

# Mitsuchem Plast Ltd.

(Formerly known as Mitsu Chem Pvt. Ltd.)

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Date: May 18, 2023

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Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400001

Script Code : 540078

Dear Sir/Madam,

**Sub: Transcript of Conference Call with Investors and Analysts held on May 16, 2023**

With reference to our previous communication dated May 10, 2023, intimating you about the Conference Call with Investors and Analysts held on May 16, 2023, please find attached the transcript of the aforesaid Conference Call.

Kindly take the same on record.

Thanking you.

Yours truly,

**FOR MITSU CHEM PLAST LIMITED**

**Ankita Bhanushali**  
**Company Secretary**

*Encl: as above*

**Manufacturing Units**

Unit-I: N-83/84, MIDC, Tarapur,  
Boisar, Dist. Palghar -401506.  
Maharashtra.

Unit-II: J-237, MIDC, Tarapur,  
Boisar, Dist. Palghar -401506.  
Maharashtra.

Unit-III: Plot No. 24/11, 24/12,24/15, 24/8B & 25/1,  
Village-Talavali ( Lohop) , Post: Majgaon,  
Opp. Birla Carbon Ind P Ltd., Tal. Khalapur,  
Dist: Raigad, Pin: 410220. Maharashtra, India.

• Industrial Containers • Furniture Parts • Automotive Parts • Medical Devices etc.

**Blow Molding | Injection Molding | Custom Molding**



“Mitsu Chem Plast Limited  
Q4 FY '23 Results Conference Call”  
May 16, 2023



**MANAGEMENT:** **MR. MANISH DEDHIA – JOINT MANAGING DIRECTOR  
AND CHIEF FINANCIAL OFFICER – MITSU CHEM PLAST  
LIMITED**  
**MS. KASHMIRA DEDHIA – VICE PRESIDENT, HEAD,  
FINANCE & ACCOUNTS – MITSU CHEM PLAST  
LIMITED.**

**MODERATOR:** **MS. KAJOL GOWDA – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to Mitsu Chem Plast Limited, Q4 FY '23 Results Conference Call hosted by Kirin Advisors a reminder, all participant lines will be in a 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 star then zero on your touchtone phone. Please note this conference is being recorded.

I now hand the conference over to Ms. Kajol Gowda from Kirin Advisors. Thank you and over to you Ms. Gowda.

**Kajol Gowda:**

Thank you. Good afternoon everyone. Thanks for joining the conference call of Mitsu Chem Plast Limited. I would like to welcome Mr. Manish Dedhia, the Joint Managing Director and CFO of Mitsu Chem Plast Limited and Ms. Kashmira Dedhia, Vice President, heading Finance & Accounts at the Mitsu Chem Plast Limited. Manish sir, over to you.

**Manish Dedhia:**

Good afternoon everyone. Good afternoon everyone and welcome to Mitsu Chem Plast Limited's Fourth Quarter Conference Call. I would like to begin by thanking all of our stakeholders for their continued support and trust in our company. Despite the challenging year, we are proud to report that our efforts have paid off and we have achieved revenue growth and profitability. Our team has been working hard to optimize cost and improve profitability and we are confident in our ability to continue to do so in the future.

We are pleased to report that our cost optimization measures have been successful and we have been able to maintain profitability while growing our revenue. We have been closely monitoring market trends and factors that could impact demand and we believe that with the right strategies and contingency plan in place, we can navigate any potential risk and continue to thrive as a company. The demand trail for plastic packaging is very positive and we are excited about the potential for future growth.

Our key products including molded industrial plastic packaging, infrastructure, furniture parts, hospital furniture parts, rescue and safety equipment and automotive components are in high demand from a variety of industries including chemical, pharmaceuticals, dyes, agrochemicals, disinfection, diagnostics, hospital and infrastructure furniture and automotive manufacturers.

During FY 2023, Mitsu Chem Plast Limited developed several new products to cater to the growing demand in various industries. One such product is a range of plastic pails. These products have received a positive response from customers and we expect them to contribute significantly to our revenue growth in the coming years. Additionally, we also introduced new variants of our existing product lines in packaging vertical. Our focus on innovation and product development will continue in future as we try to meet the evolving needs of our customer and stay ahead of the competition.

