

**Date:11<sup>th</sup> August 2023**

To,  
The Listing Manager  
Department of Corporate Services  
Bombay Stock Exchange  
P. J. Towers, Dalal Street,  
Mumbai – 400001

To,  
The Manager  
Listing Department  
National Stock Exchange of India Limited  
"Exchange Plaza"-C1,Block G  
Bandra-Kurla Complex , Bandra (E)  
Mumbai 400 051

Scrip Code:532841

SYMBOL:SAHYADRI

**Sub: Transcript of Analysts / Investors conference call**

**Ref: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Mam,

Enclosed herewith transcript of the Analysts / Investors conference call held on Monday, 07<sup>th</sup> August 2023. The same is also available on the Company's website i.e. [www.silworld.in](http://www.silworld.in)

You are requested to kindly take note of the same.

Thanking You.

Yours Faithfully,

**FOR SAHYADRI INDUSTRIES LIMITED**

**RAJIB KUMAR GOPE**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**M. NO: F8417**



# “Sahyadri Industries Limited Q1 FY24 Earnings Conference Call”

**August 07, 2023**

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**MANAGEMENT: MR. TULJARAM MAHESHWARI – CEO, CFO &  
WHOLETIME DIRECTOR, SAHYADRI INDUSTRIES  
LIMITED  
MR. ARVIND GARG – FINANCIAL CONTROLLER,  
SAHYADRI INDUSTRIES LIMITED  
SGA – INVESTOR RELATION ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Sahyadri Industries Limited Q1 FY24 Earnings Conference Call.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 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. Tuljaram Maheshwari – CEO, CFO and Wholetime Director. Thank you and over to you, sir.

**Tuljaram Maheshwari:** Good evening, everyone and thank you for joining us on Sahyadri Limited Q1 FY24 Earnings Conference Call. I hope everyone has had a chance to view our “Financial Results and Investor Presentation” which were posted on the Company's website and Stock Exchanges. I am accompanied by Mr. Arvind Garg - Financial Controller and SGA – our Investor Relation Advisor on this call today.

**Let me begin with a brief overview on the industry dynamics:**

The rural economy has witnessed a growth at a slow pace over last few quarters and the current operating environment has presented significant challenges for the businesses in this industry. The steep hike in raw material prices such as asbestos on account of geopolitical tension between Russia and Ukraine, coupled with the surge in freight and fuel costs, resulted in a rise in the overall expenses. The raw material prices had risen rapidly during FY23, having said that, the increased raw material prices is the new normal for the overall sector.

**Now moving to the performance during the quarter:**

Amidst all the challenges, Sahyadri Industries registered a topline growth of 18.1% on Y-o-Y basis, similarly a growth of 34.7% was recorded sequentially, indicating a resilient performance while maintaining its market share along with leadership position in Western India. We have undertaken 5% to 6% of the price hike on our products to offset the hike expenditure incurred towards the raw material cost. Although the Company has taken a price hike; however, a substantial part of the price hike is yet to be passed on to the customers. The Q2 of the financial year is seasonally a weak quarter, which leads to a marginal correction in the product pricing. Going forward, we do hope for gradual recovery on the back of normal monsoon across the country, hike in credit cost MSPs and modulation in the inflation. The higher spending by the

government might also boost rural sentiments. In Q1 FY24, the capacity utilization was 94% whereas it was 85% for the corresponding quarter last year.

**Now, I move to the CAPEX update:**

Our capacity expansion in Maharashtra state for manufacturing of non-asbestos cement board plants having capacity of 72,000 metric tons have been initiated. The land has been identified and land acquisition is in process. Also, the Company is in process of setting up a new unit of Orissa state of manufacturing asbestos corrugated sheets of 1,20,000 metric tons.

**Now moving on the financial performance:**

As you have seen from the financial results and the investor presentation, just for the repetition, total income stood at Rs. 226 crores in Q1 FY24 as compared to Rs. 191.2 crores in Q1 FY23. The growth in the total income is attributed towards volume uptick coupled with price hike. EBITDA for the quarter came at Rs. 28.5 crores, the decline in EBITDA on a Y-o-Y basis on account of a rise in raw material prices coupled with higher expenditure towards stabilization of the operation at Perundurai plant where EBITDA witnessed a growth of 85% sequentially. EBITDA margin is reported at 12.6% in Q1 FY24, an improvement of 340 bps as compared to Q4 FY23. PAT for the quarter stood at Rs. 15.1 crores, PAT margin stood at 6.7%.

