June 02, 2023

The Compliance Manager
BSE Limited
Corporate Relationship Dept.,
Phiroze Jeejeebhoy Towers,
Dalal Street,Mumbai 400001.
Scrip Code: **500655**

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.
Trading Symbol: **GRWRHITECH**

Dear Sir/Madam,

Subject: Transcript of Earnings Call, on Financial Results / Business Performance of the Company, held on June 01, 2023

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings call, on Financial Results / Business Performance of the Company, held on June 01, 2023, at 2:30 p.m. IST.

The above information is also available on the website of the Company: **https://www.garwarehitechfilms.com**

This is for your information and records.

Thanking you,

Yours faithfully,
For **Garware Hi-Tech Films Limited**
(Formerly known as Garware Polyester Limited)

AWANEESH KUMAR SRIVASTAVA
Digitally signed by AWANEESH KUMAR SRIVASTAVA
Date: 2023.06.02 16:48:04 +05'30'

Awaneesh Srivastava
Company Secretary
FCS 8513
Encl: as stated above

"Garware Hi-Tech Films Limited Q4 Earnings Conference Call"

June 1, 2023

MANAGEMENT: **MR. M.S. ADSUL – DIRECTOR (TECHNICAL), GARWARE HI-TECH FILMS LIMITED**
MR. DEEPAK JOSHI -- DIRECTOR (SALES & MARKETING), GARWARE HI-TECH FILMS LIMITED
MR. PRADEEP MEHTA – CHIEF FINANCIAL OFFICER, GARWARE HI-TECH FILMS LIMITED
MR. SUNIL WADIKAR – PRESIDENT (CORPORATE AFFAIRS & FINANCE), GARWARE HI-TECH FILMS LIMITED
MR. HARI NAIR – SENIOR PRESIDENT (CORPORATE AFFAIRS & FINANCE), GARWARE HI-TECH FILMS LIMITED
MR. AWANEESH SRIVASTAVA -- COMPANY SECRETARY, GARWARE HI-TECH FILMS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Garware Hi-Tech Films Limited Q4FY23 Earnings Conference Call.

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 this conference call, please signal an operator by pressing star and zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Diwakar Pingle from E&Y. Thank you, and over to you, Mr. Pingle.

Diwakar Pingle: Thank you, Nirav. Good afternoon, ladies and gentlemen. Welcome to the Q4 and Financial Year Ending 2023 Earnings Call for Garware Hi-Tech Films Limited.

On behalf of the Company, I would like to express our gratitude to each of you joining the call today. To discuss the performance of the Company and to answer the questions, we have with us from the Company, Mr. M.S. Adsul – Director (Technical); Mr. Deepak Joshi – Director of Sales and Marketing; Mr. Pradeep Mehta – the Chief Financial Officer; Mr. Sunil Wadikar – President (Corporate Affairs & Finance); Mr. Hari Nair – Senior President (Corporate Affairs & Finance); and Mr. Awaneesh Srivastava – Company Secretary.

The "Presentation and the Press Release" containing the Company's Financial Approved Results have been uploaded with Stock Exchanges and also accessible for download on our official Company website.

Before we begin, I would like to draw your attention to the fact that today's discussion may contain forward-looking statements that are subject to various risks, uncertainties and other factors, which will be beyond management control. We kindly request that you bear in mind there were uncertainties when interpreting such statements.

Please note that this conference is being recorded. We will now start the session with opening remarks from management team. Afterwards, we'll open the floor for interactive Q&A session. I would now like to invite Mr. Deepak Joshi – Director of Sales and Marketing, to make his opening remarks. Over to you, Deepak.

Deepak Joshi: Thank you, Diwakar, and thank you everyone for joining us today. And I would like to welcome to this earnings call of Garware Hi-Tech Films Limited. On behalf of the entire team, I extend a warm greeting to everyone. We are delighted to have you all here as we share our business performance and provide valuable insights to our business operations. Before we delve into financial outcomes and our overall performance, I would like to give a concise overview of the Company, its transformation, ensuring everybody gains thorough understanding of our organization, especially those who may not be familiar with us. We have already uploaded the presentation, so you may refer to that. But I would just like to give a brief of the Company.

