BOROSIL®

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August 20, 2024

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **Scrip Code: 543212**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block - G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Symbol: BOROLTD**

Dear Sirs,

Sub: Transcript of Earnings Call

Please find attached transcript of the Earnings Conference Call held on Wednesday, August 14, 2024.

The aforesaid transcript is also available on the Company's website at www.borosil.com.

You are requested to take the same on records.

Yours faithfully,

For Borosil Limited

ANSHU ARVIND AGARWAL
Digitally signed by ANSHU ARVIND AGARWAL
Date: 2024.08.20 12:22:20 +05'30'

Anshu Agarwal
Company Secretary & Compliance Officer
FCS – 9921

Encl: as above

"Borosil Limited Q1 FY 2025 Earnings Conference Call"

August 14, 2024

MANAGEMENT:	**MR. SHREEVAR KHERUKA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - BOROSIL LIMITED** **MR. RAJESH KUMAR CHAUDHARY – WHOLE TIME DIRECTOR, BOROSIL LIMITED** **MR. ANAND SULTANIA – CHIEF FINANCIAL OFFICER, BOROSIL LIMITED** **MR. RITURAJ SHARMA – PRESIDENT (CONSUMER PRODUCTS), BOROSIL LIMITED** **MR. BALESH TALAPADY – VICE PRESIDENT (INVESTOR RELATIONS AND BUSINESS ANALYSIS), BOROSIL LIMITED**
MODERATOR:	**MR. NILESH PATIL – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Borosil Limited Q1 FY '25 Conference Call, hosted by ICICI Securities.

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. Nilesh Patil. Thank you and over to you, sir.

Nilesh Patil: Thanks, Sumit. On behalf of ICICI Securities, we welcome you all to Q1 FY '25 Results Conference Call of Borosil Limited.

We have with us Mr. Shreevar Kheruka – MD and CEO; Mr. Rajesh Kumar Chaudhary – Whole Time Director; Mr. Anand Sultania – CFO; Mr. Rituraj Sharma – President (Consumer Products); and Mr. Balesh Talapady – Vice President (Investor Relations and Business Analysis).

Now, I hand over the Call to the Management Team for their initial comments on quarterly performance. And then we will open the floor for a question-and-answer session. Thanks, and over to you, sir.

Shreevar Kheruka: So, thank you, Nilesh, and ICICI Securities for arranging this call. Good evening to every one of you. The Borosil Team is delighted to be communicating with you once again.

I am pleased to inform you that Borosil Limited's Board of Directors has approved the Financial Results for Q1 FY '25 during our meeting today. We have submitted our Results and an Updated Presentation to the Stock Exchanges, and they are also available on our Company's website for your review.

During the quarter ended June 30, 2024, the Company raised Rs. 150 crores by way of QIP and allotted 47,16,981 equity shares of face value, Rs. 1, each to eligible qualified institutional buyers at an issue price of Rs. 318 per share, which includes a premium of Rs. 317 per share. This is on June 25 of this year.

The issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The objects of the issue were repayment or prepayment of long-term project loans and short-term working capital loans availed by the Company and general corporate purposes.

Out of the net proceeds of the issue, during the quarter the Company has utilized Rs. 60 crores towards repayment of working capital loans, and the balance amounts are invested in high credit quality short-term money market instruments. The proposed schedule of deployment of net issue proceeds is financial year 2024-2025.

We are delighted to report that Borosil Limited delivered a strong performance in Q1 FY ‘25. Our revenue from operations for the first quarter of this year reached Rs. 216.8 crores, compared to Rs. 176.1 crores in the same quarter of the previous year. This represents an impressive year-on-year growth of 23.2%, which is amongst the highest in the industry and a testament to our business strategy, operational excellence, and the continued trust and loyalty of our customers. This growth highlights our ability to effectively navigate challenges and capitalize on opportunities, reinforcing Borosil’s position as a key player in this industry.

