



RUSHIL
DECOR LIMITED

“Rushil Décor Limited
Q1 FY 23 Earnings Conference Call”

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MODERATOR: **MR. KARAN BHATELIA - ASIAN MARKET SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Rushil Décor Limited Earnings Conference Call hosted by Asian Markets Securities Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

Actual results may differ from such expectations, projections, etc., whether expressed or implied. Participants are requested to exercise caution while referring to such statements and remarks. 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. Karan Bhatelia from Asian Market Securities Limited. Thank you and over to you, sir,

Karan Bhatelia: Thank you. A very good morning and welcome all to the Q1 FY'23 Earnings Conference Call hosted by Asian Market Securities. From the management side we have Mr. Krupesh Thakkar, Chairman & Managing Director. Mr. Rushil Thakkar, Director, Mr. K. M. Gajjar, CEO, and Mr. Hiren Padhya, CFO. I now hand over the conference to Rushil Thakkar for his opening remarks and then we will open the floor for question and answer. Over to you Rushil Bhai, thank you.

Rushil Thakkar: Good evening, ladies and gentlemen. Welcome to Rushil Décor Limited Earning Conference Call for the first quarter ended June 30th for the financial year 2022 and 2023. I would like to begin by thanking you all for taking out the time and joining us today. I thank Asian Market Securities for arranging this call. On the call with me we have Chairman and Managing Director of the company, Mr. Krupesh Thakkar, CEO of the company, Mr. Keyur Gajjar, and CFO of the company, Mr. Hiren Padhya, along with the bridge IR, our investor relations team.

In the quarter, several positive points emerged for Rushil Décor. The ever increasing experience combined with an excellent team delivered one of the most fabulous results for us. Both of our segments, MDF and Laminates, contributed to the growth of the company. The MDF segment showed a very significant growth in terms of EBIDTA and overall profitability with capacity utilization. We have been striving to increase the capacity utilization at the AP plant and at the same time, we are focused on reducing the cost and increasing our efficiencies.

Our dedication for achieving the higher utilization and efficiency has been paying off and we have been crossing our own set milestones, which reflect in this quarter. Our other focus has been to gradually increase our exports and enhance the value added contribution. I am delighted to state that our strategies has been satisfying. The overall exports repo rate substantial growth in terms of value and realization, both. Now we plan to move into the next leg of the growth for which the board has approved fund raising of INR 200 Crore. I would now like to thank the entire team of Rushil Décor, as well as our stakeholders whose faith and efforts enable us to stay focused and generate better results. I would like to hand over to our CEO, Mr. Keyur Gajjar to share his expertise on the industry and other aspects for quarter one, financial year '23.

Keyur Gajjar: Thank you, Rushil. You've given me a head start with an informative opening remark. Taking a cue from him I must say that we are delighted that our commitment of seeking to our set plans to achieve short term goals has been paying off. Both the segment, Laminates and MDF, perform exceptionally well. As for laminates, we achieved capacity utilization of over 84% in the quarter under discussions. And we achieved the highest turnover in a single quarter. We also achieved the highest volume of MDF in this quarter.

The utilization of MDF at the AP plant stood at 73%. We have set target in terms of higher capacity utilizations and increasing the value added contributions and we are to the extent, quite successful. We are pretty sure of this witnessing improvement going

forward. This quarter can be considered to a benchmark and will share, try to achieve bigger milestone.

In terms of raw material pricings for specific chemical, we are witnessing stable or I would say downtrend leading to low cost pressure. In terms of import compensations, competitions we believe that current level of pricings and high freight costs would make import less competitive, on and off its changing. That is all from my side, I would like to hand over the call to our CFO, Mr. Hiren Padhya for opening remark. Thank you very much.

Hiren Padhya:

Good evening everybody, and thank you Keyur Bhai. I'm happy to share that we crossed a significant milestone with the turnover crossing INR 200 Crore in the single quarter. We would like to state that in the same quarter last year we witness the second wave of COVID and also the Andhra Pradesh plant had just come in operations. The MDF segment contributed about 76 percentage of the top line, this was on account of higher volume sales. At the same time the exports also witnessed significant growth and improved realizations.

Laminates segments too contributed, the top line growth is almost 65% revenue flowing from export for this segment. Here again, export realizations witnessed marked improvement vis-à-vis last year. In order to achieve higher bottom line growth we were focused on improving our EBIDTA margin. We focus on increasing the capacity utilization, higher realizations and overall cost optimization strategies have paid off for us. Also export were adding an advantage contributing there bit for incremental EBIDTA margins.

We are working on further on this two strategies and working on a plan to achieve higher efficiencies. EBIDTA margins from MDF segments stood at 27.45% and overall EBIDTA margin was 22.55% in quarter one, FY'23. The interest costs were also under control. All the above factor led to a very decent bottom line growth. I would just like to highlight in terms of profitability, if you have comparison from 2021, 2022 and quarter four, '22 versus quarter one, '23; in case of MDF we were at 11.62% EBIDTA margin, which has grown to 20 plus in Q4 '22. And in the current quarter we have reached 27.45 percentage.

Similarly in case of overall margin 10.43% in 2021 to 16.18% in Q4 '22 and in the current quarter it is 22.55 percentage. Same trend has followed in terms of PAT also. PAT was 4.09% in 2021, which has now became 12.91% with almost three times the PAT which was there in 2021. That is all from my side, I would like now request operator to open the floor for question and answer.

Moderator:

Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Rajesh Kumar Ravi with HDFC Securities. Please go ahead.

Rajesh Kumar Ravi:

Hello?

Rajesh Kumar Ravi:

Yes. Hi, sir, good evening. And congratulations on very good set of numbers and also on a detailed presentation, segment wise. Sir, I have 2 or 3 questions, first on the operating site. The laminate margins appears to be subpar while asset term seems to be quite in line with the industry 2X. So first, what is the views on the laminate margin improving north of 10%? Second, coming to the MDF, what sort of top line you're looking at for FY'23 and the strong margins seems to be playing out as we have been guiding the share or value added products to increase and higher utilizations. So given this context, the INR 200 Crore fund raise, which you have announced, could you explain what is the need for that? In my view, that would lead to 15% plus dilution, correct me if I'm wrong. And what is your average borrowing cost?