We at Sahyadri are committed towards the goal of becoming a Pan India player, which means that we will continue to explore new markets, increase our market penetration, improve operational efficiency and produce more value-added products. Thank you. Now, I open the floor for the questions and answers.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Faisal Hawa from H. G. Hawa and Company. Please go ahead.

**Faisal Hawa:** When you say that you want to expand into many geographies, which are the ones which come first to your mind and where we can easily expand and there is some kind of a brand recall also and how many distributors that we want to increase amongst these geographies? That is one and secondly, sir, do our top 5 distributors even contribute to more than 20% of revenue?

**Tuljaram Maheshwari:** See, coming to your first question, actually, we are open for the geography where we are not present that say UP and also the East part, okay, and as such, at present, we could not get any opportunity and as and when it comes, definitely it will be informed to all the shareholders. Coming from the distributor sales, actually we generally don't have a distributor as such, but we have the big and small dealers. So, as such giving you the data for who are the top 5 or like that is not practically possible.

**Faisal Hawa:** I did not mean to say who are the top five, do our top five dealers or distributors contribute to even 25% of our revenue?

- Tuljaram Maheshwari:** No, it can't be. We don't have any distributor who is giving us 25% of revenue.
- Faisal Hawa:** Do the top five contribute to more 25% top 5?
- Tuljaram Maheshwari:** No, we don't have the top five which give a 25% contribution.
- Faisal Hawa:** So, you mean to say after Maharashtra, we will be targeting UP for our further expansion?
- Tuljaram Maheshwari:** Yes.
- Faisal Hawa:** So, would something like Rajasthan or Madhya Pradesh not be easier?
- Tuljaram Maheshwari:** Rajasthan, we don't want to go and Madhya Pradesh also, we don't want to go. The first target is the UP.
- Faisal Hawa:** And sir, what about exports, do you see any kind of potential there and how will we approach that, and which are the countries that could be potential? Could export to be a large percentage of our revenue, say 3 years down the line?
- Tuljaram Maheshwari:** See, We are already doing the export; mainly, the export is the NAFS product. That is the board and roughly at present, our export is around, if you see the NAFS total capacity, around 46% we are exporting, and which is the ongoing process and seeing the potentiality mainly once the Ukraine war gets closed and we see that lot of opportunity will come at the UK then.
- Faisal Hawa:** And sir, what is the main reason for our return on equity and ROCE going down so much in FY23?
- Tuljaram Maheshwari:** FY23 or FY24?
- Faisal Hawa:** Sir, I am referring to your presentation slide number 25, return on equity and return on capital employed?
- Tuljaram Maheshwari:** So, you are comparing with FY21. FY 21 is an exceptional year, so there is no comparison with that, but generally, on an average that is what the trend is, okay. So, particularly FY21 and FY22 is a COVID time periods, and we got a first mover advantage in the market because our plant started much earlier than other competitor's plants and that was the season time also. If you remember, COVID started somewhere in the March and April to June was the season period. So, we got that first mover advantage of the early start of the plant and that is the reason, but those are the exceptional years.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

