"Prasol Chemicals Limited

Q2 FY27 Earnings Call"

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MODERATOR: **MR. KARAN TALWAR – DAM CAPITAL ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Prasol Chemicals Limited Q2 FY27 Earnings Call hosted by DAM Capital Advisors Limited. 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 opening remarks. Should you need assistance during the conference call, please signal an operator by pressing star then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Karan Talwar from DAM Capital Advisors. Thank you, and over to you.

Karan Talwar: Thanks, Iqra. Good morning everyone, and a very warm welcome to Prasol Chemicals Limited's Q2 FY27 post-earnings call. On behalf of DAM Capital Advisors, we thank the management for providing us with this opportunity. On the call today representing Prasol Chemicals Limited, we have Mr. Nishith Shah, Chairman and Whole-Time Director, Mr. Dhaval Parikh, Joint Managing Director, Mr. Rahul Shroff, Chief Financial Officer, and other senior members of the management team. I would like to hand over the call now to Mr. Nishith Shah for his opening remarks, following which we will open the floor for Q&A. Thank you, and over to you, sir.

Nishith Shah: Good morning everyone. A very warm welcome to the Q2 and H1 FY27 earnings call of Prasol Chemicals Limited. As discussed by DAM, I am joined by my Joint MD, Mr. Dhaval Parikh, our Financial Director, Mr. Rahul Shroff, our Whole-Time Director, Pankil Daria, senior members of the team along with SGA, our Investor Relations Advisor, and DAM Capital, who has been our banker to the issue. I hope you had an opportunity to review our financial results and investor presentations which are available on the stock exchange and on Prasol's website. Before discussing our Q2 performance, I would like to reiterate what we had discussed in the earlier call regarding the Q1 FY27 earnings call.

First and foremost, I would like, for benefit of all, to reiterate that in Q1 we had an exceptional pricing environment wherein, due to inventory gain, the company had earned INR25 crores extra, which was contributed due to the inventory gain due to the West Asia war, which was discussed with all the stakeholders. So basically, all our figures will be now talking in the range of 240 to 250 EBITDA for the annual thing, without the INR25 crores gain that we had got in Q1.

So to bring everyone on the same page, kindly please understand that when I refer to 240 to 250 I am talking on the actual EBITDA the way we see the company would have done, not taking into account the inventory gain which we had made. We had guided an annual revenue of INR550 crores to INR1,650 crores, and an EBITDA, as I said now, of INR240 crores to INR250 crores, excluding any gains arising from the geopolitical price movements and forex fluctuation. I am very happy to announce that this has been one of our best Q2 of Prasol ever.

Generally, we see that Q2 is slightly softer than Q1, and Q4 is generally the best of all the quarters. We have delivered a record quarterly revenue of INR413 crores, registering a year-to-year growth of around 38.6%. We are diversified by design, and despite the geopolitical headwinds, because of which the company has done exceptionally well and continues to grow

as per the guidelines given 6 to 8 months ago, raw material prices continue to remain elevated during the quarter.

We have continued to diversify our raw material sourcing base on which we have engaged new suppliers and have increased our customer base across various geographies. So not only have we increased our customer base, but we have also increased the supplier base, keeping in mind the volatility and availability of raw material.

With respect to acetone, additional domestic capacities are expected to come on stream starting January 2027. Further, our plans are to develop a storage facility at Khopoli, which will provide us great flexibility to procure material in bulk and optimize the logistic cost as well as the raw material cost.

A diversified product portfolio at both facilities continue to contribute to the overall performance during this quarter as well. Progress on expansion plans. During our previous earning calls, we outlined that Phase 1 capital expenditure program would be approximately in the range of INR250 to INR300 crores.

And focus on this expansion, we have already invested about INR75 crores so far and we will be investing roughly INR75 to INR100 crores before the end of the year. We will, in the process, we will be completing about 25% to 30% of the envisaged expansion products that we have been talking of existing products.

Basically, by next year, half year, we will be completing another 25% to 30% and so on and so forth. So, the company will constantly continue on its path of growth and investment that it has promised. And I think things are going quite well as per what we had envisaged.

All these projects in Phase 1 is likely to add about 60,000 tons of additional capacity, taking our overall installed capacity to 150,000 to 160,000 over the next 12 to 24 months. Beyond the Phase 1, we are also on track for Phase 2 investments of approximately INR250 crores to INR300 crores, which will focus on developing new R&D-led products with better margin potential, leveraging our existing plots of adjacent land bank that we have already purchased.

