



Date: May 9, 2023

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai,
Maharashtra – 400 001

Sub: Filing of the transcript of earnings call with analysts and investors under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Further to our intimation on April 28, 2023, intimating of the earnings call with analysts and investors to be hosted by the Company on May 3, 2023, please find transcript of the said earning call for your reference and records.

The transcript of the earning call is also made available on the Company's website i.e. www.yashoindustries.com

Kindly take the same on record.

Thanking You,

For Yasho Industries Limited

**KOMAL
PRASHANT
BHAGAT**

Digitally signed by
KOMAL PRASHANT
BHAGAT
Date: 2023.05.09
18:32:28 +05'30'



**Komal Bhagat
(Company Secretary and Compliance Officer)**

Encl: As Above

YASHO INDUSTRIES LIMITED

Office No. 101/102, Peninsula Heights, C. D. Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai - 400058, INDIA

Telephone : +91-22-62510100, Fax : +91-22-62510199

E-mail : info@yashoindustries.com, Website : www.yashoindustries.com

CIN No. L74110MH1985PLC037900



“Yasho Industries Limited
Q4 FY '23 Earnings Conference Call”

May 03, 2023



MANAGEMENT: **MR. PARAG JHAVERI – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – YASHO INDUSTRIES
LIMITED**
**MR. YAYESH JHAVERI – WHOLE TIME DIRECTOR –
YASHO INDUSTRIES LIMITED**
**MR. DEEPAK KAKU – CHIEF FINANCIAL OFFICER –
YASHO INDUSTRIES LIMITED**

MODERATOR: **MR. NACHIKET KALE – ORIENT CAPITAL**



Moderator:

Ladies and gentlemen, good day, and welcome to the Q4 and FY '23 Earnings Conference Call of Yasho Industries Limited organized by Orient Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nachiket Kale from Orient Capital. Thank you and over to you.

Nachiket Kale:

Hi. Good evening, everyone. Thanks for connecting to Yasho Industries Q4 and FY '23 business concall. Today we have with us from the Management, Mr. Parag Jhaveri, Managing Director, and CEO; Mr. Yayesh Jhaveri, Whole Time Director; and Mr. Deepak Kaku, CFO. Before we proceed with the call, I'd like to give a small disclaimer that the conference call may contain some forward-looking statements, which are based on the beliefs, opinions, and expectations of the Company as on date. A detailed disclaimer has also been given in the Company's Investor presentation. I hope everyone had a chance to go through it, which has been uploaded on the Stock Exchange today.

I would now like to hand over the call to the Management. Over to you, sir.

Parag Jhaveri:

Good evening, everybody. I would like to extend a cordial welcome on behalf of Yasho Industries Limited to everyone for joining us on our call today. I hope everyone had an opportunity to go through the financial results and investor presentation, which have been uploaded on Stock Exchange and on our Company's website. Let me give you a quick overview of the chemical industry and the potential it offers to us. Also, the current situation is uncertain. The underlying strength of the Indian economy have remained robust. However, it's a challenging global environment.

The long-term prospect remains positive, recent unpredictable occurrence have altered the overall business approach and many major multinationals company now seek more dependable and sustainable partners, such as Yasho to ensure uninterrupted operations. We remain committed to holding the highest standard quality, while consistent styling for progress. We are proud to have served as a trusted supplier for over two decades, having an establish able presence in more than 50 countries across the globe, including Europe, America, Middle East, and Asia. Our overall sales contribute over 66% of our revenue, which is a testament of our unwavering commitment of excellence.

Our unwavering focus on industrial chemicals has yielded promising results. And we formally believe that this sector holds significant potential for our business to meet the demand of our valued customers, we will continue to prioritize research and development, aiming to create cutting-edge products of the highest quality. Regarding our operational performance, we are proud to report that we have been operating, nearly full capacity. But in the last quarter, it has been a little bit down, benefiting from a positive product mix. Our existing and the prospective customers have demonstrated keen interest increase in our offering, giving us confidence in our ability to grow the business, while keeping our medium to long-term objective insight.



Overall, we are optimistic about our business trajectory, and we are excited about the future prospects of our company. We remain committed to create long-term value for stakeholders and look forward to continuing growth in the coming years. As mentioned previously, we have made a significant investment in the Greenfield project in Pakhajan, Dahej to expand our capacity in industrial chemicals, aimed at satisfying increasing customer demand. This expansion will add approximately 17,000 metric tons per annum for multiple capacity to serve various industries.