- Saket Kapoor:** Sir, for the value-added product segment, what percentage of our sales contribute to value added, and what is our endeavour to reach the value-added product scale by the end of this financial year?
- Tuljaram Maheshwari:** See, as I am maintaining that the value-added endeavour is 25%. Presently, we are at 17%-18%.
- Saket Kapoor:** Sir, when we speak about value added, does the pricing part gets into, or the fiber content go down, how do we define this?
- Tuljaram Maheshwari:** It is the pricing part.
- Saket Kapoor:** It is only the pricing part, but the requirement?
- Tuljaram Maheshwari:** The value added it doesn't have the fiber because it is the non-asbestos product, because there is hardly any value addition in the roofing business.
- Saket Kapoor:** Going ahead this year, we are looking for 25% to be the value added?
- Tuljaram Maheshwari:** I think we have the internal target to reach 25% at the end of say Q4, we may touch 25% of the value-added product.
- Saket Kapoor:** Sir, for the first quarter, for the roofing business, the seasonality sector plays into, and 1<sup>st</sup> Quarter generally is the best quarter, so taking into account the aspect of the erratic monsoon also and the flood situation also, sir, how are you seeing and what note we have started the year and how this financial year looks like in terms of the volume growth And on pricing you said that there is still pressure of around 4% to 5% of input cost which we are going to convert in the selling price in future . Please give your views on that.
- Tuljaram Maheshwari:** There we have two things, one is the cost increase, particularly if you compare the 1st Quarter of the last year. Compared to that the fiber cost itself has increased by 44% and in the mix, it works out 50% that, works out 22%, and against the increase of 22%, hardly 5% to 6% have been passed on, and in addition to that other cost has also increased. So, going forward, Q2 generally is a very slow quarter. There is an endeavor to at least try to get that increase what it is. It cannot be 100% of that, but still, we will try to push it to Q3 and Q4. Now Coming to your second question, this quarter was comparatively better if you see the last year, so one is we got the benefit of the new expansion, we got a capacity now and now it has started selling from the Perundurai plant. In addition to that, in certain geography, we have done the good volume of sales. So, there is a good volume increase also. So, looking at now, Q2 would be dull, I think Q3 and Q4 would give you the better sales growth.
- Saket Kapoor:** Sir, I somehow missed that increase in fiber prices part, can you come again, 44 and 52, I missed the number?
- Tuljaram Maheshwari:** 44% was the price increase last year in the 1st Quarter and 2nd Quarter compared to the previous quarters and 50% of that is being used in the product. So, the impact is 22%. That is the price

cost increase is 20% to 22%. Against that, we could pass on only 5% to 6% so far. Now the Q2 again, there may be some reduction, but for Q3 and Q4 there is all chance that partly we may still get a price increase. That is what my point is.

**Saket Kapoor:** And sir, we have also seen that traditionally that in Q2, the quarter which we are there is a price cut, but one of the your competitors did mention in their call that for this year none of the players has taken a price cut, so maybe because of the prices of the raw materials have not been passed on that is why we have not done?

**Tuljaram Maheshwari:** I think mainly that is the reason.

**Saket Kapoor:** Sir, depending upon the demand situation, even can we opt for a price cut for this quarter, as there is a tradition?

**Tuljaram Maheshwari:** Chances are less, but beyond a point if the material is not moving in the market, then there may be, but the chances are very less.

**Saket Kapoor:** Sir, utilization levels, how does that shape up for Q2, sir, 94% we did for the first quarter?

**Tuljaram Maheshwari:** That is capacity utilization you are talking?

**Saket Kapoor:** Yes, sir.

**Tuljaram Maheshwari:** The capacity utilization would be better. The reason is that the inventory level at the end of Q1 was much much low in my all the plants. So, there would be a production, which does not mean it is getting sold. So, generally, what we do is Q2 is dull, but we produce to the extent we can maintain the inventory.

**Saket Kapoor:** Q2 sales are definitely not comparable with Q1 because of the seasonality?

**Tuljaram Maheshwari:** Definitely.

**Saket Kapoor:** But it will be better still we can look at depending upon today's environment because of the pricing power benefit also, it might look better than what last year Q2 was?

**Tuljaram Maheshwari:** In my opinion, yes.

**Saket Kapoor:** And sir, what was the contribution from our Tamil Nadu new unit, sir, how are the utilizing levels ramped up there?