- Keyur Gajjar:** For laminate, we believe that now the pricings are quite stable and exports, if we talk about US dollar, it's little bit volatile. So we see that in coming days, the performance may improve. That's what I think. If you compare our last quarter to this quarter, the things are changing and now I believe that in coming quarter, because the craft and lot of raw material costs is coming down.
- Rajesh Kumar Ravi:** Just to interrupt, like when I look at your competitors' number, most of them are reporting margins north of anything between 10 to 15%. Is it because your product mix is different and that is why your margins are impacted or are there something else?
- Keyur Gajjar:** Yes. Because our product mix is little bit different. We have a business model where in we have some products which we exports to Gulf region, some products we say exports to far south-east Asia, Europe, some products in domestic market because of our product mix, but now we see that the raw material for several product mix is changing, so we see positive in that part.
- Rajesh Kumar Ravi:** Okay. And coming to the MDF and fund raise part.
- Hiren Padhya:** In case of MDF, you are just asking for the top line, which we are just targeting for the financial year, 2022 - '23. That is what I have understood, right?
- Rajesh Kumar Ravi:** Yes, FY'23, what sort of top line you're looking at? Is it feasible to deliver a 50% growth on, volume growth on last year numbers?
- Hiren Padhya:** See, as for our budget there's a definite increase in terms of revenue, in terms of value and volume both. The quarter one result is already there, so I think we'll just follow the same trend and on this side of margin also, the improvement in terms of margin compared to last quarter, that is Q4 versus Q1 FY'23 is already, I think, available with us, and then our target is like to maintain this margin throughout the year.
- Rajesh Kumar Ravi:** Okay.
- Hiren Padhya:** Okay. The last question regarding that fund raising part. See, as of now board has approved the fund raising in terms of value it is up to INR 200 Crore. Now, the exact shareholding pattern, etc., would be decided once we decide the exact value. So, I think, as of now we have decided the limit that is INR 200 Crore. So I think, within couple of weeks we'll just decide the exact course of action, what amount we're just going to have in terms of this right issue. Secondly, the right issue is basically for the purpose of not any specific expansion, we are just planning to; the core objective of this particular right issues to reduce our debt. Our total focus would be for this, current financial year would be reducing debt rather than investing into any new projects, as of now. Of course, currently we are also evaluating couple of proposals for the long term expansion also, but this particular object is basically for the purpose of reducing debt.
- Now on debt side also, as of now, for this particular quarter, we have reduced debt to the extent of almost INR 15 Crore. And if we just follow the pattern in which the loans, schedule is already there, so we will reduce at least INR 50 Crore during this particular financial year. Over and above our thrust and the strategies is like, rather than going for any further expansion will just focus into reducing debt. So as a one part we'll follow the schedule, which is given by the finance institutions, including banks. Second would be, we'll just whatever amount we decide in terms of right issue, we will try to reduce the debt. So our basic focus would be reduction on debt.
- Rajesh Kumar Ravi:** Okay, sir. And what is the average cost of borrowing you have? I remember, you had mentioned that it is around 7 year long term borrowing that you have?
- Hiren Padhya:** See, we have couple of finance institutions including banks. The local currency finance as well as the finance in foreign currency also.

- Rajesh Kumar Ravi:** Okay.
- Hiren Padhya:** In terms of foreign currency the finance cost is hardly even 0.85%. And if you see overall finance cost would be in the range of 6.5% around.
- Rajesh Kumar Ravi:** Okay. If I can chip in one last question, see, what I understand, even if you Q1 EBIDTA numbers are replicated for the whole year annualized, that itself would give you INR 200 Crore sort of EBIDTA. Would that not be sufficient to help you reduce debt because this year, I don't see there are any major capex or am I missing something?
- Hiren Padhya:** No, I think, your observation is perfect. See, as of now, as I said, two specific target is like, adhering to the schedule and use the right issue for this particular purpose. We thought, which you are mentioning is already in our strategy, but I think, rather than saying anything we'll just wait for next two quarters and if we can continue with the same performance or maybe it can improve that, then I think we can further reduce the debt out of this margins which we are targeting as of now. So, I think you're right. But we will take a call maybe after two quarters.
- Rajesh Kumar Ravi:** Okay. Great, sir. All the best, will come back in queue.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Vivek Gautam with GS Investment. Please go ahead.
- Vivek Gautam:** Yes. Congratulations on a very good set of numbers, sir. So my question is that how sustainable are these numbers with and how much is the capex coming in MDF sector in India, on south India? So would it lead to margin pressure? For example, I heard that Archidply is coming up with new plant. And second is about the import threat as the freight costs are also coming down. And what will you say about it?
- Keyur Gajjar:** Hi, if you put up any MDF plant, it normally takes 2 to 3 years. So it's not very simple that it start from tomorrow. But if you talk about the MDF CAGR annual growth, it's almost 15 to 20%. So by the time this whole capacity, if we put up around 1000 CBM per day, and they're putting up, by the time if we talk about existing rate of 6,000 CBM consumption pattern, then also this capacity will be easily absorbed in the market.
- Yes, I do agree when there is a new capacity in the market there is a time being little bit pressure, but over the period it got settled down. This MDF market is so far not mature market, I believe. So we have still a huge potential to add up the capacity, so that's not a very big issue. And I'm not sure whether Archidply is coming in southern part, that's still I'm not sure, but yes, one plant of Century is there in southern part. I hope I have cleared this answer and for the... What was your second question?
- Vivek Gautam:** What about the import threat from Sri Lanka, China, Vietnam?
- Keyur Gajjar:** I would say that...
- Vivek Gautam:** Does it mean ours is a sort of a commodity play or not a commodity play?
- Keyur Gajjar:** Yes. To the extent it is commodity. When we talk about the non-value added products, it's a commodity products, but like; there are two reasons, that's one of the two reasons that's why importers are hesitant to import the material. One is dollar volatility and second one, freight. Because by the time you place the order and at the time of booking of container, the things change. Today the freight of Malaysian port is now 1600 USD and probably one month before it was 800 USD. So there's a lot of volatility in freight segment also. And lot of importer they try to import few containers and they ended up paying 10% more than what we are selling in local market.

