



“Yash Pakka Limited
Q2 FY2021 Results Call”

November 09, 2020



ANALYST: MR. SHREEGOPAL – EMKAY GLOBAL FINANCIAL SERVICES

MANAGEMENT: MR. VED KRISHNA - VICE CHAIRMAN - YASH PAKKA LIMITED
MR. JIGNESH SHAH – CHIEF FINANCIAL OFFICER - YASH PAKKA LIMITED
MR. JAGDEEP HIRA – MANAGING DIRECTOR - YASH PAKKA LIMITED

Moderator: Ladies and gentlemen, welcome to the Q2 FY2021 Results Call of Yash Pakka Limited hosted by Emkay Global Financial Services. We have with us today Mr. Ved Krishna, Vice Chairman and Mr. Jignesh Shah, CFO. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Shreegopal of Emkay Global. Thank you and over to you Sir!

Shreegopal: Good evening everyone. I would like to welcome the management and thank them for giving us the opportunity. I now hand over the call to them for the opening remarks. Over to you gentlemen.

Ved Krishna: This is Ved. I will go first. Thank you so much Jagdeep and Isha for organizing this call. I welcome all the investors who are online and I hope there will be more who will join with us. Thank you for coming for the second investor call and our presentation and these have been interesting time for all of us and the company continues to perform at these times and of course and we would like to give you an update of what is happening in the company and keep you apprised. The presentation has been uploaded on the BSE website and I presume that all of you have the copy of that and going to just go through it very quickly and we are going to keep it much shorter than the last time because last time was more of an introduction of what we do. This time is going to be more or less an update of quarterly how we are going to get to where we are trying to get, so that will be our overall structure each time we present that each quarter what are we achieved and how are we going forward.

I am moving straight to page 3 which is the recap and page 4, we have taken a very aggressive target and I am always warned that we should not be taking or we should not be showcasing our target, but that a decision that we have taken consciously that all internal targets, we should have the courage of showcasing it outwardly to our investors and of course taking into consideration that there will be challenges that will come along which we are showcasing, something that we have taken up internally, but we realize that what we are thinking in terms of business needs to be communicated and shared with our investors. With that in mind you see that this is significantly strong target and we have converted that into billion instead of Crores and lakhs basically because there were some international investors as well who are asking for figures that they can understand, so we have kept it with rupee, but converted it to millions and billions.

So as you see there is a significant growth path it is over 5x actually and that is what we plan to move towards and these are the three broad areas which we will be working on and we continue to work on today.

The first is our background in pulp and papers. We are a company that basically produces paper for bags and there is a lot of work that we are doing in order to be able to come out with much stronger and capable products that can ideally be an alternate to single use plastics mainly because we feel strongly that there is a huge opportunity as well as responsibility that is there in order to be able to provide an alternate to customers and we have been working in this direction and I will update you more about what we have been doing.

Of course one of the areas which has been generating lot of interest is the moulded product segments and we also realized that of course there is a lot of concern to the investors when we look at our performance so far, but we do believe that there is a huge future, it is a significant alternate to styrocons and plastics again and we do believe that we will be transforming this and making it far more profitable than what it has been in the past. The third domain which we are working in the R&D side and looking at slowly moving towards commercial production will be on the flexible packaging domain which is basically trying to replace things which are multilayered like grocery bags or biscuit bags or chocolate bags, bag in box applications which are there and these are applications which are non-recyclable, non-biodegradable, non-compostable and we feel strongly that we need to find out an alternative and we spend a significant amount of time and focus and trying to build towards that, so these are the three focus areas going forward for the company at least for the next five years as we see it.

So there is a way forward for the coming here and I am considering this year to be more of an aberration, but still we will continue to perform; however, the way forward for 2022 will be to expand our capacity in the moulded side to again expand our capacity on the back paper side and also the quality that we are going to be producing along with that we will have to match the capacities of our pulping and chemical recovery and power facilities and we would also expand our market focus and the brand that we created in order to create a deeper impact both domestically and also internationally so the plans are in place for the same. So this is the main slide that I am going to utilize this quarter. We are going to talk about all three segments on what has been done and from next time it is going to become three columns instead of two, what was planned, what has been achieved and what is the plan for next quarters so that we can keep all of you updated on what is going on within the company and I am going to try and keep it up to ideally between three and five targets not more because the more things we take up, the lesser the focus we can provide.

