GSM FOILS LIMITED

CIN: U43303MH2023PLC405459

REGISTERED OFFICE: GALA NO 06/106/206/306, SAPPHIRE BUILDING, DIAMOND INDUSTRIAL ESTATE, VASAI (E), PALGHAR - 401208, MAHARASHTRA
PHONE NO.: +91 91 84689 68102
EMAIL ID: info@gsmfoils.com **WEBSITE:** www.gsmfoils.com

November 12, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra,
Mumbai-400051, Maharashtra

Scrip Code: GSMFOILS

<u>Sub: Outcome of Q2/H1-FY26 Earnings Conference Call – Transcript</u>

Dear Sir/Madam,

With reference to our letter dated October 28, 2025 related to the Earnings Conference call and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI-LODR"), we would like to inform that the transcript of the Earnings Conference call held on Thursday, November 06, 2025 at 11:00 A.M. IST, is attached herewith.

This will also be hosted on the Company's website at https://www.gsmfoils.com/public/assets/recording/GSM_Transcript_Q2%20H1_FY26.pdf

This is for your information and record.

Thanking you
For GSM FOILS LIMITED

SAGAR GIRISH BHANUSHALI

Digitally signed by SAGAR GIRISH BHANUSHALI
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SAGAR BHANUSHALI
WHOLE TIME DIRECTOR
DIN: 09126902

"GSM Foils Limited Q2 H1 FY26 Earnings Conference Call"

November 06, 2025

MANAGEMENT: **MR. SAGAR GIRISH BHANUSHALI – WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER, GSM FOILS LIMITED**

MODERATOR: **MS. ISHIKA SHAH – X-B4 ADVISORY LLP**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 H1 FY26 Earnings Conference Call of GSM Foils Limited hosted by X-B4 Advisory LLP.

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 Ms. Ishika Shah from X-B4 Advisory LLP. Thank you and over to you ma'am.

Ishika Shah: Thank you. Good morning, everyone and welcome to the Q2 H1 FY26 Earnings Conference Call of GSM Foils Limited.

Today on this call we have Mr. Sagar Girish Bhanushali – Whole Time Director and Chief Financial Officer of GSM Foils Limited. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions, and expectations as of today. Actual results may differ. The statements are not the guarantees of future performance and involve risks and uncertainties.

With this, I now hand over the call to Mr. Sagar for his opening remarks. Over to you, sir.

Sagar Bhanushali: Thank you. Good morning, everyone. Thank you for joining us in Q2 H1 Financial Year 2026 Earnings Call of GSM Foils Limited. I hope all of you have got an opportunity to look through our financial results and investor presentation which was uploaded on the Stock Exchange and the Company website.

Before going to our financial highlight, let us take a moment to look at the outline of the broader industry trends and recent development that has been shaping the environment for us:

Taking a broader view of the industry, the Indian pharma and packaging ecosystem are entering a multi-layer expansion phase that directly benefits suppliers of pharma-grade aluminium manufacturers like GSM Foils. Indian Pharmaceutical market is expected to roughly double in next five years as domestic demand, export, biologics capacity is scaling up, creating a significant larger volume for compliance-grade packaging requirement.

At the global level, aluminium foil market is also on a steady growth path driven by pharmaceutical, industrial, food use, underlying durable long-term demand and high-quality foil supply into converted products. The macro demand profile increases the attractiveness of well-polished domestic suppliers who can provide with regulatory compliance of both food and pharma customers. Taking together the rising pharma volumes, favourable global foil demand, targeted domestic policy support created by a huge constructive backdrop of GSM Foils, our emphasis is basically on capacity expansion, compliance-grade production, customer-centric innovation and increasing the share of growing into this domestic market of both pharma sectors and also looking at the export with this continuous trend in structural development.