**Tuljaram Maheshwari:** Presently, we are at 60% capacity utilization and gradually it will go to 75% by the Q4.

**Saket Kapoor:** Sir, when we mentioned 94, how do we come to that figure?

**Tuljaram Maheshwari:** That capacity is very small compared to the total capacity.

- Saket Kapoor:** What is the significance of this 94% when it is mentioned that we are at 94%, what are we accounting for this 94%?
- Tuljaram Maheshwari:** Accounting all the plants.
- Saket Kapoor:** But one of the plants is at 65, when how?
- Tuljaram Maheshwari:** But that capacity is very low. My total capacity is 69,000 against the 6000 of it is a 55% that doesn't make any difference.
- Saket Kapoor:** That Perundurai plant is a very small plant, so what is the installed capacity there, sir?
- Tuljaram Maheshwari:** That capacity is 6000, but total installed capacity is 69,000.
- Saket Kapoor:** What is the total capacity we have added now?
- Tuljaram Maheshwari:** 69,000 tons.
- Saket Kapoor:** And that takes the total number of our installed capacity for the Pan India number is how much?
- Tuljaram Maheshwari:** I am saying 69,000 is my total capacity of all the plants. Out of that, Perundurai plant, that new line which started is 6000 tons.
- Saket Kapoor:** And the next year, what are we expecting in terms of commercialization, any further capacity additions will come?
- Tuljaram Maheshwari:** Capacity, next year won't come, may come next to next year.
- Saket Kapoor:** And it will come in phases, sir?
- Tuljaram Maheshwari:** Wada will come. Wada, we are planning the FY24-25, maybe Q4 or the early FY25-26.
- Moderator:** Thank you. The next question is from Balasubramanian from Arihant Capital. Please go ahead.
- Balasubramanian:** Sir, I just want to understand the CAPEX part, we are doing CAPEX, Orissa and Maharashtra each Rs. 94 crores for asbestos corrugated sheet, non-asbestos cement boards, so I just want to understand the funding mix and when the CAPEX will be completed, I just want to understand the payback period and what could be the incremental revenue for this CAPEX?
- Tuljaram Maheshwari:** See, as I mentioned, the CAPEX would be completed either in the Q4 of FY 25, that means FY24-25 or the early of FY 25-26 and once it is completed, it will start at the rate of 60%-70% capacity utilization. So, in FY25-26, we may get the benefit of around, say Rs. 40-Rs. 50 crores additional revenue.

- Balasubramanian:** Sir, on the margin side, like if you look at FY2018-19, we did around 24% kind of margins, but right now it is around 12% to 14% kind of margins, so how do you look at margins going forward?
- Tuljaram Maheshwari:** See the margin as I mentioned, the raw material cost has increased considerably, particularly in the roofing business and which has impacted and it has not impacted only us, but all the industry players. So, that is what is going to be the new normal. Now, what is the price increase placed into the market that will put into the extra margin positive. So, that is the ongoing process, and generally we don't give any, how much would be the margin in future.
- Balasubramanian:** Sir, on the working capital side, if you could throw some light on our inventory levels and payables and receivable terms with vendors and customers if you could throw some light on?
- Tuljaram Maheshwari:** See, our payable is around 30 days and our receivable is less than 20 days.
- Balasubramanian:** On the inventory side, sir?
- Tuljaram Maheshwari:** Inventory side is almost, say 80 days.
- Moderator:** Thank you. The next question is from the line of Rajat Setiya from iThought PMS. Please go ahead.
- Rajat Setiya:** Sir, can you please break this capacity of 69K, which I guess monthly, into the three segments we have?
- Tuljaram Maheshwari:** We have two segments, one is the non-asbestos, second is the asbestos. So, if we see the roofing, asbestos is 50,000 tons and board is 19,000. Out of that 19,000, around 6000 is the asbestos and the balance is the non-asbestos, but we can produce 19,000 non-asbestos, and we can produce 19,000 asbestos also. So, it is a mix of both, depending on the demand, accordingly it gets produced.
- Rajat Setiya:** And the flat sheets you are categorizing with boards only, is that how it is?
- Tuljaram Maheshwari:** Yes.
- Rajat Setiya:** And between flat sheets and boards, is there any differentiation in terms of –
- Tuljaram Maheshwari:** Both are the same.
- Rajat Setiya:** Both are same only?
- Tuljaram Maheshwari:** Yes.
- Rajat Setiya:** I was saying in terms of applications of these flat sheets or the boards, so how are they different from MDF?

- Tuljaram Maheshwari:** See, MDF has their own issues that say fire, termite and water. They are all having a negative side, whereas these boards are safe from termite, fire and water, so that is one. Then coming to the second, there is a cost difference between MDF and plywood versus this is around 40% and with those three added advantage of termite free, water free and fireproof, so that gives plus point to our boards.
- Rajat Setiya:** 40% difference is in favor of boards?
- Tuljaram Maheshwari:** In favor of our boards.
- Rajat Setiya:** In terms of weight, I think our boards will be more bulkier, right?
- Tuljaram Maheshwari:** Because it is cement involved in this, but if you are putting mezzanine floor or you are putting a partition that gives the added advantage in view of the strength.
- Rajat Setiya:** And sir, do we make high density boards as well ?
- Tuljaram Maheshwari:** Yes, we make, we don't make it to the base, but otherwise we make. That is equivalent to high board.
- Rajat Setiya:** And what percentage of volumes does this particular product?
- Tuljaram Maheshwari:** Hardly, it is very meagre quantity.
- Rajat Setiya:** And sir, what is the difference between the margin profile of boards and the roofing at gross margin levels?
- Tuljaram Maheshwari:** Margin because of now there is a price difference in the raw material cost, so the margin is a little less in roofing versus the board.
- Rajat Setiya:** Which difference, like 10%-15% differential or higher or lower?
- Tuljaram Maheshwari:** It is single digit.
- Rajat Setiya:** You are talking about, I think EBITDA margins, right, single digit EBITDA margin?
- Tuljaram Maheshwari:** Yes.
- Rajat Setiya:** On the roofing business, in your experience, whenever general elections have happened in the past in the country, have you seen any particular impact on demand in the previous year, just one year before the election?
- Tuljaram Maheshwari:** Generally, I have not observed that, but actually, I joined this Company in 2020 and this election is in 24. Let me see what is going to be the impact, but I have not observed that into that line your question is.