So we are working on finalizing the machine modifications for our paper bag alternative products. Second is we are trying to also work a lot with our sugarcane pulping systems where we are trying to finalize the structure of the system so that where we can produce a higher quality of stronger pulp from delicate fiber. The third is that we are trying to create alternates to the way we bleach just now we use elementary chlorine which is a hazardous chemical and ideally not suitable, so we are trying to provide other alternate to bleaching our pulp this is also going to help us in expanding our product strength.

On the moulded side, we are trying to improve the machine efficiency as you can see that there is a significant improvement that has taken place and this quarter we again plan to take it above what we have reached so far. There are various challenges that we are faced with the machines. Slowly we are trying to overcome those challenges and go forward. There is also sales achievement considering that what we have to understand is that these products are totally dependent on the food business which is mainly we were strong sort of domain, but you would appreciate that the despite the absolute closure that was there during the lockdown period. We have still managed to achieve a decent amount of sales and we are now again trying to create a stronger marketing plan and push so that we can create a stronger pull.

On the flexible packaging side, because of our focus right now on survival and ensuring that we performed during the COVID period and the challenges that we faced there is not that much work that has gone on in the last quarter; however, the idea is to be able to finalize our partnership in this quarter and internally also the right need to be able to meet the development of bioplastics for the flexible packaging segment, so that is in brief the path and I will be very happy to answer questions once Jignesh bhai is done with the financial, so I will hand it over to Jignesh bhai and we can take you through the financial.

Jignesh Shah:

Thank you Ved. First of all I would like to thank Emkay Global for introducing us on the call and I would like to thank all the investors for joining. My presentation is divided into two parts. So the first part is about our achievements in last five years which includes FY2016-2020 and what we have done in Q2 and H1 of the current year.

Starting from FY2016 on our paper and pulp business, we started with the production of 40000 tonnes which we reach to 44000 by FY2020 and our sales was 42000 tonnes which we reach up to 43938 tonnes in the FY2020. We have to understand here that the FY2020 was also affected by almost 11 to 12 days of lockdown because of these COVID-19 impact, so we have to scale our production to that extent are showing slightly a lower number, but we are hopeful that in the post COVID period may be in coming years, we will be definitely doing much better than the year in the FY2019.

On the moulded side, we started production in sales on the moulded business only from the FY2018, we started with the nearly 247 tonnes of production in FY2018 and we reach to 1059 tonnes of production, in terms of sale it was again only 118 tonnes in the first year which was only a part of the year and in FY2020 we reached a sales of 1215 tonnes. Our revenue and EBITDA and PBT was consistently growing, from FY2016 we started at Rs.174 Crores and to FY2020 we reached to a sales of Rs.261 Crores. Our EBITDA was Rs.25 Crores in FY2016 which we reached up to Rs.61 Crores in FY2020, PBT was Rs.4.3 Crores in the FY2016 which we reached up to Rs.39 Crores in FY2020 and PAT was again Rs.2.85 Crores which reached up to Rs.27 Crores in FY2020.

I would now like to give the numbers for the Q2 of FY2020-2021 and the half year ended on September 30, 2020. On the revenue side, we did Rs.41 Crores of sales for Q2 of FY2021 as compared to Rs.66 Crores. Again this year we have to understand even the second quarter we had some impact due to COVID lockdown because some positive cases were found in the plant so our plant was shutdown for some period of Q2 and when we look at our sales for the H1 half year of FY2021, we had done Rs.74 Crores of sales as against Rs.133 Crores in the previous year half year. Here also if you see total 54 days of production in sales was lost because of the government lockdown and also the lockdown of the plant because of some COVID positive cases.