We are encouraged by the predicted growth of the Indian plastic packaging market which is expected to grow at a CAGR of 2.5% by 2027. The demand for rigid plastic packaging in the food industry, cosmetic and toilet trees industry and e-commerce packaging is also growing. We believe that these trends bode well for our company's future growth. Regarding raw material prices, we have implemented strategies to control cost and are pleased to see a favorable trend

in oil prices. We are optimistic that this trend will continue in FY '24, which gives us a positive outlook for the coming year.

Now, I request Ms. Kashmira Dedhia to update on further performance.

**Kashmira Dedhia:**

Good afternoon, everyone. We are pleased to report that our total income for FY '23 was INR 309.33 crores, with EBITDA at INR 26.60 crores and PAT at INR 11.80 crores. In Quarter 4, financial year '23, our total income was INR 83.17 crores, with EBITDA at INR 7.58 crores and PAT at INR 3.30 crores. We are confident that we can build on this strong results in the future. Mitsu Chem Plast Limited's revenue during financial year '23 was driven by the demand for its product across various business verticals.

The company's molded industrial plastic packaging product accounted for the largest share of 84.59% to the revenue, as it continues to supply OEMs of various industries such as chemical, pharmaceutical, dyes, agrochemical, disinfectant, etc . The hospital's financial parts vertical also contributed 8.75% to the revenue growth.

As the demand of this product continued to increase due to the growth in the health care sector and other verticals including infrastructure furniture contributed to 6.67% to the revenue. Mitsu Chem Plast Limited continued to maintain a good level of capacity utilization during financial year '23. The company's plants operated it on an average capacity utilization of around 67%. On installed capacity of 24,000 plus metrics ton per annum approximately.

The capacity utilization was achieved through efficient production planning, effective cost management and timely investment in technology and machinery. During year FY '23, Mitsu Chem Plast Limited was successful in maintaining healthy working capital cycle and stood at 84 days, which is critical for sustaining the company's growth and profitability. The company focused on reducing its inventory level and optimizing its receivables and payables which helped it to generate a positive cash flow from operations at INR 21.99 crores.

In conclusion, I would like to express my appreciation to our employees, customers, suppliers and shareholders for their contributions to our success. We remain committed to delivering value to all our stakeholders and look forward to another successful year. Thank you.

Now I open the forum for question-and-answer sessions.

**Moderator:**

Thank you very much. We take our first question from the line-up Yashwanti Kerkar from Kojin Finvest. Please go ahead.

**Yashwanti Kerkar:**

Yes. Just wanted to understand, like oil is started timing off. So what is the outlook you wanted to give as far as your cost is concerned?

**Manish Dedhia:**

Sorry. I'm very sorry. I could not understand a question properly.

**Yashwanti Kerkar:**

Sir, oil is, the oil prices matters as far as our raw material prices goes. Now, till last year the oil prices were very high, above 100. Now it has started coming up and it has come down to 70, 75

levels. So what is the outlook or what is what you would like to say that how it will affect our cost prices?

**Manish Dedhia:** So as I understood, you are talking about the oil prices, right?

**Yashwanti Kerkar:** Yes, yes. Because that is our main raw material related prices.

**Manish Dedhia:** No, no. So I will just clarify this is not our main raw material, but yes, I think crude is one of the part of HDPE material...

**Yashwanti Kerkar:** That is for the pallet...

**Manish Dedhia:** And sometimes it impacts a big role in the volatile this thing. But yes, definitely the crude is one of the part in our prices up and down for raw material. We can see from last three or four months that the crude is not too much volatile and that is what our, you can see our prices are stable now about and this is not the only one impact, but there are majorly demand supply also makes a lot of difference in the, this is our plastic segment.

**Yashwanti Kerkar:** Okay. So how would you like to see about the demand and supply and how it is now pairing it up?

**Manish Dedhia:** Yes, it looks, it looks a little robust, it looks a little robust now because I think from last, I mean like the last quarter you can see it was very good robust in the demand and hence I think the overall demand has little bit picked up and which we, we also believe that this will continue for this 24 year, this quarter one, quarter one of '24.

