BSL / SEC / 24

2nd February, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
(Maharashtra)

Scrip Code: 503722

National Stock Exchange of India Ltd
Exchange Plaza Bandra–Kurla,
Bandra (East), Mumbai–400051
(Maharashtra)

Symbol :BANSWRAS

Sub: Transcript of Q2 & H1FY23 Earnings Call held on 15th November, 2022.

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby enclosed herewith a transcript of the **Q3 & FY24** Earnings Call held on Tuesday, 30th January, 2024. The same is also available on the website of the Company i.e. www.banswarasyntex.com .

Please take the same on record.

Thanking You
Yours faithfully
For BANSWARA SYNTEX LIMITED

Hanuman Prasad Kharwal

Digitally signed by Hanuman Prasad Kharwal
DN: cn=Hanuman Prasad Kharwal c=IN o=Personal
Reason: I am the author of this document
Location:
Date: 2024-02-02 18:11+05:30

(H.P. KHARWAL)
Company Secretary& G.M. (Legal)
Membership No. FCS 12923
Encl: a / a

BANSWARA SYNTEX LIMITED

CORPORATE OFFICE
5th Floor, Gopal Bhawan, 199 Princess Street Mumbai 400 002
Tel : + 91 22 66336571-76 | Fax : + 91 22 66336586
Email : info@banswarasyntex.com

REGISTERED OFFICE & MILLS
Industrial Area, Dahod Road, Banswara – 327001 (Rajasthan)
Tel : + 91 2962 240690-93, 257679-68 | Fax : + 91 2962 240692
Email : info@banswarasyntex.com

An IS / ISO 9001: 2008 Company | CIN L24302RJ1976PLC001684 | www.banswarasyntex.com

“Banswara Syntex Limited

Q3 FY ’24 Earnings Conference Call”

January 30, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 8th November 2023 will prevail.

MANAGEMENT: **MR. RAVINDRA KUMAR TOSHNIWAL – MANAGING DIRECTOR – BANSWARA SYNTEX LIMITED**
MS. KAVITA GANDHI – CHIEF FINANCIAL OFFICER – BANSWARA SYNTEX LIMITED
SGA – INVESTOR RELATIONS ADVISOR – BANSWARA SYNTEX LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Banswara Syntex Limited Q3 FY24 Earnings Conference Call. This conference call may contain forward looking statements about the company which are based on beliefs, opinions, and expectations of the company as on 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 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 Mr. Ravindra Kumar Toshniwal, Managing Director. Thank you and over to you, sir.

Ravindra Toshniwal: Thank you. Hello everyone. Good afternoon and I welcome you all to our Q3 and nine months of FY24 Earnings Conference Call. Along with me, we have on the call our CFO, Ms. Kavita Gandhi and SGA, our Investor Relations Advisors. I hope all of you have gone through our investor presentation uploaded on the exchange and our company website. Let me begin with the industry landscape followed by our financial overview.

The capacity utilization rates throughout the textile value chain from yarn to textiles to garment production were all significantly affected downwards in 2023 by subdued demand both in the export and domestic markets.

The backbone of our textile industry, garment exports, experienced a downturn in the current year 2023, failing to surpass the $15 billion mark. This contrasts sharply with the flourishing export trends observed in our neighbouring Bangladesh and Vietnam, highlighting the challenges that we are facing in the industry to achieve peak export. We have observed that the global demand for cloth has reduced.

This is due to discretionary spending power on clothing being less. While it is expected that this demand may remain subdued, there is a shift to more premium products with better quality and more features. The customer is buying less and buying better.

Banswara is moving its products to use available capacities to produce European standard better products that would be available for the large domestic market. There is a shift in our fabrics from export markets towards the larger opportunity available within India. At the same time, we do continue to offer our China Plus One alternative from India with better products for exports.

Speaking about the export market, the demand from major markets such as the US, UK and EU was significantly lower, particularly in the US and Europe. The companies had ordered a lot more in the previous financial year and were struggling with higher inventories and inflation, along with some fears of a recession. But as we look ahead, inventory levels are coming down for all of our customers and this, we hope, will lead to demand improvement in these markets.

