



PG ELECTROPLAST LIMITED

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February 18, 2022

To,
The Manager (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

To,
The Manager (Listing)
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Scrip Code: 533581

Scrip Symbol: PGEL

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Transcript of the Earnings Conference Call

Dear Sir,
Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed transcript of the Earnings Conference Call held on Tuesday, February 15, 2022.

This is for your information & Records.

For **PG Electroplast Limited**

(Vishal Gupta)
Managing Director-Finance



**“PG Electroplast Limited Q3 FY-22 Earnings
Conference Call”**

February 15, 2022



**MANAGEMENT: MR. VISHAL GUPTA – MANAGING DIRECTOR
(FINANCE).
MR. PRAMOD GUPTA – CHIEF FINANCIAL OFFICER.**

**MODERATORS: MR. DEEPAK AGARWAL – PHILLIPCAPITAL (INDIA)
PRIVATE LIMITED.**

Moderator: Ladies and gentlemen, good day and welcome to the PG Electroplast Limited Q3 FY22 Earnings Conference Call hosted by PhillipCapital (India) Private Limited. 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 call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. During this call, company may make certain forward-looking statements based on the current, held beliefs of the management of the company which are expressed in good faith and in management’s opinion are reasonable. The forward-looking statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition performance or achievements of the Company or industry to differ materially from those in forward-looking statements. These forward-looking statements represent only the company’s current intentions, beliefs and expectations. And any forward-looking statement speaks only as of the date on which it was made. The company assumes no obligation to revise or update any forward-looking statements. I now hand the conference over to Mr. Deepak Agarwal from PhillipCapital (India) Private Limited. Thank you, and over to you, sir.

Deepak Agarwal: Thanks. Good evening, everyone. On behalf of PhillipCapital. I welcome you to PG Electroplast Limited Q3 FY22 Earning Call. Today we have with us management represented by Mr. Vishal Gupta, Managing Director (Finance) and Mr. Pramod Gupta, Chief Financial Officer. Without taking much of time, I would like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thanks management and over you.

Vishal Gupta: Thank you Deepak and thank to everyone for having us. Good evening, and warm welcome to all the participants to the post results investor, and analyst call of our company. I hope you all are keeping safe and healthy. I’m joined in this call by Mr. Pramod Gupta, our Chief Financial Officer. We have already shared our results presentation earlier and hope you must have gone through that. That company’s product business is growing well and actually it constitutes 43% of their total revenue this quarter, and 37% for the last nine months of this financial year. This business has grown 101% Y-o-Y in this quarter, and 111% on a nine month basis.

The washing machine business has grown 100% on Y-o-Y in Q3, and 99% over a nine month basis in this financial year. The AC product business has also posted a very good growth of 135% for the quarter, and 166% for the ninth month of financial year 2022. The order book for our product businesses remains very robust. And the company is on track to scale the product business significantly in this year and in next financial year. We are witnessing significant enquiries from our existing and new customers across all our different business segments and acquisition of new clients is picking up. PLI is going to be a significant business enabler for our company in the AC segment. And we believe we are the best positioned company to capitalize on this growth opportunity and we will be able to capture a sizable market share for AC manufacturing in times to come. The capacity is created by the company for washing machines in Roorkee and AC components in greater Noida by our wholly owned subsidiary PG

Electroplast have become online and are being well utilized. PG has also re-entered TV manufacturing business in Q3 and has already begun production for two customers. The company's CAPEX plans for this year are completed, under our new super unit has started commercial production very recently. The project was a little delayed due to a small fire incident during the plant installation, but we have recovered well. And the production is now getting normalized. The order book looks very strong and we expect a good scale up in Q4 and FY23 across all our product verticals. The company's plastic molding and other businesses are also functioning as expected and are growing at a rate of around 10% to 15% rates.

Coming to future plans, we are planning expansion in our ODM business in washing machine offerings, in AC offerings and other products also. We are also planning CAPEX towards our tooling and sanitary ware business, coolers, TV and electronic businesses. Once our super facility is fully operational, we'll be manufacturing four kinds of AC components, plastic, sheet metal, heat exchangers and cross flow fans all in-house. This led to a very strong and good backward integration. In FY23 we are planning to further backward integrate and start manufacturing PCB controller assemblies for IDUs and core use. We believe it is a very good opportunity to further strengthen our AC ODM and OEM offerings. Now, I'd like to hand over to Mr. Pramod Gupta, who will take you through the financials for this quarter of the company. Thank you, everyone.