Looking ahead at our strategic growth, the company continues to drive its product diversification and operational excellence. During this quarter, we have made meaningful progress in expanding our product portfolio deepening our market presence. In line with our long-term strategy, we are setting up a new manufacturing unit in Ahmedabad, Gujarat, which spreads approximately 17,000 square feet. This facility is located in Ahmedabad, is basically a leased premises and expected to become operational by the end of this month. Once it becomes operational totally, we are looking at a continuous and very efficient way of production capacity expansion which is definitely in line with our future expansion growth plan.

Now, turning to our financial performance and the numbers for this quarter:

During Q2 Financial Year 2026, the company delivered a strong set of results posting a revenue of Rs. 58 crores, i.e., a robust 86% year-on-year growth. EBITDA stood at Rs. 664.22 lakhs representing an impressive 107% increase over Q2 Financial Year 2025. The EBITDA margin actually increased by 115 basis points to 11.43% compared to 10.82% in the same quarter last year. Profit after tax for the quarter was Rs. 439.46 lakhs reflecting a significant 107% year-on-year rise. The PAT margin also improved by 76 basis points moving from 6.8% to 7.56% demonstrating a benefit and higher operating leverage and improved cost-effectiveness as we continue to scale.

These numbers validate a strong business model and execution efficiency by our team. With steady demand, scalable infrastructure, and clear focus on market and margin accelerated growth, we are confident of sustaining this performance throughout Financial Year 2026.

With this, now I would like to open the floor for questions-and-answers.

Moderator: We will now begin the question-and-answer session. The first question comes from the line of Priyanshu Jain from Growth-X Infinity.

Priyanshu Jain: First question is on the number of revenue which we are targeting, because on the growth rate which we are at, I think we can do around 240 or more than that for this current financial year.

Sagar Bhanushali: To be very practical, I am being optimistic, I am looking at around between 230 and 250, which is practically scalable and achievable, looking at what we are standing right now, like 7 months already down the line, looking at next 5 months, even if we show a revenue of the same, that is 20 crores to 21 crores per month basis without showing zero growth, then I guess a turnover of around 230 is practically achievable, and it would be slightly higher than that, and we are quite confident on that. We are ranging between 240 to 250, let's see how it goes. Once this Ahmedabad plant becomes operational in the last quarter, we may see a slightly better revenue than what we are looking at currently. Still on a lower side, 230 to 240 is practically achievable.

Priyanshu Jain: I have two more questions. First is on the mix side. Are we targeting like 50-50 going forward, how will be the mix going forward as well?

Sagar Bhanushali: It's by default that only in the industry, both blister and pharma, so the product more or less would remain the same, there won't be any change.

Priyanshu Jain: On the current capacity at what utilizations are we working on?

Sagar Bhanushali: Roughly between 70% and 72% in our Vasai plant. This would increase more to 10% to 15% in this month itself, and within next quarter or, say next 3 to 4 months we are aiming at around (+) 90% capacity utilization in our Vasai plant. Ahmedabad would be operational by December 1st week or 2nd week, and till March we are expecting at least around 50% of capacity utilization in Ahmedabad also.

Priyanshu Jain: In the first month of after operational?

Sagar Bhanushali: Yes, the operations would start in December only, so once we reach March we are aiming that this is what it's in plan, let's see how it goes, I won't commit you a much bigger figure, but 40% to 50% we are aiming till March, at least we reach that level of efficiency in Ahmedabad plant also.

Priyanshu Jain: Do we have like any further CAPEX plans as well as of today?

Sagar Bhanushali: Currently no. Currently only CAPEX plan we have is our Ahmedabad unit, getting it ready completely by this month or next first week or second week, post that at least for 6 to 8 months we are not looking at any major CAPEX.

Priyanshu Jain: Last question, on the customer side are we in talks with more customers as well?

Sagar Bhanushali: We are definitely very aggressive on our customer side. We are trying to develop many new customers in different states also, and we are tying up with few listed companies also, looking at the export and other product diversification. With time I will give you a definite clarity on that, but everything is on track and on very aggressive basis on track. We'll see definitely a very good result in 2 to 3 months on both local and export markets both.