Looking ahead, the global operational environment remains dynamic, volatile, as we may call. At the same time, demand from both domestic and international customers remains healthy and our order book continues to be strong. In fact, you will be happy to know that even going forward, the last month we have registered the highest sale ever in Prasol.

We expect export performance to improve as shipping availability and freight conditions normalize. The price increase undertaken across our product portfolio should also support profitability, while the capacities being added through our expansion program are expected to contribute incrementally over the coming years.

Based on our current assessment, we remain on track for our '27 guidelines of a revenue which I am repeating in the range of INR1,550 to INR1,650 crores, EBITDA of INR240 to INR250 crores, approximately 70% to 75% EBITDA growth year-on-year as compared to last year.

We remain focused on scaling the business to around INR2,800 crores to INR3,000 crores in the coming 5 years, supported by our existing expansions, product expansions, and the new products which we have developed and are continuing to develop in our R&D. We are focused on value-added chemistry.

With this, I will hand over to our Finance Director, Mr. Rahul Shroff, to take you through our finances in details. But before I hand it over, I am happy to announce that profit before tax half-yearly has already surpassed the last year's profit. And even last year, if you see, the growth was more than 60% to 70%.

So with this, I hand it over to Rahul to take you through the numbers. Rahul, please.

Rahul Shroff: Thank you, Nishith bhai, and good morning, everyone. Let me take you through the financial performance of the company for Q2 and H1 FY27. Revenue from operations stood at INR413 crores, registering a year-on-year growth of 38.6%. The growth was primarily driven by higher realizations along with single-digit volume growth in the domestic business. EBITDA stood at INR58 crores, registering a year-over-year growth of 86.1%.

Profit after tax stood at INR38 crores, registering a year-over-year growth of 122.2%. H1 FY27 financial performance. Moving to that, revenue from operations stood at INR846 crores, a year-over-year growth of 37.1%. EBITDA for the first half was INR148 crores, a year-over-year growth of 106%, translating to an EBITDA margin of 17.5%. This includes the exceptional gain of INR25 crores and forex gain of INR0.92 crores in Q1.

As Nishith bhai mentioned, we have already surpassed last year's EBITDA and PAT in the first half this year itself. Profit after tax for H1 FY27 stood at INR99 crores, a year-over-year growth of 138.9%. Overall, H1 performance represents a healthy operating performance and provides a base for achieving our full-year EBITDA guidance of INR240 crores to INR250 crores, excluding the gain due to the price fluctuations of the geopolitical event.

Moving to our balance sheet and working capital position, our net working capital cycle increased from 63 days at the end of Q1 FY27 to 76 days at the end of Q2 FY27. This increase was primarily driven by lower creditor days following our efforts to diversify our raw material sourcing base. Some of the additional suppliers operate with shorter credit periods.

While this has resulted in a temporary increase in the working capital cycle, we believe that a diversified sourcing network is very important for ensuring continuity of operations and strengthening our supply chain resilience in the medium to long term. We remain focused on improving working capital efficiencies and aim to bring the cycle back within our normal range of 60 to 70 days.

On the balance sheet front, post-IPO, we utilized INR60 crores of the net proceeds towards repayment of borrowings. This has helped strengthen our balance sheet. We have also utilized the balance proceeds of the general corporate purpose towards various expenses as we laid out in the prospectus.

Coming to our capital expenditure program, we incurred approximately INR75 crores towards Phase 1 projects during H1 FY27, and we are on track for our Phase 1 and Phase 2 expansions. To summarize, Q2 delivered a record performance in the history of our company.

Our focus remains on executing the planned capacity expansions, strengthening our sourcing network, improving working capital efficiencies, and maintaining financial discipline. We will continue to focus on profitable growth, cash generation, and prudent capital allocation as we work towards our growth aspirations.

With that, I would like to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Nirav Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Yes, good morning, sir, and thank you for the brief explanation. So, 2 questions. So first is, since we have been doing very well in FY27 and with this higher base, when we will start with FY28, given the kind of expansions and ramp-up of existing capacities which we are already having, how do you see FY28 in terms of sales as well as EBITDA, because there would be some new products which also would start contributing and Mahad plant has also now turned around. So if you can give some flavor of this with respect to the product side and also which are the newer applications which would be currently not as a part of our portfolio which would now be forming a part of our portfolio from FY28 onwards?