So, I mean Garware Hi-Tech Films Limited is a high quality, high margin producing specialty films. They are mainly sun-control films, paint protection films, shrinkable films and low oligomer films. On all these products, we compete with global players. Even in the domestic market, we compete with global players whose products may be available in the market, but Garware's product portfolio is very unique if we compare with any of our peers in the domestic market. If we see our global reach, we are exporting now to 90 plus countries. And the geographical balance is quite even, I would say very balanced geographical presence with 33% being North America, almost 33% in India and 20% in Asia. I mean other than India. And rest 11% to Europe and other countries.

If we compare the transition of our Company from 2017 to 2023, in 2017, we were mainly polyester film manufacturing like our most years in industry. And in '23 now, we are highly value-added specialty film manufacturer. Our revenue from operation used to be Rs. 874 crore in 2017, which is now Rs. 1,438 crore. And our EBITDA margins were 9% in '17, which is now double to 18.7%.And similarly all financial indicators show that the performance has grossly improved.

Now, if we talk of GHFL brand dominance. See, Global is our primary brand which is one of the most reputed brands in sun control and PPF in America market and European market. We have 23 trademarks registered, in many countries and exporting, as I said, more than 90 plus countries we are exporting. We are India's first Company to produce PCR grade shrink films and APR, which is American Plastic Recycler certified for ecofriendly shrink films. We have been Rank 1 in Tint Off last year in USA. We are the second largest global capacity of sun control films. And since last 34 years, we have been winner of Top Exporters Award from Flex Council of India.

In terms of our product portfolio, we have a very diversified product portfolio. In our consumer product division, we have automotive sun control films, paint protection films, safety films and architectural films. In industrial product division. we have shrinkable films, we have low oligomer films for electrical and electronic applications and we have released liners, PRU widely used in various applications of similar products. And we have some commodity products which are called thermal lamination, plain film, packaging and lidding films and metallizers.

If we talk specifically about Sun Control films, our films are 99% harmful UV rays rejection, they have the property which does 99% of UV rejection. And in all global indexes, all quality parameters, we have been ranked at a top producer of uncontrolled films. If we see the market is around $6.7 billion in this financial year and expected to grow at a CAGR of 5.8% to $11.1 billion in FY 2032. So, there is a large scope of growth. There is an opportunity to grow. For that, Garware has already invested in a new lamination line along with paint protection films, and we have provisions to grow further in that line if the market permits us in that way, which we are seeing and that will be decided in due course when the current line capacity goes full.

The key drivers for sun control is we are a Company which has a strength in terms of fully vertically integrated product portfolio. That means whatever product we produce, that's raw material and its components are produced in house, starting from petrochemicals of PTA and MEG, we produce our own pet resins. Then we produce our own metallized film, our own dye films and our own lamination. Similarly, these films are also used to produce all components of paint protection film. So, we are fully vertically integrated. Our components are in-house manufactured to control the quality and consistency of the products.

We have second largest global capacity and third largest branded player in US and European markets. And recently we have expanded our capacity by 75%. So, now sun control capacity is 1,800 lakh square feet this year.

Now coming to paint protection film. We are the only manufacturer of paint protection film in India and probably only one of the few producers who have the dedicated paint protection line, which is a dedicated line. So, more than 70% of PPF is exported to the global market. We are the sole producers in India, so there is a high dominance of PPF in terms of Garware's capabilities. The key drivers are we have a 300 lakh square feet per annum capacity, which is currently being utilized at 50%. But that was for the last year and we are seeing continuous growth in that business. So, that is growing. If we see the penetration rate in USA, so it is 10%. So, every 100 cars sold, 10 cars are wrapped with PPF. We see the same volume in China. The estimates are 12% to 13%, whereas in India, it is less than 0.5%. So, we clearly see a big potential for growth in Indian market and we are taking steps to grow in Indian market as well.

So, currently, in order to increase the sales of paint protection film in India, we had a unique concept called Garware Application Studio, I mean we had an aim to open 200 studios in 2 years. So, we have already done 65 plus studios in India. And we are on the course to meet the target of 200 in in 2 years' time. And we have currently OEM brands like dealers who sell our product directly at their dealership. We have 100 as of now and in 2 years we have the target to reach to 500 such players. Apart from that, we are doing continuous training to create more market for PPF. Just as a note to everyone that PPF was insignificant before Garware entered into this market. With all the efforts, we have created a market for paint protection film. We are doing regular trainings for applicators to learn this application business, which was a key constraint to develop this market. Till date, we have trained more than 500 applicators and it is going on further. We are creating a tinting and applicator community where all of these people are joined under 1 roof and promoting Garware brands.