Our EBITDA is at Rs.9.41 Crores for this quarter as compared to 13.97 in the previous quarter of FY2020, our half year EBITDA is at Rs.16.34 Crores as against Rs.31.03 Crores, our PAT is at Rs.3.27 Crores as against Rs.5.64 Crores and for the half year ended on September 30, 2020, our PAT is at Rs.4.34 Crores as against Rs.13.34 Crores in the FY2020. Now, dividing this into our two main segments. In pulp and paper business, we did total production of 6976 tonnes as compared to 9823 tonnes in the previous year quarter and for the entire half year we did 12467 tonnes as compared to 19072 tonnes in the previous half year. On the sales, we did 6516 tonnes of sales as compared to 9887 in this quarter and on the half year we did 12019 half year sales as compared to 19322 tonnes in the previous half year. On our moulded business, we did even better than what we did in the last year, because this year we started improving our productivity. For the Q2 of FY2021 we did 328 tonnes of production as compared to 172 tonnes in FY2020. For the entire half year we did a production of 487 tonnes as compared to 559 tonnes. On the sales side, we did 254 tonnes as compared to 265 tonnes for the quarter and for the half year it is Rs.347 tonnes as compared to 530 tonnes.

If we look at the financial, which are already published on the website and on the BSE. For the entire Q2 of FY2021 we can see that our total profit before the exceptional items and tax was at Rs.4.61 Crores as against Rs.8.08 Crores in the previous quarter. The numbers speaks for themselves. Of course there is a decline, but considering the period of COVID,

business impact and the lockdown impact, we have been able to considerably do well because of the efforts by our dedicated team and the support from all our supporters. Just for the sake of comparison we have done some financial ratio probably you can go through them in detail on the presentation slide, but if you see our EBITDA has been consistently remaining in the range of 23% to 24% even during this period of uncertainty and lockdowns and the lower production, lower sale, we have been able to maintain an EBITDA of 23.3% which was in the previous year was around 21% and net profit ratios are of course slightly down in this quarter and also in the half year because of the impact on the fixed cost as compared to the overall sales number. Our current ratio has been improving from when started in the FY2018 at 0.95 which we have reached to around 1.3 in this half year of 2021 and return on capital employed annualized also if you see we have been consistently improving from 21% to 29% in last half year, this half year is of course again because of the lower sales and lower production we are at 24%, but we are hopeful of getting there and coming back to our normal business in the coming year. Thank you very much and I think I have done with my finance presentation and then I would give it over again to the coordinator.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Jeet Gala from Centra Advisors. Please go ahead.

Jeet Gala: There are two questions. One is on quarterly progress report on flexible packaging, so can you just tell us what kind of breakthrough is found in the manner that we have decided to progress ahead and go for some commercial production probably two quarters ahead, so what kind of breakthrough as we found in this product and what kind of capex are we going to deploy into Flexi package in commercial production?

Ved Krishna: Flexi pack is still on the developmental stage, we have been actually working on this product for a significant amount of time, in fact we started working on this even before we were working on the moulded products, but this is a challenging proposition, because what plastics fundamentally do is block away, both air and moisture and that is mainly because of the way the plastics are structured and when you create multilayered applications, there is further blockage of air and water which results in products remaining fresh even after six months, so long shelf life it was stay for ever the packaging and the product inside will also remain fresh, because vacuum seals the packs so even if you eat a packet of potato chips after six months you do not feel like it is stale at all, it is going to be very, very fresh tasting and the aroma will be retained. So it is a huge challenge for a natural product to be able to achieve the same kind of shelf life and also manage the cost so that has been the challenge, so we have just done certain breakthrough where we are able to do a packaging which is nonaroma, which can package the nonaroma product, which are things like instant noodles, pasta, nuts, whole spices, etc., etc., just do not need to retain the aroma, so that is something

that we have created and we are still tweaking that product because there are certain costs that goes into it and there is a certain shelf life which we have to adhere to for our customers. So those things are being tweaked, so for now we will not be getting into commercial production of flexible pack. We foresee us looking at the flexible pack ordering in 2022 and 2023, so we do see that 2021 we will probably get into pilot scale production and 2022 we will conceptualize the project and we will do investments around 2022 to result in commercial production by 2023, so that is the broad timeline we have setup for this. We do think that there will be breakthroughs in this time, it is still project which has significant challenges, but we do think that there are certain silver lining and we will try to reach that state.