**Yashwanti Kerkar:** Okay. So these are also good cash from operations. So are we investing anything in the new product R&D?

**Manish Dedhia:** Come again madam, I think you need to repeat the question please.

**Yashwanti Kerkar:** Yes, what I'm saying is this year we generated a very good cash flow from operation. So are you looking to invest in the R&D for the new product?

**Manish Dedhia:** What do you mean by R&D?

**Yashwanti Kerkar:** R&D, Research and Development?

**Manish Dedhia:** R&D. I'm really sorry. I could not get those words. No, we are already doing a lot of R&D activities in house. So like new product development, the product designing, so it is, it is I think for Mitsui it's a continuous process.

**Yashwanti Kerkar:** Okay. So any product find in pipeline?

**Manish Dedhia:** Yes madam. Yes, so as I, as I just mentioned in our, my speech that we are doing a lot of new product development. So, you know, a lot of, unless and until we are success with the, or we are satisfied with the product testing, we cannot launch that product. So there are many products are

going on which we are taking the trials and all these things. So as soon as we will ready with that, we will launch this.

**Yashwanti Kerkar:** Okay. Then how would you like to view the output for FY '24? Is it positive? What is the cost of the improvement in the margin?

**Manish Dedhia:** Yes, so as we mentioned here that lot of, capacity utilization is one of the criteria for us that we have to utilize that capacity utilization number one. Number two, yes, raw material management also we have to do a very well. I think those are all the cost optimization tools and we are looking, also we are looking for a very good market look like as of today, it looks like the market is very, very good demanding for '24. So we hope this year will be beneficial to each and every one.

**Yashwanti Kerkar:** Any particular segment used to look optimistic like packaging or the hospital furniture?

**Manish Dedhia:** So particularly, pharmaceutical we are, we are targeting because I think the last whole year was not so good for them. And now it is, looks like right now that it is picking up the market.

**Yashwanti Kerkar:** Sir, would you like to name the pharmaceutical company as your client in the forum?

**Manish Dedhia:** Sorry.

**Yashwanti Kerkar:** Would you like to name those pharmaceutical companies who are your clients in the forum?

**Manish Dedhia:** No, ma'am, this will be the first time because there are many customers, if I'll name my call, we'll be over. On a lighter note, no, but I think there are many clients. It's a year we are majorly supplying to pharmaceutical and chemical companies. And all chemical and pharmaceutical companies are doing really good. I think last year was an exceptional year, looks like. But I think there are many good companies.

**Yashwanti Kerkar:** Okay. Sir, would you like to say that how much of your top five brands contributed to your FY '23 revenue?

**Manish Dedhia:** Top five?

**Yashwanti Kerkar:** Top five clients has contributed to your top line. There is a revenue?

**Manish Dedhia:** Yes. So those are pharmaceutical company, chemical companies and financial companies. So it's a mix of that.

**Yashwanti Kerkar:** So any percentage of the revenue that is contributed by top five brands in terms of percentage, 60% there, 50% there, 80% that has contributed to your top line from the top five clients?

