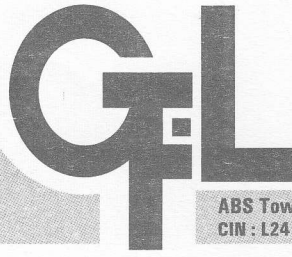


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GUJARAT
FLUORO CHEMICALS
LIMITED



ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India
CIN : L24110 GJ1987 PLC009362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

GFL:BRD:14:2018

17th August, 2018

To,
The Secretary
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 500173

Dear Sir / Madam,

Sub: Transcript of Conference Call with the Investors/Analysts

The Company had organized a conference call with the Investors/Analysts on 14th August, 2018 post declaration of its Audited Financial Results for the quarter ended on 30th June, 2018. A copy of Transcript of conference call held with the Investors / Analysts is enclosed herewith and the same has also been put up on the Company's Website at <https://www.gfl.co.in>

We request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For **Gujarat Fluorochemicals Limited**

Bhavin Desai
Company Secretary

Encl.: As above



“Gujarat Fluorochemicals Limited Q1 FY2019 Results Conference Call”

August 14, 2018



ANALYST: MR. FARZAN MADON – AXIS CAPITAL LIMITED

**MANAGEMENT: MR. VIVEK JAIN – MANAGING DIRECTOR - GUJARAT
FLUORO-CHEMICALS LIMITED
MR. DEEPAK ASHER - DIRECTOR AND GROUP HEAD –
(CORPORATE FINANCE) - GUJARAT FLUORO-CHEMICALS
LIMITED**

Moderator: Ladies and gentlemen good day and welcome to the Gujarat Fluorochemicals Limited Q1 FY2019 results Conference Call, hosted by Axis Capital 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 presentation concludes. 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 now hand the conference over to Mr. Farzan Madon from Axis Capital Limited. Thank you and over to you Sir!

Farzan Madon: Thank you Ali. A very good evening to everybody. We have with us the management of Gujarat Fluorochemicals represented by Mr. Vivek Jain - Managing Director and Mr. Deepak Asher – Director & Group Head (Corporate Finance). Sir over to

Deepak Asher: Thanks very much Farzan and thank you Ali. On behalf of the management of Gujarat Fluorochemicals Limited, I would like to extend a very warm welcome to all investors, analysts and other participants on this call. We have just concluded the Board Meeting of GFL, about a couple of hours ago where the Board approved the Quarterly Results for June 2018. The Results have been uploaded in the website of the Company as well as the websites of both the Stock Exchanges and as we normally do along with the Results, we have also uploaded the earnings presentation which gives you a highlight on the fiscal and operating parameters of the Company.

I would now like you take you to some of the key aspects of the presentation. In terms of the qualitative highlights, as you know, we have four businesses within GFL. There is a Chemical Business, there is a Wind Turbine manufacturing Business, which is conducted by InoxWind, which is separately listed. There is a Wind Farming Business and there is also a Film Exhibition Business which is conducted under Inox Leisure Limited which again is separately listed.

As far as the Chemical Business is concerned, we will see and as the numbers will demonstrate to you, a continued momentum in the Chemical Business led by higher sales as well as significant price improvements, Chemical Business revenues have gone up by 38%, EBITDA by 103% and PAT by 82% in Q1 of this Financial Year as compared to Q1 of the last Financial Year. In the Wind Turbine manufacturing Business, the Business has turned around after one year transition pain with the stabilisation of the auctioning regime now. We have achieved sales of 80 megawatts and commissioned about 22 megawatts in this Quarter and we expect this Financial Year which is FY2019 to be the beginning of a face of robust growth based on sustained auctioning regime.

In the Wind Farming Business, while we had exited a significant part of the capacity 246 megawatts out of 269 megawatts last year we have developed some further capacity this year in order to create value. In the Film Exhibition Business we are now present in 64 cities plus 128 properties, 512

screens and 125508 seats. In terms of financial numbers Revenues were up 7%, EBITDA up 10% and PAT up 15% in Q1 of this Financial Year as compared to Q1 of the last Financial Year and we see improved performance continuing because of a sustained focus on what we are calling non-box office revenues. So that is a brief qualitative highlights of the performance of the Company including its subsidiaries and various verticals within which it operates.

