if we cannot take more order, we try to take more profitable order so that our bottom line improves. That is how we consider our order intake, not year on year or quarter on quarter.

Pariksit Kabra: Got it sir, perfect. Sir thank you.

Siddesh Chawan: Thank you. We will take our next question from Bala from Arihant Capital. Please go ahead, sir.

Bala: Thank you so much for the opportunities, sir. My first question regarding this Waterfront UK business, post acquisitions, we are lacking on that revenue target side. Just want to understand what kind of specific onboarding challenges are there for delaying and when we can expect the break even and how does this UK acquisition pipeline align with our diversification boards.

Pratik Patel: As far as Waterfront is considered when we acquired it, the team was only 9-10 people. Presently, it is close to 18-19, people. We have acquired one more shade, we have put in production facility in place. We are now recruiting people to start production. Production has been started, but it's a very low key production, but we are starting to recruit people to increase the production output in UK. Now why we are producing in UK, the reason we are producing in UK is because certain job need delivery in 3-4 months. This we cannot cater to from India. Same in America, same in UK, certain jobs have to be produced in UK because of the delivery issue. So, now to get everything in place in a manufacturing industry is not easy, manpower, machinery, place, etc. I am quite confident this year we would be able to break even. It will not continue like Rodney Hunt 3 or 4 years, I am quite confident this year we will be able to break even. And with our current new acquisition, we get a new product also, and we are going to the heartland of UK in the Midlands, which will bring us proximity

to customers, as well as a service center in the heart of England. So, with those developments, I am quite confident that the merge company Waterfront and the new company in time to come would be giving the same type of top line growth as well as bottom line growth in the coming years.

Bala: So, my second question, WesTech, India acquisition, like a post-acquisition like we aims to enter into industrial process, equipment, especially into mining, metals and paper side, and what kind of synergies we can expect with Shivpad municipal focus and how we will integrate WesTech team technologies without margin dilutions. And secondly, if you could throw some light on what kind of revenue and EBITDA and kind of margins, and what kind of cost in terms of purchase and if we are doing any subcontracting, and thirdly, what kind of utilization levels we can expect.

Pratik Patel: So what I remember, let me answer to you. Regarding WesTech, if someone had asked before WesTech or the company we are going to acquire before, I would not be able to reveal individual details, as I had not yet completed due diligence. But total sum is not going to be more than Rs.40 crores. They reported revenue of Rs.55 crore and profit of Rs.4 crore. so it is a profitable company. This addresses the financial aspect of WesTech.

Coming to synergy between Shivpad and WesTech - as I mentioned earlier, both the companies did not have manufacturing facility. . Now, with an in-house manufacturing facility, we have ensured there is sufficient workload to operate it profitably, while also enabling future growth for both companies.

Bala: Thank you.

Siddesh Chawan: Thank you. We will take a next question from Samarth. Please unmute yourself and go ahead.

Samarth: Hi, good morning, Prateek, sir. First of all, congratulations on a very resilient performance and laying down the expectations for the year. Sir, last concall you alluded to Saudi is a big opportunity for us and you said that we were exploring something in Rasul Kema or building a plant over there. So, anything happening on that front, sir.

Pratik Patel: Sanjay Sharma, our Vice President sales and marketing is in Saudi Arabia having meetings on the same issue. So, until we have all the data, then only we will be able to tell what we are going to do. But yes, we are still moving in the same direction.

Samarth: Sure, sir. One thing more, what is the current capacity that we are having right now? I mean, leaving aside US, we would be doing expansion also. So is it fair to assume that we have production capacity of more than Rs.1000 crores. And with the US expansion, which will take place in the meantime, maybe by the middle of next year, what is the kind of capacity we would have built up?