Jeet Gala: For this pilot which is what we are looking at global partnership right?

Ved Krishna: Yes we were looking for global partnerships for various projects this is the first one.

Jeet Gala: That helps. My second question is on optimization of capacity to 20 tonnes per day, in last year H1 FY2020 we had clocked this around Rs.8 Crores to Rs.9 Crores and that was probably around at 50% utilization, now in this slide which shows the way forward 2022 we are saying that the capacity utilization might go upwards of 70% and with doubling of the capacity to 20 tonnes per day, what kind of topline are we looking at after doing all of these capex, are we looking at clocking the sales of some Rs.25 Crores to Rs.30 Crores, if you can provide some ballpark number on the kind of topline we are looking at with 20 TPD?

Ved Krishna: This year is a challenge ultimately and this year when you are saying 20 TPD it is the capacity addition that we are going to order this year, the actual effectiveness will come in the next financial year. The current capacity is about 12 tonnes per day and the best we have achieved so far is about 5 to 6 tonnes a day and like we mentioned there 54% is the maximum that we have achieved so far, so the ideas is to stabilize that and take it to 60% in the coming quarters that is the aim in this quarter and to optimize the product range, so that we do not have to ever shutdown, just now what happens is that with the current capacity, there is a certain product range, certain products are oversold certain products are undersold, so we are not able to provide certain products and we are not able to run certain machines, so that is the challenge which we assigned to grapple with right now and to bring up the overall capacity to 60%. It is kind of difficult for me to give such a forward-looking statement that exactly what the topline is going to be this year and I would say actually this year has been super challenging, because this whole business is based on restaurants and food which is a challenging situation, the team is trying to do its best, but I would refrain from giving you a very clear sort of picture of what we will achieve this year, may be next year I would be in a better position to give you exact figures, but I would also request you to limit your questions so that the others can participate as well I think Aisha we are

limiting it to two questions. So Jeet thank you so much, we will let the others also. I am sure some of your other questions will be asked by others.

Moderator: Thank you. The next question is from the line of Mudith, an Individual Investor. Please go ahead.

Mudith: Good evening Ved Krishna Sir. Seeing the annual report of 2020 I saw that all the promoters have pledged their shares, can I know the reason for the pledging of the share?

Ved Krishna: Absolutely, the pledge is basically for ensuring that we get the loans for expansion of the project, expansion of the company. There is no personal drawing of any funds, because bankers need collaterals and when you are trying to grow 30 Crores company to 200 Crores company which typically means something in order to be able to provide us the kind of funds we are looking for, so they are all pledged against the loans that we are taking and there are personal guarantees also along with that in order to be able to grow the company, so that is what we pledged.

Mudith: When do you think that by what time will all the pledge share become unpledge?

Ved Krishna: Jignesh bhai and I have working on it right now, because we did not even realize that was such an issue with investors, so we had started working on it. Jignesh bhai, would you like to take a call on timeline that we can actually specify and what is your thinking?

Jignesh Shah: Thank you very much Sir. We are working with the banks now, because we have been fairly doing very well in terms of our performance and in terms of our cash flows, so when the facility is coming for renewal we are going to put it to the bank in fact the proposals have already been done, we are waiting for some kind of confirmation from the bank, but we can say that may be in the coming year, we would have just target of releasing the promoters shares.

Mudith: The complete holding, so the whole 100% will be removed?

Jignesh Shah: That is what we are trying, but that would all depend upon how the banks are looking at and how the banks are trying to help us on that.

Ved Krishna: Also the new project right Jignesh bhai whether what is the kind of exposure they are taking in the new project.

Jignesh Shah: In terms of timeline it could be really difficult to mention, but we are of course it is hard to get with the promoters pledge being listed.

