



G M Polyplast Limited

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GST No. 26AACCG0610R1ZL

CIN No.: L25200MH2003PLC143299
ISO 9001:2015 & 22000:2018 CERTIFIED
Manufacturers of : HIPS, ABS, PET, PP, HDPE
Sheets and Premium Quality Granules

To,
The Manager,
Listing Department
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai – 400 001.

Ref: Scrip code: 543239, G M Polyplast Limited.

**Sub: Transcript of Conference Call with Investors and Analysts held
on November 18, 2024**

Dear Sir/Madam,

With reference to our previous communication dated November 09, 2024 intimating you about the Conference Call with Investors and Analysts held on November 18, 2024, please find attached transcript of the aforesaid Conference Call.

Kindly take the same on record.

**For and on behalf of the Board of Directors
G M Polyplast Limited**

**Dimple Parmar
Company Secretary and Compliance Officer
Date: November 21, 2024
Place Mumbai**

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“G M Polyplast Limited
H1 FY '25 Earnings Conference Call”

November 18, 2024



**MANAGEMENT: MR. DINESH SHARMA – CHAIRMAN AND MANAGING
DIRECTOR – G M POLYPLAST LIMITED
MR. PRANAY – CORPORATE CONSULTANT – G M
POLYPLAST LIMITED**

Moderator: Ms. KAJOL GOWDA – AKMIL ADVISORS



Moderator: Ladies and gentlemen, good day and welcome to G M Polyplast Limited. H1 FY '25 Earnings Conference Call. As a reminder, all participant lines should 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Kajol Gowda: Good evening. Thank you, everyone, for joining the Earnings Call of G M Polyplast Ltd. I am Kajol Gowda from AKMIL Advisors, and it is my pleasure to welcome you all. Today we have with us Mr. Dinesh Sharma, Chairman and Managing Director, Mr. Pranay, Corporate Consultant.

Now I would like to hand over the call to Mr. Pranay. Over to you, sir.

Pranay: Good evening, everyone, and thank you for joining us for the G M Polyplast Limited Earnings Call for H1 FY '25 results. We are pleased to have our esteemed investors, analysts, and stakeholders with us today as we will be discussing our financial and operational performance, focusing on key highlights and the strategic initiatives we are implementing to drive progress. Your support and engagement are essential to our continued success, and we deeply appreciate the trust you place in us.

To talk about company overview and performance highlights now, at G M Polyplast, we are committed to delivering superior sustainable plastic solutions that meet the diverse and evolving demands of our clients across industries, such as automotive, food packaging, medical devices, and consumer durables.

With a footprint that spans 15 states in India and over 15 countries worldwide, including key markets like the UAE, Israel, Hong Kong, and Jordan, we have established ourselves as a trusted partner known for our product excellence, advanced manufacturing capabilities, and a forward-thinking approach to industry challenges. The first half of FY '25 has been a period of steady progress.

We reported total revenues of INR4,292.38 lakhs, EBITDA of INR571.85 lakhs with a margin of 13.32%, and a PAT of INR362.27 lakhs, resulting in a PAT margin of 8.44%. By expanding our product range and enhancing operational efficiencies, we have responded effectively to market demands and strengthened our market position. We operate across 51,237 square feet and we plan to expand by 8,000 MTPA.

Our investments in advanced manufacturing and automation have significantly contributed to better operational efficiency and consistent production standards. Sustainability and Market Leadership. As a prominent participant in sustainable manufacturing, we take pride in



contributing to the creation of a circular economy through our recycling and resource efficiency efforts.

With approximately 1.9 million tons of PET bottle consumed annually, but only 0.99 million tons being recycled, G M Polyplast stands out among recyclers by recycling 2,000 tons of PET plastic waste each year. Our contributions to PET recycling reflect our dedication to environmental responsibilities and we continue to align ourselves with evolving industry standards to maintain our position as a preferred partner for eco-conscious clients.

In addition, our power capacity includes 35 kVA from solar energy, reinforcing our commitment to sustainability. Now future outlook and strategy focus. Looking ahead to the second half of FY '25 and beyond, we remain focused on further strengthening our market position. We see a promising outlook as we continue to expand our reach, diversify our product offerings, and pursue new growth opportunities in high-potential areas like advanced thermoplastics and customized solutions for niche industries.

We are excited to showcase our innovative and sustainable packaging solutions at PET Plast Africa 2024 in Nairobi, Kenya on 20th, 21st, and 22nd November 2024, where we will connect with industry players and explore new growth opportunities. Additionally, our recent success at Prawaas 4.0 in Bangalore held on 29th, 30th, and 31st August 2024 highlighted our safe and sustainable mobility solutions and further underscored our commitment to innovation.