During Q1 FY ‘25, the Company achieved an operating EBITDA before investment income of Rs. 34.6 crores, as against Rs. 23.9 crores during the same period last year. The operating EBITDA margin was 16% in Q1 FY ‘25, as against 13.6% in the same period previous year. Here, I would like to mention that the other income includes Rs. 4.2 crores of shared service support income, the underlying expenses of which are reported under total expenses.

Profit before tax during Q1 FY ‘25 was Rs. 12.9 crores, as against Rs. 7.2 crores in Q1 FY ‘24. The investment income is higher by about Rs. 5.0 crores during Q1 FY ‘25, as compared to the same period last year, whereas depreciation and finance costs are also higher by about Rs. 9.9 crores, primarily due to the new Borosilicate glass furnace commissioned during Q4 FY ‘24. During Q1 FY ‘25, Borosil recorded a profit after tax of Rs. 9.3 crores, as against Rs. 5.0 crores during the same period last year. As on 30 June 2024, the Company had a net debt of Rs. 57.8 crores.

Let us now discuss our Category-Wise Performance for Q1 FY ’25:

Borosil’s consumer division continues to encompass both glassware and non-glassware products under the Borosil brand, alongside the Opalware range under the Larah brand. The Larah, Opalware segment, known for its modern design and superior quality, reported impressive sales of Rs. 76.1 crores in Q1 FY ‘25. That is an increase of about 15% compared to Rs. 66.2 crores that we achieved in the same quarter last year.

In our Glassware segment, which includes Borosilicate microwavables, serving-ware, lunch boxes, glass tumblers, and glass storage solutions, we observed a remarkable year-over-year growth of 42.2%, with revenues reaching Rs. 55.7 crores compared to Rs. 39.2 crores in the same period last year. Additionally, our non-glassware segment, which features a range of small home appliances, our Hydra range of insulated bottles and flasks, cookware and other kitchen essentials recorded a good revenue growth of 20.3%, achieving a turnover of Rs. 85.1 crores in Q1 FY ‘25, up from Rs. 70.7 crores in the same quarter of the previous year.

This exceptional overall performance underscores the effective implementation of our strategy to broaden the Borosil brand’s portfolio, aligning perfectly with the diverse, culinary and serving requirements of the Indian household. It also reaffirms the lasting strength and widespread appeal of the Borosil and Larah brands across multiple product categories.

Larah, one of our flagship brands under the Borosil umbrella, has shown a good growth trajectory since its acquisition in 2016. The remarkable success story is a testament to our strategic vision, operational efficiency and commitment to customer satisfaction. Larah sales have grown at a CAGR of 22%, climbing from Rs. 87 crores in FY16-17 to an impressive Rs. 358 crores in FY23-24. These numbers are for the full year for both the years. This significant growth proves the effectiveness of our acquisition and transformation strategy, where we revitalized the Larah brand image along with its operations and realigned market positioning to tap into new opportunities.

Similarly, our non-glassware segment, as I already mentioned above, has emerged as a remarkable growth engine for Borosil, demonstrating a robust expansion over the years, with a CAGR of 50%. Non-glassware sales have skyrocketed from Rs. 23 crores in FY16-17 to an impressive Rs. 387 crores in FY23-24. This significant achievement underscores our strategic focus on diversifying our product portfolio and meeting the evolving needs of our consumers.

Over recent years, Borosil's consumer business has evolved beyond its original focus on glass products, establishing three strong pillars, glassware, non-glassware and Opalware, that are now integral to our sustainable growth strategy. Each of these divisions has grown substantially and is well positioned for further expansion as market adoption and usage frequency continues to rise. Here, I would like to add that our positioning is to replace plastic in the kitchen, as well as steel products in many parts of the kitchen. Although we do have steel in our portfolio, we believe that glass is ideally suited for some applications and steel for others. And we find that consumers are buying into this thesis, and they are representing higher growth across our three segments.

Our new product lines, including the Borosil Artisan series, Borosilicate jars and containers, Coffee mate, air fryers and gas stoves have resonated strongly with consumers. Similarly, the introduction of fresh designs in Opalware, as well as new products such as Opalware lunchboxes, storage sets, and kulhad mugs have garnered considerable popularity, further reinforcing our market presence.