- Pratik Patel:** With the current capacity, including all the ongoing expansions, we will be around Rs.1000 crore. With the US expansion, this could go anywhere between Rs.1,300–1,500 crore, depending on how many shifts we are willing to operate .
- If we increase the shift - for example, at Shivpad where we have just started the production. if we are able to cope up, and if we are able to do three shift, Shivpad production will also increase multiple times. However, sometime I may have shifts, but if the client don't take delivery. I am not able to produce because these are heavy equipments. So, I would say conservatively Rs.1000 crore and Rs.1500 crore. Currently, Rs.1000 crore and with all the expansion Rs.1500 crore.
- Samarth:** Got it Sir and this capex would be through internal accrual only, or we would be needing funds for additional capacity, whatever maintenance capex and expansion capex we have.
- Pratik Patel:** So, America, we will not need to raise a lot of funds. We may plan for \$6-6.5 million capex in America, out of which we have already raised \$4 million one year back. So, in America the difference maybe \$2 million approximately for which the American banks are willing to give us loans. The capex would be only Rs.36-40 crore. And further, we need around Rs.40 crore for acquisition. So, I think we may go for minor debt. It would be minor. The company only has Rs.10 crore debt as of now. So may be another Rs.15-20, crore that we may take, but that is depending upon what happens with the tariff situation in America. If everything stabilized, we believe that the internal accruals will be strong, then we may reduce the extent of that.
- Samarth:** Got it. Thank you, sir. And just one final question, if I can squeeze in. I know it's a difficult estimate to make, but by the year end, is there any order book size we have in our mind that this is something at a baseline level we should be having, keeping in mind uncertainties and the new acquisition, tapping the market. So, any assumption on that.
- Pratik Patel:** Let me tell you one thing, if you heard what I answered to someone who was in the queue before you was if my production capacity is Rs.800 crore, I would not like to take orders worth more than Rs.1000 crore, it means around 13-14 months, 15 months order book.
- So, if this year we do Rs.860 crores and next Rs.1000-1050 crores, so we should have Rs.1100 crore order book by end of 31 March 2026.
- Samarth:** Okay, sir, I think that's very reassuring. Thank you. I was looking at that kind of a number only, whether we are targeting a pessimist view.
- Pratik Patel:** If we target 10 months to 12-month order book at the end of the year, and if it is little bit more, we can go to 13 or 14, but not more than that.
- Samarth:** Got it, sir. Thank you and all the best for the coming months.
- Siddesh Chawan:** Thank you. We will take the next question Kunal from Sunidhi. Please unmute yourself and go ahead

- Kunal:** Hi, sir. I just have one question. So, let's say, if the tariff situation is the same as 50% so the new orders that could be getting from US, will that be on the same margin? How is the negotiation over there and how is the competitive landscape now.
- Pratik Patel:** What has happened in America is, as soon as the tariff come in the domestic industry, from raw material supplier to all manufacturer, including Rodney, and in this their price. So, for the new orders, tariff is not an issue. Tariff is an issue for orders which we have already taken. And these are fixed price order. Some places we are negotiating with the client and they are good enough to accept our pain, but some places they say no, so that is where we get a hit.
- Dharmendra Jain:** We do not change any pricing policy because of any issue. We have the interest thing.
- Pratik Patel:** The tariff is added in the estimation.
- Kunal:** Okay, so that level of margins we will still be able to confidently make for the new orders.
- Pratik Patel:** Understand not only Rodney Hunt, everyone in US has increased.
- Kunal:** Okay and sir, now in the Houston plant, there will be proper foundry unit. There will be a proper machine shop, everything.
- Pratik Patel:** No, foundry in America. We have a big pressure to start the foundry, but we are not going to do it.
- Kunal:** Sir, any reason why.
- Pratik Patel:** We already have foundry in our campus, which we have closed down.
- Kunal:** Okay, sir, so there will only be like machine shop and assembly and testing unit, fabrication.
- Siddesh Chawan:** Thank you. We will take the next question from Pariksit. Please go ahead.
- Pariksit:** Hi. Thank you for the opportunity again. I was just thinking about what you said for my earlier question about how we are capacity constrained in the US, and hence the order book is not rising in the exports market. Our earlier strategy was that you would obviously supplement our US capacity using our Indian capacity, and the last quarter or the last few weeks, the tariff situation has got deteriorated so badly that's creating a question mark. But why would that have impacted the last 4-5 quarters, I am just trying to wrap my head around that.
- Pratik Patel:** Please understand, did you see the growth of Rodney Hunt. You cant grow like this forever, and the manufacturing capacities don't grow like that. So a day will come when you have to slow down. So from 18 we went to 26, from 26 we went to 36 but from 36 I am not going to 45 we now plan at 40.
- We cannot have such thing. In three years we doubled our turnover, consolidated turnover we doubled in three years. But do you think we can have the same scorching space forever