Moderator: The next question comes from the line of Urmish Shah from Moneywisers,

Urmish Shah: In the CAPEX that we have incurred for Ahmedabad branch amounts to?

Sagar Bhanushali: Around 4.5 crores to 5 crores.

Urmish Shah: When you say that 50% capacity utilization will be there, what's the total install capacity there?

Sagar Bhanushali: The same Vasai plant, max to max, if You are talking about number point of view, then we are aiming top line of around 8 crores to 10 crores, which we consider 40% to 50% capacity utilization. Going forward once the machine sets in and we are able to bring in more advanced pairs and tools, definitely we're going to increase that capacity also. But currently, if we're talking about 50% capacity, that amount in numbers would be around 10 crores.

Urmish Shah: That will be into blister foils or 20 microns or that production lines will be.

Sagar Bhanushali: Yes, 20-25, 30-40 blister and strip foil both.

Urmish Shah: One final question, as Ahmedabad unit gets operational and when you say that 50% capacity utilization will be very soon and going forward, I believe that you will be aiming for a capacity utilization of 70-75 that currently stands at Vasai, what incremental margins can we expect in terms of EBITDA and PAT? Of course, You are targeting revenue for this year as you answered for the previous participant is around 230 to 250. So, in terms of margin value, the current margin that you have clocked is very nice. So incremental margins, how much can we expect once the plant gets live?

Sagar Bhanushali: It should be very practical. Once the plant starts, there are many few small, small expenses would kick in. Like once You are already there and You are already operational, like two to three months down the line that we are hoping, once You are completely operational now, then margin would slightly be better compared to Vasai and what we are doing. The reason is the overheads and all other expenses over there are quite less compared to what we are bearing at Vasai. But at initial level even you understand, once the machine comes in, there are a hell a lot of small, small expenses. I won't say totally, but yes, slightly there would be margin improvement. But over the line, once the machine sets in and the capacity utilization increases over there, then I can definitely guarantee you that there would be much better margin compared to what we are at currently. But immediately, if you ask me, immediately there would be some expenses on initial level because once you start a new business at a new place, there are many small, small things which come up. So directly to aim at a higher margin would be tough for us. To sustain that margin, definitely yes, the margin would be sustained. There would be steady growth. But an improvement of significant growth, I will say I will take at least a quarter or two more. When that machine is totally churned in, it's set, it's ready, it's operational totally, then definitely there would be much better margin compared to what we are earning in Vasai compared to Ahmedabad.

Urmish Shah: On a conservative basis, can we assume that till H1 of FY27, we'll be at a position where we can say that Ahmedabad plant has contributed significantly?

Sagar Bhanushali: Definitely. That's our plan. To be very frank with you, that's our plan and we'll make sure it happens.

Moderator: The next question comes from the line of Abhi Chaudhary, an Investor.

Abhi Chaudhary: I am a small investor, and I was going through your balance sheet. The amount of assets which you guys have, it's not enough to generate, I guess, the amount of revenue which you are generating. Can you give a light on that?