Now let me take you through the financial performance of the company. Our total income declined by 18.4% to INR920.8 crores in the nine months of FY24 on a year-on-year basis. The EBITDA stood at INR89.8 crores during the nine months. Profit before depreciation and tax came in at INR36 crores.

The company recorded a profit after tax of INR 26.9 crores in the nine months of FY24. And as compared with, the exports have declined to 40% of the overall revenues in the nine months as compared with the 47% that we had of the total market. So that means exports has dropped from 47% to 40% of our total turnover, mainly due to the decline in export in the key markets of Europe, Turkey, US, and UK.

Now let's look at each of our business segments. In the yarn division, our yarn vertical witnessed an 8% decline in value in Q3 FY24 against last year. This decline is attributed to about a 15% to 18% lower average price due to subdued demand in both domestic and export markets. The sales volume, however, increased in kilograms by 8% in the same period.

Yarn sales declined by 11% to INR383 crores for the nine months FY24 compared to last year. Despite these challenges, we were, as I said, able to increase the kilograms. The capacity utilization in the yarn division stood at 80% for the nine months. We are witnessing that new markets of Ludhiana and Tirupur are beginning to show signs of growth and we anticipate promising business in the upcoming quarters.

We will continue to focus on high-value yarn products that will lead to enhancing the value growth. In our fabric division, the fabric vertical witnessed below par performance as revenues dipped by 22% to INR324 crores in the nine months of FY24 as compared to the same period last year, while there is an uptick of 8% on a sequential quarter basis. This is giving us hope that we are out of the slump and will continue to see growth.

The capacity utilization in the fabric vertical stood at 66% for the nine months in FY24, which is disappointing for us. The Middle East market experienced a slow recovery due to regional conflicts, resulting in increased stock. Efforts are underway to expedite these dispatches.

We are launching and are happy to announce the launch of Simone Federico and Figli, a new Italian brand that will happen in Quarter 1 of Financial Year '24 and is expected to be a substantial growth driver for value-added fabrics in the Indian market. For our garment business, for the nine months of FY24, the garment sales declined the most by about 25% compared to last year, to INR 204 crores on account of an overall market slowdown.

The sales were impacted particularly for suits and blazers. However, the domestic market has been good and especially good for the trouser category. The company is currently exploring promising opportunities and receiving inquiries for the upcoming year. There are potential additions of new significant retail customers in the areas of suits, military uniforms, and corporate uniforms from all over the world.

On the regulatory front, we are expecting that if the UK FTA happens, then it will significantly enhance our company's business outlook.

At Banswara, we envisage a significant growth potential for man-made fabrics. As the trend, which is ongoing of China Plus One, both within imports happening into India as well as the export markets, continues to be important. The market is increasingly demanding better value-for-money products that excel in performance, aesthetics and are delivered faster.

To meet these demands, we have introduced the Quick Response Service. The QRS range is aimed at providing quick and efficient solutions to our customers' needs. Additionally, we are seeing a very strong demand for worsted fabrics, which necessitates the enhancement of our capacities and capabilities. The quality improvement overall is paramount and we are addressing this.

In pursuit of these goals, we have considered and are outsourcing yarn as a viable option, which we plan to pursue aggressively. Our endeavour is to aggressively expand our branded fabric business, focus initially on local markets and then venture into global territories. While these strategic shifts will take some time to reflect in our financial results, we are confident that this direction aligns with our long-term objectives and will ultimately lead to better results.

Thank you and with this, I would like to open the floor for questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Apoorv, who is an individual investor. Please go ahead.

Apoorv: Am I audible?

Ravindra Toshniwal: Yes, Apoorva, go ahead.

Apoorv: Yes. So I have a couple of questions. The first one is, like, where do we plan to spend in terms of capital allocation, like in terms of the yarn segment or fabric segment or in garment segment?

Ravindra Toshniwal: Okay. So, the capex that we have planned -- is that what you're asking about, right?

Apoorv: Yes.

Ravindra Toshniwal: So, we are planning and we have actually invested INR40 crores in these nine months in the yarn division and a balance of INR18 crores will be invested in the quarter four. On our fabric front, we have invested a capex of INR18 crores during the nine months of this fiscal year and no more is planned for this year. And in our garment division, we've incurred INR5 crores and there is no more material capex to be done in the remainder.

