

Garware Hi-Tech Films Limited

(Formerly known as 'Garware Polyester Limited')

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June 18, 2021

The Compliance Manager

BSE Limited

Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001

Scrip Code: 500655

Subject: Transcript of Conference Call with the Phillip Capital (India) Private Limited

Dear Sir/Madam,

This has reference to our letter dated 11th June 2021, intimating you about the conference call with the Phillip Capital (India) Private Limited on Tuesday, June 15 2021 at 03:00 P.M.

Please find attached herewith transcript of the aforesaid Conference Call.

A copy of the same is also uploaded on Company's website.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For **Garware Hi-Tech Films Limited**

(Formerly known as Garware Polyester Limited)



Awaneesh Srivastava
Company Secretary



Encl: As stated above.



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“Garware Hi-Tech Films Limited Conference Call”

June 15, 2021

SPEAKERS: **MR. C.J. PATHAK - WHOLE TIME DIRECTOR GHFL**
MR. PRADEEP MEHTA – CFO GHFL
MR. S. KRISHNAN - DIRECTOR (SALES) GHFL
MR. B D DOSHI – DIRECTOR GHFL
MR. AWANEESH SHRIVASTAVA – CS GHFL
MR. N. CHANDRAMOULI – CEO - BLUE LOTUS
COMMUNICATIONS
MR. SNEHKUMAR PUROHIT - BLUE LOTUS
COMMUNICATIONS

MODERATOR: **MR. APURVA SHAH – PHILLICAPITAL (INDIA) PRIVATE**
LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the exclusive conference call of Garware Hi-Tech Films Limited, hosted by PhillipCapital PCG Desk. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing “*” and then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Apurva Shah. Thank you and over to you sir.

Apurva Shah: Thank you Inba. Good afternoon all, welcome to the exclusive call of Garware Hi-Tech Films Limited. So today we have from the management side we have Mr. Pathak – Whole Time Director, Mr. Krishnan – Director (Sales), Mr. B D Doshi – Director and Mr. Mehta – Chief Financial Officer and we also have Mr. N. Chandramouli and Snehkumar Purohit from the Blue Lotus team who manages the Investor Relation function for the company.

In last two quarters we have seen excellent change in the company in terms of the communication to the investor community in terms of presentation and maybe post earning conference call. So, that is working well for us to the awareness of the company. But sir, still I would suggest you to start a call with your brief opening remark where you can cover the recent CAPEX announcement, how do you see revenue ramping up because of this CAPEX and maybe if you can share some details about the industry and how as a financial investor how shall we be looking at this period for the company or maybe for industry. Thank you and over to you sir.

C.J. Pathak: Thank you and I welcome all of you for this call. I will take you through our business segments because we have two verticals, which I have been telling in calls, that industrial product division where we manufacture the polyester chips and polyester film of various types. And the second vertical is the consumer product division where we manufacture the window films, which consist of sun control window films used for automobile, used for the architectural application of flat glass for building, safety films and the paint protection film. In the industrial product division, where we have the polyester chips manufacturing facility, where the capacity is about 54,000 tonnes per annum, which is used for captive consumption. We do not have an excess capacity for sale of chips, and that’s why we’re using that capacity. We also have many different kind of plans for creating more value to this chips, adding value to the chips like solid state polymerization or some mass batches which are required for manufacturing the different types of polyester films as we are into the niche product.

We have four polyester film lines and two lines are thick film lines, two lines are thin film lines. We manufacture polyester films from 10 micron to 350 micron. For commercial films above 50 micron are known as thick films and up to 50 micron from 10 micron onwards are known as thin films. Now this business is divided into specialty and commodity, the competitors those who are into the polyester film business, our business is a little different than them because we are into niche market and niche product. The commodity films like which are used for flexible packaging. Those are the very high speed machines and wide width machines. And there’s a tough competition in that business and people operate on a volume business and low margins.

Niche business is a small market and less competition but it is total technology business. where we manufacture the raw material ourselves. We modify some raw material as per the customer requirements and line wise we have specialty products. So, we manufacture, in thick film segment we manufacture films which are used for insulation application like mobile insulation, cable insulation, and specialty films like low oligomer films which are used for hermetically sealed compress motors. And this particular market is centralized in the China and far east where we are supplying our product, this is a market which is actually, there are converters in between and converter supplies the final product as per the design requirement of the applicators or users.

