JASH ENGINEERING LTD.

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12.11.2026

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 Q2 FY27 Earnings Conference Call

Dear Sir/ Ma'am,

We are enclosing herewith the transcript of Q2 FY27 Earnings conference call with the Investors held on Wednesday, 04th November, 2026.

You are requested to take the aforementioned information on records.

Thanking You,
Yours Faithfully,
For JASH Engineering Limited

TUSHAR KHARPADE
Digitally signed by TUSHAR KHARPADE
Date: 2026.11.12 18:13:36 +05'30'

Tushar Kharpade
Company Secretary & Compliance officer

“Jash Engineering Limited
Q2 FY27 Earnings Conference Call”

November 5, 2026

MANAGEMENT:

MR. DHARMENDRA JAIN – CHIEF FINANCIAL OFFICER

MR. SANJAY SHARMA - VICE PRESIDENT OF SALES AND MARKETING

Siddesh Chawan: Good evening, everyone. I am Siddesh Chawan from Ernst & Young, and I would like to welcome you to the Jash Engineering Q2 FY27 earnings conference call.

Before we begin, I would like to inform you that our Chairman and Managing Director, Mr. Pratik Patel will not be joining today's earnings call due to the unavoidable commitments. However, we have with us by Mr. Dharmendra Jain, Chief Financial Officer, and Mr. Sanjay Sharma, Vice President of Sales, and Marketing, who will take us through the results and address your questions.

I would also like to indicate that all participant lines will be in a listen-only mode, and there will be an opportunity to ask a question after the opening remarks conclude. 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 request you to unmute yourself. Kindly begin your question by stating your name and organization. Additionally, please note that this conference is being recorded. The recording will be available on the company's website within the day, and the transcript will be shared subsequently.

Before we proceed, I want to remind everyone about the safe harbour related to the today's call. Some of the comments made during the discussion may contain forward-looking statements that involve known or unknown risk, uncertainties, and other factors. This should be viewed in conjunction with our business risks, which may cause actual results performance or achievements to differ significantly from what it is expressed or implied. If you require any further information or clarification after this call, please feel free to reach out to me.

With that, let me now hand over the call to Mr. Sanjay Sharma. Over to you, sir.

Sanjay Sharma: Thank you, Siddesh for this opening remarks and warm welcome to everybody. Good evening to everyone, and just to introduce myself, I am Sanjay Sharma, heading sales and marketing function over here, and I will be now pleased to do the presentation for Q2FY27 and consolidated H1FY27 results as well.

So, in this quarter we have reported a revenue of INR 195 Cr., which is 22% higher than as compared to last year on YOY basis, and EBITDA is of INR 27.3 Cr. up 23%. PAT is INR 14.3 Cr. up 30%. So Q1 and Q2 put together the first half year revenue growth consolidated for H1 is INR 351 Cr., which is 20% higher, and even EBITDA growth is also 75% higher to INR 42 Cr., and PAT growth is also substantially higher at 239%. So, this is for the revenue.

Looking forward, we have a good and very strong consolidated order booking of INR. 955 Cr., out of which approximately INR 625 crore is from international markets and remaining

is from the domestic market. And we continue to grow our product portfolio, engineering capabilities, and our manufacturing facilities and further to that, we have also increased our project presence in new geographies like Saudi Arabia, Vietnam, Thailand. We are already very much there in countries like Hong Kong, USA, and UK. So based on this, our first half year performance and strong consolidated order book log and our plans for second half, we are pretty confident that we expect to do a very good second half year performance, and we should be able to meet the projections which were made in the beginning of the year.

So, as we already mentioned, total revenue is INR 351 Cr., up 20% from the last year first half. Likewise, gross profit margins have also increased this is 32% growth on YoY basis. EBITDA also has grown up by 75%, and PAT reported 239% growth.