**Kashmira Dedhia:** Asking for top five, maybe nearly 30% to 40% not more than that.

**Manish Dedhia:** So our 30 top 30 customers are giving us a revenue of 80%.

**Yashwanti Kerkar:** **Thank you and all the very best for future.**

- Moderator:** Thank you. We take a next question from the line up Anant Chaudhary from Electrum Portfolio. Please go ahead.
- Anant Chaudhary:** Thank you for the opportunity. My question is regarding this new product, which is pail. So I just want to understand what is the capacity there and what utilization do you expect in FY '24 or '25 and what are the margins there?
- Manish Dedhia:** Okay. So 1,600 is our capacity for a pails for entire year, we are looking for at least 60% utilization capacity in the same to start with. And yes, there is a good profitability, but yet to start in a very well manner. So I think we have already done that kickstart, already done this current year. Let's see how does this goes on after first quarter?
- Anant Chaudhary:** 60% you are targeting for FY '24. Sir is this the correct understanding?
- Manish Dedhia:** Yes, yes.
- Anant Chaudhary:** Okay. And what are the margins there?
- Manish Dedhia:** So EBITDA margins are like 14% to 18% in between. So right now and then it can increase also once we start rolling out this.
- Moderator:** Thank you. We take our next question from the line of Himani Uban from Suraj Enterprises. Please go ahead. We take our next question from the line of Sriram R, an Investor, please go ahead.
- Sriram R:** Can you please provide the break up for the different segments, like industrial, intra, auto and healthcare?
- Kashmira Dedhia:** So, packaging sector is giving 84.59%, hospital furniture is giving 8.75% and others including Infrastructure furniture is 6.66%.
- Anant Chaudhary:** So, when you say packaging, so can you please provide some break up for that, like which sectors you cater to, some details on that?
- Manish Dedhia:** Sir, we serve packaging sectors to chemical, pharmaceutical, lube oil, edible oil, even some of the FMCG also. So, it is a mix of that.
- Anant Chaudhary:** Okay. And your exports as a percentage of revenue?
- Manish Dedhia:** So, there is no export yet. And I think, you know, in the packaging items, export will be little difficult for that. So, we are not -- I don't -- we don't have an export.
- Anant Chaudhary:** Okay. Sir, and your capex plans for FY '24 and '25?
- Manish Dedhia:** Sir, we haven't declared yet. As soon as we plan out and we finalize, we will definitely come out with that plans.

- Anant Chaudhary:** Okay. And sir, have you finalized any orders with some paint companies? Because earlier you were talking about that in the earlier call. So, any progress on that?
- Manish Dedhia:** Not yet. So, right now we are focusing on lube market only.
- Moderator:** Thank you. We take a next question from the line of Prakash Jaiswal, an Investor. Please go ahead.
- Prakash Jaiswal:** Sir. My question is, sir, how was export during FY '23 and does it look promising for the current year?
- Manish Dedhia:** Sir, I think you need to repeat the question. I am sorry. I could not understand the question.
- Anant Chaudhary:** Sir, how was your export during FY '23 and does it look promising for the current year?
- Manish Dedhia:** Export. Sir, I just now mentioned now that there is no export at all. We used packaging, drums and articles. So, we do not have a direct export such as.
- Anant Chaudhary:** Okay. And sir, what is your current working capital cycle?
- Kashmira Dedhia:** Gross working. Gross is 84 days.
- Anant Chaudhary:** Okay. And so, average interest rate, sir, what is?
- Kashmira Dedhia:** Average interest rate is around 9.5% for full year.
- Anant Chaudhary:** Okay. So, what is your current capacity and capacity utilization?
- Kashmira Dedhia:** Capacity utilization for full year is around 67% on an average.
- Anant Chaudhary:** Okay. So, sir, do you have any price to escalate the cost to your clients?
- Manish Dedhia:** Sir, repeat the question, please.
- Anant Chaudhary:** Sir, do you have any price hike to escalate cost to your clients?
- Manish Dedhia:** Price?
- Anant Chaudhary:** Price hike to escalate cost to your clients.
- Manish Dedhia:** I am not understanding. What is the question?
- Anant Chaudhary:** Actually, any variation in the price of raw materials to escalate cost to your clients?
- Manish Dedhia:** Yes. So, we have that generally, it is a quarterly practice and we do that, but you know, there is a cut throat competition. So, definitely. But yes, now customers are also understanding that if they want the quality, they are agreeing on that. Some of the customers, yes, agreeing on that and we are just, yes, they are giving some price benefit.
- Anant Chaudhary:** Okay. So, my last question, sir, has any product added to our product portfolio?