in a manufacturing industry, very difficult. I need to build up the teams first otherwise you will make huge mistakes. So we have started building up the teams. That is why our manpower cost has gone up little bit. So now we are building team for Rs.1000-1100 crore revenue. So, we will first build up the team, then take the orders, and then we will go ahead.

Pariksit: Got it sir. So any sense of when you think you will be in a position to expand your US order intake, because your capacity will be ready.

Pratik Patel: It is a relation to tariff, if the tariff is higher, we have to expand US and not take orders. If tariff is low, we can still deliver from India. So, it is a fluid situation as of now, considering that tariff may continue. I would say we would not like to grow aggressively in America, because all those orders would have uncertainty. We took some orders with 25% tariff. Now, as of two days back, 25% has gone to 50% so we feel foolish to take those orders now. So, we have to be certain about what is going to be the situation and then take the call. On an investor I cannot tell what we are planning and when we are going to do that, unfortunately, because it is not in my hand. It is in the end of Mr. Trump.

Dharmendra Jain: Expansion will take around six months to one year, so it may depend on the situation. So we will take accordingly.

Pariksit: Okay, thank you.

Siddesh Chawan: Thank you. We will take the next question from Krupanshu Shah. Please go ahead.

Krupanshu Shah: Sir, thank you for the opportunity, and my apologies for harping on gross margins again, but I just wanted to understand we do have some Kansas orders left and some low margin and loss making orders to go through. So, do we expect to go back to our gross margins of 55-60% going forward or will that be difficult for you to comment. That's my first.

Pratik Patel: It would be difficult, not because of the Kansas project, but because of tariff. Kansas project more than 50% already has been done, and it has been factored into our projections, tariff was not factored into our projections.

Krupanshu Shah: Okay, understood. And we also spoke about some large orders in Southeast Asia, Hong Kong few quarters ago. So has there been some traction over there that would be, thanks.

Pratik Patel: Yeah, some orders have already come in, and other order we are expecting within next few months. Overall, please let us understand one thing, it is not only India that is affected. Every country is in turmoil everywhere order placements and everything has slowed down. In fact, because of tariff, we lost a large order, which was nearly signed. We lost it because people were so much afraid to place an order because of the hard tariff being broadcasted by Mr. Trump on his social media. So, until the situation stabilizes, no one would be in a position to go ahead with their plans. I was in Japan, I was in Vietnam, everywhere it is a mess. No one knows how to go ahead.

Krupanshu Shah: Fair enough, sir. Thank you.