Apoorv: Okay. So, from the future perspective, from the cash flow, which we would be generating in the future, right? Maybe, like, suppose in the next two, three years.

Ravindra Toshniwal: Right.

Apoorv: We are focused.

Ravindra Toshniwal: Yes, see, the company is generally incurring between -- about INR100 crores on an average every year on various different modernizations and expansions. But no more than that is planned.

And I think next year, we probably need to do even less. So we will just be focusing on modernization and the enhancement of capabilities in terms of compliance. There is no real capex planned for next year.

Apoorv: Okay. And when do we see the demand coming back to the normal, like, in the export market?

Ravindra Toshniwal: Yes. So, we've seen a very good year followed by a very bad year. And the capacity utilization percentages that we had this year have been surprisingly low and have never been so low for a long, long time.

In fact, in my whole 40 years in this company, I've never seen it so low. In spite of that, we are surprised that, really speaking, the demand for premium products has not gone down as much. As long as you're offering value for money to consumers and offering them something differentiated, there is demand.

The demand for ordinary products at just -- which is available in plentiful is lower. So,, we have looked at this and we are quite used to this idea of producing a more premium product. And I've organized ourselves to do that in a better way to use our capacities and offer that premium product at value to the consumer.

So, we're hoping this strategy should get us to bounce back. This year itself, from financial year '25 onwards, FY'25, we should be back on course to try and at least get back to where we were in our best year. If not in one year, maybe in two years.

Apoorv: Okay. Got it. Yes. That's it. Thank you.

Ravindra Toshniwal: Okay. Thanks, Apoorv.

Moderator: Thank you. The next question is from the line of Amit Kumar from Denterment Investments. Please go ahead.

Amit Kumar: Yes, thank you so much for the opportunity, sir. Just on similar lines, in terms of the capital allocation, I think in your initial comments, you talked about outsourcing your yarn. And yet you have ended up spending about INR40 crores on yarn capex in nine months. And I think you're saying there's a little bit left over for fourth quarter. Could you just help me reconcile this?

Ravindra Toshniwal: **So**, most of the yarn that we are planning on outsourcing are either filament yarns, which we don't produce on our own, or worsted yarns, where we have very limited capacity available. So, we are seeing demand in these two types of yarn.

The type of yarn we have invested in is polyviscose spun yarn, which is fiber dyed. Here, the demand has actually gone down, but the demand for more premiumization has gone up. So we are converting our capacities by even, to some extent, having a reduced production on better quality yarns. This is what is happening within our installed capacities, which we were not able to use fully yet.

Amit Kumar: Okay. And in what sort of time period do you believe that demand will grow to sort of be able to utilize this expanded capacity?

Ravindra Toshniwal: Yes. So we're saying that this would happen in one to two years. We should be able to use all the capacity we have, and even use it in a way which gives us back to where we were in FY'23 in two years from now.

Amit Kumar: All right. Understood. And just one sort of final point, this polyviscose yarn, there is no sort of opportunity to source it also from the market, either in India or internationally.

Ravindra Toshniwal: The yarn available from the market is one which is, let's say, is very poor. And we would like to premiumize the polyviscose to make it more like a polywool. For that, we needed to make investments internally. Our belief is that there is a need to upgrade the quality of polyviscose, not get it at the cheapest price.

Amit Kumar: All right. Understood. That's it from me. Thank you.

Ravindra Toshniwal: Thank you.

Moderator: Thank you. The next question is from the line of Harsh Joshi from Analyse India. Please go ahead.

Harsh Joshi: Yes. Hi, sir. I wanted to know the peak sales that we can do on the basis of the current capacity that we have.

Ravindra Toshniwal: Yes. Like we've always said, we have capacities enough to go back to INR2,000 crores without any capex really happening. Other than modernization and compliance-related investments, we don't need to do anything more to get to INR2,000 crores.

The real challenge has been demand. And demand has to be stimulated by enticing customers to buy better products at great prices. Customers must feel they're getting a bargain out of what they're buying and be tempted to buy.

Because if you look at what has happened globally, there are so many spends happening for your discretionary income on items other than apparel, where you need to spend money on different areas of travel, on holidays, on Internet and on electronic equipment’s. So, there is very little reason for you to increase your expenditure unless you find something which is quite exciting and something new in the apparel part. So, this is exactly what we are trying to help all our brands with.