At present, our main objective is to further broaden our reach. We are dedicated to transitioning customers from plastic and melamine to glass storage and Opalware, while also encouraging greater use of microwaveable products. To appeal to our customers' diverse needs, we continuously introduce new items, such as portable, high-grade steel products and home appliances.

Our ultimate goal is to position Borosil and Larah as a preferred brand in modern Indian kitchens for all storage, preparation, cooking, heating, and serving needs. We are very confident in the medium-term outlook of our consumer business. While we may encounter phases of slow growth and cautious consumer sentiment, which are typical of any market cycle, we remain optimistic about the long-term growth potential. Our strategy is centered on broadening our consumer reach through precise, targeted initiatives, introducing cutting-edge products that align with the shifting needs of our consumers, and streamlining our supply chain and marketing efforts for maximum impact.

Thank you for hearing opening remarks. With this, I would like to throw the floor over to questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dhaval Shah from Girik Capital. Please go ahead.

Dhaval Shah: Hi team, excellent performance. So, I have a couple of questions. So, first to start with, the BIS implementation for appliances is happening from 1st of September, and we import a lot of our appliances. So, the way we maintain an inventory for our Hydra range, please give your comments regarding the strategy for the appliances. And how is the industry also positioning itself, given a lot of companies in India are also operating on a similar model, except few. So, that's my first question.

Second would be, after the successful QIP, how will the finance cost be for us for the next two, three quarters? How would that change on the P&L? These are my two questions.

Shreevar Kheruka: So, maybe I will let Rituraj answer the BIS question and Anand to answer the finance question.

Shreevar Kheruka: I will take the BIS question then. So, look, as far as the BIS answer is concerned, we have -- obviously there's two parts of the strategy. One is to make sure that the business is not disrupted in the short term. And second is to make sure that our long-term growth is protected.

So, as far as the short-term is concerned, what we end up doing is adding to inventory. And we are able to make sure that we get enough time to develop vendors in the meantime. So, as far as appliances are concerned, you are right, there are many appliances for which BIS has implemented, also with Hydra for that matter. What we have done is, A, we added to substantial inventory of almost nine months to almost a year of sales in advance, so that we at least protect our sales in that period. And secondly, parallelly, we started working on new supplier development, which we have successfully done.

And by the way, BIS is not something new for us. We have been looking, more and more products have been coming out of the BIS umbrella over the last few years. And we have seen that in many appliances already. And we have successfully switched from imports to local sourcing as the ecosystem has developed. So, we are fully supportive of BIS, and we fully believe that this is going to help the Indian manufacturing ecosystem. And being manufacturers ourselves, we see this as an opportunity in the future. But I think, basis the risk mitigation strategy of short-term, higher inventory, and then longer-term domestic sourcing, which we are actively following. I believe we should be able to mitigate this risk.

Dhaval Shah: So, in terms of the cost structure of Chinese supplier, Chinese vendors versus developing an Indian vendor ecosystem, one is the technical know-how, and B is the absolute cost structure. You think both can be managed? Or you will have some headwinds in the near time till the time the Indian vendors develop scale? Like we saw in case of mobile phones, I mean, the similar kind of large-scale vendor system is not yet developed for appliances in India. So, how do you see that?

Shreevar Kheruka: So, look, it is developing, China developed this over 20 years, so probably it'll take us five, seven years to develop that ecosystem. In the meantime, I mean, the journey started two, three years ago when the first appliances started coming under the BIS umbrella. So, yes, it will take time, and the competence of the domestic vendors will upgrade over a period of time. So, I believe that whatever we are already sourcing locally is more than good quality and is up to the standard of Borosil brand. And if you have not seen any increase in our, let us say, after-sales complaints, when we have switched any appliance from imports to domestic, and that's, I guess, a testament to our team, because our team is working very closely with the vendors. They basically sit in their factories and ensure that whatever specs that we have identified for our products in terms of inputs are being followed, quality testing is being done.