Pramod Gupta:

Hello, and good evening everyone. For the quarter ended 31st December, the net revenues grew 42% and stood at 262 crores, quarterly EBITDA was 17 crores. On a nine month the net revenue grew about 59.7% and stood at about 600 crores. The EBITDA was 40 crores and I will not take much time and I'll just open the floor for question-answers so that we can have a meaningful discussion and I just want to highlight that as in last quarter we had indicated that company is aiming for +1000 crore top line and I stand by that we are still very hopeful that we will be actually crossing 1000 crores and close to 50% growth in EBITDA. And thank you everyone and I'll like you to answer any questions you may have.

Moderator:

Thank you. We will now begin the question-and-answer session. First question is from the line of Sanjay from Envision Capital. Please go ahead.

Sanjay:

This +1000 crore top line and 50% EBITDA growth is what you gave us for FY22?

Vishal Gupta:

Yes.

Sanjay:

And what is the plans for FY23 sir?

Vishal Gupta:

FY23 we are going to see a similar growth in EBITDA.

Sanjay:

Okay, so for FY23 also we can expect a 50% EBITDA?

- Vishal Gupta:** 50% growth in EBITDA.
- Sanjay:** Sir the next is, what is the order book currently we are holding can you highlight something on that?
- Pramod Gupta:** Our business order books are not given for the full year but they are given for the season. So, currently the season for AC is going on and we have a very strong order book which will last till May and or June maybe it may spill over to June. And for that a AC indoor unit and outdoor unit and fully assembled units in the CBU, we currently have more orders than the what our capacity can fulfill and we are trying very hard to gear up for the capacity, gear up we think for this season. So, I was saying that for the current season the order book is very strong and we have more orders than we can actually produce and we are trying to gear up. Till May, for this year, our overall product business should cross 500 crores expectation that we have and a large part of it is actually going to be driven by the AC business.
- Sanjay:** Okay, AC business and prior to that?
- Vishal Gupta:** I will just further add to what Pramod is saying. Basically, we have been in this industry for last more than four decades now. And we have been catering to all these customers and we have a very strong and widespread business relationships with all the leading marquee brands in India and we are serving them across all different business verticals. And we are actually having a very strong business alignment and the forecast what they have given to is looking very robust for us.
- Sanjay:** Okay. Sir, so this clarifies and the next question is, if you can highlight something on CAPEX plans, what are we looking out for FY23 our current quarter FY22?
- Vishal Gupta:** FY22 the CAPEX will be 125 to 130 crores most of the CAPEX is done, a few things are now pending and in the final quarter we should be able to do till now, as December we had issued the POs of almost 125 crores and they are getting commissioned. I was saying that we have 125 crore POs or purchase order already issued till December. This year another 10 maybe 5, 10 crores will come because we have added roof top solar plant in the new facility and that will get commissioned by May. And for next year, we are still in the process of finalizing and once that process is done, we will be sharing that probably in the next quarter.
- Moderator:** Thank you. The next question is from the line of Surabhi Saraogi from Smith's Capital. Please go ahead.
- Surabhi Saraogi:** Sir, I have just one clarificatory question. This topline target of 1000 crore that you have given is for full financial year 22?
- Vishal Gupta:** Yes.



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Moderator: Thank you. The next question is from the line of Dhruv Shah from Ambika Fincap. Please go ahead.

Dhruv Shah: Pramod if we can just quantify the one off this quarter?

Pramod Gupta: Yes, the Issue expense, we said we will continue for three quarters. So that Rs.50 lakh was that, towards testing and validation of close to one crore then there was a TV business startup cost , which was about close to Rs.60 lakh. And there are some small other items which are one off and they will be probably contributing to Rs.55 lakh. So, total this is what is one off which should not repeat going forward. Only in the fourth quarter there will be some more on the issue related expenses and maybe some startup cost in the new facility we have had a loss also in the 100% subsidy that is PGTL because in PGTL we have hired a lot of people and the production was small in the third quarter, we have had a loss of 1 crore in the subsidiary.