- Vivek Gautam:** So how long will this continue? And what is the opportunity size for MDF and laminate and what is the --?
- Keyur Gajjar:** For laminate it's okay, for laminate we really don't see any import competition. MDF, yes, we see import competitions. But in laminate, there is no import competitions. And it is very difficult to say, but we don't see any such issue in this quarter because imports, this entire logistic chain is disturbed. So we really don't see in this quarter or may be even next quarter, the freight will go substantially down.
- Vivek Gautam:** And what is the opportunity size for MDF in India and especially in south India and where the two plants are located and what is the growth rate you expect?
- Keyur Gajjar:** As I said, we are expecting the growth rate almost between 15 to 20% annually for MDF product and we talk about panel industry in general, MDF contributes maybe around 20%, 30%, not more than that. And 70% is contributed by plywood segments. We see huge approach opportunity in that terms, number one. Number two, there are a lot of organized furniture makers and startups are coming up. And these people, they normally prefer MDF rather than plywood and other kind of products. So we see a huge opportunity and third parties, Gulf and African market, we also see a huge possibility to export our materials and a lot of places, today we have replaced Thailand and Vietnam in Gulf region.
- Vivek Gautam:** So overall this is basically secular growth story not a commodity play and increasing export are also helping us out. And the second overhang was about the debt part, which is you are taking care through the right issue. And, how much will that debt equity ratio post the right issue and the major concern goes away of overhang, which is leading to lower price earning multiple for our stock?
- Hiren Padhya:** See, as I said, we just have not decided the exact value of right issue. So I think that will take some time and once it is decided we'll just come back to you. That's all we have as if today.
- Vivek Gautam:** Okay, sir. Keep up the good work. Thank you very much.
- Keyur Gajjar:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Manan Shah with Moneybee Investment Advisors. Please go ahead, Mr. Manan, your line has been unmuted, you can proceed with your question.
- Manan Shah:** Hello. Can you hear me?
- Keyur Gajjar:** Yes.
- Manan Shah:** Yes. Heartily congratulations for the set numbers. I wanted to ask what sort of capex plan do we have for the coming two years?
- Hiren Padhya:** As I said earlier also, except this right issue part, I think as of now we have not finalized the long term capex. So, we are already having couple of evaluations in terms of the next project, but so far we have not finalized. So I think at the right time we'll just inform you.
- Manan Shah:** So we would be going ahead with this right issue once we finalize that plan or irrespective we would be going with this right issue.
- Hiren Padhya:** It would be too early to say as of now. But I think this would take couple of other, another couple of weeks.

- Manan Shah:** Okay. Secondly, one of our competitors in their call had hinted that they foresee a inflation in our raw materials. So, are we also seeing a similar situation on the ground or if you can just throw some light on that?
- Keyur Gajjar:** Hi, Manan, actually we see that at present, the chemical price is quite stable
- Manan Shah:** Okay.
- Keyur Gajjar:** And we really don't see any changes in near future. So to me it looks like a chemical price will be more or less in this range only or maybe go, it might go down.
- Manan Shah:** Okay. So, there is no risk to our margins going down, rather it can go up if the chemical prices go down?
- Keyur Gajjar:** As such, there will be a little bit of price pressure, then in that case this low cost of input will definitely help us. And secondly, we believe that we are also putting up some Resin saving technology also now from this quarter. So this will be also help us to save some cost.
- Manan Shah:** Okay. Then if you can just highlight what was the value added volume from both the units for the quarter and what sort of target utilization are we planning for the MDF units?
- Keyur Gajjar:** See, if I talk about in general value addition, it's we have almost reached to 29% now.
- Manan Shah:** That's on a control level.
- Keyur Gajjar:** Yes, in general level, because it is very difficult to...
- Manan Shah:** For the Vizag unit that would stand at?
- Keyur Gajjar:** Say for the Vizag unit, we can say it's almost like 10 to 12% at present.
- Manan Shah:** Okay. And what sort of utilization are we targeting for the year?
- Keyur Gajjar:** I've said before in my call also we are planning between 75 to 80% of our capacity for the Vizag.
- Manan Shah:** Okay. Any particular reason why we are not targeting on the higher side?
- Keyur Gajjar:** No, as such there is no, it's a new plant and every time there is some plus or minus, we have some installations, or like, as I'd said, we are now working on Resin saving technology. So we have to put up this machineries and all these things, but I think, we don't see any problem even if we can reach 85%, 90%, I mean, it's not a problem. I don't see, now all the plant, everything is working in full-fledged manner.
- Manan Shah:** Okay. And then on the laminate side, historically, if I see we used to make around 10 to 12% EBIDTA margin, so how soon do you think we can return back to those margins? I mean, have we taken any price hikes on the laminates as well as on the MDF, you can just, that would be my last question, yes.
- Keyur Gajjar:** No, once again I would repeat that, you said about the capacity, as I said that our goal setting is 75 to 80% to achieve, but I'm sure we can go further more. As long as laminate margins are concerned, yes, we are working to improve this margin goal. March was a financial ending and now it's a first week of Q1, so in March, there are a lot of sales stable to play. So first quarter for laminate was little bit slower, but now we see that because raw material price and everything is coming down, or may be to the extent they are quite stable. So hopefully we'll come back to our good margin levels. In terms of

capacity, we have achieved a good capacity, almost like 83% in laminates. And even in our realizations also it's quite better compared to Q1 '22.

- Manan Shah:** That price hikes that we have taken?
- Keyur Gajjar:** No, sir. There's no chance of taking price hike at present. As I said prior, chemical price and raw material price are quite stable and some of the chemicals and craft papers and all this price are going down. So as such we don't see any change.
- Manan Shah:** Okay, thank you. I'll come back in the queue.
- Keyur Gajjar:** Also we are working on products mix, so hopefully we can come back to the good.
- Manan Shah:** Yes, sure. Thank you.
- Keyur Gajjar:** Thank you.
- Moderator:** Thank you. Our next question comes from the Deepak Poddar from Sapphire Capital. Please. Go ahead.
- Deepak Poddar:** Yes, thank you very much, sir, for the opportunity. Sir, I just wanted to understand you spoke about the improvement in capacity utilization in Vizag plant as well. What sort of revenue growth, I mean, CAGR we may look at over next one to two years?
- Rushil Thakkar:** So as we are rightly discussing, we'll be doing the projected growth of 15 to 20% as the industry standard says. So coming up to this two years will be the same.
- Deepak Poddar:** Okay. But ideally FY'23, the growth should be much higher, right? Because we are coming from a very low base on in June and we have already grown by about 130% in the first quarter itself. So to grow at 20% for the entire, the remaining three quarters will see a degrowth ideally, which I presume will not happen.
- Hiren Padhya:** Yes. I think what you are saying is right. See, Rushil has given the conservative figures, but then so far I think, the way we have placed as of now, I think will just try to continue the same growth, which we have achieved in the first quarter.
- Deepak Poddar:** Try to achieve the same growth which we have achieved in the first quarter.
- Hiren Padhya:** Yes. But overall I think what you are saying is right, it'll be more than 15 to 20% or maybe more than that.
- Deepak Poddar:** Maybe more than that.
- Hiren Padhya:** Yes.
- Deepak Poddar:** Fair enough. Yes. That's it from me. Thank you very much. All the best.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Nikhil Gada with Abbakus AMC. Please go ahead. Mr. Gada, your line has been unmuted, you can proceed with your question.
- Nikhil Gada:** Yes. Hi. Am I audible?
- Rushil Thakkar:** Yes.