Now on shrink films. Garware is having a dedicated line for shrink films and we also have further capacity in a fungible line to produce more of that films. We have seen a big jump in last year in terms of with our efforts to grow the shrink film in Indian market. Because PET shrink film is recyclable material as compared to PVC. So, many of the PVC producers, PVC consumers are now shifting to PETG. We have converted some of the big names to grow the market and we have been successful in doing so. Currently, Garware occupies or Garware caters to 60% of such market, catering to almost all large converters in India.

And in order to increase the recyclability of the product, we have developed solid white with a pearl float, which is a floatable film while recycling. We have developed American Plastic Recycle certified product and as I said, post-consumer recycled waste on shrink film, we are the only one.

Now key drivers for shrink film. Estimate from Allied market research was $4.7 billion global market, which is expected to go to $8 billion with a CAGR of 5.4%. So, again, we see a lot of potential and Garware products are known for its quality, its consistency and end-to-end control on quality by making all components that is resin for this film. And another key growth driver is conversion of PVC to PET.

Now coming back to the marketing. Garware has its global presence in more than 90 countries. It has its sales offices and subsidiaries in USA, UK apart from India. It has 2 manufacturing locations, and its sales representation in China, Middle East, Far East, Russia and South America. Practically all over the global market has been covered by our sales team. We have 5,000 plus tinters across the globe who apply our product and promote Garware sun control and PPF.

Now manufacturing footprints. As I said, we have 2 fully vertically integrated manufacturing locations which makes polyester chips plant for polyester lines, extrusion coating lines, thermal line, metalizers, sun control film plans for automobile, architectural, safety films and paint protection. So, we have a robust network of manufacturing facilities and full details have been given on the presentation.

In terms of the Company, Garware Hi-Tech Films Limited is committed for innovation driven R&D. In March 23, we have won Japanese Institute of Plant Management Award for TPM Excellence. We have 50 plus dedicated R&D team members. We have 23 registered trademarks in 168 branches. And as Garware is committed for high R&D, we are working for many new products, which includes we already produced PPF. We have recently developed the matte PPF, then recently developed the shrinkable pearl float that is floatable shrink film. Then we have recently launched decorative and designer films and some windshield protection films, so which are the examples of innovation by our R&D team.

In terms of sustainability, we have taken a target of 50% reduction of absolute emission by 2030. We have targets of 3% to 5% of fuel consumption reduction in carbon emission. Again, as committed towards sustainability, we are producing 30% PCR content of shrink films, APR certified film, pearl float and so on, so forth.

And in terms of our new initiatives, these are just the highlights of the presentation. We have appointed our Director, Technical, Mr. M.S. Adsul, who is an alumni of UDCD, Mumbai and he has more than 40 years of experience in plastic and polymers engineering. Already as I discussed, new product launches have been done. Then Garware Application Studios 60 plus has already been done. We have engaged Boston Consulting Group, BCG for sales and branding services to drive the CPD business, that is sun control and PPF business in domestic market. And we have started initiative to reduce cost and increasing productivity through major initiatives. And in terms of PPF, we have tied up with 2 major car manufacturers and in advanced talks of some more.

With this, I would like to invite Mr. Pradeep Mehta, the CFO, to take through the financial highlights of the Company. Thank you very much. Over to you Pradeep.

Pradeep Mehta: Thank you, Deepak. Good afternoon, ladies and gentlemen. I am pleased to inform you that our Company is in a strong financial position, which we are dedicated to maintaining for the future growth opportunities. Regarding our annual performance for FY23, we recorded a revenue of Rs. 1,438 crores, which is an increase of 10.4% year on year. Furthermore, our EBITDA stood at Rs. 269 crores and the EBITDA margin stands at 18.7% for FY23. PAT stood at Rs. 166 crores and while the PAT margin is 11.6%.

Coming to the quarterly performance of Q4 FY23. We recorded a revenue of Rs. 349 crore. The EBITDA stood at Rs. 70 crores and the EBITDA margin stood at 20.2% for the quarter. The PAT student Rs. 43 crores and the PAT margin stood at 12.3%. So, if you look from FY18 to FY23, our unit has increased at a CAGR of around 12%, but at the same time, our PAT margin has improved by a CAGR of 38%.