Dhruv Shah: Pramod, I missed your opening commentary you said, that till May our order book is full for AC?

Pramod Gupta: Yes.

Dhruv Shah: Okay. And, also we said that we are entering PCB controllers so after that, what will be the missing jaw in us while manufacturing AC if you can just elaborate on that?

Pramod Gupta: Motor, compressors, and basically, motors and compressors are the major things apart from that rest of the players, we will be at par with most of the other player. Motor is one part which we will be probably missing and compressor nobody else is also making in India.

Dhruv Shah: Right. And Pramod my last question is, what is our long term margin guidance, I understand that this quarter there was a commodity impact. But what will be our margin guidance going forward from next?

Pramod Gupta: See, I'll tell you it will overall company basis difficult to fathom the reason being is, how each of the product lines grows and what proportion of businesses they reach will decide overall company margins. But I can tell you the products in general will have close to 7% to 8% margin range. TV and electronics business is going to have a margin range of 2.5% or so, molding will be about 6.5% to 7%. And tooling business which is very small as of now is going to be having a margin of about 30% at the EBITDA.

Dhruv Shah: Right. So the TV manufacturing which we will do that is separate from the product business or is it?

Pramod Gupta: Yes, it is separate from the product business it is part of our electronics business and it is going to continue, we will continue to report it like that.



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- Dhruv Shah:** So, product business will only constitute of washing machine and AC?
- Pramod Gupta:** Washing machine, AC and coolers. Coolers this year has been very, very subdued because there is a huge inventory in the system of last year and year before and that inventory is at cheaper price, so people are not buying coolers, the OEM sellers are not basically buying coolers this year.
- Moderator:** Thank you. The next question is from the line of Priya Harwani from Perpetuity Venture LLP. Please go ahead.
- Priya Harwani:** Sir, just wanted to cross check the figures like the product business you guided 500 crores of turnover for this year?
- Pramod Gupta:** For this year.
- Priya Harwani:** For FY22, okay. And regarding the CAPEX?
- Pramod Gupta:** So, that CAPEX that I was talking about is for financial year 22, it has already been incurred, most of it is already incurred.
- Priya Harwani:** What was the amount?
- Pramod Gupta:** 125 crores has already been incurred. And there may be another 5, 10 odd crores which will get there because we are commissioning a solar plant on the rooftop facility, for which we have issued the purchase order.
- Moderator:** Thank you. The next question is from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund. Please go ahead.
- Renjith Sivaram:** Sir, just wanted to check with you regarding this news about new energy emission norm change from July so, are you seeing a huge bump up in terms of ordering from the room AC players because there will be a huge prefilling presales before that?
- VishalGupta:** Yes, actually, as per the government guidelines, what we have currently from them, government is going to change energy rating standards from 1st of July. Our industry association is requesting for further postponement by another six months, in the anticipation of change over yes there is a bump of in the demand and there is more channel filling right now, which is affected in next two, three months especially for split ACs.
- Renjith Sivaram:** Okay. So, probably the next two quarters you should see a good volume from the room AC segment?
- Pramod Gupta:** Yes, that is what we have been saying, our order book is already full till month of May.

- Renjith Sivaram:** Okay. So, you see a further increase in that if some, because probably this is not going to go through that in the postponement of this date.
- Pramod Gupta:** Yes.
- Renjith Sivaram:** Okay. And regarding these I would have, just caution me if I am repeating the PLI scheme, how much we are planning to invest?
- Vishal Gupta:** So, we have already committed a CAPEX of 321 crores in the PLI scheme, out of that around 92 crores in this financial year. And for next year CAPEX plans are yet to be finalized, which we will do in by in next quarter we will finalize.
- Renjith Sivaram:** And it will be completely through internal accruals?
- Vishal Gupta:** Yes, as of now largely that is the plan.
- Renjith Sivaram:** So, this 300 crore of investment can fetch how much of revenue?
- Vishal Gupta:** We have committed a revenue by fifth year from the components that is the PLI commitment of 1500 crore incremental revenue we have to generate, if we have to be for the PLI incentive. So, by FY27 we need to have incremental AC component revenues of 1500 crores.
- Renjith Sivaram:** Okay. And this are actually previously mentioned towards motors right?
- Vishal Gupta:** No, not motors all the components which we have committed except for motors which is sheet metal components, plastic molding components, controllers, cross flow fans and heat exchangers.
- Renjith Sivaram:** Okay. And we have got the requisite technical tie up for all these things?
- Pramod Gupta:** These are actually we were making some of them and others we have developed in-house. So, our team has worked and most of the components we have developed in-house and we are working, we have got the approvals from most of the clients for these components in this season itself.
- Renjith Sivaram:** Okay and in our room AC, is there any customer concentration, any customer which is more than 15% to 20% of our sense?
- Pramod Gupta:** Yes, till last year we had only two customers this year, we are hoping that by the end of this year we will be serving close to seven to eight customers, although there will be one or two customers which will be having a concentration of more than 15% to 20%.
- Renjith Sivaram:** Okay, but you don't see any major risk because of that kind of concentration?