So, all the top brand refrigerators and air conditioner manufacturers they are using our film and we have dominant share, there are other two international companies, no Indian company is competing in this segment and we are having a dominant share in this market and we're supplying 100% of our production to this particular application.

Second niche product which we are manufacturing is for shrink label application. Shrink label application is widely used for beverages nowadays and this is widely in demand because of the high speed packaging and high speed machines this kind of labels are used. So, also this labels are recycled along with the bottles, pet bottles which are used for the beverages. So, this market is encouraging, we are almost 50% exporting this product and 50% using in India. There are other products like for reprographic application, or for section application or for LCD screen application. So, different, different applications are there, these are all niche product and some quantity is going for flexible packaging application also. Almost about 75% our production is going for the niche application and all over the world we are selling it.

The second vertical which I mentioned is the sun control film, sun control is our brand that is the window film we manufacture. Window film we are supplying the capacity is 2400 lakh square feet, this product is sold on square feet basis all over the world and almost 95% capacities exported. Majority is sold to USA and Europe, that way we are selling to more than 80 countries all over the world. In this segment we manufacture the colored polyester films, required for films. Then, we also manufacture all kinds of ingredients required which is the solar metalized films or adhesives and all components whether the reeling liner, that everything is manufactured in-house and then the final product is also manufactured. We are utilizing 100% capacities as of now in both the sites whether it is industrial product or whether its sun control or window film side.

We have recently installed a plant for manufacturing the paint protection film which went on stream in December 2020 and we have reached the breakeven so far. That plant as per planning is required to add the top line of 300 crores by March 23. We also announced the expansion of the lamination and coating line which are used for making these windows films and that is in progress and that will be commissioned in the April 22 and by March 24 that we will be able to sell the entire capacity, it will add top line by above 300 crores by March 24.

So, these are the expansions so far happened or announced and further progress, further discussion are on, as and when it will be crystalized it will be taken to the board and necessary declarations will be made to the BSE and will be known to all of you. Any specific queries so far?

- Moderator:** Sir, should we open the line for questions?
- Apurva Shah:** Pathak sir you can complete your opening remarks and post that will open the floor for question answers. So, are you done with your opening remarks?
- C.J. Pathak:** Yes.
- Management:** More or less it's done, you can open for queries.
- Apurva Shah:** Great. Imba please proceed.
- Moderator:** Thank you very much. Our first question is from the line of Dhiral Shah. Please go ahead with your question.
- Dhiral Shah:** Sir my first question is, any impact on the higher crude oil prices on our business particularly on the commodity side?
- C.J. Pathak:** Not very clear, can you please repeat.
- Dhiral Shah:** Sir wanted to know any impact on the higher crude oil prices on our business and that is particularly on the commodity side?
- C.J. Pathak:** Correct. Crude prices, normally whatever the crude prices increases and the impact of the exchange rate that cost is passed on to the customer. It is passed on immediately as happens in the next month in the domestic market and it takes, there is a leap and it takes some time to pass it on to the international customers, but that is passed.
- Dhiral Shah:** Okay. And secondly sir, in last five to six year there has been a sharp improvement in gross margin. And I remember in our first concall you talked about centralization of manufacturing activity at one place, this is the only reason or this is also due to some product mix improvement fall in raw metal prices, if you can throw some light?
- C.J. Pathak:** Yes, there are several measures taken right from marketing, production, product mix and centralization activity. So, in marketing we have shift the market, Mr. Krishnan will throw more light afterwards on this, but we have made a shift where we get more margins like from far East China to the European countries and USA, it's where we get the more margins from the product. We have changed the product mix that we have shift to the more of a specialty nature of product and we have developed some of the product, we have modified some of the product as per the requirement of the customers that is another thing. We have also modified some of the

manufacturing plants to suit the requirement for making the new products. Then, we have upgraded the plants to give a consistent good quality and reliable efficient output on the plant. Apart from that the shifting at one location that is done, so the plants which were say like from Nashik we have shifted to Waluj, from Chikalthana we have shifted to Waluj so that that is also done to optimize on the cost. So it was a overall and the loss making products which are discontinued. Loss making plants are discontinued, so all these various decisions are taken and implemented that is resulted.