- Nikhil Gada:** Yes. Hi, sir. First of all, congrats on very good set of numbers. Firstly, if you could help me with the volume at our Bangalore plant and AP plant for the quarter, please.
- Rushil Thakkar:** So from the Chikmagalur plant, the volume was roughly about 20,000 CBM and from the Andhra Pradesh plant, the total volume for Q1 was roughly around 28,000 cubic meters.
- Nikhil Gada:** Sorry, you said 28...
- Rushil Thakkar:** Sorry, in total I would say for the month, for the Q1 it would be around 19,000 again, and for the AP plant, it is around 40,000. So overall, if we calculate the total capacity utilization, it's roughly about 58,700 cubic meters.
- Nikhil Gada:** Understood, sir. And sir, can you help me with the EBIDTA margins at plant level for both the plants, please?
- Hiren Padhya:** Okay. So far both the plant is concerned, in terms of Chikmagalur plant, I think you just want both the plant separately, that's what you're asking, right?
- Nikhil Gada:** Yes, sir.
- Keyur Gajjar:** So in Chikmagalur plant it was around 32.22% EBIDTA and in AP plant it was 24.55%. And if we consider average, it was around 27.45% for MDF business.
- Nikhil Gada:** Understood.
- Keyur Gajjar:** And for laminate it was 6.5%, so in general, entire it was 22.55%.
- Nikhil Gada:** Understood, sir. Sir, specifically, when we compare 4Q versus 1Q and when we look at the volumes that we have achieved, I think it's like at similar levels, if I can say. So we did 54,000 odd end, 59,000 in this quarter. What has changed from 4Q to 1Q that we are seeing such as sharp swing in our margins from 15% to 27 - 28%?
- Keyur Gajjar:** Well, number one reason was in Q4 it was a final year, final quarter of 2021-'22, and in that year we offered annual promotional schemes to various customer. And that's one of the reason why we have to issue a lot of kind of incentives to those people for that financial year. Now in this year, we have no such scheme for annual incentive kind of a thing, or tried TOD or target, something like that. This was one of the reasons. Second reason export realization has substantially increased and capacity utilization is also there. If you consider last quarter, last financial year and this financial year, we have obtained a good capacity numbers, so quite a lot margin increase because of those 2 - 3 main reasons. Yes, Hireen Bhai, please continue.
- Hiren Padhya:** Okay. See, overall revenue has already increased, that is one part. But then the value addition product to the composition is also I think one of the reasons I would say. And lastly, the efficiency of our AP plant, which was there last year and compared to that, I think, Q4 was already improved. And it is, every part just improving in terms of optimization of cost also. In terms of factory overhead, specifically power, water, etc., the cost which were there in the last couple of quarters, we are just further improving in that overhead. So overall, if you say, right from 16 to 22%, EBIDTA margin, over and above the incentive scheme which Keyurbhai has suggested, and efficiency and overall increase in revenue.
- Nikhil Gada:** Okay, sir. So, in terms of, I think we have shared the domestic and export data for 1Q. Would it be possible to share it for the same for 4Q and the margin, sir, if how much it has changed from 4Q to 1Q on domestic and exports fronts, please?
- Rushil Thakkar:** So in exports, the margins for Q4 and in Q1 has a growth of 5%.

- Nikhil Gada:** Okay.
- Rushil Thakkar:** And overall if we talk about total local and exports together, we took a jump of roughly 3.58% in total, from Q4 to Q1.
- Nikhil Gada:** Its margin improvement you're saying from 4Q to Q1.
- Hiren Padhya:** It's the realization increased in percentage compared to last quarter, we are just comparing it with Q1.
- Nikhil Gada:** And so how much that would've moved our margins from 4Q to 1Q in exports and domestic?
- Hiren Padhya:** So when you are asking for exact margin, I think we are just not having that data in terms of domestic and export separately.
- Nikhil Gada:** Okay, sir, I will take that offline. Sir, just on the question to some of the previous participants, when we look at our run rate in MDF, which is close to now 60,000 and while you maintain that the utilization would be close to 75 to 80%. When we see the entire scenario of MDF right now and since a few of the other peers plants are yet not commissioned and there's only one player who's there and who's already operating at close to a 100% utilization. Why is it that, what is stopping us or is there not enough demand right now in the market that is restricting us to this sort of utilization levels or is there something else to it?
- Keyur Gajjar:** In fact, if you see capacity wise we are quite increasing, like we have almost reached to 76% in general.
- Hiren Padhya:** Yes. I'll just give you simple Q1...
- Keyur Gajjar:** Q1 figure and as long as utilization level is concerned, no, it's not like that. If you see we our export 7,000 to 11,000 Q4 to Q1. So it's not a restriction that we cannot supply the material and all. We are actually a one year old player as long as AP plant is concerned. So now we are entering into various places like north India, south India, east India, west India, and slowly, gradually you can see our volume growth is also there. So that's only the reason, we really don't see any hindrance or any other reason.
- Hiren Padhya:** Over and above I'd like to mention, if you see the plant which was originally a plan to be commissioned before this COVID only, but actually, the occasion here we can consider is like '21-'22. So the first year only we just achieved overall capacity of 56%. And in the Q4 FY'22 we had achieved almost 70%. And in the first quarter only, again we are just increasing to 73%. And now, as I said earlier, we will definitely increase capacity every quarter. And so far there is no constraint in terms of increasing capacity. We are just taking step by step, every quarter we are just trying to increase.
- Nikhil Gada:** Understood, sir. And I just have one more question if I may, please.
- Rushil Thakkar:** Yes, please. Go ahead.
- Nikhil Gada:** Yes. Sir, just in terms of, just the overall outlook for '23, we are at now 60,000 sort of a run rate. So, is it possible that we achieve so-called INR 800 Crore or INR 900 Crore of the top line on a company level basis, which we were targeting? Is it something which we believe is achievable?
- Hiren Padhya:** Yes, actually, so far our budget is concerned, the internal budget, which we have prepared, I think it is achievable.
- Nikhil Gada:** INR 900 Crore is achievable.