The commissioning of 2 new lines that is 1 PPF and new lamination line now have started contributing share in the revenue of FY23. We are experiencing improved product mix, this capacity addition and healthy utilization to our growth trajectory. With the upcoming commencement of production at our new lamination line facility and the increasing traction of our margin accretive value-added product, we are confident in our favorable growth prospects. Over the years, we have made significant progress in reducing our total debt, and we currently stand at around Rs. 140 crores as on 31st March 23.

Furthermore, we have no plan for additional debt funded capital expenditure in the near future, indicating our responsible approach for managing financial risks. We will strive for superior and sustainable margins and our financial health is improving with healthy cash flow and negative net debt and impressive low collection day of only 8 days for FY23. This reflects our strong working capital management and the advance payment from customers and improved inventory level. So, we will continue to focus on enhancing our balance sheet and nurturing our financial position to seize some future opportunities. We appreciate the support of our stakeholders and look forward to delivering even greater value in the years ahead.

Thank you. Now we open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Rahul Gupta from First Street Investment. Please go ahead.

Rahul Gupta: Congratulations on the good set of numbers. You have performed better than the peers with impressive quarter-on-quarter growth and a decent year-on-year performance. Could you please elaborate on the key factors or strategies that has contributed to this success?

Deepak Joshi: Thank you, and thanks a lot for your appreciation. See, on the performance, why we have been different is our focus on consumer products, which are key for us, which is sun control and paint protection films. And Garware's quality, consistency and control on its product components is the key for success. And we are not focused on anything which goes as a commodity which are filler for us. The real Company, Garware, is always focused on specialty products which is sun control and PPF. So, that is actually the key factor for our performance in over the years. And I have already shared that since 2017, when the Company decided a strategic move towards the specialty products and we have invested in that direction. So, that was the key for our success. And in the presentation, I have already showed that the efforts which we are doing in terms of creating Garware Application studios in terms of creating tinters and applicators community, and I mean we are trying to have data of the influencers in consumer products to have higher sales for the Company in the specialty and high margin products. I hope I answered your question.

Rahul Gupta: Yes, sir. And my second question is, sir, with PPF being a focused product for the Company, what is the management outlook for the paint protection film markets in the upcoming years? Could you please elaborate on the growth projections and the strategies in place to capture a larger market share in this segment?

Deepak Joshi: I mean, PFF volumes were non-existent before 2 years. So, we have created a market by campaigns on digital media, special drives for car dealers, and training for applicators to create a mass movement. So far, we have trained, as I said, around 500 applicators, who are actively promoting Garware brands in the market. Now in gas efforts, I have already mentioned that. So, largely I hope I answered the question in my presentation as well. But if these are the efforts which we have done in the domestic market, if we talk on the globally, we have been able to convert some big players to buy the material from us and the name of global brand has been there for last 20 years and it has been really performing well. And the products which are very unique in PPF which is like the width of the product which normally is 60 inches, but there are requirements for the bigger width in the market, like America, where 72 inches are required, so that also Garware produces. And we have recently started supplying the variant of matte PPF. So, with all our ability to produce high quality products and the products which are complete basket for PPF is supplied by Garware. So, that's all from my side.

Moderator: Next question is from the line of Mihir Desai from Pendulum Investment Services. Please go ahead.

Mihir Desai: Sir, firstly I want to ask you on the demand front. So, how is the demand for sun control window films in domestic as well as international market? And also, if you can provide some insight into how the Company is planning for expanding its sun control film business. Also, sir, what are the key growth drivers and potential market opportunities that the Company is currently targeting?

Deepak Joshi: See, Garware in terms of sun control, we have 2 segments which is one is automotive, another one is architectural. Garware has been a major player on automotive segment and the growth has been quite good in the past. But if we see since last 2 years, this is kind of stagnant growth because of high interest rates and kind of recessionary trends in main market like USA. And last year, after the geopolitical tension between Russia and Ukraine, the European market is also little bit down. So, in a way like, the market is stagnant, the volumes are not growing in automotive segment. So, we expect when this tension goes off, we perform really high on that. But the other architectural segment, we have launched a series of initiatives where we are developing many products in that segment to create an impact. In fact, some of the products like designer film, decorative film and some of the products which are in making, which I cannot name now, so with R&D and new product developments, we are working towards the goal of achieving that volume in architectural segment also. And once the market gets correction in Europe and USA, we'll definitely see a good jump in sun control automotive films as well. So, the key to that is our consistent quality and performance, and at the same time, R&D is helping to develop new products to go in those markets.