Now, coming to the subsidiary-wise performance, Jash Engineering standalone revenue stood at INR 227 crore for the year, compared to INR 208 crore last year, representing a growth of 9%. PAT is also increased by 18%. In Rodney Hunt, there is a growth of 17%, and PAT is slightly on the negative side. For Waterfront, revenue grew by 8% to INR 23 crore, while PAT also remained positive compared to last year. For Jash Process Equipment, revenue was slightly lower at INR 21 crore, compared to INR 25 crore last year. Due to the lower revenue, PAT was also slightly negative during the period.

Coming to the consolidated order book, as mentioned earlier, it stands at INR 955 crore after deducting inter-company orders.

On a subsidiary-wise basis, Jash Engineering Limited has an order book of INR 561 crore, followed by Rodney Hunt at INR 391 crore, Mahr at INR 27 crore, Waterfront at INR 31 crore, and Jash Process Equipment at INR 32 crore. Of the total consolidated order book, around INR 330 crore is for projects within India, while INR 625 crore is for projects outside India.

In addition to the existing order book, we continue to have a strong order pipeline for the coming months. Orders worth approximately INR 46 crore have already been negotiated and are expected to be received during this month.

Additionally, orders worth around INR 129 crore are currently under negotiation and are expected to be finalized during this quarter.

This is the consolidated income statement, which provides both the quarter-wise and half-year-wise comparison with last year. The next slide presents our consolidated balance sheet.

Coming to the consolidated sales outlook, we continue to maintain our revenue guidance of INR 875 crore, which we had announced at the beginning of the year.

The breakup remains the same, with Jash Engineering Limited at INR 530 crore, Rodney Hunt at INR 330 crore, Mahr at INR 15 crore, Waterfront at INR 60 crore, and Jash Process Equipment at INR 40 crore.

As of today, we remain confident of achieving our INR 875 crore revenue guidance. However, there could be some headwinds. One of the key challenges we are currently facing is related to delivery timelines, particularly for products being exported from India to various international markets. Transit time has become a challenge, and we hope the situation will improve going forward.

If these transit-related issues improve, we remain confident of achieving our INR 875 crore revenue target for the year.

With that, we conclude our brief presentation and can now open the floor for questions and answers.

Siddesh Chawan: Thank you. We will now begin the question-and-answer session. Gentle reminder to all the participants. ask a question, please select the raise hand option under the reaction tab of the Zoom application. We will now wait for a moment until the question queue assembles. We will take the first question from Sanju Marwha. Please go ahead.

Sanju Marwha: Thanks for giving me the opportunity. I was just trying to think through, the medium-term EBITDA margin profile or PAT margin profile for the company over let's say next two to three years. So, there are few negative factors which might put pressure on EBITDA margin and there are few positive factors. And I was just thinking through. I will just share what's in mind and then I wanted to understand keeping these factors in mind, just wanted to understand what gives the confidence to the company that the PAT margins going forward will increase to let's say 13-14%, which I think Mr. Pratik mentioned in the last call. So, to my mind, the negative factor which I was thinking through was that going forward we will be increasing the quantum of onshoring. Like in Rodney Hunt, last time Mr. Pratik mentioned that 70% of the order book, which that around INR 390-400 Cr. for Rodney Hunt, which will be manufactured in US to mitigate tariffs, etc. and that will probably lead to reducing the India manufacturing arbitrage and then we are also scaling up Waterfront and Mahr, wherein you will have more UK-based manufacturing. So, in short, we will increase our focus in terms of manufacturing abroad. And the second was we will also have significant capacity addition in FY28 or FY29, depending on how the strategy goes, be it at Saudi or Orange and Houston US, and that will again in the initial periods for maybe one or two years when the capacity utilization would be low, we will have a period of operating deleverage, and till the time we have optimal utilization. So, in short these could be the key factors which could probably pull down the EBITDA the margin and probably the positive factors could be rupee depreciation or maybe the higher priced orders for last year which because of tariffs would have priced that basis our pricing strategy and we are executing now in a low tariff environment and probably tariff refunds which we are getting. So, I was just trying to think through the positive factors look more transient in terms macroeconomic related and less structural, which is dependence on tariff refunds or rupee depreciation and probably executing higher priced orders which will normalize over a period of time. So, I

was just trying to weigh in the negatives and the positives, and it appeared to me that negatives are more structural than positives. So, if you could just try to explain what gives you the confidence that over medium term our margins will increase and probably not moderate or normalize. That was my question. Sorry for the long question, but that's it.