- Hiren Padhya:** I can't say as of now, but then we can go further also, but yes, whatever you are saying, I think it is achievable subject to any specific constraint in terms of RBI policy or something like world level some emergency, etc., otherwise in the normal scenario, I think it is achievable.
- Keyur Gajjar:** And one more thing I would like to add is if you remember our first Q1 was not even 30%, this year, we have four quarters.
- Nikhil Gada:** Understood, sir. Thank you so much for answering all my questions. Thank you, sir. All the best.
- Keyur Gajjar:** Thank you.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Ravindranath Nayak, from Sunidhi Securities. Please go ahead.
- Ravindranath Nayak:** Congratulations for the new set numbers. Again repeating the same question that the previous participants had asked. So last quarter, in the fourth quarter of last year you have, your total MDF EBIDTA was at INR 21 Crore and this quarter it is 39, you mentioned that you have given some giveaways to your dealers and retailers for that. But if we see that, it's visible that your laminates margin has come down from 6.6% to 5%. So increasing pressure in the raw material prices while there in this trend of first quarter. So despite that this INR 21 Crore to INR 39 Crore, it is around INR 20 Crore of difference, you mean to say it is large due to the incentive that we have rolled out to your retailers and dealers or how can you bifurcate this, how it has been come from the efficiency and the realization has remained almost same in CBM basis, it is almost remained same. How this things have happened, can you please explain a bit in detail?
- Keyur Gajjar:** I can tell you that it is, number one, it's not completely because of incentive. Incentive was just one part. Number two, we took certain, price increase in last two quarter of financial year '21 - '22. If you remember my last price increase was somewhere on 30th, November, 13th November, 2021. And its defect by the time it was almost mid-June because we were having some pending orders and everything. So today, in quarter four, quarter one of 2023, we are totally working on new price list, while in case of 2021 and '22, there was almost 2 to 3 different price lists were there. And we took all this price increase during this year, last year only. So this is also one of the reason for this EBIDTA.
- Ravindranath Nayak:** Okay. But if I see, your production in the fourth quarter was 53729 and the first quarter is 58,745, so if I take the production realization last quarter and fourth quarter are 26,000, and it is 27,000, there is no material increase in the prices also. So how this EBIDTA increased has happened due to the efficiency again, that you mentioned, it is not quite understandable. And second thing, if at our 24% margin, we are getting in the MDF margin in the first quarter, then you can, and also you're mentioning that the chemical prices remained stable.
- It is going to go down also, then you can have a better margin in the entire year. If you're saying that first quarter is 71%, then the entire year you have mentioned guiding that 75% utilization will be there. So then if you take the 25% margin on the MDF side and also our laminates should be better, then definitely it'll be easily getting a free cash flow of around -- capex is not there, INR 100 Crore of cash flow, what is the necessity of raising fund of INR 200 Crore currently, and secondly, what is your current currency debt, is it 28 million dollar or it is reduced?
- Hiren Padhya:** I think, I would like to answer your first question. I think the margins with gross margins, if you compare with the last quarter versus this quarter, it has improved by almost 5%. So the consumptions and other efficiency improvement is one part. Secondly, as mentioned

by him is the incentive part. Third is like the price rise, with the effect of price rise was reflected in this particular part. So, considering all this aspect, I think, overall margins have improved. I'm not saying that the same way I think it'll increase further. See, this is like where, I think, we are going to stabilize here. And over and above I think what we further can do is like, we'll have the value addition composition in such a way where we can further improve margin, but on other side there's a risk of other aspect, which is not in our control.

So, overall, what I would like to say is like margin, which has increased, definitely it has increased, but the couple of impact, which was reflected is a onetime impact. But, our, as an internal goal would be just to maintain this margin throughout the financial year. That is first part. Second, the purpose of the INR 200 Crore and once again I'm telling you, INR 200 Crore is the overall limit which we have got approved in the board. We have not decided for the actual amount for the purpose of right issue. Now the purpose and the basic objective of this particular right issue is very, very specifically to reduce the debt. So we are not going for any other purpose other than this reduction in debt.

- Ravindranath Nayak:** Sir, what is your foreign current currency debt right now?
- Hiren Padhya:** Foreign currency debt would be, out of total it would be around 30% of the total outstanding debt, approximately 30%. I'll give you the exact figure also.
- Ravindranath Nayak:** Is it 28 million dollar?
- Hiren Padhya:** Just a minute, foreign debt was, total debt for just, the foreign currency debt was basically for Andhra Pradesh project only, and it was from German Financial Institution. As of now the outstanding would be around 21 million.
- Ravindranath Nayak:** 21 million dollar?
- Hiren Padhya:** Yes.
- Ravindranath Nayak:** And rupee has depreciated 4.2% in the first quarter and accounted for you have accounted for this notional loss of the foreign currency debt, or you have not accounted it for the quarter?
- Hiren Padhya:** On a quarterly basis we are just accounting for it. So whatever impact is there, if is already been accounted for.
- Ravindranath Nayak:** Okay. So can you quantify in the total, out the 4.8 Crore of debt, what is related to foreign currency notional loss and what is your actual debt cost?
- Hiren Padhya:** I think that I need to just look into figures exactly. We can just give you the figure later on. As of now, I think, I don't have that exact figure, but as a normal debt is and following the accounting standard also, India is also, we have to just follow the same impact, which has being given in the, on a monthly reach also we have just given the impact. So in a quarterly finance account which is finalized, we said is already been given. I can give you that figure later on.
- Ravindranath Nayak:** Yes, thank you all.
- Keyur Gajjar:** One more thing I would like to add is now last financial year that there is almost 10 to 12% growth compared to last financial year. It's also one of the reason for EBIDTA margin, because lot of the cost which are fixed costs, so when you increase your capacity, it also contributes better EBIDTA. This year we have reached almost INR 161 Crore. Last year it was almost INR 143 Crore as long as MDF business is concerned.
- Ravindranath Nayak:** Okay. Thank you very much, sir. And all the best.