We have incurred a total capex of around INR180 crores up to March '23. Moving forward, we intend to focus on a few products from our existing portfolio. Following this expansion, we can accomplish total capacity will be approximately 29,000 to 30,000 metric tons per annum. Our success in capturing market share in value added chemicals have been major contributor to our growth and profitability in recent years. We attribute this accomplishment to our ongoing dedication to enhancing our technical capabilities and R&D efforts.

I will stop here and now I am happy to take off the questions. Thank you.

- Moderator:** We have our first question from the line of Keshav from Raksan Investors. Please go ahead.
- Keshav:** Hi, good evening, sir. Sir, what are the expected utilization at Pakhajan for FY '25 and '26, and how long to go to full scale?
- Parag Jhaveri:** We are expecting for '25, about 65% utilization. We hope that we can achieve that and FY '26, which will be achieved 85% to 90% utilization.
- Keshav:** And sir, so whatever capacities we are adding for these, we wouldn't require much business development efforts, right? This would be for pre indicated demand by our existing clients, right?
- Parag Jhaveri:** Yes, to an extent, that's correct. The customer has shown a keen interest for the product, but we have to produce in the plant and then we have to do the revalidation. So, if once you change the manufacturing location, it has to revalidate.
- Keshav:** Okay. But the demand is already there?
- Parag Jhaveri:** Yes.
- Keshav:** Okay. So sir, are you getting any further requests to scale beyond Phase 1?
- Parag Jhaveri:** We are not looking into that. Our first focus is to start this production first, stimulate it, and then we'll think about it. It's too early to talk about that.
- Keshav:** Okay. But the subsequent scale-ups will be in the same Pakhajan facility because we have a piece of land over there, right?
- Parag Jhaveri:** Absolutely. As you know, we have 42-acre land. We are only consuming about 50% of the land today. So, we will be having a 50% additional land to go for the future expansion.
- Keshav:** So sir, just lastly, so the asset turns forecast is about 1.5x. So...



- Parag Jhaveri:** For the Pakhajan, yes, that is a 1.5, purely. It is a Greenfield project and approximately INR180 crores that is spent for the land and land building development of the site. Also, a couple of infrastructures have been created looking into the full project. We cannot do the partial, like effluent treatment plant or the utility block. So, the additional INR15 crores to INR60 crores has gone there. So effectively only, we are spending about INR150 crores on the plant and machinery.
- Keshav:** Okay. So any subsequent scale-ups will be in line with the current asset turns we have?
- Parag Jhaveri:** Yes.
- Keshav:** Okay. All right, sir. That's all for me. Thank you, sir.
- Moderator:** We have our next question from the line of Asha Badri from Omkara Capital Advisors. Please go ahead.
- Asha Badri:** Sir, I wanted to ask why is the cash flow low this year? Even last year, it was low?
- Parag Jhaveri:** What do you mean by low, Asha? Hello? Hello?
- Moderator:** Ms. Asha, you're unmuted. Please speak. We are unable to hear you. I'm sorry. She has kept the call on hold. We have our next question from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead.
- Anupam Agarwal:** Hi, sir. Good afternoon, and congratulations on good numbers. Sir, firstly wanted to ask you, if for the quarter and for the year, can you help us with the volume growth that happened?
- Parag Jhaveri:** Well, for '23, we have in a volume, there was a dip in the volume, about 9.5%. Volume deep was there compared to the last year and when compared to '22, compared to '22, '23, there was a dip of volume of 9.5%.
- Anupam Agarwal:** This is for the full year. Full year, we've grown at 10% volume dip was 10%?
- Parag Jhaveri:** We've grown by almost 10% in the value terms. We degrowth by about 10% in volume. This could be achieved because of the better product mix. What we have investigate and we put into action our plan very quickly. Once we realize the certain products are slowing down, we move to some different products.
- Moderator:** We'll move on to the next question from the line of Mitul Mehta from Lucky Investment Managers. Please go ahead.
- Mitul Mehta:** Good evening, Parag, Bhai. Congratulations on very good operating results. Understanding about the Lube market and the opportunity it provides to us for the next two to three years in terms of the product pipeline. So, each of these products, if you can share how big is the addressable opportunity value-wise or volume-wise, and which are the companies who will be sort of competing as not in the, if not in the Western world, in Asia, particularly China, are there any comparable companies? So, can you just elaborate on this part?