- Mudith:** I hope you soon unpledge your share.
- Jignesh Shah:** We will try to do that and we will keep you posted during the quarterly calls.
- Mudith:** Thank you.
- Moderator:** Thank you. The next question is from the line of Amit Doshi from Care PMS. Please go ahead.
- Amit Doshi:** Good evening and thank you for the opportunity. I just wanted to ask about the performance of the moulded products, so of course it is really appreciable the way with the lockdown we have been able to achieve the good number topline, what I wanted to understand is on the profitability side, what made that improvement as our topline is same, but of course loss have reduced, so can you share some idea on that?
- Ved Krishna:** The main reason is productivity. The productivity is improved a little bit. Jagdeep has sadly not been able to make this call, because there was certain maintenance activity which we were looking at. He would have been able to elaborate a little more, but I am sure we can give you sufficient details, so it is basically on account of better productivity, running more machines than we have been able to because of the situation with sales, so those two are the main factors. Jignesh bhai, do you want to add anything to this?
- Jignesh Shah:** If you look at our presentation also, you would see that the productivity has been consistently increasing, so we have been able to increase our efficiencies from which was in the range of between 40% to 50%, now we are taking with up to 54%, it increase our efficiencies effecting our bottomline because that would have impact on my absorption of the fixed cost, so that is the main reason why the profitability is increasing.
- Amit Doshi:** I am just trying on this and I understand the productivity is increasing, but on the topline we are not still the same Rs.4 Crores unless we have increased our prices of the tableware product that we sell, I am just trying to understand the reason for reduced loss?
- Ved Krishna:** The reason for topline remaining the same is also because of the lockdown period, so you have been impact of more than 54 to 55 days of lower sales we have better product mix, so we have been working on the product which gives us a better margin and which has got better efficiency yield in terms of the overall productivity. So it is a combination of these two things, but of course in case if you want some more details or some more data you can always send us a separate e-mail which is I think available on our website and then I will be happy to share you more information on that.

- Amit Doshi:** That answers my question I guess.
- Ved Krishna:** The other part is also was Jignesh bhai is saying that is some stock accumulation, we have produced more, but because of the COVID period, the sales has not been as good as we would have liked it to be, so overall productivity increase is there which is not visible at the topline, which will be visible in the coming months.
- Amit Doshi:** And my second question is with reference to now everything almost being opened up and restaurant etc., are coming up also so on the tableware side and same on the paper, anything that broad outlook that you would want to share how things went by for the last six months and how do you see now things improving logistic supplies I think in Q2 where there have lot of supply issue that you have come out of and also hotels shut, so there was a lot of reduced consumption, so now with that being probably out would you want to share anything on that going forward, how you look at tableware as well as paper business in general?
- Ved Krishna:** I do not think the challenges go away that quickly because the last six months has been extremely challenging. We actually because of our team, I would say, we have been a little bit fortunate that we have managed to at least the period apart from which we were forced to shutdown the plant, we have more or less functioned on 100% capacity in paper and tried to maximize the capacity utilization in tableware that said we are not still running all the machines in the tableware division, but the challenges do not go away that quickly, it is not like the market opens up and everything is good. The market still has challenges and also it takes a while for the impacts to come in. We are sort of working on ensuring that we keep our productivity up and we find ways to make the sales that are needed on both sides and there are certain initiatives that have been taken especially on the moulded products to ensure that the capacity were utilized and we can enhance the machine usage.
- Amit Doshi:** Thank you. Wish you all the very best and Happy Diwali to all of you.
- Moderator:** Thank you. The next question is from the line of Puneet Kabra an Individual Investor. Please go ahead.
- Puneet Kabra:** Good evening to all Yash Pakka team. Thanks for giving me the opportunity to ask question. First question is last concall I asked I have been told that over the period I will be getting answer for this. September 15, 2020 we have uploaded presentation to BSE, so there are immediate target vision for 2022, we have projected some Rs.500 Crores sales revenue target and five years 2025 some Rs.1360 Crores sales, so that I want to understand okay that is 2025 is a little longer term vision I agree but next year it is another five months we are going to begin FY2022 we are entering already we are in November, so I think that you