- Rajat Setiya:** And sir, what will be the pricing differential of our roofing product, of our roofing sheets vis-a-vis our competitors?
- Tuljaram Maheshwari:** See, particularly in the West market, we are in the positive side whereas in the South market we are negative side, Rs. 2-Rs. 3 where we are positive and that side, we are Rs. 2-Rs. 3 negative.
- Rajat Setiya:** And at the Company level, what kind of raw material mix do we have? How much if our raw material cost is Rs. 100, how much of that 100 bucks we are spending on, let us say asbestos, cement and other stuff?
- Tuljaram Maheshwari:** Asbestos is around 50%. Balance is others
- Rajat Setiya:** And how much would be cement, sir?
- Tuljaram Maheshwari:** It is a mix of that.
- Moderator:** Thank you. The next question is from Aditya from Securities Investment Management. Please go ahead.
- Aditya:** Sir, these high raw material prices are going to be the new normal, so can the roofing business see a threat from the metal sheets, which might not be trading at such high prices?
- Tuljaram Maheshwari:** At these prices, we are not facing it, but if the prices goes up from this, then definitely there would be issue, but metal also has their own issues.
- Aditya:** What is the current differential between metal and asbestos now?
- Tuljaram Maheshwari:** Still, it is three times.
- Aditya:** And sir, we have mentioned that you have taken price hikes of around 5% to 6%, so has the competition also taken similar price hikes or have we been a little aggressive?
- Tuljaram Maheshwari:** I think depends on individual market everybody would have been looked into and taken the price increase. I don't have the numbers of others, but wherever I am present, I am finding that everybody would have been taken.
- Aditya:** Sir, we have been hearing that some of the peers are expanding capacities in the roofing business and is not growing at a similar pace, so do you expect these price hikes which the peers have taken, we would have to overturn that because of the increasing supply?
- Tuljaram Maheshwari:** I think the people who are taking expansion or the new capacity, wherever they feel that they could sustain in selling, they are taking that way as we are looking in the East because we are not present. Similarly, others may be doing it and I don't think extra capacity would have a pressure on the pricing. There may be pressure on the pricing for the one or two quarters when you start the production, but after all you have to match with the other market trend.

- Moderator:** Thank you. The next question is from Darshil Pandya from Fintrest capital. Please go ahead.
- Darshil Pandya:** In the opening commentary, you just said that theraw material prices are the newnew?
- Tuljaram Maheshwari:** Yes.
- Darshil Pandya:** So, I just want to understand what will be going forward, how does this year looks like?
- Tuljaram Maheshwari:** I don't think the price increase would be there in the raw material. Only the impact, maybe if something goes in the dollar rupee equation Northward or Southward that may be impacted. Otherwise, I don't see any increase in the raw material cost going forward.
- Darshil Pandya:** And on the second part, in the earlier concall, you said that fiber has been taken up from two countries precisely one is Brazil and the second is Kazakhstan, so I just want to understand from your end, does India has an issue with taking anything from Kazakhstan or how is it?
- Tuljaram Maheshwari:** No, we are getting from Kazakhstan. That is not an issue.
- Darshil Pandya:** So, you are getting it?
- Tuljaram Maheshwari:** Yes.
- Darshil Pandya:** For example, what mix would you take from Kazakhstan or any price issue?
- Tuljaram Maheshwari:** 60% to 40%, the prices that depend on the fibre's grade.
- Darshil Pandya:** And one last question, sir, on the inventory part, so you said that from last year to this year the fiber prices have gone up like 44%, so the inventory that we have as on the date when will it get over and the prices are stabilizing? When will you know we get something like a benefit from a low inventory channel?
- Tuljaram Maheshwari:** That generally you know because of this issue of Ukraine and Russia, we have kept the inventory earlier the 8 months; now slowly,gradually we are going to have , 3-4 months. So, whatever the extra inventory we have, that is going to be consumed by third quarter and from fourth quarter onwards, we will be in the level of it.
- Darshil Pandya:** It is from Q4, right?
- Tuljaram Maheshwari:** Yes.
- Moderator:** Thank you. The next question is from the line of Nikhil from SIMPL. Please go ahead.
- Nikhil:** Sir, first question was, you said the capacity which is coming in the market so if you look at the demand and the supply, would you say the demand should be able to consume the additional