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- Pramod Gupta:** No.
- Moderator:** Thank you. The next question is from the line of G N Ravi, Individual Investor. Please go ahead.
- G N Ravi:** I just wanted to know sir, whether the CAPEX that you have said that 300 crores, sorry not CAPEX the revenue that +1000 crores will be for just FY22 can you please confirm. Could you please give us a ballpark figure for revenue and profit for financial years 23 and 24?
- Pramod Gupta:** This year we hope to achieve more than 1000 crores of top line and about 73-74 crores of EBITDA, next year same there should be probably close to 1500 crores of top line and maybe 107-108 crores of an EBITDA. This is the estimate as of now, this is not a guidance I'm telling you this is just an estimate based on the internal business targets that we have set for the different units.
- G N Ravi:** Yes. What will be the company's position vis-à-vis the market share in 22-23?
- Pramod Gupta:** AC is starting and washing machine we continue to see very, very strong growth versus the overall market growth. One of the reasons in AC is there is a lot of replacement which is happening from the import substitution because a lot of company which are importing earlier ACs from Vietnam and other countries are now resorting to local outsourcing. And we are gaining market share because of that. In washing machine generally we are seeing very good growth and we are gaining market share from the existing other player. Washing machine market, there is no import substitution as such, it was that we are gaining market share. This year growth is 100% and even next year we hope to see a very handsome growth maybe around 50% to 60%.
- Moderator:** Thank you. The next question is from the line of Sharad from Blue Square Corporate Services. Please go ahead.
- Sharad:** I just wanted to ask, you had just mentioned in one of the answers, that under the PLI scheme your component sale will increase to about 1500 crores by FY27. So, that is just a component, how much will that translates into the total top line because AC I believe is much more than the components. So, can you just put out a figure for that?
- Pramod Gupta:** I just want to say that if we sell and utilize all the components in-house, so today we make close to Rs.6000 of components in an AC worth of Rs.20,000 that we bill to the customer. Some of the components and other things we are outsourcing, this will go once we start the controller to something like 8500 - Rs.9000. And so, you can do the math yourself that if we utilize most of the components and do not sell the components outside, then the top line growth is going to be close to almost double of that on an incremental basis.

Sharad: So, on incremental basis roughly we can assume around 3000 to 3500 crore growth in the top line purely from ACs since you have that PLI?

Pramod Gupta: Yes.

Sharad: Okay. And how much will be the benefit, on a rough calculation basis, the physical benefits if we try to quantify what will be the total benefit that we will get from the PLI in general, if we are making a 320 crore investment?

Pramod Gupta: So, the total eligibility is for 198 crores roughly cumulatively over a period of five years, starting next year. So, if we meet all the criteria of investment and sale, we can get a cumulatively 198 crores of PLI benefit from government of India.

Sharad: Okay. So almost about 60%, 61% of your investment you will be getting it back by the PLI?

Pramod Gupta: Yes, but I will just like to highlight here that some part of the PLI will be shared with the customers so that they remain competitive in the market.

Moderator: Thank you. The next question is from the line of Gopal Nawandhar from SBI Life. Please go ahead.

Gopal Nawandhar: Sir what we are hearing from the market currently, there is a lot of pushback in the demand, are you witnessing any such thing from your customers?

Pramod Gupta: I'll tell you what is happening is, that we supply to the OEM for the brands and there we are not seeing any letdown. In fact, most of the brands are wanting to buy more than what we can produce right now. And maybe because there was an inventory push, et cetera probably in the month of January, and dealers are still reluctant to buy it fully, but given the fact that inventories are not very large this year. And if we do not have any other COVID wave then this AC season will be very robust, the whole industry is saying so at least all the clients that we work, all the top six, seven brand are very, very bullish on their AC season in the coming year.