must be having clearcut plan for FY2022, as five months remain, so in five years we have come from Rs.175 Crores to Rs.261 Crores in 10 years Rs.105 Crores to Rs.261 Crores, so how we are planning this year again is becoming challenging Rs.261 Crores also I do not think you will do Rs.200 Crores in first half sales of Rs.74 Crores, so from Rs.200 to or last year Rs.261 Crores to and last call it has been told that the full capacity we have got a revenue potential of Rs.300 Crores what are we know pipeline plans already in place all capex all that to do Rs.500 Crores for next year and 2025 what are our plans, what kind of debt we are going to take, what kind of capex will be doing and what kind of return ratio we are seeing for 2022 and 2025, so this is my first question Sir.

Ved Krishna:

I think that is a very pertinent question and I am thankful to you for asking that because it is important for us to share what our thoughts are going forward, of course we realize that we have taken a very, very challenging target and there is a reason for that because we do think that whatever we are trying to achieve we want to put it upfront so that it sort of positive pressure on us as well until we are internally nobody has knows it, everybody is happy that the company is growing at 10%, 20%, 30% levels, but that is not what we want to do, we are here to make an impact, we want to create a certain impact in terms of compostable products and the basic idea is that we want to make the earth cleaner through our efforts. So that said in terms of Rs.500 Crores broad ideation is on two, I will take one, one each. There are three different divisions that we are working towards, the first is paper for bags so we are doing some investment there about Rs.35 Crores to Rs.40 Crores on the paper side in order to do two things, one is to enhance the capacity by about 25% and apart from that we are significantly changing the quality of the product that we manufacture to make it much more adherent to our vision of providing our certain bag alternate, so there is a vision for FY2022, for both turnover increased through capacity addition which will come into force in the middle of next year not in the beginning and we are also looking at certain quality increase which will also result in certain increase in both topline and bottomline so that is as far as the paper is concerned. The moulded products, again there is a significant growth that we are looking through two things. The first is of course optimizing and running the current capacity which have significant potential of certain turnover which we have not achieved so far but we do have efforts and plans to achieve those and along with that we are also expanding the capacity further by approximately 35%, so that will also result in a further addition of the topline, so that part is going into force more or less towards the beginning, the first quarter of next year so that is going to further add to the topline during next year. The third part is that we were running separate division for marketing of our products called Yash Compostable and we felt that the investors overall were not taking that idea positively that there were separate marketing division, we have merged it or we are in the process of merging it in spirit we have, in legality it takes certain amount of time to be able to merge it and this also results in a certain delta that is one. The second is compostable division was created in order to cater to the market needs. We are fundamentally production and product

company that tries to sell its product. The compostable division was doing the opposite work where it was trying to understand what is needed by the market and trying to provide that. Now that includes both our product and also other product which may not be manufactured by us and it could be delivery products or cutlery etc., which are designed and branded by us and outsourced. So those are the three segments we are going to work towards and of course there are numbers attached two or three and that is what results in the significant increase that you are seeing. Your point is absolutely correct this year of course has been washout in many ways, so I wish we could have achieved higher sales this year say about Rs.300 Crores but that is definitely not going to be the case, we are going to try our best to try and match the figure which you have said about Rs.200 Crores, but it is anybody call right now, but they are going to definitely keep trying and there are three other focus areas in order to be able to achieve the plan for 2022.

Puneet Kabra: You know Sir all your figures better, so I just wanted to understand 2022, Rs.500 Crores what we are targeting so what practically we will be achieving conservatively 2022?

Ved Krishna: Let us stay with the target why the conservative already, we will be conservative at a later date if there is a need hopefully there is no need to be conservative.

Puneet Kabra: That is great Sir, so what kind of capex all that for this you told that some capex you already highlighted?

Ved Krishna: It will be about Rs.150 Crores total capex and which we are still working on finalizing the structure.

Puneet Kabra: Total Rs.150 Crores over what period Sir, this is tentative?