To take you through the financial numbers and for this purpose I am going to compare Q1 of this Financial Year, which is Q1 FY2019 as compared to Q1 of the last Financial Year, which is Q1 of FY2018 and hence this is YoY comparison. Revenues increased by 25% from Rs1085 Crores to Rs 1360 Crores. EBITDA increased by 74% from Rs 205 Crores to Rs 356 Crores. As a result EBITDA margin improved from 18.9% to 26.2%. PAT improved from Rs 58.7 Crores to Rs 147.1 Crores that is a growth of 151%. PAT margin improved from 5.4% to 10.8%. These are the consolidated numbers.

In order to give you the breakup business wise, as you know the consolidated numbers comprise of numbers for the chemical business, the wind turbine manufacturing process, the wind farming business, and the film exhibition business. Chemical Business Revenues went up by 38% from Rs 502.3 Crores to Rs 694.8 Crores. The Wind Turbine manufacturing Business Revenues went up by 306% from Rs 106 Crores to Rs 430.5 Crores. The Film Exhibition Business went up by 7% from Rs 387.4 Crores to Rs 414.9 Crores. The Wind Farming Business went down that is essential because we exited the capacitor that we have invested in and as a result of these movements the total Revenues went up by 25% from Rs 1085 Crores to Rs1360 Crores.

As far as EBITDA breakup is concerned, the EBITDA from the Chemical Business went up from Rs 104.5 Crores to Rs 212.6 Crores that is a growth of 103%. EBITDA from the Wind Turbine manufacturing Business went up by 629% from Rs (-) 13 Crores to Rs (+) 70 Crores. EBITDA from the Film Exhibition Business went up by 10% from Rs 75.9 Crores to Rs 83.5 Crores. As a result of it total EBITDA went up by 74% from Rs 205 Crores to Rs 356 Crores.

As far as the breakup on PAT is concerned, the PAT from the Chemical Business went up from Rs 63.3 Crores to Rs115.3 Crores that is a growth of 82%. PAT from the Wind Turbine manufacturing Business swung from Rs (-) 39 Crores to Rs (+) 10 Crores. From the Wind Farming Business again swung from Rs (-) 1.4 Crores to Rs (-) 3.3 Crores and from the Film Exhibition Business the PAT improved by 15% from Rs 32.1 Crores to Rs37 Crores. As a result of it the overall PAT at a consolidated level increased by 151% from Rs 58.7 Crores to Rs147.1 Crores. So those are the consolidated numbers.

If we take you further deeper into the numbers as far as the Chemical Business is concerned, Revenues on a standalone basis for the Chemical Business increased by 38% from Rs 502.3 Crores to

Rs 694.8 Crores. EBITDA improved from Rs 104.5 Crores to Rs 212.6 Crores that is a growth of 103%. As a result of this EBITDA margin improved from 20.8% to 30.6%. PAT increased from Rs 63.3 Crores to Rs 115.3 Crores that is an increase of 82%. PAT margin as a result improved from 12.6% to 16.6%.

If you look at the breakup of revenues, as you know there are around six different product lines, which comprise of a chemicals Revenues and I will give a breakup of each of this. Caustic soda Revenue has increased from Rs 89.1 Crores to Rs113.5 Crores that is a growth of 27%. Chloromethane Revenue has increased from Rs 50.9 Crores to Rs 69.6Crores that is a growth of 37%. Refrigerant gas Revenue has increased from Rs 89.8 Crores to Rs111.2 Crores that is a growth of 24%. PTFE Revenue has increased from Rs181 Crores to Rs 279.6 Crores that is a growth of 54%. The other value added products increased from Rs 46.3 Crores to Rs101.3 Crores that is a growth of 119% whereas other byproducts and other sundry sales increased from Rs16.5 Crores to Rs19.7 Crores that is a growth of 19%. As a result of which total Revenues in the Chemical Business increased from Rs 502 Crores to Rs 695 Crores that is a growth of 38%.