Gopal Nawandhar: So, are you like disappointed with the pickup in South because generally South pickup starts early and still we are not seeing any signs of pickup in South also?

Vishal Gupta: This may be because of the price increase; the brands have been pushing for a price increase. But this is a very temporary phenomena. And actually, for us, we can't give you a very reasonable guidance how our customers off take is happening because when customers take material from us they take material for their mother warehouses and then they distribute largely and as Pramod has already told you, that demand is looking very strong for us at least. There might be some pushback in the market, but I don't think that is going to be a very long term thing because last two years, this AC season has been impacted because of the resurgence of

COVID in those months only where AC sale happens. So we feel that there is a good latent demand, which has not been met in last two seasons of ACs and we are expecting people to buy ACs this year in a much bigger way than what they have done in last two years.

Gopal Nawandhar: Sure, sir. The second question is on the margin because a lot of these companies have been commenting that very difficult to pass on these cost increases in the system. Is it something which, you are also required to share some bit of these costs inflation in your P&L or we will stick to our stated margins on those business?

Pramod Gupta: On margin, I'll just tell you something, there are two types of businesses OEM and ODM. In an OEM business, we get a fixed price for making a product, assembling a product so that making charges for the OEM business, they do not change because the commodity prices go up or down. Please appreciate if I'm getting an AC for somebody and he is only supplying all the components to me and I am doing only assembly and some very small percentage of components. So, if the price of the commodity go up, my charges will not change. But in an ODM business, the supply chain I'm handling I am taking all the risk, I'm actually also buying the commodity and other components, there we try to have some fixed minimum margin below which we do not want to work. So, that is the case as the business shift towards more ODM and OEM business continues to come down we will see the margins will be probably settling in a slightly higher level than what they are today.

Gopal Nawandhar: Sure. Would you be able to share the name of your key customers in the AC and television segment, or some qualitative assessment in terms of proportion of the revenues produce, those customers?

Pramod Gupta: The proportion we do not share but most of the AC customers and television customers are actually already there on the presentation if you will look carefully, you will find all of them. In the customer client list, we have mentioned all the customers.

Gopal Nawandhar: And in terms of the cost of production and the billing to the customer are we as competitive as the other top EMS player?

Pramod Gupta: Our competitiveness actually will keep on improving even if we have some shortcomings today because of our size or because of we being new. As we get more size and we become more integrated in making the components in-house totally, the competitiveness will get better and we do surely have a locational advantage and because of our size and we the proximity to the customer, we have some of the locational advantages which other competition do not enjoy right now. Even the markets which our clients are servicing they are near to our location, which are West and South.

Gopal Nawandhar: And sir, lastly on this PLI investments, so what we see like other brands have also put in PLI investment for many of these components in including Voltas and Blue Star and all. So, in that

context are you reaching to your threshold revenues and obviously that brands would like reach the threshold revenues for components and might supply those components to you in terms of assembly and all, so how you see this entire things working?

Pramod Gupta: So, if you will look at the PLI selection sheet. Only seven brands have actually kind of put up a PLI application they got selected. There are more than 23, 24 brands which right now operate in Indian AC market. That is point number one, and there is only one large brand which has put up a sizable CAPEX commitment. Rest of the other brands size or commitment is very small in comparison to what they make or what they sell actually today. And even in next five years when they even make this investment, it's not going to be making significant change to the capacity or backward integration or component assembly to overall system in our opinion as of now.

Gopal Nawandhar: Okay. And lastly, out of this product segment revenue approx. 500 crore how much will be the AC?

Pramod Gupta: AC this year we should cross close to +300 crores, 320-330 crores is what we think we should be in AC. AC product business. Apart from AC product, which is indoor unit, outdoor and completely build Units. We also supply a lot of AC plastic molded components from our Noida facilities as well as the SUPA faculty to some of our customers. I'm not counting that; I'm just talking about the product business.

Gopal Nawandhar: Yes, product business. And how much we have done in nine months?

Pramod Gupta: Nine months. Just give me a second we have done in AC, total is about 95 crores.