And we have found success in this in a way in which we are seeing many of the new brands coming into the country. The brands which are more Internet savvy, the brands which are more current have begun to increase their market share. And we begin to see that there has been a shift in the market.

And we have to adjust ourselves to tell the customers you don't need to import products from China and then sell them in India. We are going to traders who are doing these imports here and giving them the fabrics which is going into a large unorganized garment sector in India. And this itself has a huge potential.

So, apart from that, we are also looking at premiumizing on our Federico Simone. And this is another brand which will be launched pan India. So, these are various opportunities available. We have seen a positive look at the fact that what we are selling in India and what we are selling for exports now, there is a homogeneity to the market. And this is going to help us to be able to deliver faster. We don't have to make two different ranges. We have only one range, both for the domestic and export market.

Harsh Joshi: Understood, sir. The next question I wanted to ask is regarding the Red Sea issue. Are we facing any cost escalations in our freight costs?

Ravindra Toshniwal: Yes, the freight costs have gone up due to this. We are not seeing the impact for the US sales, but for Europe, definitely. And it does also increase the lead time a little.

So, this is a challenge for the moment. I hope that it gets resolved more soon. Otherwise, the export market will face some challenges due to this.

Harsh Joshi: Understood. And the last question, sir. Are the promoters looking to sell any more stake in the company?

Ravindra Toshniwal: No, I mean, the steak that was sold, was sold by me personally for buying a house. Other than that, we haven't been selling.

Harsh Joshi: Understood, understood, sir. Thank you. Thanks a lot.

Moderator: Thank you. The next question is from the line of Ravi Shah from Opel Securities. Please go ahead.

Ravi Shah: Hi, sir. I have a few questions. Am I audible?

Amit Kumar: Yes.

Ravi Shah: So, my first question would be, could you give me a more detailed understanding on the demand landscape, especially for exports and any kind of demand projections you can give me for the US, UK, and Turkey? Like any specific region-wise demand projections that we have internally maintained?

Ravindra Toshniwal: Right. So, we've been talking to all of the different regions. The USA is the one where our demand projections for this year quite went against our expectations and were much lower. And then we have now re-evaluated and gone back to our customers, and they're seeing a buoyancy come back. In fact, the US grew by 3% GDP, and there is some optimism on the consumer front with the pipelines now for our customers being empty. So, we are seeing that this export drop of 40% that happened for us should recover back significantly.

As well as in the domestic market, there is a lot of buoyancy among the newer brands, as well as customers like Tata Trent, customers like our whole supply chain of BlackBerry, and all of the customers who work with the major brands in India are doing pretty well. There has been a slowdown in their lifting and their apparel sales this year, but they are seeing a shift, which is now going to go towards being able to deliver something which is like a little bit different in the makeup. The formal wear has moved to a little bit more casual.

Everything has moved to a little more, let's say, sporty kind of look. And this change is why customers have not been able to sell the old looks. And what people are looking for now is something new. So, I think this is just an adjustment that happens in the market, particularly after something as dramatic as the pandemic and then over-ordering. So, we will see a settling down happen. And this idea of giving the customer more value for money, of premiumizing the product and offering it yet at a bargain, this cannot fail.

This is something which every customer is always looking for. Give them value for money in India and you will have them lining up.

Ravi Shah: Understood, sir. Sir, you had answered a question about the Red Sea, but I have a little more detailed question. So, where will we be seeing the hit more on? So, basically, will it be coming from inventory costs, which is like our working capital? Or will it be coming more from the shipping costs? Where are we going to see the major hit due to the Red Sea crisis?

Ravindra Toshniwal: I didn't understand the question. Can you repeat it, please?

Ravi Shah: So, basically, our container costs have gone up, right? So, on that line, where are we going to see the major hit coming because of Red Sea? Because many of the other exporters also are facing issues here. I just wanted to understand what we are facing?

Ravindra Toshniwal: The major impact will be in Europe. And already, we are seeing that because of the wars and the challenges, the European market hasn't recovered as well. So, I would say that the US and the UK would do okay, but Europe should be significantly impacted if this doesn't change very quickly.

Ravi Shah: Understood, sir. Thank you. And all the best.