Sagar Bhanushali: This question has been coming to me since last one year. I will give you a very practical and basic example. To start a plant like me, what we are doing at, you need a CAPEX of around 4 crores to 5 crores. The machines are not that expensive. We are into coating, lamination, and printing parts. So, there's a confusion in the market because the balance sheet of ours has been compared to the balance sheet of other listed players which have rolling mills. That is Tier-1 of our industry. So, I will explain you how this aluminium industry works. So, Tier-1 of the company, that is Hindalco and other listed entities, that is PG Foil, MMP Foil and all those, they are into Tier-1 sector. We buy from them. We buy bare foil from them. That is bare aluminium. Coming to part two, that is Tier-2, that what we do, GSM Foils Limited, we buy bare foil from that. We do coating, lamination on that. And Tier-3 of our sector includes only printing. That is, you print everything on back of the foil and sell it to the pharma. So, what we are, we are into stage two and stage three of this process. So, there is no other listed player in stage two and stage three of aluminium foil packaging. So, there has been slight confusion everywhere. It's not been from today, it's from day one that we are listed, we are getting this question. So, if you are entering into stage two and stage three, the highest CAPEX that you need is between 4 crores to 5 crores. The machines that we have is almost four to five years old. It has been depreciated. The last, I guess, gross block would include around 2 crores. We are bringing the same capacity, same top line you can expect in next one year, what we are doing at Vasai with the same CAPEX. That's what I told in the earlier question. The CAPEX that we are looking at Ahmedabad is between 4 crores to 5 crores. With that same CAPEX now, sir, within one year, you can see this is our plan, I won't guarantee, but definitely we're going to make sure it happens, we will develop the same level of revenue that we are doing at Vasai over Ahmedabad plant. It will be slightly better, sir. There is still 20%-25% capacity left in this plant. So, if you are comparing the fixed asset gross block with stage one of this sector with stage two, then the comparison is slightly wrong. Because for a rolling mill, the thing that we buy from a rolling mill, one machine costs them 50 crores to 60 crores. One single rolling mill, the cost of that machine. So that industry, that is backward integration for me, is heavily CAPEX loaded. But forward integration for them, that is doing only coating, lamination, printing, is not that heavily CAPEX loaded. You require more working capital in it rather than CAPEX.

Abhi Chaudhary: As I understand, I just want to confirm my understanding. So, what You are saying is the 4-5 crore machinery which you have, which you are using to do the printing, you already have depreciated that and You are still using that machinery. I understand that part. In terms of the land, how does that work? So that should be also in the assets? When I'm looking at the land, so the value of the land. So even if You are renting it, the expenses seem a little bit low on the low side.

Sagar Bhanushali: You are talking about the rental expenses.

Abhi Chaudhary: Yes. Either it's a rental or it's an ownership, if you can explain a little bit on it.

Sagar Bhanushali: Rental in Vasai and it is rental in Ahmedabad also. The rent that we are paying currently is 4 lakh per month over here. The rent that we are paying in Ahmedabad, which I already started a month back, is around 2,11,000 per month.

Abhi Chaudhary: 2 lakhs in one and the other one is 4 lakhs, yes?

Sagar Bhanushali: Yes. 4 lakhs is we are at currently in Vasant. Ahmedabad plant, we have paid a rent of one month as on date and it will be operational from next month, that is 2,11,000 per month.

Abhi Chaudhary: How big is that facility, both of these facilities which you are renting?

Sagar Bhanushali: So currently Vasant, we are between 15,000-16,000 square feet. And in Ahmedabad is 17,000 square feet. The rent in Vasai is much higher compared to Ahmedabad for obvious reasons. It's almost half what we are getting in Ahmedabad for the same premises, for the same square feet.

Moderator: The next question comes from the line of Ayush Chaturvedi from Arihant Capital.

Ayush Chaturvedi: Hi Sagar, you have delivered another quarter of excellent results. Many congrats to you and it seems like from the existing facility itself, we are going to meet the target of around 250 crores. But you have alluded that the Ahmedabad facility will also get operationalized. So, it seems like by the end of the year we will land at around 275 to 280 crores sort of?

Sagar Bhanushali: I won't commit to that on call. But definitely as I told you, sir, we are looking at between 230 and 250. Whatever comes from Ahmedabad is a bonus. I won't commit, sir, on public platform how much. But definitely you can expect. Like 230-240 is reasonably and practically achievable over there. Over and top of that, let's see how it goes, sir.

Ayush Chaturvedi: We have also seen some bit of margin improvement on annual basis. Like is this completely coming from operating leverages or you made some tweaks in the fuel cost as well?