And as far as pricing is concerned, I believe that this is impacting everybody. So, general pricing may go up a little bit. Obviously, China has some scale benefits, built over 20 years. It will take time for us to reach there. So, the pricing will definitely be higher. I do not believe it will impact margins, this is an industry-wide phenomenon, it's nothing to do with us specifically. So, probably everybody will have to increase their prices a little bit. There may be some, as a margin from demand disruption, which may happen in the short run because of the higher prices of all products. But I do not see this as a big challenge on either front going forward.

As far as finance question, I do not know, Anand or Rajesh, one of you can answer this.

Anand Sultania: Yes, Dhaval. So, the finance cost for the first quarter has been about Rs. 4.4 crores. And we believe for the full year it will be close to Rs. 10 crores.

Dhaval Shah: Okay. And sir, now after using this QIP proceeds for debt repayment, how will the balance sheet be in terms of debt and cash?

Anand Sultania: Borosil balance sheet will be, overall, the net debt will be zero and there will be some surplus, at the end of the financial year

Dhaval Shah: Okay. And I believe a lot of our capital will be blocked in the inventory, right, which will also get released over the next six, eight months, because of the imports what we have done.

Anand Sultania: So, we have already built some extra inventory because of the BIS thing, which we spoke in the last quarter. So, all of that inventory probably will get liquidated in this year.

Dhaval Shah: And if you can also give the operating cash flow number for the quarter?

Anand Sultania: We normally do not share that on the quarterly basis.

Moderator: Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital Management Private Limited. Please go ahead.

Pranay Roop Chatterjee: Thanks. My question is related to the consumer glass segment. In first quarter, in terms of production volume as a percentage of installed capacity, how much utilization would the furnace have reached in Q1? And how much of the production was sold versus being built up in inventory? Like, were you able to sell everything you produced for this glass furnace?

Shreevar Kheruka: Okay. So, I think the furnace itself is operating at about 70% odd, 70% to 75%-odd of its capacity. And of that, we are selling 75%. So, we are roughly 50%. So, we have built up about over 25% of inventory, which is all built for Diwali. But the furnace itself always takes time to scale up the production to 100% number, which hopefully we should achieve say by the end of the year. But yes, that's the answer to it.

Pranay Roop Chatterjee: And when you say 100%, this 70% to 100%, that takes into account the maximum efficiency one can derive out of the furnace?

Shreevar Kheruka: That's right.

Pranay Roop Chatterjee: So, I think you have guided that you would utilize furnace capacity by next year. So, then should I assume that you have brought it forward to this year for full utilization?

Shreevar Kheruka: I think it will be challenging. I think we should stick to next year because it's early days. Consumer demand across the board has been challenging, as you can see from the results of many consumer product companies. So, I do not want to say something. I would rather under-promise over here and over deliver.

Pranay Roop Chatterjee: Got it. Next is on the margins, and specific to, I know you do not disclose this so I would not ask for the specific number for your consumer glassware segment. So, if you look at the Y-o-Y terms, last year same quarter it was mainly importing and then you were selling it. This year it is, assuming it's mostly out of your furnace, for the glassware portion at least. So, how do you see the margins during Y-o-Y?

Shreevar Kheruka: The margins, so look, there was some overlap even in this year, because we had some, let us say, imported products which are on FIFO basis, they are sold out first. When you start a production you never know when you get good quality, so you cannot afford to compromise sales. So, there's definitely some amount of older inventory which is imported being sold through systems, I think, which should be more or less through by June, July.

But effectively, I think the margins look good. I think they are better than what we had anticipated overall. And I believe, again, it's too early to say much, because we need to achieve full capacity utilization. But it seems that the investment would have a very healthy, say, ROI. But I do not want to talk too much about it until a few more quarters pass, and we see the sustainability of the sales numbers, the sale quantities as well as the sales pricing.

Pranay Roop Chatterjee: That makes sense. So, the EBITDA should basically be higher, because you are putting the CAPEX and then your depreciation and interest comes in. So, if you look at it from a PBT point of view, qualitatively, my sense is, based on what you are saying, you expect an improvement in the PBT margin for that segment?