capacities in one and one and half year and in your sense, what is the total additional new capacities which are coming in the market over next one year?

**Tuljaram Maheshwari:** See, next one year, I am not getting any extra capacity. Whatever I have that I am going to utilize with the full capacity. We would try to utilize full capacity. As regards the new capacity whosoever is bringing, I think mainly it is coming in the non-asbestos business, and there I think there is a big gap between the demand and supply and the market is going to be much bigger as we progress.

**Nikhil:** So, in asbestos, you are not looking at any large capacity addition?

**Tuljaram Maheshwari:** We are looking only the area where we are not present.

**Nikhil:** And how much of the total current installed capacities of all the players together would be like what, 4%-5% additional new capacity or it would be a large quantum?

**Tuljaram Maheshwari:** I don't think it would be 4% to 5% the new capacity which is coming. I don't see it is 4% to 5%.

**Nikhil:** So, it will be a larger number or smaller than?

**Tuljaram Maheshwari:** It will be, I think, lower than 5.

**Nikhil:** And secondly, sir this time like if you look at it this year, the numbers for most of the asbestos players have been weak, but if you look at the channel inventory, the inventory with dealer distributor, is it also very light or they are still sitting on?

**Tuljaram Maheshwari:** It is very light.

**Moderator:** Thank you. The next question is from Rajat Setiya from iThought PMS. Please go ahead.

**Rajat Setiya:** Sir, what is the maximum capacity that we can reach? Can we cross 100% or how is it?

**Tuljaram Maheshwari:** Already we have touched 94% and no new capacity is coming, so if I have to show the growth definitely more capacity utilization will happen this year.

**Rajat Setiya:** No, I mean, can we cross 100% capacity utilization in our?

**Tuljaram Maheshwari:** In some plant, yes.

**Rajat Setiya:** At the Company level, the maximum that we can reach is probably about 95%-96%?

**Tuljaram Maheshwari:** More than 100%

**Rajat Setiya:** Who owns the various brands that we have? Swastik, EcoPro, Cemply?

- Tuljaram Maheshwari:** That is owned by us.
- Rajat Setiya:** Owned by our listed entity, right?
- Tuljaram Maheshwari:** Yes.
- Rajat Setiya:** And sir, currently, there is some debt on the books, and now we are looking to do some CAPEX, so do you expect the current level of debt to go up from the current level?
- Tuljaram Maheshwari:** Current level of debt will go up or to the extent of the Wada project because Wada project is getting completed in the next 12 to 15 months. So, whatever the balancing funds required after exhausting our internal accruals definitely will come from the debt, but we are very conservative, and we try to use internal accruals first and then what is the required balancing amount only we take a term loan.
- Rajat Setiya:** And sir, in the board side, between the asbestos and the non-asbestos boards, what are the different applications they go into, or they go into same set of application?
- Tuljaram Maheshwari:** No, the non-asbestos has a different application like planks and those things that we cannot make from the asbestos, but so far, the partition is concerned, or mezzanine floor is concerned, there both can go.
- Rajat Setiya:** And sir, what is the capacity utilization of board segment right now?
- Tuljaram Maheshwari:** Other than that new plant which is at 55%, rest is all 97% to 98%.
- Moderator:** Thank you. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.
- Tuljaram Maheshwari:** Thank you, everyone. I hope we have been able to answer all questions satisfactorily. However, if you need any further clarification or want to know more about the Company, please contact SGA team, our Investor Relation Advisor. Thank you once again for taking the time to join us on the call.
- Moderator:** Thank you very much. On behalf of Sahyadri Industries Limited, that concludes this conference. Thank you for joining us ladies and gentlemen, you may now disconnect your lines.