Sagar Bhanushali: Some portion is operational leverage with the increase in volume, and some is because of the increasing price of aluminium. And with all this right issue coming in, the money coming in, we are able to manage all those purchases and inventory well. A little bit of hedging benefit has been passed on to us. In this month also, we have made sure we have kept a sufficient level of inventory. Because the prices of aluminium, if you track on LME and MCX, it is increasing on a daily basis. Month on month, the last month, that is September ending there was around 2% increase in the aluminium price. And this month, the aluminium price has increased from between 3% to 3.5%. So, prices are on increasing trend. This helps us with the money in hand of this right issue. We are able to manage our inventory well by more purchases. This helps in slightly better margin coming into the next month coming forward and help me enter new customers and new market very easily with the help of price penetration.

Ayush Chaturvedi: My next question is on working capital. Since we have got all of the other pieces of the puzzle in order, now if you could throw some light on how the working capital situation is evolving.

Sagar Bhanushali: It's more or less the same. We try to maintain it, sir. To be very frank, we can't bring it down. The working cycle, that is the debtors, that has to be between 50 to 70 days, its 60-65 days on an average. If we are able to maintain that, then we are doing really good. Because they don't shell their money to be very frank. They also expect payment terms of that day's only.

Ayush Chaturvedi: My question was actually on cash conversion cycle. With the sort of improvement in top line and margins that we have seen, I think we would have brought in some healthy bit of cash. So, cash generation levels would have certainly gotten better. Any improvement in that regard? Since it will also try, we could manage the working capital situation at Ahmedabad plant also a little bit better.

Sagar Bhanushali: Definitely. That would be like totally, if you see the effect of that would be visible in this quarter. Because in last quarter, the money came in almost like 3 to 4, it came in between 23 and 25. So we hardly got a time of 4 to 5 days in last quarter. If you want to see the actual improvement, then definitely in this quarter you will see a result.

Ayush Chaturvedi: You are aiming to ramp up the Ahmedabad facility by FY27, right?

Sagar Bhanushali: Correct, yes sir.

Moderator: The next question comes from the line of Manoj Kulchandani, an Investor.

Manoj Kulchandani: I just had a query regarding that machine speed ramp up which you had spoken about in the past that basically you all do a small CAPEX and that increases the heating and the running speed of the machine. So, if you can just quantify how much you spend on that CAPEX and how much output gets increased.

Sagar Bhanushali: The CAPEX on that part, it comes out in spares. The CAPEX is very less. That is between 12 lakhs to 15 lakhs. With that we can increase the speed of the machine by slightly like 10% to 15%. That's what I was talking about in the earlier question. We are planning at a capacity increase in the Vasai plant. With more money coming, with the right issue, we can definitely look at more orders and do a slight CAPEX in that where we can increase the speed of this machine and improve our capacity expansion. Like within this quarter we can see we are reaching between 80% and by the end of this financial year we are aiming at between (+) 90% capacity utilization from our Vasai plant.

Manoj Kulchandani: If you can just quantify that if you spend 15 lakhs, how much turnover increases with that? Because there's a lot of confusion over GSM claiming that that we'll do a small CAPEX.

Sagar Bhanushali: If we reach above 95%, then the top line from this plant itself would be from 20 crores that we are up to 25 to 26 crores.

Manoj Kulchandani: Basically, with a CAPEX of say 15 lakhs to 20 lakhs, you can increase the turnover of 5 crores per month. Is that okay?

Sagar Bhanushali: Yes. Correct.

Moderator: The next question comes from the line of Ayush Chaturvedi from Arihant Capital.

Ayush Chaturvedi: One bit of follow up from my end. Currently our ROC is at around 46% with the operating leverages kicking in, your margins getting better and the Ahmedabad facility getting operationalized. We could be landing in the 50% mark. Would my understanding be right?

Sagar Bhanushali: Definitely.

Ayush Chaturvedi: Are we anticipating a big jump in cash generation. Since our working capital is in order, we do not have any incremental CAPEX and our capacity utilization at the current Vasai plant seems to be reaching around 80%-90% on. So, cash generation through and through from year on out, right?