Nishith Shah: So, fine. I will just give you a brief on '28 because it is too far for us to discuss at this stage. But generally, our expansions which are carried out are in the existing products itself. It is based on the demand that we are seeing internationally. Say a company in India is buying from you and the same company has its branch in, say, Germany or France or in Mexico, they want you to supply now to France or Mexico, as an example. And hence, the new expansion that we are doing in the first part of the coming year will be towards products which are already approved by our end customer. And hence, there is very little or almost no waiting required for those products.

It is only looking at the geopolitical situation where we will have to see how FY28 pans out. But we are very optimistic that, as far as our approval quality and the customer demand is concerned, there is absolutely no issue. And we expect to grow quite well in the coming year is what we are envisaging.

And hence, we have already gone ahead with all our investments, and we are keeping very, very close control, that the project is done in cost and on time. That is very, very important to us.

Nirav Jimudia: Correct. Because last time in our call, we touched upon 3 to 4 aspects, like one was lubricant, then one was antibacterial drug, where possibly we would be starting production somewhere in the second half or possibly in FY28. So, from that point of view, how much these newer products would take time in terms of ramping up? And when can we see the full potential of these newer products accruing to Prasol?

Nishith Shah: So basically, the expansion is on track. As far as the lubricant additives are concerned, it is a ramp-up in volume, and hence the qualities are well established. In fact, we are fully sold on what we are making as of now. So as soon as we make up, the ball will be rolling for us. Right. On the, what was your second question, sir?

Nirav Jimudia: Yes, I was talking more from…

Nishith Shah: Antibacterial.

Nirav Jimudia: Yes.

Nishith Shah: Yes. So regarding the antibacterial drugs, obviously it takes some time for the re-approval because it's a brand new plant with a new process. So that takes a good 3 to 6 months since the product by the other method is already approved. So there is a change in method for better efficiency, but that too will require a requalification that may take those 3 to 6 months.

But all our experiments have shown to be okay, and I think we are on track for that product also to roll out quite well. So as far as the lubricant is concerned, as I said, we have the orders even today, but we don't have the facility to meet the requirement. The other is online, so overall things are in line.

Nirav Jimudia: So second question is on the agrochemical side. I think if I recall it correctly, it is currently 15% to 16% of our top line. So given the kind of situation currently where most of the products have seen broad-based correction in terms of either the prices or the demand, so for us, like, how has been the situation in terms of the product offerings, what we have, and are we more inclined towards the generic side of the business, or are there some patented products also where possibly we would like to supply or would have created some sort of niche so that that could also start accruing to us?

Nishith Shah: So basically, the products we are in, there are not more than 2 manufacturers in the product we are in India. Point number one. In the present geopolitical situation, there are very little imports that are coming.

So, you know, we saw a shift in the weather change. So the orders that we were expecting in the month of, say, September have moved to October. October, we had 150% growth in the agro product. The demand suddenly coming because the weather had shifted. And we have similar guidelines for November as well.

So based on the products that we are making, as I said, there are only 2 manufacturers, and that particular molecule that we are talking of only comprises of 7% to 8% of the total agro products we are making. So it is a very minor this, but, we have seen a big shift and, not many people are looking at imports with the uncertainty in terms of the timing. A ship which was taking, say, 30 days to come presently is taking 45 to 60 days, depends from the origin of the country.

So basically, we are very well placed. We are reasonably booked on all what we are making for the coming quarter as well. And things look reasonably well because generally Prasol has gone

into products and it is highly diversified. Into multiple locations and in multiple products using the same raw material.

So we are extremely well placed and we have seen every time in crisis, when crisis comes, we end up doing better generally. So, I don't see any area of concern. We are on track of the guidelines and we are very positive to meet the guidelines, which would be a 70% growth compared to last year.

Nirav Jimudia: Perfect. So just a last follow-up. So, when we say that our agrochemicals have also started doing well with this new expansion, are there any newer product buckets which would be forming a part of the expansion specifically from the agrochemical side?

Nishith Shah: No, there are no guidelines. The present investments are not for agro, they are for different products. So we are light on agro. Whatever we have invested is what we are going to reap. We are not investing any further into that.

Moderator: Next question is from the line of Arjun Khanna from Kotak Mutual Fund.