In order to better enable you to appreciate these numbers we have also given you the volume as well as the price breakups. Caustic Soda quantity went up by 10% from 27413 tonnes to 30281 tonnes. Caustic Soda price went up by 15% from Rs 32520 to Rs37483. Chloromethane volumes went up by 4% from 15445 tonnes to 16019 tonnes. Chloromethane price went up by 32% from Rs 32987 to Rs 43425. Refrigerant volumes went up by 3% from 4712 tonnesto 4841tonnes. Refrigerant prices went up by 21% from Rs.190492 to Rs.229628.

As far as PTFE is concerned as you know we manufacture what we call two different baskets of grades, there is a regular grade and there is a value added grade. So volumes as far as regular grade is concerned went up by 4% from 2028 tonnes to 2101 tonnes. As far as the value added grade is concerned volume has went up from 1392 tonnes to 1644 tonnes that is a growth of 18%. Overall PTFE volumes went up from 3420 tonnes to 3745 tonnes that is a growth of 10%. On pricing the regular grade price went up from Rs 462449 to Rs703088 that is a growth of 52%. Value added grade went up from Rs 626845 to Rs 801927 that is a growth of 28%. As a result of which the weighted average price on PTFE both regular as well as value added went up by 41% from Rs 529364 to Rs746400.

I would not to take you too far deep into the Wind Turbine manufacturing Business, the Wind Farming Business and Entertainment Business because as I mentioned two of these are separate listed companies and those of you who would have been interested I assume have followed the earnings call for those companies. As far as the shareholding structure is concerned, it remains essentially the same, the Promoters and the Promoter Group holds 68.33% of the total shares of the Company. Domestic institutional investors 1.83%, FII is 4.02% and the public and others own 25.82%. The price

of Re1 per equity share is currently at about Rs.750, which gives the Company a market cap of about Rs 8300 Crores. So that is a broad snapshot of the performance of the company. I would now like to open for any questions that you might have.

Moderator: Thank you very much. Ladies and gentlemen we will now begin the question and answer session. First question is from the line of Ritesh Gandhi from Discovery Capital. Please go ahead.

Ritesh Gandhi: Congratulations on great numbers. Just wanted to understand on the PTFE's side of things obviously there has been a large price increase just wanted to understand the global dynamics in the market and how sustainable we expect prices to be and if we expected it to be flat, we expected it to be increasing how we think about that?

Vivek Jain: Well if you look back PTFE prices in the last few years had been quite suppressed because of overproduction in China likely because of that, but what we had seen now is that cost growth in China has increased as a result of this, they have also been under pressure to bring back prices to a more saner level, so what we are seeing is prices, which are perhaps realistic. They have not gone through the roof, but they have just come back to what you would see is normal sustainable levels, but yes, at this point of time this is what it looks like, but we still need to see and watch what happens in the future.

Ritesh Gandhi: In terms of global demand growth and global supply and capacity utilization how would you look at that, is it equilibrium or is there addition in demand with supply, or there are few plant closures happening in China how should we come out?

Vivek Jain: We can talk largely about players than those who exist in China. The western producers are all running at full capacity and they have very little headroom to increase production further and capacity increases are difficult there for the long time it takes to get environment clearances plus also the capital cost involved, so they are reluctant to make any further investment in expanding PTFE and TFE capacities. As far as we are concerned, we have gone in for a substantial capacity increase both in the monomer as well as the polymer, so the polymer capacity and the monomer capacity enhanced capacity is going to come to play by end of October-November, which will give us additional capacities for selling in the market. As far as China is concerned, yes there have been some capacity restrictions in the last 12 months. It is difficult to say whether there are any further capacities, which are planned, so we will just have to watch and see what the situation is, but largely the Chinese are concentrating themselves in the domestic market. Their presents while it is global, but the percentage of exports to the total production is maybe about 15%. While yes, they could possibly influence the markets in other geographical areas, but given the fact that they are concentrating on largely their low end granular grades their ability to compete in rather value added grades is limited. To get into or

expand markets for value added grades it requires a different kind of a marketing and development of new grades, which we do not see the Chinese doing.