Sagar Bhanushali: What exactly do you mean by cash generation? You are talking about operating this net flow?

Ayush Chaturvedi: Correct.

Sagar Bhanushali: That would definitely depend on two things. That is the debtors and the stock. Yes, but not immediately but with time, I won't say in a quarter or two, but definitely over certain time we may see a positive cash flow in that. The cash flow is negative, sir, basically because of the level of inventory that we keep and the hedging that we do and also, upon the style of the business that we are in where we need to sell everything on credit, sir. So, there are no cash sales or such. So, doing cash sales won't enable us to earn margins, to be very frank with you. The margins are only when we sell product on credit. So, given the cash flow, practically we are not that worried. So, it has been manageable, and we are doing that well. But yes, definitely over a period of time, margin would come in, more working capital would be less, there would be less CAPEX like you told me. There are definitely over a period of time even this would turn positive. But that is not an alarming factor for us currently and we are not worried about that.

Ayush Chaturvedi: My question wasn't on working capital. It was only purely on cash generation, your operating cash flow. I understand that the working capital days and the working capital would remain somewhere in the similar range. Since that's the whole business model that we drive our business on. But I was alluding to the cash generation from operations. In that regard, at least we are all set.

Sagar Bhanushali: That's what I told you. Like, immediately within a quarter or two, I won't commit you much. But yes, over the period of time definitely there would be much better.

Ayush Chaturvedi: Over 18-20 months.

Sagar Bhanushali: Yes, definitely, 100%.

Moderator: Next question is from Sandeep Dixit from Arjav Partners.

Sandeep Dixit: My question was you alluded to a part of the margin expansion coming from inventory gains essentially because aluminium prices have been increasing. Would you be able to quantify that? Assuming that prices go back to where they were, in subsequent quarters you probably would see that compression as well. So, I just wanted to get a sense of how much.

Sagar Bhanushali: I will tell you how this works. So, there's no rocket science in this. Actually, the data is available everywhere on the Hindalco website and everywhere once you tap into commodity, the aluminium. So, the general trend I'm talking about, sir, it may go up, it may go down but on an average trend, with our experience in the last five years and with this metal industry, aluminium has been on a continuous increasing trend. It won't increase much between 1%-2%, 3% is the highest that we expect. So, even if it goes down, let's assume a worse scenario that's growing down continuously, then we make sure we're able to manage our inventory where we reduce our purchases to that extent, between 20 and 30 and we try to sell our customers more in that period. Currently, what we do we restrict our sale to a certain extent. Once we see a significant jump in the price, we try to make sure we sell a bit less because we are sure from 1st or 2nd of that month that we'll get slightly much more selling price than what we are doing, between 25 to 30. So, even if it goes down, it won't go down to that very great extent where you'll see a significant reduction in the margin. Even if it goes down, sir, it will go down by a percentage or two and that would be maintained, sir. So, that can be absorbed and it's easily manageable. With a continuous trend of increasing we try to take a good average basis where we manage our inventories of 30 to 45 days. We won't say we earn on each and every kilo that we have but definitely on an average basis on an increasing trend, there is slightly better margin improvement. So, that is like a cherry on cake, sir. The focus is not on that but definitely with money in hand you can always hedge better. So, the focus is basically on the operational part, sir. So, even if the rate goes down it won't affect our margin to a very great extent where you'll see a big thing. Even if it goes down, there would be hardly between 0.5% or 1% or maximum 2% but even that can be absorbed, sir.

Sandeep Dixit: My second question was, what is the kind of visibility that your customers share with you which will help you plan your production schedule?

Sagar Bhanushali: Visibility as in what kind of visibility?

Sandeep Dixit: Do they give you any kind of visibility of this is what our plans are over the next, let's say, 6 months or something? This is the kind of expected offtake that we would do over the next 6 months or something like that.