- Dhiral Shah:** So what was the value addition portfolio contribution let say three to five years back?
- Krishnan S:** Value added product was contributing in the sales around 35% to 40% of the revenue mix, now it has gone up to 75%, 95% so that is the reason of increasing the gross margin.
- Dhiral Shah:** Okay. So, sir we are almost at 75% of total revenue from the value added side. So, going ahead any major lever for further improvement in margins?
- C.J. Pathak:** Actually all these plants like paint protection film which is a high margin product and which is a technology product is 100% addition to the niche product line which is a specialty product that will get added. And again the new lamination and coating line will also add to the value added products only.
- Dhiral Shah:** Okay. And sir on the employee expense side as a percentage of sales, it is also a reason in large few years. So, it is now almost 11% of the total sales, I know we are expanding our capacity, but where do you see this figure settling out as a percentage of sales in coming years?
- Krishnan S:** So, your question is of you are saying employee expenses are increasing?
- Dhiral Shah:** Yes.
- Krishnan S:** So, for some of the capacity expansion we need additional manpower and the normal increments are being planned on year-on-year basis. But these are within the controllable limit and that can result into the bottom line growth.
- C.J. Pathak:** Actually we have added some marketing people internationally in various countries and that has also added into the cost.
- Dhiral Shah:** So, this will remain at 11% on you feel it will again go up, as we are expanding our capacity?
- C.J. Pathak:** It will be maintained because of the top line will also grow.
- Dhiral Shah:** Okay. And sir lastly, what is the EBITDA margin difference for specialty as well as commodity films?
- Krishnan S:** We can't share this is a confidential information.

- Moderator:** Thank you. Our next question is from Mr. Yashwant. Please go ahead with your question. Sir we will check with this participant and come back, in the meanwhile we'll move to our next question that's from Anmol from Anmol Sekhri Consultancy. Please go ahead.
- Anmol:** Sir, in terms of rupees, crores how much is the CAPEX in this financial year in the next?
- Krishnan S:** Around 135 crore is plan to spend in the current financial year.
- Anmol:** Okay. And the next?
- Krishnan S:** Next is still to be finalized, we have not yet declared those number for next financial year.
- Anmol:** Your asset turnover ratio looks to be less than one, is that right?
- Krishnan S:** Yes. If you exclude the revolution reserve, then it will be better, it is more than 2.
- Anmol:** Okay, then that's why you are saying 135 crores will add a 300 crore topline.
- Krishnan S:** Correct.
- Moderator:** Thank you. Our next question is from Sangeeta Purushottam from Cogito advisors. Please go ahead.
- Sangeeta Purushottam:** This is actually Sangeeta Purushottam. In your earlier calls you have guided that you will be touching a turnover of about 1500 crores by FY23, is that right?
- Krishnan S:** That is correct.
- Sangeeta Purushottam:** Okay. And in terms of when you reach that turnover, how much margin improvement can we expect, because with that growth, with operating leverage kicking in, my assumption is that there should be an improvement in margins also. So what kind of EBITDA are you targeting?
- Pradeep Mehta:** For safer side you can consider the existing margin level, but there will be definitely positive side on it. But that percentage is difficult to reveal in this.
- Sangeeta Purushottam:** Okay. So, there should be some improvement in margins also?
- Pradeep Mehta:** It will be delta plus
- Moderator:** Thank you. Our next question is from the line of Mr. Apurva Shah from PhillipCapital. Please go ahead.
- Apurva Shah:** Sir, my first question is very basic one. So, if I compare your company with the industry peers, so broadly the entire industry which constitutes almost four, five listed companies so in terms of gross margin or EBITDA margin, more or less the entire industry works in tandem. So, my first

question is, if I look at our product profile and if I just think of sun control film, which is like we are amongst top few manufacturers in the world, so why can't we have some different sitting profile and what differentiates us from the industry, in terms of product yes, but why that is not reflected in margin terms?

C.J. Pathak: That will reflect in margin, actually if you see the consumer product side the margins are more compared to the industrial product and that's why we are putting more capacity in that side. So, typically there is no example like ours like we have the manufacture the polyester chips to the window film, the only companies not comparable with others but the margins of sun control films or window films are much better comparable with any of the pier company. Industrial product side, Yes we have lower capacities compared to the competition, we are the lowest capacity rather and that's where the margins because there are over heads getting divided into a limited capacity. So, that is why margins in the industrial product side are little lower compared to the conveyor product side.

Apurva Shah: Okay. So, sir if I look at your last year performance which is like a 75% revenue from value added. So, definitely that is reflecting in margins, but on a sustainable basis is there any guideline if a certain percentage of revenue is coming from value added and certain percentage from commodity then this can be your EBITDA. So, is there any guidelines which as a third party or as a financial investor we can have some basis to estimate the revenue profile or maybe margin profile?