- Manish Dedhia:** What?
- Anant Chaudhary:** Has any other product added to our portfolio, new portfolio?
- Manish Dedhia:** So, the pails was which we have announced last and some of the new product which we are under, under trials and everything. So, once we through, then only we will put it into this. So, we have a very good habit of announcing everything, whatever we are coming up with the new. So, definitely, whenever the new product comes up, we announce that
- Anant Chaudhary:** Okay, thank you, sir.
- Manish Dedhia:** Thank you, thank you.
- Moderator:** Thank you. We take the next question from the line of Akhil Parekh from Centrum Rocking, please go ahead.
- Akhil Parekh:** Hi, thanks for the opportunity. My first question is on the capacity side. In the cash flows I see, we have done almost a INR 28 crores of capex, including CWIP. So how much of the capacity was added during FY '23? And given that we are already at 67%, 70% of utilization rate, what kind of capacity additions we should expect in FY '24?
- Kashmira Dedhia:** So, sir, basically in our plant and machinery, we have added the pails machine. So for that, sir has already mentioned that around 1,600 tons capacity we have added. We have added one more machine of, small machine for SBM. So that might be a, that is the regular practice. So that is the capacity addition we have done.
- Akhil Parekh:** Okay, so we have spent INR 28 crores to add 1,600 tons of capacity. Is that understanding correct?
- Kashmira Dedhia:** Can you repeat?
- Akhil Parekh:** I'm saying, we have done almost INR 25 crores to INR 28 crores of capex for last year, and we have added 1,600 tons of capacity.
- Kashmira Dedhia:** So, sir, the other additions, other expansion was around the other fixed assets. In plant and machinery, this was the addition.
- Akhil Parekh:** Okay, And this year FY '24, what kind of additions we are anticipating? Because we are already at 70%, right? And in packaging, I believe that's the peak one can achieve 70%, 75%. So I believe we will be adding more capacity, right? In next one or two years.
- Manish Dedhia:** Sir, can you repeat the question? Because last, some of the words have been missed. If you can just...
- Akhil Parekh:** Sure. I'm saying what kind of capacity addition should we expect in FY '24?

- Manish Dedhia:** Yes, so I think, we will announce once we are finalizing everything. So definitely, yes, but Mitsu is on expansion mode. So definitely we'll come up with some good plans. So once we come up, we will announce that.
- Akhil Parekh:** Okay. And another question of the volume front, right? We are at 67% utilization rate, which implies almost 16,000 tons of volume. So we have grown at almost 18% on a CAGR basis for last four, five years in terms of volume growth. While sales per kg, if I look at it for this year, is almost, I believe at INR 190, which is kind of a record high in last many years. So is it because of the product mix change or is it because the polymer prices were on a higher side and that's why the realization was on a higher side in FY '23?
- Manish Dedhia:** It's both. I will say it is both because see, there are a mix of the, because our product range is very vast and both the things has been, took this place, like, some of the raw material also prices. So raw material prices was too much volatile also. So went up, went down like that. And for new product also, there were many, many new products which has participated in this.
- Akhil Parekh:** Okay, got it. And last question, like for this year, FY '24, should we continue to build in like around at least 10% to 15% of the volume growth and probably we might maintain the realization of our sales per kg what we did in FY '23?
- Manish Dedhia:** So, so considering '22, '23 is a special year as we consider because that was a, last five years was a very low down, in last five years, '22, '23 was a very lowest one. So we don't want to benchmark '22, '23, but yes, we are on a growth path and definitely we look for a better growth.
- Akhil Parekh:** Okay, this is helpful and best wishes for coming quarter. That's all from my side. Thank you so much.
- Manish Dedhia:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Rahil Shah, an investor. Please go ahead.
- Rahil Shah:** Hello, good afternoon. So in one of the earlier questions, someone asked you, you mentioning something about 60%. I was it, so I was not able to understand and some 14% to 15% margins. What was that in regards of like, is that?
- Manish Dedhia:** I think the question was for a pails, which is we have just started a new business. He was asking that, what will be the capacity relation you are looking at this complete year, so we said 60%, we are minimum, we are planning to utilize that.
- Rahil Shah:** Okay, and that category has like 14% to 15% margin.
- Manish Dedhia:** Yes, okay.
- Rahil Shah:** And then you recently also mentioned you are focusing, did I hear it correctly, is it the lube market, L-U-B-E?