Arjun Khanna: Thank you for taking my question and congratulations on a great set of numbers. So the query I had was regarding our cash flows. So while we did cover this in our initial comments, but if I look at the inventories, inventories have increased in number of days quite substantially. While you have talked of shipping-related issues, etcetera, just wanted your thoughts on the same. So for the first half, we have seen a negative cash flow from operations. What would your outlook be for the full year?

Rahul Shroff: Hi, Arjun. Thanks for the question. So, when you look at our cash flows, in the middle of the year, right, the cash flow from operations always tend to give a different picture, right? So we usually look at it on an annual basis because it's a snapshot in time, right? So those numbers will fluctuate as the business procures inventory and the working capital changes.

So overall, our working capital cycle has increased, as we highlighted, primarily because we have added a new supplier base that had shorter cycles. The inventory position is also in line with the normal course of business and will. And will normalize throughout the course of the year. It's just a snapshot in time.

Nishith Shah: See, to this I would like to add, based on the increase of volumes that we are seeing in the second half, it is important for us to start getting our raw materials. And at dips, we end up buying good quantity of product, you know, within our 75 days range. But the raw material prices have shot up. The shipping time, say, in one of the cases, which was taking 1 month or 1.5 months has taken 4 months.

So with all the uncertainties, we do not want to go dry on the material. Plus the forward-looking orders and the plant utilization seems to be having a very good demand. We feel that this will come in line by the end of Q3. You will see that the things -- and if Q4, again, the numbers are looking good, we will be buying more inventory. At that point. But what has happened, the cost of the inventory has gone up, and that is what is reflecting in our working capital.

Arjun Khanna: Sure, fair enough. I was just looking at the number of days, but I get your point. So the second query is, if in the similar context, given that raw material prices are extremely volatile. And, it could happen that crude does correct significantly. And maybe, other derivatives, like we've seen in the first quarter, inventory gain. Is there a possibility of hitting an inventory loss, and what are we doing to mitigate against the same?

Nishith Shah: Yes, so it's a very good question. In fact, we have talked to top 10 users of our product. And we are assuring them based on a certain formula that we will be supplying you the goods. Say today the price is INR100, tomorrow it can be INR110. We will supply you based on the stock we are having. And we will import the new based on your requirement, because we don't want you to go dry.

We are in a luxury to discuss this because, as I told, most of the products, there are only 2 manufacturers. And hence we have been open with our end users that we will -- we are not here to make a short-term gain on you. We will pass on the product based on the material lying with us at a given price. And we will book the new orders based on your requirement.

Same way, when it has to go down, you will honour the product that we have booked based on your requirement. So that will help us mitigate with some formula with major customers to take care of that requirement. And as I said, we are booking the material based on the order visibility that we are having.

We are not booking it based on a guess to store an extra material that order in future may come. It is based on the confidence and the requirement of our customers, we are going ahead and booking the inventory gain. Like, quite often, say our phosphorus-based products, we have a line of sight for the coming almost 2 to 2.5 months.

And we are fully sold out on that. So we are following that. But yes, when the prices go down, it takes that 10 to 15 days to reduce the price for the customer. Same way, when the prices are going up as of now, it takes us that 10 to 15 days before which we pass on the increase in price to the customer.

So you do suffer when you are going up. When it's going down, you are not going to do it on day 1 because most of our input raw materials are imported, and hence that you have those 15 20, 30 days to bring a reduction in price and take care of your inventory.

Arjun Khanna: Sure, perfect. That helps, and wishing you all the best. Thank you.

Nishit Shah: Thank you.

Moderator: Thank you. Next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Yes, hello, good morning. Am I audible?

Moderator: You are audible.

Maitri Shah: Yes, hello. Firstly, if you could mention the utilization of both the plants we had in for the second quarter of this year?

Nishit Shah: Yes, so basically, I'll give you an overall number. It is about 65% to 75%, if I combine both the plants.

Maitri Shah: Got it. And, so we are expanding our Phase 1 in our existing products, and you mentioned that investments are not going to be on the agrochem side. Could you mention which industries are we targeting? Is it the performance chemical or the pharmaceutical? There's just some color on what industries we are seeing more demand coming from our existing customers and in our existing portfolio?

Nishit Shah: Except agro, if you go through our site, all the products we are making, we are going for a full-fledged expansion ranging from 30%, 40% right up to 70%, 80% in every product we are making, some of them almost 100%. So every product we are making, we are going for an expansion.