As we move forward, our focus will be on expanding market share and exploring growth opportunities in high-demand sectors like sustainable packaging, advanced thermoplastics, and customized compounding solutions. By venturing into materials like ABS, PMMA, ASA, and PC, along with our environmentally conscious manufacturing practices, we at G M Polyplast are strengthening our market position.

With a dedicated team, a solid operational foundation, and a strong financial position, G M Polyplast is well prepared to capture emerging opportunities and deliver value to our stakeholders. Thank you once again for your time and trust in our journey.

We look forward to answering your questions and engaging with you further. Thank you.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Ananya Bhatt with TY Capital. Please go ahead.

Ananya Bhatt: My question is, what were the key reasons behind the lower earnings in H1 FY '25 compared to H1 FY '24?

Management: Yes. Sorry, I didn't get you. Can you repeat, please?

Ananya Bhatt: Just a second. Sir, what were the key reasons behind the lower earnings in H1 FY '25?

Management: Yes. Okay. So, the main reason being that as of now, in last financial year, there were our total two operational units, Unit 1 and Unit 2. Now, we have closed the Unit 2 on 31st March 2024,



and we had shifted the total entire plan from Unit 2 to Unit 1. So, we had combined now total in one place under one roof.

So, the transfer of the machineries and the installation of the machineries, it took around 2 months. So, being the region for 2 months, the production was like hampered. So, that's the main reason.

Ananya Bhatt: Okay, sir. Okay. I understood. If I have any question, then I'll get into the queue again. Thank you, sir.

Management: Yes, please. Thank you.

Moderator: Thank you. Next question comes on the line of Tushar Vasuja with Yogya Capital. Please go ahead.

Tushar Vasuja: Thank you for the opportunity. Sir, what's your current capacity utilization?

Management: Current capability of?

Tushar Vasuja: Current capacity utilization?

Management: Yes. So, current capacity utilization is around 60% to 65%

Tushar Vasuja: 60% to 65%. And, sir, what's the peak utilization you can achieve from this plant?

Management: Peak will be around 85% to 90%, depending on the situations.

Tushar Vasuja: Okay, sir. And around those levels of utilization, how much peak revenue can you generate?

Management: How much peak revenue? If, means, no, please repeat this question?

Tushar Vasuja: Sir, what is the peak revenue you can generate from your current facility?

Management: Actually, I cannot disclose you the right revenue as of now. Because the market is like very unpredictable.

Tushar Vasuja: So, at current prices, let's say, at current prices, what will be the peak revenue?

Management: It will be almost same, whatever is right now.

Tushar Vasuja: Okay, sir. And, sir, is the current capacity 10,000 tons per annum or 18,000 tons per annum?

Management: No. Current is 18,000 metric tons per annum. And we have, like, approximately 10 to 12,000, 10 to 11,000 we are utilizing.

Tushar Vasuja: Okay, sir. And, sir, there's some mention that you're going to expand the capacity by 8,000 tons per annum. So, what will be the cost for that expansion?



- Management:** Actually, we are still working on that. And, but it will be approximately, it depends, like, there are many factors for that, the working capital, the capital investment. So, all that we have, we are now working on that.
- Tushar Vasuja:** Okay, sir. And how would that, how would the investment be funded?
- Management:** Maybe, if you have got, maybe you can mail us all these things, so we can do the entire study and then I'll mail you.
- Tushar Vasuja:** Okay, sir. And, sir, what's the current revenue distribution in terms of sheets and granules?
- Management:** It is around 80% of the sheets and 20% of granules.
- Tushar Vasuja:** Okay, sir. And, sir, what percentage of granule production is captive used?
- Management:** Captive read It is used around 50% to 60%.
- Tushar Vasuja:** 50% to 60%. Okay, sir. If I have any more questions, I'll get back it in the queue for that.
- Management:** Okay. Thank you.
- Moderator:** Thank you. Next question comes from the line of Rajesh Tambe with VR Consultant. Please go ahead.
- Rajesh Tambe:** Well, I'm going through, I've been in the industry for 35 years. I mean, you're doing a fantastic job because I feel very happy because you people are building India. So, I'm very happy. One thing, in fact, what I want -- Think it and then doing it.
- Management:** No, sorry, your voice was not reachable. Please, can you repeat?
- Rajesh Tambe:** I said, I feel very happy at this age when I see India growing and you people contributing to so much to the GDP of this country, because it is not the Tata's, Birla's or the Adani's who are contributing to the GDP. I mean, it's the SMEs of India, people like you are contributing to the growth of this country.
- You are the growth engine of India. I mean, when I'm talking about 60 million Cluster units, giving growth GDP of, contributing 35% to India GDP, what my question, what I want to know and educate myself is that the product what you're manufacturing, is it the virgin material or is it the recycled plastic?
- Management:** Sir, it's a combination of both. It's like we are now focusing to use maximum quantities of recyclables. So, where we can think about the sustainability and now even again, our Prime Minister, Mr. Modi had also asked the industries, all the major industries to consume major of the recycled material. So, again, our focus is so majorly to use recycled material wherever it is possible.
- Rajesh Tambe:** Absolutely. Fantastic. You're doing a great job.