Shreevar Kheruka: Of course.

Pranay Roop Chatterjee: Sir, then my last question would be basically on your outlook for FY '25. If you could just comment on the three segments from a revenue point of view, how do you expect any change in your view versus the start of the year? And overall margins, where do you see them heading this year?

Shreevar Kheruka: I would not like to comment specifically on any year. I can just say that our overall 15% to 20% kind of growth trajectory should be maintained. I am very confident about that. Hopefully, we can surprise on the upside in the shorter term. And margins also, last year I think we did 14%, 15% EBITDA margins, that we should be trending upwards. And in the next three to four years as we achieve a higher mix of our own production, in terms of our revenue mix, and as we achieve more operating leverage on marketing and manpower costs, I believe that margins will tend closer to the low-20s.

Now, when that happens, which financial year you would see that pop over, whether it will be linear, it's very hard to say. And obviously, the whole thing is subject dedicated on market demand environment. So, I can say that in three, four years this is where we will be. But whether that will happen, which year we will see that thing really kick in, it's very difficult. And the markets have been a bit challenging. I mean, overall, like I said before, you could have a look at other consumer product companies and that has been a challenging quarter for everybody across all categories. So, obviously, we need the market to support us to achieve these numbers.

Pranay Roop Chatterjee: And just last data question, pressware is to non-pressware, should we still assume it's 50-50 in this quarter or pressware would have increased in share?

Shreevar Kheruka: Now, it'll start increasing. So, it'll probably be 60-40 or 55-45. But I do not have it off the hand, but you'll start seeing an increase there for sure. Eventually, in actual capacity I believe it'll be like 65-35.

Pranay Roop Chatterjee: So, we would have taken price cuts like we were planning to, to expand the volumes for pressware?

Shreevar Kheruka: We have taken some price cuts, yes, that's right. But not as much as we thought we needed to.

Moderator: Thank you. The next question is from the line of Aman from Seven Rivers. Please go ahead.

Aman: Hey, hi. Thanks for taking my question. So, I am trying to figure out what's the upside to EBITDA that we can realistically have? Since the EBITDA expansion that we are seeing is primarily from lower cost of goods, not so much from operating leverage benefits yet, because employee expenses and other expenses have kind of gone up as a percentage of sales. So, how do you see this going forward? Can we expect more improvement in gross margin plus operating leverage benefits kicking in?

Shreevar Kheruka: I will just correct you there because yes, employee expenses look like they have gone up, but you must keep in mind that earlier the employee expenses were debited only for consumer division, now they are debited for the whole group. And we have other income, which is basically the employee expenses recovery, most of it, not all of it, but most of it is the employee expense recovery, which is services offered by Borosil Limited to the other two group companies, which is Borosil Scientific and Borosil Renewables.

So, I wouldn't say that we do not have any operating leverage over there, we do. Is it as much as the gross margin expansion? No. Gross margin expansion will play the bigger chunk of the EBITDA expansion. And the operating leverage mix, as I have mentioned in the past, we were doing 15%-odd and we are talking about low-20s, we are talking about 7%-odd of expansion in margins over some period of time, maybe 2% will come from operating leverage, and 5% will come from gross margin improvements. And the gross margin improvements are going to be linked more to made domestically versus imports. So, that's the broader, let us say, split of it.

Aman: And so, on non-glassware business. So, where is this, I know, we do not disclose channel numbers, but where is this growth primarily coming from? Is it a particular channel or a region?

Shreevar Kheruka: We have a very strong sales presence in North and East of the country, and West and South have been traditionally slower than the other two. We have been expanding our sales distribution network in terms of retailers and distributors in the South and West. So, we have seen good traction in both those areas for non-glassware, and I expect that to continue. That's general trade. Over and above that, e-commerce continues to do well. There was a hot summer this summer. And I think many people may have decided to buy at home rather than go to the shop. That's just anecdotal, no evidence or any data to back that up, but that's what we believe. So, I would say it's a mix of some channels that have grown faster than others, and some regions have grown faster than others, specifically the regions where we are very underpenetrated and they are increasing our penetration. So, yes, it's a mix of those two things.