Ravindra Toshniwal: Thank you.

Moderator: Thank you. Thank you. The next question is from the line of Karan Mehra from Mehta Investment. Please go ahead.

Karan Mehra: Hi, good afternoon, and thank you for the opportunity, sir. Sir, a couple of questions from my end. Sir, we have stated in the Investor presentation that we are still seeing the China Plus One opportunity. But if you look at the industry level, most of the business is going to Vietnam and Bangladesh. So, just wanted to understand your thoughts here.

Ravindra Toshniwal: Yes. So, it is true that the China Plus One opportunity has been more significantly availed of by Bangladesh and Vietnam. And this is because of the duty structures and FTAs that the government did not have, which Bangladesh has, and also the availability of already direct pipeline from China into Vietnam. So, we have been able now to understand very well that the products getting imported into India is the first low-hanging fruit.

And we are going after that in a very significant way. We have seen that there is a lot of imports into the country by many traders, and those markets can easily be taken away from the imports. Since we are competitive and we offer a lead time which is lower, both is possible. So, I think the first, real easy market for us to penetrate on the China Plus One is India. Once we have done this, the garments part will take a little longer.

It is in the garments that we haven't been able to counter the FTA duty structure. Since the entire duty structure can impact the product FOB price by 10% or 15% or whatever the duties may be in each country. So, this is something where we will need to wait for FTAs to kick in before the real China Plus One in garments happens in the country.

I hope I have been able to answer them because there are two separate strategies. One is to counter the China Plus One in fabrics and there we will do so very effectively both in the domestic market as well as export of fabric. Our fabrics will be used in Bangladesh and the garment will go out of there.

Or our fabrics will be used in Vietnam and the garment will go out of there.

Karan Mehra: Understood. Thanks for the clarity. Also, with respect to product categories such as like man-made fibers and worsted fabrics. So, these are gaining traction both like domestic as well as international markets. So, what are your views on the demand scenario for the same?

Ravindra Toshniwal: I think man-made is the future and definitely in terms of both sustainability for the environment as well as whatever we are talking about the availability of the discretionary expenditure. These are more affordable fabrics that give you more features and are easier to care for. So, we will see that there will be a growth in fabrics made out of these man-made which will fill most of the demand that is going to be generated all over the world.

So, I think there is a huge future for India as a country to take a larger portion of this man-made business. We haven't yet been able to do it. Last year has been way below all expectations by everyone. And we hope that it's going to come back to a scenario where the hope that everybody has or let me just say that the thrust of everybody to try and move away from China still remains.

And if we have been hit by this low demand, China has been hit even harder this year. So, we will see a lot of shutdowns happening there and a gradual coming back of the market towards India. It may take a year, two years, three years, but we are going to be in the forefront of textiles. That is definitely going to be there.

Karan Mehra: Understood. Sir, that answers my questions. Thank you and all the very best.

Ravindra Toshniwal: Thank you.

Moderator: Thank you. The next question is from the line of Nishi Shah from Ask Securities. Please go ahead.

Nishi Shah: Good afternoon, sir. I have a couple of questions. The first one is, during the last quarter call, you said the company's focus will be on brand building in fabric and garment segment. So, do you have any update on that front?

Ravindra Toshniwal: Right. So, we have, as I announced also in the speech, the new brand called Simone Federico & Figli, which is an Italian brand that we have acquired. And we are launching that in quarter one of FY25. This is something where we have already prepared the range and we've had many meetings with dealers and we are building a pan-India distribution network for this. And this we are expecting to get a sale in FY25 of at least INR25 crores and keep growing this brand with the premiumization of the fabric.

The other part on the garment, the brand for garments has been launched called OneMile. And on that OneMile brand, it's a D2C brand, which is right now only digital, but it will continue to work. Apart from that, we are supporting most of the new brands that are coming up all over the country in this D2C space. And we are finding that the market has become quite large. And there are a few big players, but there is also a huge unorganized garment sector with the potential where we can cater to their demand very easily in India. So, this is an interesting opportunity for Banswara.

Nishi Shah: Okay. Okay. Got it, sir. And one more question. How do you look at the capex in each segment for FY'25?