Parag Jhaveri: Okay. We are getting into the, as you know that our expansion is more focused for the industrial segment that is lubricant, rubber, and specialty segment. The addressable market for the Yasho's product are in the value terms of about 10 billion to 12 billion for the lubricant, about 5 billion to 6 billion for the rubber, and about 0.5 billion for specialty. We have a number of product which has a potential of a couple of 1,000 metric tons, and we are just coming for a fraction of that. So, there's a huge potential. A couple of places we got initial approval. Now they're waiting for our plan to start. Till that they don't onboard because they are large customers. And they will be onboard only once we give a product from a new plant.

Moderator: Mr. Mehta, does that answer your question?

Mitul Mehta: Can I ask one more question?

Moderator: Please go ahead.

Mitul Mehta: Yes. Sir, So, once you start your new plant, Dahej, what kind of product mix are you looking at between lube, rubber chemical and specialty chemicals? Will it be more skewed towards lube? And just to understand the scale, you said that the opportunity is very large for the lube market. Each of these products, can they be as high as 10,000 metric tons, 15,000 metric tons? I mean, is that the kind of scale are you looking at?

Parag Jhaveri: Yes. I think we are looking into that kind of potential. We have a fairly large product. I think a couple of product has the potential for more than 100,000 to 200,000 requirement. And we are just coming with a small capacity here as to test it. And then once we get approval, we'll expand further.

Mitul Mehta: How much time does it take for you to get the approval for these products?

Parag Jhaveri: We already got a couple of, see, lot of places we already approved and we are supplying them the product. But once you change, the manufacturing site, we need to revalidate it. It don't go for an exchange we approved, but it does take a time, three to four months. So, that's we are not giving any guidance for this year or any real, the operational income from Pakhajan, we are only considering whatever we grow we'll grow in Vapi. Because we know that the, once we start the commercial from Pakhajan, we need to submit the sample, get approval, customers will come and audit the plant. So, we intend to complete all this process from November '23 to latest by our March '24. And the sales sample will happen from '24 onwards.

Mitul Mehta: We expect some output in Q4 of this year, or we should be only budgeting next year?

Parag Jhaveri: I think we should budget only for next year, not this year. This year, what will happen will become bonus for us, not only for us, but for everybody. Real revenue starts from '24-'25.

Mitul Mehta: Once we scale up the Phase 1 capacity, our next round would be largely Brownfield. So, in that case, what sort of investment would you then incur on the Brownfield for the next phase? Just to get some ballpark understanding. I know it's a little early, but just to understand the capital intensity of your business.



Parag Jhaveri: Well, see, the number one in the, currently in a Greenfield, we are almost committed to INR250 crores for a land building development, creating infrastructure necessary to take care for those entire projects. That is effluent plant is taken care not only for the current needs, but the need what we might have after five years. Because as for the environmental clearance, whatever we saw, we have to create an infrastructure for that. So, that utility blocks, everything has been created to take care of the future needs. So, the going forward, I can say that if I put another INR150 crores, INR200 crores, so we can have a big turnaround on that.

Mitul Mehta: You're saying INR150 crores for the similar capacity. So, let's say Phase 1, 17. So, if you want to put up another 17,000 tons, you will need about INR150 crores.

Parag Jhaveri: I'm not sure on that. So, it'll be too early to get into that mode. But we'll be getting that one only by the beginning of '25 once we see that the capacities are really ramping up the way we anticipated. So, any decision on Phase 2 will be taken only by somewhere in '25. Looking at the numbers and how good we do.

Mitul Mehta: Parag Bhai, thank you very much, and wish you all the best.

Parag Jhaveri: Thank you very much.

Moderator: Thank you. We have our next question from the line of Asha from Omkara. Please go ahead.

Asha: Sorry, sir. So, the question is why is the cash flow low this year? By I mean that meant is why is the cash flow cum operation to EBITDA convergence only INR35 crores of INR111 crores of EBITDA was converted?

Parag Jhaveri: Well, you know that the last two quarter we had a challenge. We had lots of high inventory line we thought. So, we need to get off with that and still we are holding on reasonably high inventory as compared to our usual standard in this March month. Mainly because a lot of our customers in the Western world has postponed orders or canceled orders. And we are producing the specialty chemicals.