Ritesh Gandhi: Good and the just the last question on fairly large amount of free cash flow that you are generating you would look to redeploy that in the chemicals business only or historically you have ended up diversifying into for example other businesses is the plan then how to stick to chemicals or return to shareholders how do you think about asset allocation?

Vivek Jain: Well at this point of time we will be looking at expanding only the chemical business because whatever investments, which we had to make in the other businesses, have been done and we do not need to put any more capital into those businesses. Chemicals business yes while we have gone in for capex in the last two years all those capacities are now coming into play. By October end our current capex will all get over and in the next few quarters we are waiting to see the results of those capexes pan out. So at this point of time may be for the next two quarters we will hold back further capexes till such time that the additional incremental profitability from the investments, which we have already made play out.

Ritesh Gandhi: Thank you so much.

Moderator: Thank you. The next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

Ketan Gandhi: One question on what is the plan of the company to further invest in wind farming business?

Deepak Asher: Well not significant we have just very small investment, but because we thought there was an opportunity of creating a value in the immediate short term so therefore more of a practical decision. We do not have any serious plans of investing in the wind farming business in a large way.

Ketan Gandhi: Can you throw some light on the Morocco plant of our Fluorspar because last annual report we have reported zero turnover from that is it started?

Vivek Jain: As I reported last time also it has started, we are having some initial problems, technical problems, which are getting sorted out. I think by the end of September certain modification in the plant, which would be required in order to debottleneck the production there, has already been planned out, so we will be taking a shutdown for about two weeks in later part of September to implement those modifications and from October onwards we expect when we should be able to get to a normal production.

- Ketan Gandhi:** Regarding the previous question since we are getting a fantastic cash flow this year onward, you have not answered it or can you throw some light what will be the final use of the significant free cash flow going forward for the next couple of years because you have said you are not investing in other businesses, you are not expanding much into chemical business?
- Vivek Jain:** No, what I meant was that for the next two quarters we are holding because our current investments are just going to get over and for two quarters we want to hold ensure that the capexes, which we have already made get truly utilized and then thereafter look at further expansion. Yes, there would be expansion possibilities in the current business itself, which we will look at after two quarters will lapse, so may be around the middle of next year is when we will look at for the capex. We have certain opportunities already outlined. We are waiting and watching to see how faster ramp up for some of these other new polymer grades, which we have introduced in the market happens and then decide at what the quantum of investment, which will need to be made in the future after that.
- Moderator:** Thank you. The next question is from the line of Hansal Thakkar from Lalkar Securities. Please go ahead.
- Hansal Thakkar:** Congratulations on fantastic set of numbers. Just one question; any one offs in the standalone other expenses this time?
- Deepak Asher:** No.
- Hansal Thakkar:** Would it be safe to assume that this rate of other expenses will continue going forward?
- Deepak Asher:** There is a mark-to-market on investment expense in the other expenses in the standalone results, but apart from that there is no operational one-offs.
- Hansal Thakkar:** So we do not have any debottlenecking expenses or anything this time?
- Deepak Asher:** No, not in the last quarter.
- Hansal Thakkar:** Brilliant. Thanks Sir.
- Moderator:** Thank you. The next question is from the line of Viral Shah from Enam Holdings. Please go ahead.
- Viral Shah:** Thank you for the opportunity. Sir, just to pickup from the last question, on the other expenses, our run rate used to be historically at Rs 70 to Rs 85 Crores per quarter run rate and now we are saying that the run rate should be in the range of Rs 110 to Rs120 Crores per quarter. Anything particular that we should be looking at it in some way?