- Keyur Gajjar:** Thank you.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Krishna S with Vyas Advisors. Please go ahead.
- Krishna S:** So thank you for the opportunity. So, again, hearty congratulations for good set of numbers. Am I audible?
- Rushil Thakkar:** Yes, please go ahead.
- Krishna S:** So, basically many of the questions which I had in my mind have been already answered, so again a few things remain. So one is that if there is any further foreign currency depreciation in the dollar so will it impact the repayment of the debt?
- Hiren Padhya:** See, as of now, this way we are placed in terms of natural hedge, we are just already having hedge, so important and export both way we are just covered, but then, yes, if there is a further depreciation, it'll have impact, but it is very, it is too early to say the exact impact, but has to be looked into at the appropriate time. But it'll have impact.
- Krishna S:** Okay. Fine. So that is, and then next is that in terms of capex, so further capex, so you have very clearly told that right now at this point in time you have no plan, maybe in the future you may have, but what is generally the thought process of the top level management in terms of capex? Like what, how do you think, like how do you look at the demand and what kind of timelines you follow? Like, for example, say if you see that the demand will be much more than the supply in say two years' time, you would incur a capex today, or whether it is three years before, or like how does it work? What is the thought process in the board like?
- Keyur Gajjar:** See, gentleman at present we are almost operating at 72% in AP plant, 73% for AP plant. And I think reaching to 110% efficiency is not a big issue because this German Technology, they have a very conservative rating. When we talk about 100%, we can reach up to 110% too. So even if we decide to put our plant today, maybe in a 2 years or 3 years period we can put up, we can match the capacity utilizations. We can add the new capacity, this is one thing. For laminate we really don't see, I'm talking about what product we are dealing right now so just giving you an idea. So we have a lot of internal discussions going on for expansion, for laminate you really don't need more than nine months. I think within 12 months you can easily put up any plant in India.
- Krishna S:** Okay, for laminates, right?
- Keyur Gajjar:** Yes. And as such we are also in discussion for some other products too, but it's premature to talk about those things.
- Krishna S:** But, so yes, I got your point very crystal clearly, only thing is with respect to the MDF suppose like saying 2 to 3 years. So, suppose for example, we will be 110% capacity will be like, it'll be across in 2 to 3 years. So then maybe this may be the right time or maybe we have another 6 months to 1 year only, in terms of to take a decision or like, we can wait more, like just a broad idea.
- Keyur Gajjar:** Yes, you can say that, that in coming days, if we take, if we streamline our capacity or over capacity, you want to take care of your capacity or extra business or opportunity, you really need to take the decisions in 6 months to 1 year, that's for sure.
- Krishna S:** Correct. Got it. Again, I would really, I really am looking at, I have been tracking this company for a long time now and, so hearty congratulations on actually achieving what you had planned in terms of deliveries. So that is again, like on paper it is a different

thing, but on the floor it has been a good compliance to what has been taught or what else been envisage. So hearty congrats on that front to the entire team. That's all from my side.

Moderator: Thank you. Our next question comes from the line of Arvind Kothari with Niveshaay. Please go ahead.

Arvind Kothar: Yes, sir. Many congratulations on a great performance and I had a couple of questions. One was that if we look at the overall guidance that has been given by our competitor, I guess there's a confusion because they're guiding on the margins to go down because of some chemical pricing, but that is not being observed in the market because the chemical prices, as you also rightly said, are pretty stable, in fact, are going down. Is it a fear of the price of the MDF itself going down, which has led them to guide that the margins may compress going forward?

Keyur Gajjar: Frankly, I'm not sure about their answer, but yes, I can definitely tell that in coming days there may be a pressure, but we can easily manage those chemical pricings because simultaneously raw material pricings are going down, so this is one thing. Then second part we can see is we are putting up some Resin saving technology things and all, so we are quite a bit sure. And then third thing, what we feel that we have a very good provision that we can increase our capacity utilization to the extent and it'll definitely cover up our some of the cost. So I can't say about my EBIDTA things and anything like at present, but yes, we are quite in a good position for sure.

Arvind Kothar: Got it. Sir, another question was that there has been an announcement by a particle, of a particle board plant by even Merino and maybe now Greenlam Laminate. So in the discussions with few players, what they were saying is that because the particle board is very expensive right now, the imported one, because the domestic market is facing short supply. That is where maybe the MDF volumes have gone ahead because it is being even, where particle board is being used, MDF volumes have gone up because of the usage in the shorter term and in the longer term they are also planning that the OEM market, as we are also guiding that the OEM market can become very large.

And compared to our competitors, maybe we are focusing more on the OEM rather than the distribution. So in the OEM part of the thing, where do you see the opportunity, whether we also would going ahead, look at the particle board as a product that we would want to maybe expand, or we are comfortable with MDF only taking the lime share of the OEM market that we want to tap?

Keyur Gajjar: For the last sentence, maybe I would say we have some discussions going on, so I can give any comment on it. But one thing is pretty sure, today, I was just talking to one of the startup business team, and I told them, "Why you guys keeping option of Plywood, when you are offering already MDF for your kitchen segments?" They said, "No, customer still insisting sometime that they want plywood, so we have to keep all the options."

So, putting particle board for the kitchen manufacturing segments or OEM segments is as on a bit difficult to me. Because the consumer perception is not still very strong about the particle board. It has a very different applications. So we really don't see a great threat of particle board because MDF itself has its own applications and I really, yes, there may be some overlapping of consumption, maybe some particle board market replaced by MDF because of demand supply, but it's not a big part, that's for sure. Second thing is if you see worldwide it is like 45 - 50% is MDF and 50 - 55% is particle board.

Krishna S: Correct.

Keyur Gajjar: So we see there is a huge opportunity for particle board also to grow as well as MDF also to grow because 70 to 80% market is controlled by plywood industry.

Krishna S: Okay. Got it.