- Siddesh Chawan:** Thank you. We will take the next question from Ravi Shankararan. Please go ahead.
- Ravi Shankararan:** I want to ask you, at what percentage tariffs are you comfortable with. Let's say it stays at 25% is that.
- Pratik Patel:** See, 25% tariff will not hurt us. One of the reason why any tariff will not hurt us is as soon as tariff are announced, the domestic industry raises the price of their products in America. So, if Rodney Hunt costing is based on American costing than they are not going to bother about tariff. Tariff affects only for orders which you have already taken, and for those orders in tariff increases. Suppose I have taken an order with zero tariff and now it is 25 tariffs, then it hurts me. I have taken an order with 25 and becomes 50 tariffs, it hurts me. I have taken order with 50 tariff, and then I am lucky as the tariff goes down to 50, then I benefit. So, tariff will only affect us where we have already taken order, considering XYZ tariff, and then it has gone up. However, all the raw material pricing bought out pricing in America, not everything is produced in America, so everything is coming from outside. So as soon as tariff is applied, all the prices go up in America and accordingly we are considering those increased prices. So, for us, tariff hurts only when we have taken the order and there is a change.
- Ravi Shankararan:** No, but in the other scenario, let's say, for India's 25% and another country is say 10-15% for our competing company in some other region
- Pratik Patel:** 25% will not hurt us. If you remember, in early April, put out a message to NSE when 25% tariff was announced, and we are comfortable with that, it doesn't hurt us. The orders which we already had, it will address there, but more than that, it will not hurt us
- Siddesh Chawan:** We will take the next question from Akash Shah. Please go ahead.
- Akash Shah:** Hello, sir. This is Akash from Asian Broking Pune. So, I don't know if this question will apply to Jash or not, given the manpower situation for Orange and in general in different places, is there a way for using AI or any such tools to help us or not.
- Pratik Patel:** In manufacturing, AI will not be able to help us.
- Akash Shah:** Okay. No, I meant from a design perspective.
- Pratik Patel:** That we are already doing automation in design.
- Akash Shah:** Okay, all right. Thank you so much, sir.
- Siddesh Chawan:** Thank you. We will take the next question from Surya. Please go ahead.
- Surya:** Thank you for taking me. So, one question continuing from the earlier colleagues. So, you are telling that for the new orders, it is not problem. That means, for 50% uploading of the prices don't you think that the people will defer the orders or future orders, because in that case, the project cost will be very much high and obviously people will see that sometimes

maybe Trump will relent and it could be soften. So that kind of situation will emerge and may be demand deferment will happen.

Pratik Patel:

Slight deferment is already there. Understand you are a contractor, you took a job considering XYZ prices, and then the tariff comes in and the prices goes up. Then the contractor takes a hit if he has not placed the order, but if he has placed the order, the manufacturer takes the hit. So everyone is suffering. It is not that US contractors are not suffering, they are also suffering. I just to give you an example of the plant we are building in Houston. We place the order in May, June and already he is now talking about increasing the price, because his input prices have gone up. Because we did not give advance, we have no leverage, so I will have to increase the price, because otherwise he will say I will not do the job. So, everyone is going to suffer. Tariff is not going to make only Indian company or a Chinese company or a American or European company suffer, everyone down the value chain is going to suffer.

Surya:

So, how do you then tackle the old order where we are going to take a hit. So obviously the top line won't be having any issues, but the at the EBITDA level or at the margin level, it will be definitely having a very big impact. So, where the customers are asking, at the moment before 50%, 25% stays what the customers were, maybe you can say negotiating with us on a discount basis or what. If you can give some color to that.

Pratik Patel:

So, first of all, this is ironical. Jash does not take order in America, Rodney Hunt takes order in America, right.

And Rodney Hunt does not have to say where it is going to be produced until it is a BABA order that is built in America. So, Rodney Hunt can get from Jash India, can get from Waterfront, can get from China, wherever they want from. Client is not interested to know. It is a Rodney Hunt product that is buying. So for him, he has a fixed price at which he gets, where Rodney and gets it from he is not interested to know.

And so if the tariff is applied, Rodney Hunt will pay more for what Jash has given to Rodney Hunt, and Rodney Hunt and would have to absorb that. So, that the client, whether tariff goes up or tariff goes down, client is not going to talk to Rodney Hunt and about it.

Surya:

Okay. So, universal thing, though, it is a very tough question in your circle, what are the index list there or maybe Indian caucus maybe they are talking or what are you hearing about the tariff? Will Trump relent or that kind of stance will continue.

Pratik Patel:

I am not a politician.

