

ON WINGS OF OIL RIGS

Taking the entrepreneurial plunge with a seed capital of Rs 5,000 three decades ago, Mahesh Vyas has carved out a unique niche for his company as the leading domestic player in well servicing and work-overs for the oil and gas sector. Today, John Energy boasts of 33 rigs, a workforce of 1,480, an annual turnover of around Rs 600 crores and a presence overseas in countries like Kazakhstan, Algeria and Uganda. Observers expect it to cross the Rs. 1,000-crore sales mark in the next three to four years, while Mr. Vyas is all set to take his baby public in the near future.

Creating something new and unique, and that too literally from scratch, is a feeling only those with foresight, determination, grit, commitment and patience can experience. Here, one's social background counts for nothing – consider the well-known story of Dhirubhai Ambani, son of a village school teacher, who started life as a petrol pump attendant and went on to create India's biggest corporate entity!

Meet Mahesh Vyas, a latter-day 'Dhirubhai' who exemplifies the afore-mentioned personal attributes and resultant achievements. He's a textbook case of a first-gen entrepreneur who has succeeded in creating a business conglomerate of his own, literally from nothing! Having started off as a technical worker in a Mumbai-based company, on a royal salary of Rs.400 per month, the young Mahesh, bubbling with ideas and dreaming of doing something of his own, left the job in 1982. Leveraging his mechanical engineering background, he started JVM Engineering to take up the manufacture of parts for fire-fighting equipment and later water-well drilling rigs with a seed capital of -- hold your breath -- Rs.5,000!

Quick to realise that there was tremendous growth potential in the oil and gas sector, he diversified into the space of oil well-servicing and then into work-over operations



Mahesh Vyas, Chairman and MD

with in-house manufactured rigs all of this by 1991. Thanks to his business acumen, entrepreneurial skills and foresight, within a space of three decades John Energy, the flagship of the John group, has emerged as the number one player in the field of drilling and work-over operations in the country, with a huge fleet of as many as 33 rigs – the highest in the Indian onshore drilling segment. The company, with an annual turnover of around Rs. 600 crore, has not only a pan-India presence but growing footprints in overseas countries like Kazakhstan, Uganda and Algeria. The company, with manpower of 1,480, is on the growth path and observers feel it won't be a surprise if it crosses the Rs. 1,000-crore sales mark within the next 3 to 4 years.

Of course, the journey over the last three decades has not always been smooth. Mr. Vyas had neither family background in industry nor capital to enter the industrial field. With straitened financial resources, leaving a paid job was a risky jump into the unknown. But the entrepreneurial bug could not be denied, and he finally took the plunge into a hitherto unfamiliar world of business.

OIL CAME KNOCKING

Mr. Vyas's passion for his new venture and his readiness to

work hard inevitably led to new doors being opened. As it happened, one day he met a senior official of a PSU engaged in oil and gas exploration and production. The official hinted that there was a tremendous scope for services like well servicing and work-over operations for oil and gas companies, as PSUs were doing this on their own and there was no independent operator in this field. A visionary Mr. Vyas saw the future of his venture and grabbed the opportunity with both hands!

Capitalising on its base in Mehsana in Gujarat and the expertise and experience gained in water-well drilling, the company branched off into provisioning of work-over and completion rig services to ONGC in the E & P (exploration and production) segment of the oil and gas industry. Not just that, it started developing and manufacturing 30-tonne capacity work-over rigs in-house.

Not satisfied with a pan-India presence, Mr. Vyas looked overseas and successfully executed projects in Kazakhstan and Uganda, that too in a challenging work environment. Buoyed by this success, he turned his attention to Algeria and was richly rewarded when Sonatrach, the national oil company of that

country, selected John Energy for a five-year contract for drilling rigs.

Says Mr. Vyas with justifiable pride, "Our Prime Minister has given the mantra of 'Make in India' today, but we have been doing so for the past decade. Except for a short-term technical collaboration with a Russian and an American company in our initial years, the company has been developing and manufacturing rigs on its own. Not only in India but also overseas, particularly in Africa, we have been spreading the message of 'Made in India'."

Needless to say, with the steady growth of its operations, the company has started going from strength to strength on the financial front. Its turnover, which was a few lakhs of rupees in the initial years, shot up to reach Rs. 200120 crores in fiscal 2010-11 and soared further to Rs. 525 crore in fiscal 2016. If the actual performance in the first three quarters (April to December 2016) is any indication, Mr. Vyas expects a turnover of around Rs. 600 crore in the current year ending March 2017. Observers feel that the Rs. 1,000-crore mark will be reached within the next three years or so, but Mr. Vyas insists, he does not believe in speculating numbers.

INVESTORS' FAVOURITE

Little wonder then that, seeing the company's remarkable progress and bright prospects ahead, Rakesh Jhunjhunwala, the ace investor, invested Rs. 5060 crore in the company in 2007., accounting for over 19 per cent. This was followed by Sage Capital which invested Rs. 90 crores in 2010, accounting for a 16.29 per cent stake in the company's capital.

The company is now all set to go public. "We are waiting for a favourable market environment to bring out an IPO (Initial Public Offer). Though we have not finalised the amount to be raised as yet", it will be around Rs. 250-300 crore," says Mr. Vyas.