- Keyur Gajjar:** I hope I have answered it.
- Krishna S:** Yes, sir. And on the Middle East the export that we are doing and the freight advantage that we were talking about, because this quarter has been really good in terms of our export going up. So is it a trend that we are seeing that there's a fair bit of advantage in freight, which is sustainable or it was a one off that we enjoyed a freight advantage and we exported more volumes this quarter?
- Rushil Thakkar:** So actually we had a good freight this month and still the freights are volatile. And another thing is we have our export obligations to be covered. So because of that also we need to export certain volumes to the market. These were the two main reasons why they export took a substantial growth in this quarter.
- Krishna S:** Okay. Got it. I'll come back in the queue for next questions.
- Keyur Gajjar:** Sure, thank you.
- Krishna S:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rajesh Kumar Ravi from HDFC Securities. Please go ahead.
- Rajesh Kumar Ravi:** Thanks, just a follow up, the capex for this year FY'23 would largely be maintenance and the raise in improvement capability that you're setting up. What sort of number you are looking as for FY'23 total capex?
- Hiren Padhya:** You're just asking for the capex for this financial year?
- Rajesh Kumar Ravi:** Yes, FY'23 total ongoing and this for raise in manufacturing and all which you are looking at.
- Hiren Padhya:** See the exact number, I think it would early to say, but I think it could be in the range of INR 20 - 25 Crore max.
- Rajesh Kumar Ravi:** Okay. This is total including maintenance, right? And secondly, as you mentioned to one of the participants particle board is one market, which is exciting you know, looking exciting. And so if at all you're doing anything, would it be organic or inorganic or like, because most of the particle board capacities should not be really efficient.
- Keyur Gajjar:** It has to be a very well organized plant. If anyone wants to plain particle board industry because if you go with the unorganized supplier and thing like that, and there's no capacity, then you will be not able to sell as a premium product. So in a very organized way, you have to enter into, like I believe that 2 or 3 players are entering in this market and they have a similar approach.
- Rajesh Kumar Ravi:** What on expanding your laminate capacities?
- Keyur Gajjar:** Sir, we have all internal discussions going on because our core competency is panel industry, so we are definitely having a discussions for certain plants, but as on date we really don't have any answer for that part.
- Rajesh Kumar Ravi:** Okay. Just last question. You mentioned it would be more related to a right issue, so in that case, is it fair to look at it, management will we participating in equal proportion of it share already, the promoters?
- Hiren Padhya:** Yes. As of now we have not decided, but I think, yes, normally it is. Yes. So there's no other reason for not to participate.

- Rajesh Kumar Ravi:** Great, sir. Thank you, all the best.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you very much, ladies and gentlemen, in the interest of time and fairness to all participants, we request you to limit your questions to 2 questions per participant. Our next question comes from the line of Ankur Kumar with Alpha Capital. Please go ahead.
- Ankur Kumar:** Hello, sir. Congrats for a great set of numbers, much, much better than our peers. Sir, my first question would be how is the demand shaping up in Q1 as well as in July and August month? How is the demand shaping up?
- Keyur Gajjar:** As such in month of July you have a lot of marriage and festive season, so July was not very strong enough, but now we believe that August way it'll pickup up.
- Ankur Kumar:** So do we expect Q1 type of volumes to continue for the coming quarters?
- Keyur Gajjar:** We are struggling hard, but I don't see any reason. Yes, we can easily, we have to maintain certain enough things and we are working on that part. So let's see, because it's just only July only finish. We have August and September to close.
- Ankur Kumar:** And our value added product is still quite less as in, because of our new plant. So any guidance for that for the full year?
- Keyur Gajjar:** Yes, because distribute our value added product very efficiently, we have put up a 2 distributor at distribution point, one is in Bangalore region, another one is north Delhi. And we have also appoint certain channel partners to take care of these things. So we expect a good volume in this quarter.
- Ankur Kumar:** Sure, sir. And my last question would be Century is coming up with its capacity in the south region. So any worries on margin front from that?
- Rushil Thakkar:** As of now, if we consider the timings for Century also, it is going to take at least one and a half year to 2 years for them to enter into the production stage. So for this coming 2 years, no, we don't see any threat.
- Ankur Kumar:** No, sir, Century, I believe has some capacity in September, October also planned.
- Rushil Thakkar:** Yes. That is in north, that is a brownfield project, not a Greenfield project.
- Keyur Gajjar:** That's in the north part, so we are not so...
- Ankur Kumar:** So that will not affect us.
- Keyur Gajjar:** Yes. And second thing, as I said before, there's always a, demand is simultaneously 15 to 20% increasing. And when we are adding up certain capacity, maybe in a short period, or maybe in later time it absorbed easily. If you see, just I'm giving you our company's example, we started this plant and now we are running almost like 75% capacity. And we are easily doing this business in Indian market and other people. So are others, I mean, they are also doing the same way. So I think it can be easily absorbed for sure.
- Ankur Kumar:** So our current margins can sustain is what you're saying?
- Keyur Gajjar:** Because still in Indian market demand has not yet reached to the mature level, it's increasing day-by-day.
- Ankur Kumar:** So the Q1 margin can sustain is what I'm trying gauge?

- Keyur Gajjar:** For margins I believe that we have to see this financial year, where I said that we have reached only July month. So we are now working on, but as I said, we have a lot of good advantages in this margin. We are quite positive about raw material cost is quite under control or may be going down. And we have also seen some Resin saving things and a lot of things.
- Ankur Kumar:** Sure, sir. Thank you and all the best.
- Keyur Gajjar:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, in the interest of time and fairness to all participants, we request participants to limit their questions to 1 question per participant. Our next question comes from the line of Rishikesh with Robo Capital. Please go ahead.
- Rishikesh:** Sir, thanks for the opportunity. Sir, my first question is if you could provide us EBIDTA margin guidance FY'23?
- Hiren Padhya:** As I said there is a substantial growth in terms of EBIDTA margin compared to last year, before, in terms of MDF you're asking or overall you're asking?
- Rishikesh:** Overall, sir.
- Hiren Padhya:** Overall, as I said in the initial speech only that 2021 it was 10%, '22 it is almost 12%, Q4 it was 16, now Q1 '23, we are sitting on 22.55%. Looking to this trends the way we are positioned as of now, I think, we'll be able to maintain this margin 1 or 2% here and there. But I think if you are asking for the year as a whole financial year 2023, we are just trying for the maintaining this margin of 23%. But overall I think it should be in the range of 20 - 21. That is what I think, we are **thinking** driving for.
- Rishikesh:** Okay. And sir, what was the value added product realization for this quarter?
- Keyur Gajjar:** From value added product our average realization was almost 36,150. And from AP plant it was almost 34,314.
- Rishikesh:** Okay. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Nirvana Laha, an investor. Please go ahead.
- Nirvana Laha:** Hi, thank you for the opportunity, sir. My question is, what is the proportion of volume sales that we have in west region where Greenply's plant is coming up?
- Keyur Gajjar:** Next two years.
- Nirvana Laha:** Hello?
- Rushil Thakkar:** We didn't get your question clearly. Can you repeat please?
- Nirvana Laha:** Am I audible now?
- Rushil Thakkar:** Yes, please.
- Nirvana Laha:** Yes. So my question is what proportion of our volume sale come from the west region where Greenply's plant is coming up I think in the next couple of quarters?
- Keyur Gajjar:** So we are planning between 15 to 20% for west region and southern region is almost 40%. So on an average east, west and north is more or less 60%, so 55 to 60%.