We cannot dictate our terms. But when we are buying the raw material, we are buying as a commodity and we don't have a choice, but to another contract, what we signed it, and then what we have committed. it. So, we have more inventory, also the high-cost inventory. So, as we were able to pass all the cost before two years or before 18 months to customer and the price goes up, the same speed we also pass on the price drop. And when you have a price drop or when you have a deflection, not inflationary pressure, so your cost of the selling price goes down, but your incoming volume was intact, but still despite all this happened, we could maintain our overall margin on our profitability.

Asha: Okay. Got it. Thank you.

Moderator: Thank you. We have our next question from the line of Keshav from Raksan Investors. Please go ahead.



- Keshav Kumar:** Yes, sir. So, with the Pakhajan, we set our plan is to scale the already logged-in products to higher quantities. So, are we forcing any improvement in the working capital cycle as our cost basket would consolidate with fewer molecules driving a higher scale?
- Parag Jhaveri:** I don't think we will be able to achieve that. But I know this year, we're a little stretched due to the high inventory line with us. We will be comfortable at about 110 to 120 days for working capital cycle.
- Keshav Kumar:** Sir, I mean, after Pakhajan kicks in, so FY '25, '26?
- Parag Jhaveri:** We do expect little stretching because now we are going to deal with the much larger customers. And they have their fixed payment and we can alter that. When we work with smaller customers, we can dictate. When we are working with a larger organization, they dictate the terms. We don't. Okay, sir. So that's a little, it is also the reality here.
- Keshav Kumar:** Okay. So that's why we are guiding for little higher margins, right, to compensate for that?
- Parag Jhaveri:** Absolutely.
- Keshav Kumar:** Okay. Sir, lastly, whatever growth is seen in the last few years, who are we taking the market share from? So, are these broadly the Chinese place because these products are mature at the same time sticky?
- Parag Jhaveri:** Well, that's too difficult answer from whom we get the market. What we are happy that we are able to consolidate our position. We could win the trust or trust over our competitors from our customers that we are a reliable partner and that's why they are buying a more quantity from us.
- Keshav Kumar:** Okay, sir. But are macro shifts also at play here? I mean, the Chinese supply transiting to us.
- Parag Jhaveri:** To some extent, not to a great extent. That is mainly for North America. When you talk about the rest of the world, it's not the case .
- Keshav Kumar:** Okay. All right, sir. That's all for me, sir. Thank you, and all the best.
- Parag Jhaveri:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Manish Gupta from Solidarity. Please go ahead.
- Manish Gupta:** Parag Bhai, two questions. Firstly, is my understanding correct that the industrial chemicals is higher gross margin than the consumer chemical?
- Parag Jhaveri:** Yes, that's right.
- Manish Gupta:** So we've had a decline in revenue in Q4 of this year, vis-à-vis Q4 of last year, but you also mentioned that there was a product mix change. So, my first question is, does the gross margin on a percentage basis seems almost similar between Q4 last year and Q4 this year?



- Parag Jhaveri:** Yes, that's true. Despite we could, with the deflation pressure, stiff completion, and the subdued demand, we could able to maintain the margin. The last year, there was a lot of inflationary pressure, which was giving us a chance to charge higher to customers because of the supplier concern. So, what I can claim there is that we could better manage the macro management at the customer level, at the product level to maintain the growth.
- Moderator:** Thank you. We have our question from the line of Anupam Agarwal from Lucky Investment Managers. Please go ahead.
- Anupam Agarwal:** Yes, sorry, sir. I lost you there earlier. My question was for the quarter we've declined top line by 17% on a Y-o-Y basis. Was that completely because of volume dip?
- Parag Jhaveri:** Yes, my dear friend. Volume dip and also on a selling price drop, there were two things. Volume drop was there and also the selling price. What we are selling earlier today is over -- top line is reduced almost 20%. The same way, it is reduced by that purchase cost also 20%.
- Anupam Agarwal:** So what was the call, if you're able to quantify that, sir? Can you break that up between price and volume?
- Parag Jhaveri:** Not to great extent, but volume was dropped by about 16%, 17% and the top line was dropped by about 20%.
- Anupam Agarwal:** All right. And for the year, you mentioned volume dip was about 10% for the full year?
- Parag Jhaveri:** Yes. it was.
- Anupam Agarwal:** All right. Yes. Sir, FY '24, what do you think? What are you looking at in terms of growth? I mean, because the capacity is going to be coming Q4. On growth, what are we looking at this year, or is it largely just going to be mixed change?
- Parag Jhaveri:** Well, two things. Number one, what we increase from 11,000 to 12,500, the full capacity, just taking in now, plants are getting stabilized. So from 11,000, we will be now able to operate at 12,500. We will try our best to utilize the full capacity. If that will happen and in market improvise, we are expecting a growth of about 10% minimum side.
- Anupam Agarwal:** This 11,000 to 12,500 incremental 1,500 is what product category, what customer...
- Parag Jhaveri:** It'll mean to the industrial segment.
- Anupam Agarwal:** Industrial segment. Largely for exports or domestic market?
- Parag Jhaveri:** Both.
- Anupam Agarwal:** Both. All right. One of my questions, sir, was on other expense line item for the quarter, just about INR20 crores versus INR33 crores last year. If you can just help this clarification, is there some sort of one-off cost?