- Manish Dedhia:** Yes. Lube and paints industries, see the pails is made for lube and paint industries. So till now we were focusing on a lube, the paint industry is also upcoming. So definitely, as soon as we will have a customers of paint industries, we will announce that also. So we are ready with both the items, lube and paint. But till now we were focusing on lube. So we have that percentage, what we have announced is for lube.
- Rahil Shah:** Correct, okay. And so what about the outlook, like in terms of your top line, how much you're expecting, given your strategies, your priorities for cost optimization, which you are doing, and then you said you're in expansion mode. So are you in position to give like any guidance for top line and margins on a console basis?
- Manish Dedhia:** Yes, it will be, see, I can tell you some of the things that with the current given capacity and everything we can achieve around INR 425 crores top line. If we do not install any new machines, so whatever the capacity we have right now, so we can achieve around INR425 crores. We're trying to achieve nearby that, so hope for the. I mean, like we are also trying hard on this.
- Rahil Shah:** Okay, but then you also said that you are definitely going to expand your capacity so that can be...
- Manish Dedhia:** That we will announce as and when required because it is in under consideration on the proposals.
- Rahil Shah:** Okay, any estimated time, how soon it will be? I mean, no pressure, they're just trying to figure out. If you have an easy answer.
- Manish Dedhia:** Very soon, sir, very soon. We will very soon, we will come up with something because the board has to approve everything and then only we can announce that.
- Rahil Shah:** Yes, no problem. And okay, yes, I think that's it. Thank you, thank you so much and all the best.
- Manish Dedhia:** Thank you.
- Moderator:** Thank you. We'll take a next question from the line of Himani Uban from Suraj Enterprises, please go ahead.
- Himani Uban:** Hello, yes, good afternoon, sir. My question is, till how long you expect cost headwinds to continue?
- Manish Dedhia:** Sorry, ma'am, I'm not able to understand you. Sorry, I'm not able to understand the question.
- Himani Uban:** I'm asking, till how long you expect cost pressure to continue?
- Manish Dedhia:** Cost pressure. I think I'm not the right person to answer on this, but yes, see, there's a market driven, it is a completely international market driven. So sometimes the crude price goes down, the demand sometimes suddenly comes up, the price goes up. So it is a vice a versa. Sometimes crude prices are so high, but demand is not there, then the prices goes down. So I mean, it's a really dynamic market, especially I cannot predict.

- Himani Uban:** Okay. And what is EBIDTA margin guidance going forward?
- Manish Dedhia:** Good question. So yes, our target is not definitely in a more than double digit only. So I think our target should be not less than 12% or 13%. But we are targeting very, very heavily for that. So around 13% is our target right now.
- Himani Uban:** Okay. And sir, any new clients added to a portfolio?
- Manish Dedhia:** No, the pail was the last one, what we have announced. New client you said?
- Himani Uban:** Yes, new clients added to a portfolio.
- Manish Dedhia:** Yes, some around 40-plus client has been added last quarter. We are also adding, see, customer base is also we are increasing that. So that is the reason we always strive for good customers.
- Himani Uban:** Okay, any new product launches and pipelines?
- Manish Dedhia:** Yes, so as I said, like there are a lot of developments going on in Mitsu Chem. So once we are ready with that, we will definitely announce.
- Himani Uban:** Okay. And how is order book inflow from our clients?
- Manish Dedhia:** Yes, good. Right now, this quarter also looks good. Till now.
- Himani Uban:** Okay. How is hospital furniture demand, sir?
- Manish Dedhia:** Yes, good. It is very good demand now, but this is a capital industry. So always there is an up and down in the demand because it goes in the capital industries. So people who buy once will not buy again. But yes, there are many, many in India, there are infrastructure facilities coming up like huge. So the orders are flowing.
- Himani Uban:** Okay, any export started in hospital furniture?
- Manish Dedhia:** We are targeting, so we have attended many, many exhibitions in last one year. I mean, like we have participated that and many inquiries have come and definitely we'll have a very good result very soon. Very soon, we will announce also that. So we got a good response in the exhibitions.
- Himani Uban:** Okay. And sir, what steps you are taking to optimize cost?
- Manish Dedhia:** Yes, there are many, many steps ma'am. And along with that, also we are looking for like, as I said, like we have added a customer also and for cost utilization, yes, the raw material is our key material. So there also we are trying to optimize where we can do that.
- Himani Uban:** Okay, that's it from my side, sir. Thank you so much, all the very best.
- Manish Dedhia:** Thank you, thank you ma'am. Thank you very much.
- Moderator:** Thank you, we take our next question from the line of Yashwanti Kerkar from Kojin Finvest. Please go ahead.