- Deepak Asher:** As I mentioned there is a mark-to-market investment provision in this other expenses to the tune of about Rs 20 Crores, so if you remove that the run rate will come back to about Rs 85 Crores to Rs 90 Crores per quarter and just to add to that out of that mark-to-market provision, we have already recouped more than 75% of that in the last 45 days.
- Viral Shah:** So operationally that number should be in the range of Rs 90 Crores to Rs 95 Crores per quarter, right or Rs100 Crores?
- Deepak Asher:** Yes.
- Viral Shah:** Perfect. Thank you. Secondly on the PTFE side, just wanted a clarification in the last quarter we have seen a significant jump in PTFE realization. Have we seen any down take in July or August or anything of that sort or do you think that the run rate of blended Rs 7.5 lakh per kg is sustainable?
- Vivek Jain:** At this point of time we think it is sustainable, but of course naturally we have to see how the markets evolve going forward but at this point of time, it looks sustainable.
- Viral Shah:** Thanks. Sir, on the specialty chemical business, could you throw some light where are we and how should we look at that business?
- Vivek Jain:** As I had indicated to you last time also, we are expecting, we have already developed several chemicals. Two of them are already in production. There are several more which have already been planned out and the delay took place because of some delay in our environment clearance, and the way it is currently, we expect that these new products, the capacities of the new products will get established by the first quarter of next calendar year and we expect revenues from these additional chemicals to start from the next financial year.
- Viral Shah:** Just one last question, is it possible to share the standalone gross and net debt numbers?
- Deepak Asher:** Sure, I will have that. Give me a moment. The net debt on a standalone basis is Rs13 Crores, so it is virtually zero.
- Viral Shah:** Virtually zero and the gross number would be Sir?
- Deepak Asher:** Gross number would be roughly about Rs 710 Crores.
- Viral Shah:** Thank you so much.

- Moderator:** Thank you. The next question is from the line of Ritesh Gandhi from Discovery Capital. Please go ahead.
- Ritesh Gandhi:** Just a couple of follow up questions; in terms of how much is your chemical business is exports, local and how much should be the currency is actually hedged versus open?
- Deepak Asher:** I think again on the top of my head, I do not have those numbers directly in front of me, but I would guess should be more in the range of 50:50 or perhaps 60:40, so exports in the range of 50% to 60%. As far as hedging is concerned, frankly we are a net exporter. We have a net value add and to that extent the weakening of the Rupee actually improves our bottom line.
- Ritesh Gandhi:** It helped the question, so we are not hedged, almost immediately.
- Deepak Asher:** We hedge around 50% of our exposure. The balance 50% we have is open.
- Ritesh Gandhi:** Got it. Just outside of PTFE if I look at actually see the caustic soda and some of the other products, any view on the pricings, actually can you give the sustainability in those because it has been across the board increase in pricing which has obviously led to a huge enhancement in the profitability?
- Deepak Asher:** There would be some rationalization of the prices going forward so, specially with chloromethane we could see some dip in prices going forward but then in any case 50% of the chloromethane, almost about 50% consume internally. So that in any case were not sold and we are not getting the advantage of the increased pricing on those products, so yes there will be some impact on pricing going forward.
- Ritesh Gandhi:** And just in terms of existing capacity utilization and how much incremental capacity is being added?
- Vivek Jain:** In chemicals we are using full capacity. We are at this point of time, not putting up any incremental capacity there. Our focus has been in the last one and a half two years has been increasing the capacities of our fluoropolymer business because that is where we saw good potential to grow, so PTFE capacity as you all know our production is almost doubled in the last one year, one and half years and we are expecting another 30% to 40% increase in production over the next three to four quarters.
- Ritesh Gandhi:** Got it and there is a reasonable actual visibility with regards to additional utilizing your capacity which you are starting in October?
- Deepak Asher:** Capacities which we are now additionally putting we expect that by December 2019 all of that will be fully utilized. We have build a very strong position in exports both in US and Europe and we are one of the significant players there and given the fact that we have over the years proven our reliability

and consistency in terms of quality we have now become a major player there in both these two markets and that is the reason why we have seen our sales in both these two geographies increasing. We have also in this time period expanded our product portfolio so we are now virtually manufacturing all the different grades of PTFE which are required by customers across the wide variety of applications. So that is one. I just want to add that even the domestic market has grown pretty sharply and the volume in the domestic market has also grown significantly and we expect this to continue because the growth in the domestic market is very robust and we expect that to continue for the next three to four or five years because the domestic market had started from a low base. The other thing, which we of course done is we have also invested in several other fluoro specialty polymers like and I am just using the abbreviation like FEP, PFA, FKM, PVDF which are all value added fluoropolymers where the whole cycle of getting these products develop, qualified and approved with customers which takes almost one and a half to two years, now most of these products have already been developed. The initial qualification process is all over and we are now starting our initial commercial sales in most of these polymers, so we expect all these to be ramped up by the end of next year, so this will add significantly to our bottomline.