Dharmendra Jain: On EBITDA, you have already covered the key points. Historically, we have generally operated at an EBITDA margin of around 18-20%, with 18% being a fairly normal level for us over the last few years. In one year, we also achieved an EBITDA margin of around 20%.

However, margins were impacted in 2022, and last year as well, mainly due to tariffs and the war-related impact. Once EBITDA comes down from the normal level, bringing it back to those levels takes some time and remains a challenge.

As mentioned earlier, we are targeting an EBITDA margin of around 21–23% over time. We believe this is achievable as our international businesses scale up. As the US business continues to grow, we expect its EBITDA margin to improve. Similarly, as Waterfront continues to improve its profitability, it should also contribute positively to our overall EBITDA margin.

Whenever we establish a business outside India, it generally takes a few years to achieve the desired scale and profitability. Therefore, our focus is on achieving the targeted volumes, particularly around GBP 10 -12 million for Waterfront U.K and USD 50 million for the US business.

Once we achieve these levels over the next one to two years, we are confident that we should also move closer to our targeted EBITDA margin.

At the same time, our fixed-cost base is not expected to increase at the same pace as revenue. Therefore, as revenue scales up, we expect to see operating leverage, which should support improvement in EBITDA margins.

Of course, any abnormal global developments could have an impact, but under normal circumstances, we remain confident of improving our EBITDA margin as the business scales.

Sanjeev Marwah Okay. So, my only thought process was that now you will be increasing the focus on onshoring. For example, you were talking about increasing order book execution when it comes to Rodney Hunt in US itself, and that's why we are setting up Orange and then Waterfront and Mahr also needs to be pulled up to meet the requirements of profits.

Dharmendra Jain: Earlier, the business mix between India and the US was around 75:25 or 70:30. Today, that ratio has moved closer to 50:50.

For example, if we have a pending order book of around 40 million, approximately 22 million is from India and 18 million is from the US.

With the increasing focus on local manufacturing and make in USA, the requirement for manufacturing capacity in the US is also increasing. This is one of the key reasons why we are planning to set up another plant there.

Additionally, labour availability at our existing location has been a challenge, which is another reason for considering the new facility.

Sanjeev Marwah Okay, thank you so much. That's all.

Siddesh Chawan: Thank you. We will take the next question from Dilip Kumar Sahu. Please go ahead.

Dilip Kumar Sahu: Sir, first question is regarding the gross margins. While across industries, gross margin has fallen because of this cost escalation across the board. Our gross margin has gone up, so that's one question. What actually led to that fall, and how sustainable those factors are? I think you explained to some extent the previous answer. Any detail on it.

Dharmendra Jain: We generally do not evaluate gross margins based on the half-yearly performance alone, as they can vary depending on the order mix. For example, if one or two large orders with relatively higher margins are executed during the period, the overall gross margin for that half year can increase.

However, on a full-year basis, these variations tend to average out. Therefore, we are more focused on the annual gross margin.

If you look at our historical performance, our gross margin has generally remained in the range of **55-60%**. In FY2026 as well, it was around **57%**. Therefore, the current gross margin remains broadly within our historical range.

Dilip Kumar Sahu: No, I understand that but because across if you look at other manufacturing companies, usually it is compressed in the current quarter and in last quarter because of all the issues that we know. There is a huge inflation across all material costs have gone up. So, that was the reason. But I understand and you are confident that this gross margin 55-60% will be there across INR 870 Cr. that you are committing.