Management: Thank you, sir.

Moderator: Thank you. Next question comes from the line of Sujal Mori an Individual Investors. Please go ahead.

Sujal Mori: Well, my question was you have emphasized automation. Could you provide an example of specific automation tools or process implemented recently and the impact on cost and efficiency?

Management: See, like it's in our industries, we are like getting, we are trying to get all the imported stuff in our factory, like which is online packaging material where the less labels are used and the high output machines with the best quality of the material.

Sujal Mori: Okay. And the question was international sales contributing significantly. How are you managing forex risk? So, my next question was with international sales contributing significantly, how are you managing forex risk and what was the forex impact on margins during this period?

Management: See, forex risk or the fluctuation of the market, it's not so much like effect to us because we are both, we are doing import and export as well. So, it balances out.

Sujal Mori: Okay, sir. Got it. Thank you so much.

Moderator: Thank you. Thank you. Next question comes from the line of Neeraj Singhania with Tradepty. Please go ahead.

Neeraj Singhania: Yes, sir. Neeraj this side. Just have a few questions. The first one is the additional 8,000 MTPA capacity expansion is a significant investment. Could you elaborate on how this will be funded and will it involve internal accruals, debt or equity?

Management: No. So, for this additional, now we are coming up with, we are planning for FPO because to add 8,000 MTPA, it requires a huge amount of investment we require. So, we are planning to come with the FPO.

Neeraj Singhania: Okay. And the other question is, what is the expected ROI and payback period for the planned capacity expansion?

Management: Sorry, what is the expected?

Neeraj Singhania: ROI?

Management: Yes, that depends. That after when we receive the amount from the FPO, we will work it on that and means we have to do proper planning for that now.

Neeraj Singhania: Okay. Thank you.

Moderator: Thank you. Next question comes to the line of Manav Jamane, an Individual Investors. Please go ahead.



- Manav Jamane:** Sir, your recycle 2,000 tons of pet annually. So, how do you plan to scale this initiative and how does it align with the government regulation on plastic usage and recycling?
- Management:** No, no. Can you repeat your question, please?
- Manav Jamane:** Sir, how do you plan to scale this initiative and how does it align with the government regulation on plastic usage and recycling?
- Management:** See, the government regulations, the government has passed the notifications to use maximum quantities of the recycled materials. So, it is going to help our industry. And for that only, we are now, for the pet bottles, now we are looking out for some good imported machines, all automatized washing lines. So, we get the quality material for that.
- Moderator:** Thank you. Next question comes from the line of Tushar Vasuja with Yogya Capital. Please go ahead.
- Tushar Vasuja:** Thank you for the opportunity again, sir. So, what percentage of the revenue are from export and what are the major countries that you export to?
- Management:** See, it's around 3% to 4% of our turnover as of now in exports. And now we are looking to expand our business in export markets. So, now we are planning to participate in lots of foreign exhibitions. Now, in this month itself means maybe after 2 days, there is one exhibition in Kenya where we had participated.
- Till now, on our books, there is no African market. But now, we are planning to expand all over the world. So, now in coming 2 to 3 years, we are targeted to participate at least in 8 to 10 foreign countries in exhibitions. And also, all the foreign online portals, we had started ahead.
- Tushar Vasuja:** Okay, sir. And so, let's say 3 to 4 years down the line, what's your expected turnover from exports?
- Management:** As of now, I told you it's around 4%. But we are targeting maybe in another next 2 years, we are targeting it should reach around 10% to 15% of exports.
- Tushar Vasuja:** Okay, sir. And so, if you look at your financials, there was around 3% drop in your EBITDA margin compared to H1 FY '24. So, is there any margin pressure that you're facing currently? Margin or pricing pressure?
- Management:** No, actually, previously, in last financial year, there were two operational units, Unit 1 and Unit 2. Now, we had stopped the Unit 2 on 31st March. And we had shifted our factory from Unit 2 to Unit 1. So, that all should be under one roof. So, everything will be in control, all parameters will be in control. So, for shifting and installation of the margin, it took around 2 months. So, that's the reason the margin is low.
- Tushar Vasuja:** Okay, sir. So, this was only a one-time thing and coming quarters onwards, you will be back to your 16% around the margins. Is that correct?
- Management:** Yes, expected. Maybe, you see, our vision is always more and more margins.