Moderator: Thank you. The next question is on the line of Hitesh from Kosha Capital. Please go ahead.

Hitesh Kumar Kiran: Congratulations to the entire team. There are six listed companies in kitchenware, and we have not only outperformed in this quarter, but I think last four, five quarters consistently we have been going double digits, so congratulations.

Sir, my question is on the glassware. So, from a channel sense, what we understand is, there has been 10% to 15% discounting that has been given to the distributors, is a scheme which would generally come out during the festive season. But just wanted to understand, have we advanced the scheme? Because I think even in your previous calls you did mention that probably some part of that benefit you will pass it on to the consumer. So, have we advanced any scheme that will usually come out during the season?

Shreevar Kheruka: You are talking about glassware?

Hitesh Kumar Kiran: Yes, in the glassware, yes.

Shreevar Kheruka: Yes. As I have mentioned before that we were definitely looking at passing some benefit on to the end customer, and to the channel for our glassware because we need to dramatically increase the volumes. So, we have done that in this particular quarter. And those schemes, in fact, although the schemes have been lower than what we had initially projected, but yes, we have been trying to ensure that the trade supports us in keeping the channel stocked, because if we are trying to get people to switch from plastic and steel to glass. Unless the product is on the shelf, it's not going to be sold. So, this has been the main thrust, and I think the numbers show that it has been very successful.

Hitesh Kumar Kiran: So, does that mean that the stocking that generally happens during the festive has happened before the festive itself?

Shreevar Kheruka: Well, that depends on whether you believe that the sales have also increased, the tertiary sales have increased or not, right?

Hitesh Kumar Kiran: Right.

Shreevar Kheruka: The idea has been to increase tertiary sales. So, not to stock up, per se, for season. I do not believe people would -- so this quarter Q2 numbers are also very important, because that really will be the answer to this. But my sense is that there has not been any great deal of stocking up for the season. We have been able to get more tertiary sales for the product and switch people away from other materials such as plastic or steel.

Hitesh Kumar Kiran: Sure. And I think what was also interesting for me was, I think the products that are now coming out of the furnace, I think you are labeling them as toughened, which was not the case earlier. Just trying to understand, is the competition, which is today importing Borosilicate, is that glass also can be classified as toughened or it's because of our furnace that we can classify it as toughened?

Shreevar Kheruka: So, I cannot comment on all competitors. But by and large, I would say that most of them would not have toughened glass, and we have toughened glass, because of our technology that we have implemented.

Hitesh Kumar Kiran: Great. I think it is good to know that. And second is coming to the BIS standards for the insulated bottles. Now, I believe, everybody has stocked up inventory, right, all the three players who were there in the market have stocked up. And I guess domestically there are not any players at least in the double walled glass bottles, right? Single wall it's still easy to make, and there's probably one player which is with a very small capacity. So, how are you, I mean, for this year I think you are anyways catered, I mean, everybody has enough stock. But going forward, how do you plan to overcome this particular BIS standardization in these double walled glass bottles?

Shreevar Kheruka: You mean double walled steel bottles?

Hitesh Kumar Kiran: Yes, steel bottles.

Shreevar Kheruka: So, there's more than one vendor, many people have set up operations, okay, in terms of manufacturing operations. Are they up to scale yet? Are they up to the cost yet? No, they are not. And that's the reason we believe it will take them some time, maybe 12 months or so to scale up. We are quite confident; it's not rocket science to make these steel bottles. End of day, you do not need some high-tech know-how or equipment, it's all quite simple. You need good quality stainless steel which we have, and we need people which we have. So, I do not see that it's going to be too much of a challenge for any competent person to do this. And there are almost 10 or 12 plants, which I am aware of, maybe much more than that even which have come up in India.

Hitesh Kumar Kiran: No, sorry, I am talking about double walled bottles, not a single wall. Yes.