Dharmendra Jain: You can be more confident about the sustainability of our gross margins if you look at our performance over the last five years, during which our gross margin has consistently remained in the 55-60% range.

Dilip Kumar Sahu: Great. Second question is regarding this new acquisition of process engineering business of WesTech that we talk, you have brought in. How has been the integration? It looks like there has been some headwind we are facing because you alluded to some integration issues in last quarter. How are you poised in terms of getting value out of this acquisition in the future.

Sanjay Sharma: When we acquired WesTech, this process equipment. I mean WesTech India, which we have now renamed it as Jash Process Equipment. So initially, last year they had some setbacks in terms of order acquisitions. In fact, when we acquired them, so they lost some major orders.

So, due to which, when we started this year, their pending order booking and their order backlog was very low. So that's what is reflecting this year. Wherein earlier last year, say they were about INR 50 Cr. and this time they are projecting at about say INR 40 Cr. So now in the second half, there is the expectation that there will be few major orders which will be now received, which will improve the situation in Jash Process Equipment from wherever they are. Coming to the integration between the two companies, I can say that yes, that work is now in progress. They have their own ways of doing the costing. Their costing philosophy was different, so we are integrating their processes with our Jash standard. I would say processes, SOPs that is there and important is that their technology, there they have a lot of designs. So, what we are also doing is that earlier their entire manufacturing was outsourced. So now what we are doing is that few of their products we have started manufacturing inside the Jash Engineering premises in Indore. So, that improves the situation and case to case basis, depending on the merit of the product, merit of the order. So, we are now taking few orders for manufacturing in Indore, and remaining orders they continue to be manufactured as per the existing process. But there also now we are having much, I would say, closer monitoring and better controls over there. Secondly, there are few products that Jash Process Equipment want to develop. Earlier, they were not able to develop because of the constraints on I would say financial side and all that. So, with now Jash on board, they are also now going ahead with development of new products. So, and in the second half, as I mentioned, we are expecting some good orders, which will then definitely help them to improve the situation. And with this pending order booking, as by end of this year, it will become very healthy. And we are pretty sure that yes, from next year onwards, we will see a lot of improvement in their performance in terms of revenue. Another thing that with the coming of process equipment, this company is that they have some good designs and good, I would say, technologies which we have adopted and inducted in Jash products basically for our water and wastewater sector. So, when we have adopted and we have taken over their technology, it has added to our product range also. Just for information, one product that we added, we have already received orders for about 18-20-30, and we will continue to get that orders. So, these are the positives. Long term, we are very much confident that Jash Process Equipment will perform very good overall for the company.

Dharmendra Jain: If you look at Jash Process Equipment, last quarter we were not very positive about the outlook. However, this quarter we have seen a good improvement in order inflows, which gives us greater confidence going forward.

We expect to close the year with a healthy order book, which should provide good visibility for next year as well. Therefore, we believe the business is now on track.

Dilip Kumar Sahu: Sure, sir. Sir, my question regarding next year, while you haven't given any definite forecast for next year, your long-term growth plan of 15%. If I go by that, you do around INR 1000 Cr. plus next year and the run rate orders that you should get is around INR 90-100 Cr. on a

monthly basis for us to go there. Somehow, I am not seeing that kind of momentum coming up. While in one month we reached INR 100 Cr. plus something, but in general our average last 10 months of order inflow is much below that INR 1000 Cr. So, can you give some idea about how exactly will ramp it up say from INR 65-70 Cr. monthly to INR 90-95 Cr. monthly average for next 12 months.