Sagar Bhanushali: In our line of business, there are no orders more than a month because every month the rate changes, every month the product changes, pharma brings up something because there is some different artwork everything. More or less, it is the same, but the order frequency is basically on a daily or on a weekly basis. There are no commitment of 3 months, 4 months, 6 months down the line because the rate changes very fast in this thing. So, definitely with client, with almost more or less like more than 80% of clients we are in talking terms of almost everyone within a day or two either on call or on mail or on WhatsApp from morning to evening. So, if you are talking about visibility then definitely, we are in touch every day. Let's see how it goes. What product do you want? What size do you want? When do you want it? What do you want? What is going to come in. Which product has been obsoleted. What shouldn't be reduced in future. So, it goes. It is definitely on call, and we are in touch with them. So, it is not about monthly basis, but we can assure it on a daily or almost weekly basis where we are in touch, and we see how to go about it. There is no long-term commitment that this much will work because that is not how this business works but visibility I am talking about then definitely, we are in touch with almost everyone and this is how this works.

Sandeep Dixit: My last question in response to that. Let's say you are doing FY27, your assumptions are based on what basis? I don't know, are you guiding any numbers for FY27?

Sagar Bhanushali: I won't guide you but definitely if you are looking at FY24-25 we did a top line of 133 crores. This year we are aiming almost 80% to 90% jump. Definitely, once we reach that and once this Ahmedabad plant becomes completely operational then we may see a significant jump of around 60%-70% on a very lower side in that year also.

Sandeep Dixit: But the market share that you are gaining is it an import substitution? I don't think the industry is going to grow at that rate, right? So obviously, you are taking someone else's market share.

Sagar Bhanushali: That's how business works, sir. The industry will grow at their pace, we are growing at our pace, so the market is very huge. What we are doing we are doing currently basically, more, or less our business is in Maharashtra. We are entering Gujarat so there are many other states with all these government incentives and everything in the northern and northern eastern part also many new pharma companies are coming and export also if you see, pharma is increasing very well in exports. We don't really export but definitely via pharma we are exporting our products. The medicines are getting made and going. Industry is definitely growing. There are many new states coming up with new-new incentives and schemes. So, we will see how we go about. I say this to everyone there is no shortage of work in this line. The more work you do the more you get.

Sandeep Dixit: I want to understand, are you taking market share from imports or from some other domestic player? I don't even know just to get a sense.

Sagar Bhanushali: How can we take from exports. We are taking from domestic players and the export market which is growing we are gradually catering.

Moderator: The next question comes from the line of Shivam Kumar, an Investor.

Shivam Kumar: I have basically two questions. During the previous call you had mentioned that you are looking for some debt plan for this Ahmedabad CAPEX. Is it finalized?

Sagar Bhanushali: You are talking about debt plan for Ahmedabad, right?

Shivam Kumar: Right.

Sagar Bhanushali: We are looking at CC expansion, but we have postponed that plan currently. In last mid of August, we infused a CC of around 5 crores more. Towards that we did a rights issue of around 23 crores. Everything is in business. Currently at least for 3-4 months we are not looking at any more debt. If we get a better subsidiary regarding to our CAPEX which are already in talks with that so the area where it is, I guess there is a subsidiary with CAPEX that we are doing so we may look at term loan for machinery. That also would be decided in a week or two as to how much has to be taken. Other than that, currently we are not looking at any debt till March. Post March we get a better clarity about on what level the Ahmedabad plant has got operational and how much more business and funds that we require. Post that the bank is ready to lend us more. Let's see how it goes. But definitely for 6 months the more debt part would be only if we get a better subsidiary in terms of CAPEX that we are incurring, that also that won't be much between 2 crores to 3 crores, term loan for machinery. If it is linked with subsidiary, then we are going forward. If not, then there is no debt currently for six months.

Shivam Kumar: What about Lamitubes manufacturing. That also was the plan, right?