Ravindra Toshniwal: I already explained that to Amit, I think. We have made an expense. In FY'25, we are not looking at much expense anyway. We are looking at basically just modernization and maintenance capex. So, maybe that will be around INR 40-50 Crores

Nishita Bhatt: Okay. Okay. Got it, sir. Thank you. Thank you so much for the opportunity.

Ravindra Toshniwal: Thank you.

Moderator: Thank you. The next question is from the line of Akshay Shah, who is an individual investor. Please go ahead.

Akshay Shah: Hi. Thank you for the opportunity. So, I have two questions. So, the first part is how are the festive season sale demand for Banswara? And the second is what is your view on the UK FTA and when do you think get commissioned?

Ravindra Toshniwal: Can you repeat the first question again, please?

Akshay Shah: First question was about the festive season sale and how did it go for Banswara?

Ravindra Toshniwal: The festive season sale was a flop. I mean, it was bad. It was not what we expected it to be at all. So, this is something which not just we have experienced, everybody experienced it. So, I'm not surprised for whatever reason that this didn't happen. This is a question now of us moving away from just festive season to having a continued demand coming from the emerging market in India.

We are seeing that our population is becoming more prosperous. Our focus used to be much more for exports and we were doing 50% in export business, 50% in domestic, which has now changed to 60% in domestic and 40% in export. And we will see as we go down the road that the domestic part will be very important for us.

It is not to say that we are trying not to get any of the export business. At this point, we are trying to get all businesses and we are trying to use capacities which are not used. Unfortunately, in spite of our best efforts, the demand was so low that we were not able to fill them.

Moderator: Sorry to interrupt. The line for the management seems to have dropped. Kindly, please be on the line. Ladies and gentlemen, thank you for holding. The management line is connected back.

Ravindra Toshniwal: I was speaking to Akshay, I think, before we connected.

Akshay Shah: Correct.

Ravindra Toshniwal: Akshay, are you there?

Akshay Shah: Yeah, I'm there. I can hear what you're saying.

Ravindra Toshniwal: So, what is the last I said that you heard?

Akshay Shah: I think what you're telling me is that the allocation from exports, you're moving it towards within India itself. From, say, 50-50 to 60-40.

Ravindra Toshniwal: Correct. And we are seeing that there is a big, let's say, optimism within the country for a lot of growth happening. However, it is a growth that is happening across various different segments in the market. And the market is in India, has always, is a little more complicated to be able to cater to all the geographies and different tastes.

So, this is something which is taking a little bit of reorganizing the distribution channels for us, which we are doing. And we are going to be hitting the market with this new brand and the whole distributor network. And we are going to be also looking at addressing the market towards all of the new brands coming up within India.

So, as this happens, the good part is that we see a homogeneity to the export and the domestic market as well. And this is giving us a lot of hope that there will be a good amount of standardization that we can do and reduce our lead times.

Akshay Shah: Understood. This sounds fantastic. I hope you succeed. So, I have one more question. I just wanted to understand your view on the India-UK FTA that's going to come up. And by when do you think it will get commissioned?

Ravindra Toshniwal: You've got to ask the minister. We really don't know when it will happen. But the minister is always promising that it is dangling like a carrot right in front of us. But whenever we come up to get the carrot, it moves away a little further.

Akshay Shah: I get it. No problem. I understand. But we have not heard any other news regarding this?

Ravindra Toshniwal: No, there is really no definite news. Piyush Goyal is working hard on it.

Akshay Shah: Okay. No problem. That's it from my end. Thank you.

Ravindra Toshniwal: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Ravindra Kumar Toshniwal for closing comments.

Ravindra Toshniwal: Thank you. Thank you, everyone, as always, for attending the conference and asking us some insightful questions. It's been a humbling experience this year to actually see that the market was so challenging. But at the same time, we have learned a lot. And we have learned that there is -- even in such situations, with such low-capacity utilizations, we have the ability to earn money and to continue to make new products, which we have complete belief the market will need.

So for us, it is always about learning and adjusting to the new realities of the market and finding ways to improve our market share and get to that INR2,000 crores that we have dreamt about. And we hope to get there sooner rather than later. Thank you, everyone, for your support. And we continue to strive as ever to be relevant in the market. Thank you.

Moderator: Thank you. On behalf of Banswara Syntex Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.