Sanjay Sharma: You see, over last time, let's say six months, our average order intake would be slightly higher than INR 60-70 Cr. In fact, this month also we have reported higher order intake for this month, and I would say wherein every month we will not get the consistent on that value say INR 70-80 Cr, and at times there are some big projects which come up for finalization at this and in the same quarter in the same period, and from all the different subsidiaries. So, there would be some spikes at some point of time. So overall, we are confident that that INR 1000 Cr. pending order booking, which presently we are having, so slowly definitely it will go beyond INR 1000 Cr., and we will take it further beyond INR 1000 Cr. i.e., INR 1050-1100 crores. As I mentioned, that we are we are we are adding our product range. We are going into new sectors also, and in export market also we are getting into new geographies. Like we are already very strong in existing our businesses like Hong Kong, Singapore.

We are also looking to expand into new geographies such as Vietnam, Indonesia, and other markets, along with expanding our product range.

With the addition of new geographies and products, we remain confident of further strengthening our consolidated order book. Over the last two to three years, we have consistently seen an increasing trend in our consolidated order book.

Considering these growth initiatives, we are confident that our pending consolidated order book can reach INR 1,000 - 1,200 crore, and we expect to cross the INR 1,150 crore level in the near term.

Dilip Kumar Sahu: Thank you, sir.

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

Vinayak: Hi, sir thank you for taking my question. Sorry, I must have joined through. I could repeat what you have already said. Just wanted to check on the growth part in India, this quarter has remained subdued. What was the reason for that? And also, Rodney Hunt was quite surprising. It was quite opposite. So, could you just tell us what was the reason for these opposite poll performances in these both subsidiaries?

Sanjay Sharma: What happened during the quarter was that several orders had already been dispatched and invoiced, but because of the applicable delivery terms, we could not recognize them as revenue. At the September closing, we had approximately INR 46 crore of such orders.

Most of our orders are on destination-based terms, which means the material has to reach the customer's location before the title gets transferred and we can recognize the revenue. At the end of September, these materials were still in transit.

So, this had an impact on our Q2 and overall H1 numbers. Even if 50% of this INR 46 crore had been recognized during the quarter, our reported numbers would have been better.

Going into Q3, we start with this INR 46 crore spillover from September. In addition, our standalone business recorded approximately INR 56 crore of revenue in October. Therefore, we expect the spillover, along with the ongoing business, to support our performance in Q3 and the overall 90 days period ending December.

Vinayak: And sir, on Rodney Hunt, if you could give some comments on the performance there and how is the order book getting there?

Sanjay Sharma: Rodney Hunt overall pending order booking is around USD 40 million. As we already mentioned in our presentation also. It is in terms of INR 391 Cr. quite healthy, and in terms of business, I would say we continue to have lot of opportunities in US. So, order booking as such is not a point of concern. So, that is something that we are relatively quite confident that we will be able to achieve those numbers.

Dharmendra Jain: I would like to add here is because of the tariff there is uncertainty full last years. So, last year we have dropped down from USD 34 million to around USD 30 million, and this year we hope that we will achieve around USD 36 million this year. So, May is not as per the total target revenue, but always our Q3 and Q4 is higher side. So, we definitely achieve the USD 35-36 million turnover this year in the USA, which is higher than the USD 25 million.

Vinayak: So, could you also comment on the new plant contract that we have already given.

Dharmendra Jain: Not yet. We have appointed an AMC contractor, who is one of the leading contractors in the USA, and we have shared all the offers received with them. They will evaluate the two or three proposals, provide us with a comparison, and then we will select one of them based on the AMC contractor's recommendation.

Most probably, during November, we will allot the contract to the contractor recommended by the AMC contractor. The work should then start from the first of December or as per the contractor's execution plan.

So, within the next one month, we expect to finalize the contractor and start the work. From there, it will take approximately 12 months for the commissioning of the plant.

Vinayak: So, sir, on the amount of contract is it the same that USD 10 million or has it gone further up? And also, don't you think like the timelines have stretched quite a lot? So, while we were thinking of commissioning the plant in Q4 FY28, don't you think this will now be pushed, and we will be depending on our existing facilities for growing further.

Dharmendra Jain: No, at present there is no such problem. We have already planned accordingly. Even with the increase in volume, our existing manufacturing setup is well equipped to handle the requirements.