Maitri Shah: And this expansion will include us backward integrating to kind of strengthen our supply chain, or are we kind of also looking at forward integration and looking for a higher kind of EBITDA growth coming in from there?

Nishit Shah: Yes, we are looking at both forward integration as well as the existing product demand. Like, say, as I mentioned, like, say I am making a particular grade of lubricant. Now the demand of that is, say, 50% more in the market. So we are having an identical plant coming up to meet the additional requirement of existing product as well as the forward integration product that we are thinking of.

Maitri Shah: And when do you expect this capacity to go live of the 60,000 metric tons?

Nishit Shah: So, madam, as I said on my talk, that this year about 25% of the products that we have in mind will go live by June, July next year. We will be completing the mechanical completion by March. Again, then in the second half of next year, we will be taking care of another 25%. All the projects which are at different location and different engineering, do not get completed on the same time. So, it will be done in phases.

And as we clear each of the phases, and after the mechanical completion, it takes about 3 months to go into commercial production after the samples are approved, you know, to start generating revenue thereof. So every 3 to 6 months you will be hearing from Prasol on the new products and the expansion it has completed on the mechanical side, as well as plants which are ready for commercial operation.

Maitri Shah: Got it. And, once we expect these facilities to go live, you said we're expanding more to international markets. So what sort of export share do we have currently, and when all these expansions are complete, what sort of export share are we targeting, going forward?

Nishit Shah: So basically we are targeting 30% plus of our total revenue for exports. Presently we are in the range of around 25 because presently you would be aware that there were a lot of shipping issues, ships were not available, and the prices of the sea freight had gone up, depends on the location, 2.5x, 3x to US, 7x to 8x.

But we are still exporting to US, we are still exporting to Europe, and our exports are in the range of 25%, which will improve with this short-term volatility we are seeing due to the geopolitical condition. So we are very keen of increasing our exports to exceeding 30% in the coming years.

Maitri Shah: Got it. And are the margins also in the range of 25%?

Nishith Shah: No,

Maitri Shah: On the export side.

Nishith Shah: See, gross contribution is in the range of 30% to 35% range. So on the manufacturing products, it will be on the 35% range, and on the distribution side, it will be on the 30%.

Maitri Shah: And the state to expansion that we're targeting, those that are in the R&D phase, any sort of industries we are entering, some color on that, and also once this Phase 1 expansion is completed, post that I think we'll be entering that Phase 2 expansion. So again, when do you expect that phase to be completed?

Nishith Shah: So the new products that we are developing in R&D will start, when we will be starting the installation. So we have completed some detailed engineering already done. So it will take a year and a half to 2, 2.5 years because one is a propylene-based chemistry which will take the CCOE approval and the land development approvals, which takes more than a year under the environment, and then you start building the plant. So that will take about 2.5 years. The other will take about a year and a half, year two complete. And the areas we are targeting will be mining chemicals, lubricants, and pharma.

Maitri Shah: Yes, and this target that we've taken of INR3,000 crores over the next 5 years, do you expect the scale-up to happen pretty linearly, or are we expecting once the new products kind of start, you're going to see a much faster jump coming in on the back end of these 5 years?

Nishith Shah: Growth, madam, I always believe that stagnant water stinks. The growth has to be every year, and that we have been doing for the last 30 years. By and large, we have been reinvesting more than 80% to 90% of whatever we earn back into the business of growth.

So I don't think growth is going to stop. And, you know, sometimes it happens when you start with, say, 10 products, your 7 to 8 products give you a return what you have expected. There could be some that may or may not give you the return you have expected, but by and large the company keeps on growing and improving. So that has been our philosophy, and the reason of our exponential growth has been we have been right more than wrong, you know, in life. But I, I'll be honest to say, it's not that we are always right of all the things we do.

Maitri Shah: Got it, got it. And again, this target again reaching about INR3,000 crores, what sort of EBITDA margin is our goal, with these new products coming in that are expected to be in the high margin range and also more export share we are targeting? So just a ballpark kind of a 5-year long-term EBITDA vision we have.

Nishith Shah: I appreciate the question. I won't be able to share this at this point.

Maitri Shah: Got it, got it. Thank you so much for answering the question.

Moderator: Thank you. Next question is from the line of Vamika from Anand Rathi. Please go ahead.