Ritesh Gandhi: Just in terms of as we think about it, I am not sure, whether you guys give any guidance in terms of revenue and EBITDA growth for FY19 and FY20, directionally where we see things?

Deepak Asher: We do not give quantitative guidance, but suffice it to say that the company has seen significant growth over the last one year and we expect that momentum to continue going forward as well.

Ritesh Gandhi: That is extremely helpful. Thank you so much.

Moderator: Thank you. The next question is from the line of Kashyap Jhaveri from Emkay Global. Please go ahead.

Kashyap Jhaveri: Thank you Sir for the opportunity. Can you help us with your capacity utilization in each of the products, caustic soda, chloromethane, refrigerant cases and PTFE?

Vivek Jain: In caustic soda and chloromethane we are running at full capacity. PTFE also we are now running at full capacity, of course as I mentioned that we are further debottlenecking and by October end we will have additional capacities to market and in the new fluoropolymers the several ones which I mentioned the capacities have been set up and the capacity utilization in those will I would expect that most of them will be running at almost near about 100% capacity by the end of next calendar year.

Kashyap Jhaveri: How much is the capacity addition in PTFE variants that you are doing?

Vivek Jain: It would be about 500-odd tonnes per month.

- Kashyap Jhaveri:** In refrigerants, this 21% is there a volume tailwind in refrigerant business in any form?
- Vivek Jain:** It is difficult to say in the refrigerant business because you see a lot of competition in, in China and so lot would depend on what happens in China and what happens to weather conditions. For instance this year the weather conditions were not very conducive to the refrigerant business and these are the two factors which come to play in deciding how the refrigerant business will pan out.
- Kashyap Jhaveri:** And your current capacity in PTFE in volume terms is how much, PTFE and the grades?
- Vivek Jain:** I just mentioned, PTFE eventually we will go up to about 1800 tonnes in a month and for the other polymers we are talking about 500 to 600 tonnes in a month.
- Kashyap Jhaveri:** And the capacity addition that you told is 500 so it is 1800.
- Deepak Asher:** No, it is 1800 is what we will eventually reach by December 2019.
- Kashyap Jhaveri:** In PTFE.
- Deepak Asher:** Yes.
- Kashyap Jhaveri:** After addition of this 500?
- Deepak Asher:** No that is separate. Those are different fluoropolymers. That is products like PFA, PVDF and FKM.
- Kashyap Jhaveri:** What is the capacity there where you are adding 500 tonnes?
- Vivek Jain:** That is the capacity, 500 tonnes per month. So you have 1800 tonnes of PTFE and 500 tonnes of these other polymers.
- Kashyap Jhaveri:** These are new additions of polymers.
- Vivek Jain:** For which most of the investments and product development cycle is over now.
- Kashyap Jhaveri:** This 1800 tonnes what it would be now, current capacity which you will reach to 1800 in December 2019?
- Vivek Jain:** Capacity, we will setup before that but filling the capacity will take up to December 2019. We are currently at about 1400 tonnes of sale per month.
- Kashyap Jhaveri:** Thank you.