In fact, during the last Board meeting, I discussed this with the Jash team, and they are quite comfortable with the manufacturing requirements for this year. Whatever is required for the US market can be manufactured and supplied without any issue.

Going forward, we expect the new plant to be completed by around December next year and operations to start in the last quarter. So, in FY27-28, the plant may not contribute much, but from FY28-29 onwards, it should contribute fully.

Sanjay Sharma: You see, our existing facilities, which are we have done an assessment that if they work on optimum say load levels, we can generate a revenue of about INR 1200 crores from the existing capacities, also plants in India, then the existing facilities whatever we have in US and UK. So, INR 1200 Cr. is something that is possible within this capacity, and beyond that, suppose if our next I would say target is INR 1500 Cr., by that time the facility which is being planned, the new facility in the US it will come,

Dharmendra Jain: And for the next one year, we are also enhancing the Orange facility so that it can cater to our requirements for at least the next one-and-a-half years. We are making some minor investments there as well, so that the facility can support the increase in our production requirements.

Vinayak: Sure, sir. And one last question on order books of your individual subsidiaries. So, we could see UK there is a very huge demand because of the new five-year plans. But we are not seeing that increase of demand in our order booking, in our UK subsidiary. And similarly for your Hong Kong and other subsidiaries. If you could comment, are we going to see a step up in order booking due to the current increase in the capex expenditure of these geographies, including India.

Sanjay Sharma: So, to begin with, yes, Waterfront now we there were some drags in the order booking portion in the projects over there, but off late now we have started getting some firm inquiries from various parts of that firm from UK. So, in fact another single order of about GBP 2.5 million. It is under discussion and most likely it will be awarded. We will be getting that order within this month itself. And in addition to that, there are also a good pipeline of the project which are under discussions and which are likely to be finalized. So, things are just now slowly improving. Only thing in UK, they have the frame agreements and then it takes some time for them to get finalized. But things will be improving from where we are and maybe three, four years down the line 10-12 million pound is something which can be considered.

Vinayak: And just a thing on this same question. So, should we assume INR 90-100 Cr. order intake every month going on from here or could it be lumpy?

Sanjay Sharma: INR 90-100 Cr. is possible. It is about 8 to 9 million pounds. So, it is very much possible.

Vinayak: No, sir. No, I am talking about the overall monthly order intake of the whole company. So, we see that run rate going forward.

Sanjay Sharma: So, you are saying monthly run rate of INR 90 Cr?

Vinayak: Yes, sir.

Sanjay Sharma: As I mentioned and clarified earlier, on a monthly basis, around INR 90 crore of order booking translates to approximately INR 1,000 crore for the full year. But as I mentioned earlier, these are project-based orders, so the order booking may vary from month to month.

In some months, it could be slightly lower, and in some months, if multiple orders come together, it could be on the higher side as well. But overall, for the full year, I would say that around INR 1,000 crore of order booking is possible.

Vinayak: That was it for my side. Thank you, sir.

Siddesh Chawan: Thank you. A gentle reminder to all the participants: to ask a question, please select the resign option under the reaction tab of the Zoom application, we will take the next question from Salil Desai. Please go ahead.

Salil Desai: So, just one question. Was there any tariff refund that was booked during this quarter, and in which line item that would be?

Dharmendra Jain: USD 0.54 million has already been refunded, while around USD 0.7 million is still pending. Out of the pending amount, we expect around USD 0.2 million to be refunded within this year. The balance amount may take some more time due to certain deferments related to Section 232.

Salil Desai: And sorry, can you just repeat? What was the amount that is booked in the P&L in Q2

Dharmendra Jain: USD 0.54 million.

Salil Desai: Okay, and this would be part of revenues?

Dharmendra Jain: Yes, part of not part of revenue. It is within the consumption item.

Salil Desai: Okay, that's all. Thank you very much.