- Parag Jhaveri:** Sir, the major cost was freight, the export freight, what we are exporting? Last year the freight cost was very high. Now the cost is normalized. So the major saving has come from there. Second saving was a little bit into the different product mix, what have helped us and some corrections taken place in the process site, which saved some cost.
- Anupam Agarwal:** Right. Understood. Thirdly, sir, my question is on your slide number 16. You've mentioned about product A, B, C, and D, where you've given sort of market potential, revenue potential for those products. If you can help us understand in detail or some clarity about what kind of products are these, are these the market where only the products that we are looking at is what the potential is like or is it like the global potential sort of?
- Parag Jhaveri:** No. This is what the product, what we are looking at it. This is global. Okay, this is a global demand of this four, five products have got a demand and what we are expecting to grow in this segment.
- Anupam Agarwal:** All right. Sir, these products are already in R&D or we've already cracked the customer demand?
- Parag Jhaveri:** Already are producing and selling.
- Anupam Agarwal:** All right. Understood. That's all from my side. Thank you, and wish you all the best, sir.
- Parag Jhaveri:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Manish Gupta from Solidarity. Please go ahead.
- Manish Gupta:** Sorry, my line got disconnected earlier. I was trying to understand why the gross margin in percentage terms in Q4 of this year and Q4 of last year was roughly the same despite our product mix improving.
- Parag Jhaveri:** Very clearly, Manish, well, we had a couple of raw materials, which was lying at high cost. And we have to sell the product at a market price. We cannot ask the same high price when the market is sliding or market is contracting. So we have to make some balance at there and by prevails of the margin with the product mix, what we intend to do is a more capsular other than sitting on its production in a warehouse. So we took us a side that lets sell the product with lesser margin, run the plant, whatever maximum capacity we can run it. So in order, we don't lose all. Once you lose the market, you lose forever.
- Manish Gupta:** Very clear. And my second question is in other expenses, on a full year basis of say about INR113 crores, what of this is variable, and what of this is fixed?
- Parag Jhaveri:** Well, fixed is what you call us. See now, the wage is fixed?
- Deepak Kaku:** So roughly around 60% would be variable and approximately 40% would be fixed, in a broad manner.
- Manish Gupta:** 60% -- and do you classify power costs in variable or fixed?