Krishnan S: It's difficult to diverge lot of information, but I can tell you, when we plan on the industry product side or consumer product side when we make a planning, when we make a budget or when we make a monthly plan, we always see how much we get the return on per day basis or which product gives us better return and based on that, we plan the production. So, we always see the best available return per day on each manufacturing line so that is ensured.

Apurva Shah: So, sir this 20%, 22% kind of margin will it be a new normal for our company?

Krishnan S: Yes.

Apurva Shah: Okay, great. And sir do you share capacity in terms of different like two main product categories IPDL and PPD?

C.J. Pathak: Yes, because industry product, all industry products are sold on kg or tonnage basis and consumer products are sold on square feet basis.

Apurva Shah: Okay. So, sir what is the overall capacity and what is the current capacity utilization?

C.J. Pathak: The film capacity in this product division, the plain film that is capacity is 42,000 tonnes per annum, but that is always sold on equivalent basis. So, because we take many products on each line, so that is always converted into equivalent product and on equivalent basis, we are selling say about 36,000, 37,000 tonnes, that is 100% utilization of the capacity. Consumer product side

also we are selling on lakh square feet basis, the capacity is 2400 lakh square feet per annum and there is also 100% utilization which we have achieved in the March.

Apurva Shah: Okay. And this paint protection film which we have added in December quarter, so what will be its total capacity in revenue terms it will contribute maybe 300 crores at full potential right?

C.J. Pathak: Yes. Capacity is 300 LSF lakhs square feet per annum.

Apurva Shah: Okay. And sir would you like to give some initial traction from that segment how has been the overall responses by tinters or maybe over customer?

C.J. Pathak: Certainly, I request Mr. Krishnan to take no this one.

Krishnan S: Hi, this is Krishnan here. In terms of the PPF as we mentioned, this was introduced in the last quarter of our financial year. And since then, we have seen our product getting well accepted in the market. Our key market of course, is the U.S. market, where we are already present with our window film. And we are about the third largest brand in that country for the window film and we have direct contact with about 4000 tinters and the same people who do the window film tinting or applications of window film, the same people also do the PPF application on cars. So, with the end consumer or with the end applicator, we have had the contact and we have started our business in terms of selling our PPF. The response has been quite good, the initial months were in terms of sampling of products, et cetera. After that we have started receiving orders and repeat orders have started coming from different customers. So, the response I would say at this stage is quite good in terms of the products that we have been able to sell into the market.

Apurva Shah: Okay, great. Sir, if I look at your last four, five years number, so we were stagnating around 800, 900 crores kind of revenue bank. So, was that because of the capacity constraint and was there any change in the product mix or volume growth in between in last four, five years?

C.J. Pathak: owing to capacity we have a capacity constraint, but the capacity constraint was not there in last four years, because we were operating almost 75% of the capacity of consumer product side. We were concentrating on improving the bottom line and by adding the niche products, new products and establishing the new products in the market, also the shift in the market from Eastern to Western world. So, that all was concentrated. Now, the products are developed, capacity is also utilized almost 100%, that's why we are going for the capacity expansion. We are going for the capacity expansion where there is a good value addition. So, that's why we preferred initially the PPF which is a very difficult product, very few companies are manufacturing but we established a mastery on that and our product is also good. So we established that and now going for the window film capacity expansion.

Apurva Shah: Okay. And sir when we are expanding this PPA maybe for the next league of expansion, so would we need to incur any CAPEX for manufacturing of chips or we have enough capacity?