Siddesh Chawan: Thank you. We take the follow-up question from Dilip Kumar Sahu. Please go ahead.

Dilip Kumar Sahu: Yeah, my question was regarding the plans that we had for Saudi. So, you talked about U.S. manufacturing facility. So, what kind of capacity we are looking in the new facility, and when is the Saudi facility will come on stream, and what would be the capacity, sir? Because if you are going to touch a nameplate of INR1200 Cr. with the current facility, to stretch it to INR 1200 Cr. will be a little risky, isn't it? So, by middle of next year, we have to increase our capacity so that we are at 70-80% of capacity utilization or 95% capacity utilization by

end of the next year. So, if you can just walk through the U.S. manufacturing capacity and the Saudi manufacturing capacity and what is the timeline and investment.

Sanjay Sharma: So, U.S. capacity Dharmendra has already clarified that we will award those contracts in next one or two months, and we will start construction from the first quarter and by end of I would say March 2028, the plant will be commissioned, and then from there we can start the manufacturing for the orders from USA. And coming to Saudi we have been discussing. In fact, we have decided, and that that is still on. But in view of the present geopolitical situation, war situation in the Gulf. So, we have presently kept this plan parked separately for a while and we plan to revisit this decision by maybe next month when there are more clarities. Otherwise, as far as Saudi is concerned, our progress was to the extent that we had already, in fact, I had visited there a couple of times. We had identified the location within Saudi that where we should have this plant, and within that location and within the city of Damam, we had decided that which are the ideal locations. We had hired, consultant who was hand holding us in terms of doing the documentation work, setting up the company, and also identifying and helping us to coordinate with the local agencies for the land allotment and all that. But because of the situation that has developed during last say couple of quarters, so we are a bit slow. But long term, we continue to remain say committed, and we are confident and pretty sure that we should have a manufacturing base in that region to cater to the entire Middle East region. And in fact, we would also like to cater to the North African region also, the entire MENA region from there.

Dilip Kumar Sahu: Yeah, and you will be selling into the market directly, or you are usually in Saudi and Middle East the sales through have happened through partners who are local establishments. So, what is your GTM in this market, particularly Saudi and UAE.

Sanjay Sharma: So, this the Saudi company that we have set up, it is 100% owned by us. We have not taken any local partner on board at least on this. Coming to these products, yes, it will be they will be manufactured locally, and on the manufacturing process initially we will be dispatching. We will be dispatching components from there assembling it over there, doing then maybe some testing over there, and slowly then we will build up on our facilities at that place. Initially we will be doing the assembly and testing, and as we progress, then we will also set up the manufacturing facility. Unlike other companies who just do it just for the sake of doing it and then then just to meet the requirement of made in Saudi, our plan is that we really want to do the manufacturing over there and cater to the requirements over there.

Dilip Kumar Sahu: Sure. Sir, my last question is regarding the people cost. You know, after the material cost, people cost line item is the largest for us, and that line item for last three four years is growing up from 15-16% to sometimes 19-20% now. I understand that quarter-wise, it is not the right way to look at because your revenues change so much. But even in absolute numbers, the people cost is growing much faster than the revenue numbers for last seven eight quarters. So, my question is at this configuration, what is the kind of revenue you are looking? Just

like your manufacturing capacity, your people capacity can deliver what number? Because going forward, if we are going to really go to that 20-24% kind of operating margin. 22% if not 24%. That's the only line item which looks unable to change downward. Particularly so because the currency depreciation headwind that we enjoyed for last two three years looks like it's going to flat you out. So, the other income will come down most likely. So, what is your thought on that people cost? And what is the thought on 22% EBITDA margin? Is it a real possibility 22% EBITDA margin and 1-2% other income. I mean 22% EBITA margin including other income risk that I just talked about.

Dharmendra Jain: As I mentioned earlier, if you look at our employee cost over the last five years, it has normally been around 18% of revenue. If you look at H1, the percentage is definitely on the higher side because a major portion of our revenue comes in H2. So, calculating employee cost as a percentage of revenue based only on H1 would not give the correct picture.