Vamika: Hello, sir. Congratulations on your great set of numbers. I just had one question that regarding the mining chemicals that you mentioned in the previous quarter, could you give us some update on the progress of maybe the customer approvals or the trials since you had mentioned earlier that there was an approval from one of the labs in the US? So any color on that?

Nishith Shah: Yes, so we have got the approval from a U.S. Lab, and generally when you get from a reputed lab in U.S., it is approved throughout U.S. And the countries where the products are being used. So we are doing quite a few of the trial runs. A lot of samples have been given to various mines as of today, and our people are in South Africa and other places with the samples working with the clients based on the quality of mine at that position.

In other words, if there is a mine of the same product in 2 countries, both may or may not have the same chemical used to purify it. It depends on the impurity levels in that particular mine based on which the chemical dosage and other things are added. So we have started now closely working with the mines. So now we are at step 2 compared to step 1 on the basic approval. Now the approval will come mine-wise, and once that gets into place, then it goes in for a bidding process.

And that's where you have a possibility of getting a share of the market as we go along. Mining generally, like lubricants, take a good 3 to 4 years for approval because it goes through various approvals. And once it comes, then it's an entry barrier for anyone else because anyone coming in will have to follow that 5 to 6 years of cycle.

So, we are in our second 2 to 2.5 years of cycle of mining. We believe in the coming 2.5 years, and if we are lucky, maybe earlier, we'll get a very good breakthrough in the mining the way we see right now.

Vamika: Okay, so, does it mean, if it's fine to assume that there would be commercialization around 3 to 4 years in this sector?

Nishith Shah: No, no. In this sector, see, some of the reactors we are setting in are to be used for lubricant and can be used for mining chemical as well. So, it has a dual use. So, as we are expanding our lubricant reactors. If tomorrow, say, I get a mining this, I'm not going to reject that order. I can use the same equipment with very, very minor modification to get me the mining chemical required for the client.

Vamika: Okay, that makes sense. Thank you so much, sir. Congratulations again.

Nishith Shah: Thank you.

Moderator: Thank you. Next question is from the line of Aksh from Edelweiss Mutual Fund. Please go ahead.

Aksh: Hi, sir. Good morning. Thank you for taking my question and congratulations on a very good set of numbers yet again. Just a couple of questions from my side. Firstly, this top-line growth of about 40-odd percent that you have delivered in this quarter, is it possible to get a contribution of volume growth in this number?

Rahul Shroff: Hi, Aksh. Good morning. So, as we've guided, over last year quarter there is single-digit volume growth in the local business and the rest of it is from the higher price realizations.

Aksh: All right. And my second question is, so if my memory serves me right, I think we were setting up renewable power capacity in our Mahad plant. Which is likely to get commissioned sometime next odd year. So just wanted to understand the status of that and, if possible, any color on what's the power cost right now and what will it go down to once the renewable power kicks in?

Nishith Shah: So, what we have done is we have already started a INR2.5 to INR3 crore investment in laying a continuous cable to our plant. So previously we were getting the power from the grid. And as you know, throughout Maharashtra, when it goes through various industries or through the villages, you have a drop in the power going off 6 to 8 hours abruptly without prior notice.

So, we are laying a continuous cable, our own cable, right from the main grid that will get completed in the next month and a half to 2 months. Once that is done, then we hear there are changes in the laws of the installation of solar in terms of the government charges. But presently the charges that we are paying in Mahad is in the range of INR9 to INR9.50 a unit.

That should drop and we should have a saving of the way we had worked out earlier. But the laws are changing in the range of around INR1.25 to INR1.50 a unit saving is what we are looking at, and that's what we expect to do. But again, we'll have to check the law after laying down this cable. What are the present laws and the benefit thereof?

Aksh: Got it, sir. Thank you, thank you so much for the answer.

Moderator: As there are no further questions, I now hand the conference back to management for closing comments.

Nishith Shah: Thank you all for taking out the time and joining us today on our earnings call. We appreciate your continued interest in the company, and I want to give you a personal assurance that we at Prasol will live up to the trust you have put on us. In case of any queries, please feel free to reach out to SGA, our Investor Relations Advisor. And thank you and wish you a very, very happy Diwali and festival greetings. Thank you again for your time. Good day.

Moderator: Thank you very much. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thanks for joining us today, and you may now disconnect your lines.