- Yashwanti Kerkar:** Yes, this was, I just wanted to understand like, have you taken any price rise to escalate the cost of raw material in the last year?
- Manish Dedhia:** Yes, obviously. See, every month there is a price changes in our raw material prices. So we have to go to customer and we have to ask for, if the price hike is there, we have to ask for them. And if the price lowers, we have to pass on the price also. So I think that's a very common practice in our type of business.
- Yashwanti Kerkar:** That happens immediately or it happens with a lag effect?
- Manish Dedhia:** So generally, see the prices changes weekly here in internationally and in India as well. We generally change the price every first of the month.
- Yashwanti Kerkar:** Okay. And ma'am talked about like on 8.7% or 8.75% has been contributed from your hospital furniture. So how you see the demand coming up over there? Because COVID was a good time when you had seen the huge jump in the hospital furniture business. So that is still there or like how it has shaping it up?
- Manish Dedhia:** No, see, I'll tell you what, I think your analysis was very right. But I'll just specifically say, see for hospital demand has not reduced too much in this. But yes, our containers and other businesses have also gone up very well. So that's how percentage has come down a little bit. But definitely we are also focusing on this, because this is a value addition item for us. And we are also focusing on, as I said, like we are participating in abroad for export our furniture parts to other countries. So definitely we will have a very good impact in the next year, this coming year.
- Yashwanti Kerkar:** I just wanted to understand, what is the price difference between a Mitsu and a China and a hospital furniture business?
- Manish Dedhia:** So in India, it looks like we are much, much competitive, because there are many, many aspects like in our delivery, we deliver in six days times to anywhere in India. We have already go downs in Delhi and which caters to North market. We have a South Hyderabad, which caters to like South market. So we are keeping a ready stock there everywhere. So that's one of the availabilities are very, very good with us.
- Price wise also we are very good. So I think in India, at least we have captured a very good market, but still, yes, imports are possible because some people wanted to go for import and then yes, but I think in a longer time, import will be totally shut down.
- Yashwanti Kerkar:** So is it possible for you to share your market share and your selling?
- Manish Dedhia:** So I'll be not be able to tell you very perfect numbers, but I mean, don't consider me as a very perfect one because we do not have that kind of market things because in hospital furniture bed, a hospital bed, there's a lot of unorganized market as well. So we are not able to capture those numbers very well, but I can say 60% -plus market share we have in India.
- Yashwanti Kerkar:** Okay, so in the export market...
- Manish Dedhia:** Maybe more than that, but we just wanted to restrict the numbers by 60%.

- Yashwanti Kerkar:** Okay. And sir, in the export market, are we competitive against China in the hospital furniture?
- Manish Dedhia:** Very, very good. Yes, very good. The only thing is now the design, the new things, it takes some time. So I think it's a matter of some time and definitely we'll get the good result also.
- Yashwanti Kerkar:** Okay. Yes, and how big do you think an organized market, or can you specify how organized market is?
- Manish Dedhia:** I'll not be able to comment and I'm not expert in that. So I will not be able to comment on that, sorry.
- Yashwanti Kerkar:** So in the automobile segment, where are we? Where are we standing? How is that segment performing for us?
- Manish Dedhia:** No, so automotive component, we are just doing some of the trials only right now. Again, some of the things, but yes, we are not in the sales. There is no big impact on that right now.
- Yashwanti Kerkar:** Okay, sir. Thank you so much.
- Manish Dedhia:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Anant Chaudhary from Electrum Portfolio. Please go ahead.
- Anant Chaudhary:** Thank you again for the opportunity. Can you please provide me the breakup of the total capacity? So right now I think total capacity is 24,000 metric tons. Can you just provide a breakup, how much is the packaging, what is the furniture?
- Manish Dedhia:** So we have a total capacity altogether is it 26,000?
- Kashmira Dedhia:** 24,000 plus.
- Manish Dedhia:** Utilization. No, total capacity.
- Anant Chaudhary:** Okay, 24,000 and utilization for FY '23 was 69%.
- Manish Dedhia:** Yes, 67%.
- Anant Chaudhary:** 67%, okay. Second thing is about, have we added any customers in the pails segment?
- Manish Dedhia:** Yes, we have added many customers and still we are adding the customers for the better profitability and the better sales.
- Anant Chaudhary:** So the 1,600 metric tons we have added, how much would be in pails and how much would be in FMCG?
- Manish Dedhia:** We are considering everything consolidated. Packaging material is only one. So that's how we are considering at once.