On a full-year basis, our employee cost is normally around 18% of revenue. Last year, it increased from around 18% to 19.5% because we could not achieve our targeted revenue. But in any year where we achieve our revenue target, we expect the employee cost to remain around 18%.

Coming to EBITDA, as we have already mentioned, in a normal year we generate around 18% EBITDA margin. Going forward, as we grow our US and UK businesses and these businesses start generating EBITDA margins similar to our standalone Indian business, we definitely expect the overall EBITDA margin to move above 20%.

It may take another one or two years, but we are very confident that we can achieve an EBITDA margin of more than 20%.

Dilip Kumar Sahu: Even though the dollar remains where it is for next year.

Dharmendra Jain: Yes.

Dilip Kumar Sahu: That's very reassuring to hear, sir. Thank you very much.

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

Vinayak: Hi, sir. Thank you again for the opportunity. So, in last call, you were talking about some large orders you were negotiating for the data centre vessels. If you could give us an update, what is the kind of negotiations we are ongoing there, and then if you could talk about any acquisitions that we are thinking about doing, if any.

Dharmendra Jain: I will address this question. As we clearly informed investors in the last quarter, data-centre orders are not our primary focus because this segment is highly competitive and largely involves fabricated products.

So, we will take such orders only if we have spare manufacturing capacity available. For large data-centre orders, currently we do not have sufficient capacity to manufacture them, and therefore, we would not prefer to take such large orders at this stage.

Sanjay Sharma: So, you are right. Data centres, this is a new I would say sector for us to address. We manufacture these large vessels for our other application, mainly for search protection systems. So, I would say that is technology driven. In this case, the data centre business, these are the vessels which are made as per the design. In fact, given by the MEPs, in fact, the contractors. So, there are a lot of opportunities. We continue to look for those opportunities we bid also for them. But then for us, it is pick and choose because it is very competitive market. Since design is not owned by them, so you cannot eliminate most of the companies. So, it boils down to that job work kind of a thing. So, wherever their customer is very quality conscious, and if they are driven by multinational companies there, we are targeting. In last quarter, yes, we bagged our first order for four numbers of those vessels, and we continue to bid for that. And even in this part also, we have received an order for another nine numbers of similar capacity of vessels. There are requirements we keep on bidding, but depending on our present load conditions, how much we can take, how much we should take, and finally it will add to our bottom line, so then we take a decision.

Vinayak: So, any guidance you could give on the number of vessels we would be doing, or we are planning to do this year, next year.

Sanjay Sharma: I can tell you, say for example every year we will target 20-30 vessels. Looking into the capacities, we will still target to do about 20-25 of such vessels.

Vinayak: Sure, sir. So, and on the acquisitions part, are we are we looking at any acquisitions, any synergistic opportunities?

Dharmendra Jain: Yeah, we are, but still time to wait for that.

Sanjay Sharma: As a company, we continue to look for good opportunities. We are approached by people and they come up with some proposals. So, for each and every case we do our due diligence and then and then move ahead. Frankly speaking, presently also we are in discussion with an opportunity, but it's premature at present. Maybe during the next call after three months, maybe we will be able to share it in much better way.

Vinayak: Thanks.

Siddesh Chawan: That was the last question for a day. I will request Sanjay sir for a closing remark.

Sanjay Sharma: Thanks once again to all the investors who have joined us today, as well as to all our other stakeholders. On behalf of the company, I would like to reassure all our investors that we remain fully committed to delivering on our plans and meeting your expectations.

We will continue to work hard and strive to exceed your expectations through consistent performance and growth. Thank you once again for your continued trust and confidence in the company.

Siddesh Chawan: Thank you everyone for joining us today. If you have any additional questions, you can reach out to us any time. We wish you a good health and look forward to seeing you again in the next quarter. Have a good day. Thank you.

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