- Tushar Vasuja:** Okay, sir. And sir, I am a bit new to your company. So, I have this one confusion, your Fintechs are worth around INR6 crores. So, how are you able to generate INR90 crores to INR100 crores of revenue? How are you able to generate such a high turn?
- Management:** No, sorry. Can you repeat?
- Tushar Vasuja:** So, your fixed assets are currently INR6 crores, somewhere around INR6 crores. And with that, you are able to generate INR90 crores to INR100 crores of revenue per year. So, how are you able to generate such a high turn?
- Management:** No, INR6 crores is in -- no, where is the INR6 crores figure? What you are told?
- Tushar Vasuja:** Your fixed assets? Fixed assets, sir. Fixed assets.
- Management:** Fixed assets, okay. So, now what you are telling, so what is your question now?
- Tushar Vasuja:** So, my question is, how are you able to generate such a high amount of asset turn?
- Management:** One second. So, see, this is not like, we have got all these assets are as of now means old machineries only. Majorly, it's already old and this is all continuous process only.
- Tushar Vasuja:** Okay, sir. And sir, one last question. So, what would be your long term revenue and EBITDA targets 3 years down the line?
- Management:** See, I cannot discuss you as of now for these figures. We are working on that. Now, all depends on, we are just waiting for the investments from the FPO. And then we will, so figures are not, I cannot disclose you the figures as of now.
- Tushar Vasuja:** Okay, so when will the process of the FPO start?
- Management:** We are under process. Maybe it will take some time.
- Tushar Vasuja:** Okay, sir. Fair enough.
- Moderator:** Thank you. Next question comes from the line of Sunny, an Individual Investor. Please go ahead.
- Sunny:** So, I just want to have a question. You have entered premium segments such as ABS, PMMA and ASA and PC. So, are the investments in this material diluting margins in the short term? And when can this segment been contributing positively to profitability?
- Management:** No, I didn't get yours.
- Sunny:** Yes. So, my question is that you have entered premium segments such as ABS, PMMA and ASA. So, are the investments in this material diluting margin in the short term? And when can this segment been contributing positively to profitability?
- Management:** See, actually, we are just entering this market. So, maybe it will take us to at least next 3 to 6 months to get a full utilization of this market. Because this is a very niche market and where we



have to deal with all big brands of the company. So, this is all the process. Maybe it may take around 3 to 6 months for this. Our sales team are following up with them.

- Sunny:** Okay. Thank you, sir.
- Moderator:** Thank you. Next question comes from the line of Naina Sharma and Individual Investor. Please go ahead.
- Naina Sharma:** Sir, my question to you was like, what percentage of revenue in H1 FY '25 was contributed by exports? Have any new markets been targeted or expanded?
- Management:** See, the export market percentage is around 4% to 5% as previous compared to last 1 or 2 years. As of now, the international market is very much disturbed because of the war situation everywhere. Anyhow, we were targeting to expand our market for the internationally. But since the war situation is everywhere, so now we are targeting, we hope that the coming financial years, we should expand our export market at least by double.
- Naina Sharma:** Okay. Sir, are there any significant strategic investments planned to address the revenue and margin challenges highlighted in H1 FY '25 results?
- Management:** Yes. See, everything is planned out. Like to reduce our expenses and to improve our production capacity. So, we are on our path now.
- Naina Sharma:** Okay, sir. And last question, sir. Your debt-equity ratio remains stable. Are there plans for further capital expenditure and how will these be financed?
- Management:** Yes. Actually, finance, we are just waiting for our FPO approval. So, we are coming up with the FPO. And so, as soon as when we receive the investment from the FPO, then we are going to expand our business.
- Naina Sharma:** Okay, sir. Okay. Thank you so much for answering.
- Moderator:** Thank you. Next question comes from the line of Preeti Bharadwaj, an Individual Investor. Please go ahead.
- Preeti Bharadwaj:** I have a question, sir. I saw in your Press Release about your upcoming event in Africa. What are your expectations from Pax Plus and do you anticipate signing new contracts or exploring collaborations at the event, sir?
- Management:** Yes, ma'am. There are lots of means communications going on because in the exhibitions, we meet many of the customers and like the exhibitions results may mostly come after 3 to 6 months. But we hope so that we will, but we hope because we have got a very positive response from the exhibitions. And that's the reason we are participating in more and more exhibitions now.
- Preeti Bharadwaj:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, we have reached the end of question and answer session. I would now like to hand the conference over to Kajol Gowda for closing comments.



*G M Polyplast Limited
November 18, 2024*

Kajol Gowda:

Thank you, everyone for joining the earnings call of G M Polyplast Limited. For any questions or further discussions, feel free to reach out to us at info at [akmiladvisors.com](mailto:info@akmiladvisors.com) or kajol at [akmiladvisors.com](mailto:kajol@akmiladvisors.com). We appreciate your time and look forward to staying connected. Thank you so much.

Moderator:

Thank you. On behalf of G M Polyplus Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.