- C.J. Pathak:** No, this is a value added product so chips capacity and film capacity is adequate to supply the consumer product division. Because we have enough capacity of chips and enough capacity of film, for meeting the requirements of the sun control division or consumer product division.
- Apurva Shah:** Okay. So for the current PPF and for the next year expansion, we need not to make any further in CAPEX for the chip division right?
- C.J. Pathak:** No.
- Apurva Shah:** Okay. And sir one thing on this sun-controlled film, so can you bifurcate revenue between India and U.S. because if I look at your current revenue profile it's around 450 crores revenue coming from sun control. So, question number one, what is the bifurcation between U.S. and India?
- Krishnan S:** In terms of the bifurcation, as it was explained to us, 95% of this product is exported all over the world. U.S. is our largest market, we don't want to put a finger to that, but it is the largest market. India is less than 5% of our total sale.
- Apurva Shah:** Okay. And sir one thing on so, in last conference call you mentioned that the rough market size is around 2000 crores for the U.S. sun controlled film.
- Krishnan S:** Correct.
- Apurva Shah:** So, what is the basis because if I look at the annual car sold in U.S. and If I multiply by maybe \$200 or \$300 per car, then it will be a significantly larger market share compared to what we discussed in the last call. So, what are the basis to derive at the 2000 crore market size for sun control film?
- Krishnan S:** Okay. See every car which is manufactured in U.S. does not require a sun control film, the cars already have tinted glasses if you have noticed. So, they already have a tinted glass, they don't need a window film. So, not everybody goes to apply a window film. So, there are a few customers and specific markets where there is a big potential, especially in the warmer regions, if I may say so, there the potential is higher and people want to have a film on the car in addition to the tint which is already provided.
- Moderator:** Thank you. We'll take our next question from the line of Dhiral Shah. Please go ahead with your question.
- Dhiral Shah:** Sir on the PPF side since we are targeting 300 crore kind of a revenue by FY23 end so, do we have that kind of an order book which will be executable by FY23 or market itself growing at that pace maybe due to under penetration hence we are projecting that kind of a revenue?
- Dhiral Shah:** It's a combination of both in terms of expected orders and the market also growing. Again the market size if you look at is pretty large it is in the region of almost 5000 odd crores so we are targeting to get somewhere in the region of about 6% of that market.

- Dhiral Shah:** Okay. And sir any plant of launching any new product in coming years apart from the recent launched this PPF and any product portfolio gap still persists vis-à-vis our global competitor?
- Krishnan S:** We are continuously innovating we have a very strong R&D in our company. So, we are continuously innovating and continuously we do get into the market, new products, we have recently also launched the new product which is an extension of the window film business and that product has started getting good acceptance. It is part of the window film but it is used in the front windscreen glass which is an excellent product which has been already launched in the market and we have started advertising for that product as well. So that way we will keep introducing products into the market apart from what we have already launched PPF or the window film.
- Dhiral Shah:** Okay. And sir lastly what is it domestic and export mix for value added product?
- C.J. Pathak:** As I explained to you in terms of the window film business, 95% is exports about 5% is the domestic or slightly less than that. In terms of the value added product for the IPD, I would say it is about roughly 40% will be export and the balance will be domestic.
- Moderator:** Thank you. Our next question is from the line of Sangeeta Purushottam from Cogito advisors. Please go ahead.
- Sangeeta Purushottam:** Yes. Sir just one clarification on your tax rate, which is still in the old regime, is that likely to continue or will you shift over to the 25% tax regime anytime soon?
- Pradeep Mehta:** You discussed this last earning call also. And we responded you that time that, this year it will be in the old regime because we have to avail MAT credit, but next year probably it can switch over but that will depend on this year taxable profit and MAT calculation, then we will tell which one option is beneficial for us, whether we should continue the old regime for next year also or whether we should switch over to the reduced tax rate. Whatever is beneficial we will avail that type after closure of the year.
- Sangeeta Purushottam:** But by FY23 you would have switched over to the new regime?
- Pradeep Mehta:** Chances are there.
- Moderator:** Thank you. Next question is from the line of Apurva Shah from PhillipCapital. Please go ahead.
- Apurva Shah:** Sir on specialty film, so we are amongst the top three. So, can you help us to understand the market better and how has been our market share and what is the change in last few years or maybe quarters for that particular segment?
- Krishnan S:** In the case of specialty film as I explained, we have two product lines, one is the IPD and one is the CPD. In the case of IPD the products that we sell, one is in the beverage industry which is called a shrink film, when you see a Pepsi bottle or a Coke bottle you see a wraparound where

the Coke is written or Pepsi is written, that portion is actually made of polyester film of course, there is a choice of also making it with PVC, which is a lower price option. But most places you will see polyester film being used, so that is the market that we are catering to. Again global market for that product is extremely high and we have a very small I would say a share of that global market. Again there in domestic market we have almost 90% for that matter, we are probably the only manufacturer selling that product in the domestic market. So otherwise, in the international market, we have to compete with everybody else. So it's very difficult to actually put a number in terms of the share because the industry is extremely large and it's a mix of polyester film, PVC, et cetera. That is one, the other is in terms of the electrical industry as was explained by our CEO at the beginning, where we used as an insulation material there again we have a small share and most of it is used in China which is the largest market for the compressor industry today in the world. So, we compete there and we have a share in that market as well.