Moderator: Thank you. The next question is from the line of Abhishek Maheshwari from SkyRidge Wealth Management. Please go ahead.

Abhishek Maheshwari: Just two quick questions, what kind of asset turnover ratio are you targeting at a company level?

Pramod Gupta: Once we stabilize, see today a lot of our capacity is not utilized and it is still just got commissioned. My sense is we will keep on seeing improvement in the asset utilization on a fixed asset side as well as efficiencies will come on the working capital utilization side but on the fixed asset side, in the product business, we are targeting that at least 5 to 6x of the capital investment, we should be able to do the sales, on the product side.

Abhishek Maheshwari: That's after the units reach optimum utilization?

Pramod Gupta: Yes.

Abhishek Maheshwari: Okay, that's good to know. And sir secondly, earlier in the call you said that you're expecting the EBITDA to grow by 15% next year?

- Pramod Gupta:** 50.
- Abhishek Maheshwari:** 50 or 15?
- Pramod Gupta:** 50.
- Abhishek Maheshwari:** Okay, 50 that is next year FY23?
- Pramod Gupta:** Yes.
- Moderator:** Thank you. The next question is from the line of Sharad from Blue Square Corporate Services. Please go ahead.
- Sharad:** Two things again, one is since you mentioned there will be a 50% growth in EBITDA. Whereas what the figures what you have given are slightly different from what you just mentioned. Because this year on a 1000 crore top line you mentioned you will do about 70 crores EBITDA, if I'm not wrong, and next year you mentioned on a 1500 crore top line you will do about 107 crore of EBITDA. Which is roughly the same in terms of percentage this year, next year if it is a growth are these numbers okay or is there some kind of mistake or I have heard it wrong?
- Pramod Gupta:** No, you are right. We are targeting slightly better than what you are assuming but that is a target internally and we are not assuming a major margin expansion next year also. Although internally we will be striving for better margins next year because we'll be having better integration but it will all depend upon how the TV business take shape. Because TV business generally will be having a very low margin. So, if that business grows to big then probably overall margins may look low, but on the other businesses we are striving for better operating margins next year.
- Sharad:** Okay. And the second one last one, which I'd like to ask is since we are planning to grow or rather you have to grow because of this PLI scheme your AC business from 300 crore to 3000 crores over next four year period. I'd like to ask like in terms of industry market share, like I believe Amber is one of the biggest non brand producer of the OEM manufacturer in terms of ACs and Dixon is for washing machines, if I'm not wrong, correct me if I'm wrong. So, in terms of your production size or maybe you can put it in number, would you become or compete equally with Amber and Dixon, would you become number two or number one as compared to their capacities or in terms of production and sale?
- Pramod Gupta:** In washing machines we are probably already number two in terms of monthly billing, et cetera or the first nine month billing for this year. Although we are still distant number two, in AC we think we will be giving an alternative to Amber because Amber has a very large share in the AC outsourcing market probably close to 85%, 90% right now, and with our product getting out validated with six, seven large OEMs and it has been received very well we think we have a very

good chance if we do not do any goof-up on operations the year and this business can be very, very sizable over the next two, three years.

Sharad: So what kind of percentage are you expecting in terms of market share as compared to say Amber or Dixon in ACs and washing machines, once your CAPEX and PLIs are fully executed?

Pramod Gupta: In the outsourcing market, in AC we will be having a very sizable market share that is our estimate business plan as of now. So if the market actually goes up to something like today, the overall market is only 15,000, 16,000 crores in India. And if that market over the next five year grows to something like 30,000 crores, we think we will be at least 10% to 12% of that demand.

Moderator: Thank you. As there are no questions, I now hand the conference over to management for closing comments.

Pramod Gupta: Well, I would like to thank all of you. And also I would like to invite you to come and visit us at our SUPA Facility, give us a notice of a couple of days or a week, so that we can arrange your visit. This facility in our opinion is one of the most backward integrated facility as of now in this region. Also important thing is, this is a very large facility almost close to a quarter million square feet we have developed with all the shops in-house, including all the four components that we're doing right now and next year, the fifth component also which we have applied for PLI. And we think we have put a lot of effort. So with this, I wish you all the best and we'll welcome you all to the facility if you want to visit. Thank you.

Moderator: Thank you. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.