- Anant Chaudhary:** Just one last thing. Any rough estimate of the market side of this hospital furniture in India? Organized or not organized, whatever. Any rough estimate?
- Manish Dedhia:** No, sir, I'm not the expert and I will not be able to tell you that because I think there is a, we are not able to understand some of the things. So we will not comment on that, sorry.
- Anant Chaudhary:** All right, thank you so much.
- Moderator:** Thank you. We take the next question from the line of Aditya Jain from AJ Capital, please go ahead.
- Aditya Jain:** Hi, sir. Just one question from my side. Any thoughts on when can we expect the FPO since the markets have again normalized now?
- Manish Dedhia:** Thanks, at least you open up that subject again. Yes, let's see now if the market, it looks like the market has again come back and we'll try to figure it out in next coming months and then we will announce very soon. Something, if possible.
- Aditya Jain:** But we already have got all the approvals, right?
- Manish Dedhia:** Yes, we already have all the approvals and I think all the approvals are on our website. So those are, everything is ready.
- Aditya Jain:** Okay, so hopefully this year we should be able to close this, right?
- Manish Dedhia:** Maybe, yes.
- Aditya Jain:** Okay, thank you so much.
- Manish Dedhia:** Thank you, thank you very much.
- Moderator:** Thank you. We'll take our next question from the line of Sriram R, an investor, please go ahead.
- Sriram R:** So a couple of questions. What are your debt reduction plans?
- Manish Dedhia:** One was the FPO for sure. I can say that, but I think, unless and until it happens, I mean, like I can't say that this is the only plan. But yes, if it doesn't happen, then yes, we have to plan out something differently. But yes, our -- the term loan, the which we secured, it is already paid off. Many of the term loans had been paid off. So now only, I think CC working is there.
- Sriram R:** So there's INR80 crores, which is there in the balance sheet. So it's entirely working capital, right?
- Manish Dedhia:** No, not entirely.
- Sriram R:** Okay. How much would be working capital?
- Manish Dedhia:** Working capital, maybe you can say 80% will be working capital, 20% maybe term loans.

- Sriram R:** On the competition side, sir, like whom do you look up to or whom do you benchmark against? Like who's your nearest competitor?
- Manish Dedhia:** Yes, there are many listed, unlisted many. So then there are packaging supplier, it will not right to take the name here. But yes, there are many packaging companies are also here, who has been a little bit of similar business because we also have a different, different type of business. Some companies also have a different type of business. So it's like vertical wise, there are different, different, but some of the things maybe you can mix match.
- Sriram R:** Okay, fine. Thank you.
- Manish Dedhia:** Thank you.
- Moderator:** Thank you. As there are no further questions from participants, I'd now like to hand the conference back over to the management for closing comments. Over to you, sir.
- Manish Dedhia:** Yes. Hello.
- Moderator:** Yes, sir, please go ahead with any closing comments.
- Manish Dedhia:** You're all thank you very much for participating in this con call. And whatever the new things coming up, we will definitely announce and please see our website and everything as we are announcing all our newsletters and everything. So thank you very much.
- Moderator:** Thank you very much, sir. Thank you. Ladies and gentlemen, on behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.