Mihir Desai: Sir, 1 more follow-up question on this like besides the sun control films and protection films, is the Company targeting any specific areas of interest or some other market segments or products that Company is currently exploring? And also, if you can provide some insights on Company strategy for any existing or new product and capturing new growth opportunities, which is beyond the SEF and PPF?

Deepak Joshi: See, again, we have recently done these 2 expansions on PPF and sun control, and our first target is to fill those lines. But simultaneously, our R&D and new products are working on many new fronts. Some of them have already been achieved, like pearl float and matte. But other than that, there are designer films, decorative films, sun shield products, and again, there are 3-4 products in making, which we will announce in due course. But yes, we are continuously working our R&D and new product development team along with the market research team always work on those products. In fact, if I go a little further on that, the strength of Garware is always in-house manufacturing of all the components. While we have been doing good on paint protection film in advanced markets like America, many producers who got attracted towards the components of that films like liners, protection films and all. So, we have started supplying such products which are manufactured by Garware for our own in-house consumption. We have also started selling them to the market because they go to the segment other than these products like PPF and window films

Mihir Desai: Sir, lastly, I wanted to ask you if you can throw some light on Company's growth profile or growth strategy for next 3 to 5 years, which as an investor will help us, sir?

Deepak Joshi: We have been continuously growing on in terms of top line and bottom line. So, our next target is to fill PPF line and sun control line. So, that means if we calculate the capacity with those new lines, it would be somewhere between the top line between Rs. 2000 crore to Rs. 2500 crore. And we'll try to achieve that in a short span of time.

Moderator: Next question is from the line of Sanjay Shah from KSA Securities Private Limited. Please go ahead.

Sanjay Shah: First of all, congratulating on good numbers. Coming to con call and giving us some information is really helpful, sir. The presentation is good, sir, and it's really very informative, which is really helpful to us. Sir, my question was just to get some understanding about our sales strategy outside India and how are we able to compete global majors? And do we sell only through distributors or we have some direct sales also? And are these orders long term orders or custom base monthly or regular order base?

Deepak Joshi: Your question is specifically to the export market, right?

Sanjay Shah: Right.

Deepak Joshi: So, as you said, we have a very wide distributor network all over the world. Especially we cover all 52 states in USA, which is our primary market. So, other than that there are some direct customers also whose size is significantly bigger than a normal customer. So, we cater them directly, right, and we market our products through various initiatives, like as I said, we work a lot on brand recognition, brand recall. So, global with all the efforts is very well known. So, if you go to window film magazines, PPF magazines and all such forums, you will see global as a primary brand there. And then we participate in shows like Tint-Off, SEMA, which is the biggest show there, and plus Window Magazine and PPF Magazine, everywhere we are there. And once the brand recognition is there, the distributor network is there, so we get many outside efforts from our team who are on the ground to take these efforts to the next level. So, we have all strategies in place in terms of distributorship, in terms of sales and marketing promotions, in terms of digital media and participation in the shows.

Sanjay Shah: So, the order is the long-term order we get from OEs or it's the regular orders placed by them?

Deepak Joshi: Not all orders are a long term, but there are many key customers, like they give a regular order plus a long-term commitment to us because there are many companies in the world who do not manufacture and only sell the product, market the product under their brand name, right? So, it's a mutual dependence on each other like they cannot go run away overnight to someone else to buy this product. Similarly, we also don't replace our product. So, these are commitments to each other for a long term as well. I mean it is not 100%, it is more than 50%, I can say where the commitments are on long term basis.

Sanjay Shah: So, my second question was regarding our competitors. Will it be possible to name a few of our competitors especially in paint protection film and other verticals and what is the price difference between us and their product?