Sagar Bhanushali: Lamitubes and Alu Alu manufacturing, we have taken slightly backed the route on that because with this Ahmedabad plant we were working on it but something clicked, we saw very good business on that, so we decided what we are doing and what we know, let's progress in that. Once we bring Ahmedabad plant to the level where we are in Vasai, that this business is ours, we know in and out of this business. So, the trading part continues. I won't say a big much trading part but 4%-5% of our top line comprises of trading of aluminium Alu Alu foils and Lamitubes. We are doing that side by side. But we are not taking any aggressive step into backward integration of Lamitubes currently at least for two quarters to be very frank because the entire focus, the money and the CAPEX is diverted to Ahmedabad plant that that plant should be operational at the earliest for obvious reasons because we know business. We are seeing slightly better operational efficiency also and more business coming from Ahmedabad. Ahmedabad these days is considered as a hub for pharma industry. All big, small players are in Ahmedabad. Export from there is also quite good and new companies are also coming in so why not on a very practical side let's do more what we already know rather than entering into a new market which we are slightly unaware. We know the client, we know the business. But what is coming first we are more focussed on that. We are into Lamitubes trading, I won't deny that we are doing that. We may improve on that trading part. But CAPEX, slightly we have held that. That is definitely in plan, but once this Ahmedabad plant is completely set up then we will set up a plant in Gujarat for Lamitubes. We had earlier thought of Daman, but we will plan in Gujarat only. But it will take another 6-8 months to give a thought on that.

Shivam Kumar: As of now, you are running only one plant at Vasai. Now you will have to run both plants parallelly. So, what about your management team? Are you doing any recruitment on that?

Sagar Bhanushali: We are continuously hiring. We are trying to get new employees, the old ones in this industry. Post Diwali there has been many good positive interactions. We have got few commitments also. So, the top management would be the same who will look at both the plants but on an operational level we are trying to get a new team, and it would happen, definitely it would click. Many new fresh people are coming in. They are getting infused into the Vasai plant. We are seeing how they work for at least 15-20 days and then once this machine kicks in from December, we are trying to shift that team over there. And we will look at the board plan initially and once it gets totally operationalized 6-8 months down the line then we will sector it whether certain people will stay there only and certain will be here in. Initially there would be a struggle, up and down, up and down, but we are ready for that. And we will manage that, not a big issue. Ahmedabad is not that far. We are able to reach there in 3-4 hours. So, that is not a challenge.

Moderator: The next question comes from the line of Priyanshu Jain from Growth-X Infinity.

Priyanshu Jain: I have only 2 more questions. First is on the capacity utilization as you mentioned 70%-72% we are running on the current capacity so what will be the maximum utilization we can reach up over there.

Sagar Bhanushali: 95%-98%.

Priyanshu Jain: We still have headroom for 20%-25% from the current capacity.

Sagar Bhanushali: It has already started from this month and gradually it will increase till February or March we are expecting more than 90% utilization.

Priyanshu Jain: On the Ahmedabad plant, on full utilization what kind of a revenue we can expect from over there.

Sagar Bhanushali: On a very lower and pessimistic if I tell you, on initial level what business that we are looking at a revenue point of view at least 5 crores to 6 crores we can see. We can start on an immediate basis like January, February, March, that's our plan. We are aiming at revenue around 10 crores, 5 crores to 6 crores we are already there, we know this is the business, these are the orders, and this is what's going to come. We are looking at more 4 crores to 5 crores, and I am sure once the plant starts, more people will visit us, they will see, they will gain confidence, and it will increase gradually.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to Mr. Sagar Bhanushali for closing comments.

Sagar Bhanushali: Thank you all for joining on today's earning call. We hope we were able to address all of you, all your questions and give you clarity about our performance and our future outlook. If there is any further query or you wish to contact me then please feel free to reach out to us on our Investor Relations Advisory, X-B4 Advisory. We appreciate your continuous interest and support. Thank you all once again. Take care. Have a good day.

Moderator: On behalf of GSM Foils Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.