Shreevar Kheruka: I am also talking about double walled only. There are almost 10 or 12 plants for double walled, which have been set up in India in the last few months. So, we are working with two, three of them to see who can supply with the quality that we need, the pricing and the quantities. So, it's a work-in-progress. I mean, it is definitely a risk for us, there's no getting around it, but we are working to mitigate it. Beyond that, it's hard for me to make any further comment on this.

Hitesh Kumar Kiran: And lastly, what is our debt figure as on date? And I believe there is Rs. 90-odd crores of payable to Borosil Scientific. So, is that true? And what is our current debt figure, if you can probably give that?

Shreevar Kheruka: Anand?

Anand Sultania: Yes. So, our net debt figure probably, which is Rs. 57.8 crores as on 30 of June, that broadly remains the same number as we have not repaid any further loans after that. We are in the process of making a long-term loan payment, which will be done probably in the coming week.

Hitesh Kumar Kiran: So, the Rs. 90 crores payable to Borosil Scientific still remains, right?

Anand Sultania: That still remains at the moment, yes.

Hitesh Kumar Kiran: And Rs. 57.8 crores is your working capital debt, which I believe should be outstanding?

Anand Sultania: 57.8 crores is the net debt. So, our term-loan at the moment as of 30 June is about Rs. 125 crores, and maybe a small working capital of about Rs. 7 crores, Rs. 8 crores. So, this position more or less remains the same. And now in the coming weeks, probably we will be making some term-loan repayments.

Moderator: Thank you. The next question is from the line of Aditi Bhatted from Nivesh. Please go ahead.

Aditi Bhatted: So, my first question is from the pressware facility. So, I missed your comment on the operational efficiency, so I want to know what the current operational efficiency from the line that we just installed in the pressware. And what kind of revenue are we targeting from that?

Because considering we are not importing and we are really producing it in-house, so what kind of growth in the revenue for this particular division can we expect?

And my second question is from the Opalware site. So, with the coming quarters, with the festivities around, so have we already started planning, of the current capacity utilization being almost full, so how do we plan to cater to the demand of the festivities?

Shreevar Kheruka: Okay. So, as far as pressware is concerned, I have mentioned earlier that we are operating the furnace at about 75% capacity utilization. And we are roughly selling 75% of what we produce and 25% is going into inventory for the season. And we expect to go to 100%, say, production by the end of this year. And we hope that by next year we will sell out the whole furnace, which is our desire. We will see how it works.

Aditi Bhatted: And what kind of revenue do we target from this?

Shreevar Kheruka: Yes. So, as far as FY '23 is concerned, glassware sales was Rs. 200 crores, sorry, FY '24 glassware sales was Rs. 200 crores for the whole year. And out of that, about 50% is pressware, roughly Rs. 100 crores. And with this production capacity, we can go to anywhere between Rs. 250 crores and Rs. 270-odd crores, okay? So, we can go to 2.5x or 2.75x of our pressware sales. And in the first quarter we have seen almost 50% plus increase in our revenue, so we hope to sustain that for the rest of the year.

Aditi Bhatted: So, that's completely on account of the pressware division? I mean, pressware facility, the float?

Shreevar Kheruka: Yes. More or less all of it, more or less all of it, Yes.

Aditi Bhatted: Okay. Right. And regarding Opalware?

Shreevar Kheruka: As far as Opalware is concerned, it's been a slow quarter for everybody, I think. And we do hope demand picks up on that. We have adequate demand and capacity at the moment to satisfy current demand. So, obviously, the planning, etc., for Diwali started long ago, and the inventory has been built. So, we just hope to see that with sales go through.

Aditi Bhatted: Okay. So, the existing capacity is sufficient enough to cater to the festive demand, right?

Shreevar Kheruka: Absolutely.

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

Shreevar Kheruka: Okay. So, thank you to all of those who participated. I do realize it's a long weekend and people want to get home, so thanks for all your questions and your interest in Borosil. We are very confident about our future, our consumer division has done very well in the first quarter, and we expect, and we hope to continue the performance. So, thank you for the support.

Moderator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.