- Moderator:** Thank you. The next question is from the line of Shekhar Singh from Excelsior Capital. Please go ahead.
- Shekhar Singh:** Sir, this new fluorochemical facility which is supposed to come in that was supposed to come in from Q1 itself or is it from Q2 onwards?
- Vivek Jain:** Yes, the production facilities will be set up by Q1 of the next calendar year but when you are setting up there are always some hiccups in getting them commissioned so that is the reason why we are looking at revenues actually starting from Q2 of the next calendar year.
- Shekhar Singh:** In case if there is some correction in the prices because say for lot of your segments, chemical segments the pricing have been pretty strong. Is there some mechanism of hedging against it?
- Vivek Jain:** Pricing, you are talking about hedging the pricing?
- Shekhar Singh:** No in the sense like for example, if I see caustic soda to obtain the prices are up significantly, same for the chloromethane and for refrigerant gases and all, now in case if there is a correction in prices, how will the company hedge against it?
- Vivek Jain:** See, we have all these new. We have three more opportunities for revenue growth and profit growth. One is the additional capacity of PTFE which will come to play, then we have got all these new fluoropolymers which will come to play, which we are just starting now. The initial commercial orders are coming in and that will take us about up to the end of the next calendar year to fill, and third is fluoro specialty chemical which will start coming up from the second quarter of calendar year 2019. So we have these three additional segments there will be significant contribution, so even if there is any erosion of pricing in any of these product lines, frankly speaking it will be more than made up.
- Shekhar Singh:** Great Sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.
- Ketan Gandhi:** Sir in terms of the expansion at Ranjitnagar plant for fluoro specialty chemical where are we in terms of the environment clearance and how much time it takes?
- Vivek Jain:** The meeting and everything is already taken place. Now we are just waiting for the files to be processed. I think we were expecting it this week, but there has been some delays because officers concerned were not in office. I think should happen in the next week or 10 days.

- Ketan Gandhi:** I think it has moved to SIA now, right Sir, if I am not mistaken, Site Investment Authority from the center?
- Vivek Jain:** No, it was in MoEF here only, so in the meetings which were held about a month and a half back, all the clearances they were cleared it. The MoM meeting were also out in public. Now it is just the processing the file and that is what has taken a big more time than what we had expected, but I think in the next 7 to 10 days it should be with us.
- Ketan Gandhi:** So in terms of after say we get the EC how much time will it take for us to complete?
- Vivek Jain:** As I said by March 31, we should be able to implement the plants for manufacturing, the seven additional products for which all the technology and everything is already been developed.
- Ketan Gandhi:** Thank you Sir. That is very helpful. That is all from my side.
- Moderator:** Thank you. The last question is from the line of Kashyap Jhaveri from Emkay Global. Please go ahead.
- Kashyap Jhaveri:** Sir, you mentioned there are three capacities which we will have by in December 2019, one is PTFE eventually going up to 1800 metric tonnes per month, new fluoropolymer will be about 500 Tons which will become operational in this year itself and the third one is fluoro specialty chemical what is the number of capacity now and where will it go post once we get this clearance and all.
- Vivek Jain:** I do not have the number, I mean, I do not have the tonnage capacity right now with me, but I am just as I mentioned it will be about five to six additions chemicals for which we have already developed a technology and where we have cleared the line of site in the marketing which will come to play from the first quarter of the next financial year which is the second quarter of the calendar year.
- Kashyap Jhaveri:** Is it a new growth driver?
- Vivek Jain:** Sorry?
- Kashyap Jhaveri:** Is it a new growth driver, new chemicals which we were not doing earlier?
- Vivek Jain:** Yes absolutely. These are new chemicals.
- Kashyap Jhaveri:** What is the kind of capex that you are putting in this fluoro specialty chemicals plant and what asset turn is possible?

- Vivek Jain:** We already planned for it, part of it has already been capexed. The additional capex which will need to be put up by March end would be in the region of about Rs 15 to Rs 20 Crores. The rest of it we have already ordered the equipment itself.
- Kashyap Jhaveri:** What is total invested? Total investment in this project?
- Vivek Jain:** That number is off my hand just now. I do not have that number.
- Kashyap Jhaveri:** But it is a 100 Crores type project or it is lesser number?
- Vivek Jain:** It is more than that. I think the total investment would be in the fluoro specialty chemical would be to the tune of about Rs150 Crores.
- Kashyap Jhaveri:** And asset turn would be?
- Vivek Jain:** About three times.
- Kashyap Jhaveri:** This plant will start next year, you said FY20?
- Vivek Jain:** Next financial year 2019-2020, yes that is right.
- Kashyap Jhaveri:** Thank you.
- Moderator:** Thank you very much. As there are no further questions, I now like to hand the conference over to the management for their closing comments.
- Deepak Asher:** Once again thank you all who participated in this call, investors, analysts and other participants and we look forward to your continued support going forward as well. Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen on behalf of Axis Capital that concludes this conference. Thank you for joining us. You may now disconnect your lines.