The other one in terms of the CPD which is the consumer product, our largest market say is the U.S. market, we have a fair share there, a little over 10% is our market share in that market. So in other markets, we are slightly lower Europe, Middle East, et cetera, we have slightly lower but in market like India, again it is very high because again we are the only manufacturer.

Apurva Shah:

Okay. And sir in terms of competition in U.S., so we are competing with 3M, XPEL and LLumar. So, what will be their market share, and have you seen any capacity addition by any of these players in last few years, or maybe if you are aware of any future plans for that capacity expansion?

Krishnan S:

#A, in terms of the market share for others, XPEL is lower than us in terms of the market share, and I'm going by, but 3M and LLumar are higher they are the other two brands which are higher than us, we are the third largest. Then there are many others like Marico, American Window Films, et cetera, Saint-Gobain, all of them. Again, we are restricting ourselves to the automotive space predominantly. There are two types of application one is the automotive, the other is the architectural, which is wherever you see in glass and you have the films which are put onto that glass in the buildings, et cetera. So there we don't have a participation, we have a very, very small product range, that technology is slightly different so we are not there in that part of the market. So, in the market that we compete as I said we are the third largest. And we have other competitions as well. We don't know of anybody expanding in a big way, so there could be small capacity addition from time-to-time.

Apurva Shah:

Okay. And sir what will be our CAPEX requirement or maybe CAPEX plan for next three to five years? Sir, for the immediate you have already alluded in the last call. But the question is, we want to see your company in a continuous growth phase. So, is there any plan as of now, and second thing, so cash flow is very consistent and very good for our company maybe the land bank is another lever for our company. So we just want to understand what are going to be the key growth levers for next maybe five years or 10 years for our company sir?

- C.J. Pathak:** The cash flow is good and company is also thinking the way you are thinking that company should grow. But once that plan is crystallized, that will be passed through the board and then declared to be BSE and to the investors. So, that thinking is going on.
- Apurva Shah:** So, sir do we have any current plant either organic, inorganic something in mind, which gives us clarity for next few years?
- C.J. Pathak:** Once it is crystalized declared say when it is finalized, it will be definitely declared, the thinking is in progress.
- Apurva Shah:** Okay. And sir one last final question from my side. So, can you help us for the revenue breach from current 900 or maybe 1000 crores to 1500 crores, so that's probably 300 crore will come from PPF. So, where will this another 200 crores of revenue will come by maybe by FY23?
- C.J. Pathak:** If you see the capacity utilization in the year 2021 initial two months, there was a low capacity utilization that will be utilized because we started utilizing 100% capacity. So, some turnover will come from that unutilized capacity which is now utilized. We are already in the process of installing the metalizer and we'll be selling the metalized product also. So, that will also increase the turnover to some extent. PPF is progressing we are utilizing that plant and with all that these are the projections.
- Moderator:** Thank you. Our next question is from the line of Anmol from Anmol Sekhri Wealth Advisors. Please go ahead.
- Anmol:** Sir it appears that you are heading to be debt free soon and your project implementation can be through internal accruals am I right?
- C.J. Pathak:** You are right to the extent of net debt free company. But we are still working and availing loan facility for new CAPEX with all contribution. So, that will continue the loan will be appearing in the books, but net way it will be a debt free company.
- Anmol:** Any plan on monetizing any of the land bank?
- Krishnan S:** At present, no plans.
- Moderator:** Thank you. As there are no further questions from the participants. I would now like to hand the floor back to Mr. Apurva Shah for closing comments.
- Apurva Shah:** Yes, Pathak sir and the entire team, thank you very much for your time. It was really useful for us and maybe our clients as well. Sir would you like to make any closing remarks before we close for today?

C.J. Pathak: Thank you very much. Thanks for the whole hearted support to the organization and the efforts being made. I assure you that the company will continue to grow like this. And we will announce the plans as soon as it crystallizes in the near future. Thank you very much.

Apurva Shah: Sir, thank you very much and all the best. And thank you very much Sneha and Mr. Chandramouli for your coordination. Thank you.

N. Chandramouli: Thank you so much, thank you for the call, really appreciated.

Apurva Shah: Thank you.

Moderator: Thank you. Ladies and gentlemen on behalf of PhillipCapital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.