Surya:

Among the industries, I am saying whatever let's say you could be talking to your circle. Maybe you could be reaching to a bigger circle.

Pratik Patel:

No one is happy with the situation, but no one has control over the situation. So, everyone is just assuming everything. You have to have the final conclusion on the tariff known before

anyone would be able to exert guess. I think we are still 2-3 months of conflict is going to be there.

Surya:

Correct. Thank you.

Siddesh Chawan:

Thank you. We will take the next question from Vedant Rane. Please go ahead.

Vedant Rane:

Thank you so much for the opportunity. So, I would like to ask how much percentage of US order book comprises where tariff is impacting, like orders before April, where tariff was zero.

Pratik Patel:

So, I would say we had around Rs.50-60 crore worth of deliveries from India to America. That's why I said \$1-2 million

Vedant Rane:

Okay, sir. Thanks.

Siddesh Chawan:

There is the question on a chat box from Ayush Rathi from Aditya Birla Money. While we are guiding Rs.860 crores revenue and a PAT of Rs.80 crores, have we accounted the Rs.8-15 crore tariff pressure to stay on a conservative side.

Pratik Patel:

Yes. See, there is another issue I have not talked about. If I get hurt by tariff, I also get benefit by depreciation of rupee. But the benefit of depreciation of rupee is on the whole export order, not only America. So that will go to the benefit of the company. So, I would say Rs.80 crores as I said was on the worst case. But some benefits will also kick in because the rupee will depreciate.

Siddesh Chawan:

Okay, thank you. We will take the last question for a day from Navani Naredi. Please go ahead.

Navani Naredi:

Hi, thank you for giving me the opportunity again. Well, I just want to tell you that I am very bullish on this business, and I have been following your company since 3-4 quarters now, and the only question about is the Saudi Arabia and the UAE business. Since, there is a lot of demand, which I think personally will be coming from that region. So going forward, can we see the change in mix like coming from Saudi and will you penetrate in that market more than the America or the Europe in coming years? And can we expect our top line to grow, like to double in next 3-4 years? Thanks.

Pratik Patel:

Top line we have doubled in 3 years. It is not realistic to expect we are able to double it in next 3 years. It is not possible. It needs lot of infrastructure improvements and capability enhancement. So, selling such dream, I would say it is wrong. But yes, we do plan to double the top line in 4-5 years. Four years also would be very optimistic, but five years is possible, point number one. Point number two on Saudi Arabia, see if Modiji says Make in India and America says make in America, Saudi is also saying make in Saudi. So, the reason we are investigating, setting up a plant in Saudi is not because the Saudi market is big, but because if you are not invested in Saudi the chance of getting orders is going to be bleak. So, that is

the reason our vice president presently is in Saudi Arabia talking to what can be done and how can be done.

Navani Naredi: All right, thank you, and all the best for the future, and I am looking forward to the next call. Thank you.

Siddesh Chawan: Thank you. That was the last question. I would request Pratik sir, for a closing comments.

Pratik Patel: So, it has been tough quarter and the situation in the market. However, I assure you all that at the end of the year we may still surprise you, not as before, but we may still surprise you, we still will maintain our top line. on the bottom line as I said so many things depends but it would not be horror story. The bottom line would be within Rs.80-110 crore bracket range depending upon how soon this tariff angle is solved. With that, I would like to conclude the meeting and say, once again, thank you everyone for patiently listening to me. If we could not address anyone's query, please approach Siddesh and he can send it to me, and we will reply to you. We have another investor visit planned today. More than 42 investors are in Chennai to visit us and so we are constructing time and that is why we cannot extend this any further. Thank you.

Siddesh Chawan: Thank you everyone for joining us today. If you have additional questions as Pratik Sir said you can reach out to us anytime. We wish you a good health and look forward to seeing you again next quarter. Have a good day. Thank you.

(This transcript has been edited, without altering the content, to ensure clarity and improve readability.)