Ved Krishna: Within the next year say starting from December till within say October, November next year.

Puneet Kabra: December to 12 months, so how much it will have revenue potential for this Rs.150 Crores?

Ved Krishna: We have just mentioned the target Rs.500 Crores, so Rs.500 Crores we are able to do next year then of course there will be a certain amount of increased based on a full year capacity utilization in the forthcoming period.

Puneet Kabra: Still I am wondering Sir, these all will be coming in second quarter or first half, so how we will have full year potential that math is not coming to that Rs.500 Crores math I am not getting, because right now it is Rs.300 Crores to Rs.500 Crores, that is one thing. So what kind of ROC will be there incremental or total on Rs.500 Crores sales and what about our

longer term vision all that for that how much capex will be doing for 2025 goal what we have set and what kind of ROC will be seeing Sir?

Ved Krishna: There are different plan Puneet ji at different points. The ROC of course we plan to keep it like as you see right now, we plan to keep it over 20% level, but as far as the investment go there is a certain vision and plan and play, there is a certain investment that we have put into the plan, but that is kind of it is difficult to exactly ascertain what will happen so the plan is to invest this year give a gap year in 2022-2023 and conceptualize the project and then do a significant investment around 2023 so that 2024-2025 we are able to reap the total benefits of that so that is going to be a significantly higher in next month, but to actually sell it out exactly right now would be something which will be theoretical for now, so let us I think your thought process will keep us in good stead in terms of focusing on 2022, if we are able to do that then you and I will both have confidence for the future, so let us remain with 2022 for now.

Puneet Kabra: I appreciate your reply, but still I have got okay Sir, you can put the capacity is do capex all that is for five years we have not doubled our sales from Rs.175 Crores to Rs.261 Crores I do not know Sir, what is wondering me that how Rs.250 Crores, Rs.262 Crores, Rs.500 Crores, how suddenly such kind of market potential we will have how you are so confident, can you give me little comfort on that Sir?

Ved Krishna: I think I have tried to give the maximum possible comfort I could. There are two ways to live, you can look at the past and extrapolate the future or forget the past and extrapolate the future, we are choosing to do the other where if you keep looking at so most of the people who go to astrologers, the astrologers actually checks your past and then based on that the extrapolate the future, so what we are trying to do is breakaway from our own habits and tendency in the past and try to go for something that is significant impact. The whole thing ultimately is in our control and effort and trial and focus then push, so those are the things we are going to do, in the end, it is a kind of the exactness of what is going to happen, many times it is not in our control both yours and mine, you could be a great investor but you would not foresee COVID, so it is the same with us there is a certain amount of courage that it has taken to build a plan, there is a certain amount of courage that we are going to put in and effort that we are going to put in and we will work out, I can assure you of one thing that we will put in our best efforts and put in our best energy towards the plan that we have undertaken. The rest remains in the universe, god whatever you may call it the external forces, the hands of that, so we are all seeing that how a little virus can damage the whole ecosystem so who are we to question, let us try and put in the best effort with all the investors and the encouragement that we get, let us work towards achieving what we have said.

- Puneet Kabra:** Is Rs.150 Crores capex has been tied up Sir or 12 months what we are planning it is already tied in?
- Ved Krishna:** It is ongoing right now, tie ups ongoing.
- Puneet Kabra:** Thank you very much Sir.
- Moderator:** Thank you.
- Ved Krishna:** Aisha, if there are no more questions we can close the call?
- Moderator:** Sure, would you like to add any closing remarks?
- Ved Krishna:** Thank you so much for joining us. Thank you so much for all your questions and your queries and thank you I see that there are certain investors that are regularly tracking our company and having a certain amount of confidence in that, so we thank you for that. Like I mentioned to Puneet ji, our effort and purity of intend and focus will remain towards the goals we have set and we are going to try our very best to achieve the audacious figures that we have put forth and I request you and pray to you to keep having confidence in us and keep encouraging as you have done in the past. Thank you so much.
- Moderator:** Thank you. On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us and you may now disconnect your lines.