- Deepak Kaku:** Variable.
- Manish Gupta:** Okay. And is it possible for you to just breakout? Out of the INR113 crores, how much was freight?
- Parag Jhaveri:** We can come back to you Manish, on this?
- Deepak Kaku:** Yes. We will take it offline. No problem.
- Parag Jhaveri:** Thank you.
- Manish Gupta:** Thank you.
- Moderator:** Thank you. We have our question from the line of Manan Shah from Moneybee Investment Advisor. Please go ahead.
- Manan Shah:** Yes, hi. Thanks for the opportunity. My question was again to the Slide 16 where you've mentioned the four products, product A, B, C, D. But in the current revenue column, you've mentioned revenue only for product B. But you earlier hinted that we are manufacturing all of these products currently. So just wanted a clarification over there?
- Parag Jhaveri:** That was to media people, that has just started in the last year only, so the product has just started rolling out. So it's not significant value, current revenue there from this product. So we put this as not available, but already the production started in the sales has the commence on this product. But as you know that the customer take time to ramp up the uptick. That's the reason.
- Manan Shah:** Understood. But this production that we would be doing for these products, they would be at a lab scale or a commercial scale. I mean, whether we have been able to stabilize the process on a commercial level is what I'm trying to understand.
- Parag Jhaveri:** It's on commercial scale.
- Manan Shah:** Okay. And we've given very tall targets for these products. So wanted to understand, I mean, this revenue or this market share that we are expecting to get from these products. This would be -- I mean, you'll be taking away market from the current players or this is a new market that we are targeting. And what sort of stickiness is there in these products? I mean, how easy would it be for us to get this sort of revenue and market for these products?
- Parag Jhaveri:** Number one, we need to have the capability and capacity to do that -- to achieve this target. So we don't have full capability and the capacity to purchase this revenue, important revenue, number one. Number two, we don't see the challenges too much as we are going to take somebody shares. Also, the lubricant market is growing by 3% to 5% globally because of the change of the norms, which has spoken in the last couple of calls that the environmental reasons government forcing people to use a more cleaner fuels, more efficient lubricants, and less emissions. So those are the reasons the growth is 3% to 5% what we expect.

Also in India, because of Make In India concept, a lot of people were getting a product from outside. They've been forced to make a product within India and to buy a local product, and that is going to help us to grow the business.

Manan Shah: Okay. So largely, we'll be focusing on the domestic market for these products?

Parag Jhaveri: I didn't say that. I said secondly that is also one of the reasons for Make In India. But the blend will be 30/70 or 60/40 as for export / domestic.

Manan Shah: Right. But is there any sort of stickiness that is there in these products? I mean, is it easy for the customer to switch or is there a need for the customer to switch?

Parag Jhaveri: Well, there are two reasons. As I said, the Make In India, that means the people who are bringing the product from outside they have to buy locally, number one. Number two, there was a lot of disturbance happened in the last two years for everybody looking for an alternate supply chain. So we are very well fitting with that alternate supply chain. Number three, once you are in unless and until you make a mistake, you are there forever for this chemistry. People have a one or two source, approved source. You become a third one or maybe second one or fourth one. Depend on the scale of the Company.

Manan Shah: Okay. And globally, how many suppliers would be there for these products on an average? Like, would there be two or three suppliers only or there are many players in these products?:

Parag Jhaveri: Depend on the product-to-product. Some products only two or three. Some products maybe seven, eight, or maybe 10.

Manan Shah: Okay, sure. Thanks. I'll get back in the queue.

Parag Jhaveri: Thank you.

Moderator: Thank you. We have a question for Mr. Keshav. Please go ahead, sir.

Keshav Kumar: Yes, thank you, sir. Sir, so last couple of years we had done ROCs on EBITDA of about 30%, and for the Pakhajan facility at 20% margin and working capital going above 120 days. So this INR400 crores capex for the initial 17,000 tons will be falling in the range of 22%, 23%, 24% on EBITDA ROC basis. So is there a margin upside a possibility of margins expanding, I mean, from 20% on this 17,000 tons itself or will ROC unlocking happen when we subsequently scale?

Parag Jhaveri: See the major -- as I stated in the past that our industrial segment use better margins. So we expect a margin to improvise from current margin of 17.5%, 18% to go up to 19.5% to 20% margins. So that will help us with our better cash flow.

Keshav Kumar: Sir, I meant that on 20% margin. So if we are spending INR400 crores and we are getting INR600 crores?

Parag Jhaveri: We are talking about the gross-something-level margin. I'm not talking about the Pakhajan. Because when we go back to the drawing financials going forward, it'll be only one result, not the unit-wise result, Keshav.



- Keshav Kumar:** Right. Understood.
- Parag Jhaveri:** Maybe in the company, I'm not looking at the Pakhajan. I'm looking at the Yasho overall.
- Keshav Kumar:** Okay. Got it, sir. Got it. That's clear. Thank you.
- Moderator:** Thank you. I will now like to hand over the call to Mr. Nachiket Kale from Orient Capital. Please go ahead.
- Nachiket Kale:** Thanks to the management for sharing their time on the call today. And thank you for all the participants for joining the call. And Orient Capital is the Investor Relations Advisor to Yasho Industries. For any queries, please feel free to connect with us. Thank you, everyone.
- Moderator:** Thank you. On behalf of Yasho Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.