- Nirvana Laha:** Okay. So west is around 15 to 20% you said.
- Keyur Gajjar:** 15 to 20%, 20% almost.
- Nirvana Laha:** Okay. And after this plant comes up, the Greenply plant, how do you see that evolving? Do you see a threat to the realization there or the volumes there?
- Keyur Gajjar:** As such as I said before by the time we also expect a lot of increase in demand also. So we see that, yes, for short term, it may be, there may be some problem in market, but then it'll be easily absorbed in the market. So we really don't see any problem in terms of growth in other product.
- Nirvana Laha:** Okay, got it. And, can you give us the figures of overall FY'22 industry demand and the capacity that is available, as of FY'22?
- Keyur Gajjar:** I think, it was a capacity available was almost like 2.3 million CBM per year and I assume that capacity utilization was almost like 1.8 to 1.9 million CBM.
- Nirvana Laha:** So around 75% capacity.
- Keyur Gajjar:** 75% to 80%, lot of like plants, like our plant it was practically started at 70% or 65% capacity in second quarter of '21 - '22.
- Nirvana Laha:** And you believe that with this, I believe between Century and Greenply around 6 Lakh to 7 Lakh capacity is coming up, so you believe that the 75% utilization level will remain in spite of this capacity coming up in the next two years.
- Keyur Gajjar:** Yes, because it's a very simple logic, as on date if you talk about 6,200 CBM, and if we add 15%, so it's almost like 900 to 1000 CBM additional demand and that's the capacity they are putting up.
- Nirvana Laha:** Okay. Got it. Last question from my side, there is a 600 basis point gross margin expansion this quarter compared to last quarter. So what do you attribute the gross margin expansion to and can we have 55% gross margin going forward for FY'23?
- Hiren Padhya:** Yes. As I said there is reasonable good increase in terms of gross margin, so as of now there is no point that it will reduce. So we'll just try to maintain this margin in coming three quarters also, because it is a purely improvement in terms of consumptions and efficiency part in the factory level.
- Nirvana Laha:** Okay. Thank you so much. That answers my question and wish you all the very best.
- Hiren Padhya:** Thank you.
- Moderator:** Thank you. Our next question comes on the line of Sarvesh Gupta, with Maximal Capital. Please go ahead.
- Sarvesh Gupta:** Good evening, sir. Sir, first question on the debt reduction part. So because your capex is like INR 25 odd Crore this year, so given the INR 200 Crore out of a EBIDTA run rate or 190 thereabouts, you will have like INR 150 odd Crore of EBIDTA and then you are generating INR 200 Crore through right issue. So are we planning to pay down the full term loan because then only working capital loan would be remaining for us in a way.
- So that is question number one. And secondly, I could still not understand if our guidance is not on price degrowth at the finished good level, and then we are not foreseeing any RM inflation and given that we want to increase our value added quarter-on-quarter and capacity utilization also increasing quarter-on-quarter, so why should we see any dip in the, why should we not increase the EBIDTA margin guidance going forward? And are

there any export incentives one time, one offs which are included in this quarter's EBIDTA? So these are my questions.

Hiren Padhya:

Okay. Coming to the first question, as I mentioned earlier also, I think, in the initial speech only I'd confirmed that as of now we are just following the schedule there in terms of debt repayment. If you go by current year's figure, for this particular part of year we've paid almost INR 15 Crore and remaining three part, it would be additional INR 30 - 35 Crore. So total, I think, we are just planning to repay INR 50 Crore. Now the way we have placed at the starting of this year, the total debt was around, as per balance sheet I think it is INR 286 Crore. So right issue as I mentioned it is purely for **this particular** purpose, but we've not decided the exact figure.

And out of the figure, I think 25% would be for the general corporate purpose and the balance amount will be utilized for the purpose of repayment of debt. So as of now we don't know exactly. And third, I think, rightly you suggested that the way we are placed in terms of EBIDTA margin in the quarter one, if you can continue we can further look into additional repayment of debt, but then this is too early to say on that part. So as of now we are planning for two things. On is the, we will adhere to the repayment schedule, that is first. And secondly, we'll decide for the exact amount of right issue.

And after that, I think, the balancing amount automatically come to us that what is amount available for repayment of debt. So far as the margin or other part concerned, I think this goes well. Yes, there is a 100% scope that will have a better margin than what we are just having as of now. But again, I think, this will be known may be after end of this whole process of right issue. And I think that's where the normal process of right issue, if we can just say that this is a starting point and it'll take at least 4 to 5 months or maybe 3 to 4 months, at least. So we will get exact idea may be in the month of October or November, by which I think we'll have a better clarity and at that time we will look at the margins, which is available for second quarter and way forward. I think then and then we'll be able to give you the exact guidance,

Sarvesh Gupta:

Sir, on the export incentive, if any booked in this quarter, like are there one offs that we have won because of the export?

Hiren Padhya:

As of now for this quarter, just we have already considered whatever export benefits which is available and as per the accounting guideline, if it is already accrued, then it is already considered, yes.

Sarvesh Gupta:

What will be the amount, sir?

Hiren Padhya:

Amount would be, I think, in terms of lower digit crore, exact amount I need to just check.

Sarvesh Gupta:

Sir, around INR 5 odd Crore.

Hiren Padhya:

I don't think so it'll be less than that. It would be hardly INR 1 or 2 Crore.

Keyur Gajjar:

INR 1.15 Crore.

Hiren Padhya:

Exactly it is INR 1.15 Crore.

Sarvesh Gupta:

Okay. Thank you, sir.

Hiren Padhya:

Thank you.

Moderator:

Thank you very much. Ladies and gentlemen, that was the last question for today. And I would now like to hand the call back to the management for closing comments.



*Rushil Décor Limited
August 08, 2022*

Rushil Thakkar:

I would like to thank Rushil Décor team for their untiring effort, hard work and dedication. I would appreciate you all for participating in our conference call. In case of any query or question, please do get in touch with our IR team. Thank you.

Moderator:

On behalf of Asian Market Securities Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.