Deepak Joshi: See, I will answer it this way, like I don't know legally, but we all know the players in the markets. But you can search them. There are competitors who are big companies that they have a segment in sun control film and paint protection films. So, I mean I would like to answer it this way that even they manufacture their products, I mean, they buy 5 different components from different, different places, whereas Garware makes almost all of them. So, in terms of efficiency, we are at a very high rate of efficiency, production efficiency, quality efficiency and in terms of, I would say making the product commercially viable. And we are a very new entrant into the market. That means from last 3 years, we have been in the market and achieved the quality which these players have already done in the last 20 years, top 3 players, they were there for last 20 years. So, we have done that work in the last 3 years. So, to create the market and because of our efficiency in manufacturing, we gave some introductory prices, but still our margins are good and they are growing. So, I can answer in this way.

Sanjay Shah: Appreciate, but what could be the benchmark sales price difference between them and us? No need to quote any name.

Deepak Joshi: For example, there is a big competitor in India who gets 100 rolls of PPF and sells into the market, whereas Garware does 15 times of that. So, what happens is being a player in the domestic market, we have done those kind of efforts to keep a gap to push through our volume, and in terms of sales, we sell 10 times more volume than that person. So, there is a gap and we have intentionally kept growing our market there. And if you ask the same question in the international market, we are at par with everyone. I mean, if you talk of that same supplier in America, same supplier like ours in America, almost same. There will be hardly any 4%, 5% difference if it is there.

Moderator: The next question is from the land of Vandit Shah from Abakkus Asset. Please go ahead.

Vandit Shah: Two questions. Can you give us some light on the current order book position and our future outlook? And are the margins sustainable?

Deepak Joshi: Your question is for a specific product?

Vandit Shah: No, sir, overall, your current order book position.

Deepak Joshi: **So,** overall, we have many product segments. So, I can say on like starting from PPF which is the newest product, we have a very good order book. So, that's why we are expecting the line to be fully utilized within this year or by the end of the year. And on sun controls, these orders are, there are commitments and contracts like I was talking. So, every month, these repeat orders come. So, they are usually month-long orders and before the month ends, we get the orders. So, there are contracts and we have a quite fair idea of order book for the whole year, I mean depending on like a little bit on seasonality, but yes, there are projections and forecasts which are running through for the whole year for sun control as well as PPF. If you talk of the products like industrial product division, so there we have like shrink film orders going for 2 months, 2 1/2 months orders on hand. Whereas all other products come on a same monthly basis where we have contracts with our customers and they keep on repeating every month end for the next month orders.

Vandit Shah: And are the margins sustainable?

Deepak Joshi: Yes. I mean like again, the stress of Garware, I think many people are asking the same questions because seeing the kind of results our peers are posting. So, strategically and categorically I can say that our margins are intact, our product portfolio is very different and we are a high-quality specialty product and should not be, I mean, compared on that basis, like the market ups and downs, because our product prices do not change unless there is a drastic change on the raw material in specialty products, which is because all components are produced by us. So, we know how much time is taken to change the raw material cost on that. Whereas there are some products where the prices change which we pass on. So, it is sustainable I mean to answer your question, yes, it is, it is sustainable. Margins are sustainable.

Moderator: Next question is from the line of Sudhir Bheda from Right Time Private Limited. Please go ahead.

Sudhir Bheda: Hearty congratulation on good set of numbers in the given circumstances. Sir, I have 2 questions. So, as you said in the previous question that your turnover in the existing capacity would go to like Rs. 2000 crore, Rs. 2500 crore. And now I think most of the capacity has been put in the place. So, can we expect the Rs. 2,000 crores of figure in FY24 itself or it will take some time? That is question #1.

Deepak Joshi: So, I would not like to put forward that way, but I can tell you that there will be a growth like we have seen in the past. It might be little more or it might be little less, but the growth pattern will continue to that direction. And in 1 or 2 years' time, definitely we'll achieve that. I mean, FY24 guidelines, I cannot give that because we all know the world is suffering for so many things. In fact, we have seen the kind of recessionary trends from Europe and all. But despite all those things, I'm confident that we are moving in the right direction and growing.

Sudhir Bheda: And sir, my second question is pertaining to property at Parla. What is the status and when this will be put for the sale?

Deepak Joshi: I think Hari Nair would be better if you can comment on that.

Hari Nair: See, what we are doing is we are trying to explore multiple options to monetize this particular asset. Now this is a decently valued asset. Currently, we have some offers but it doesn't capture the full value, which ought to come to the Company. So, we are waiting for the right option to come to us. And also, there are certain what you call documentary work, which is pending and those kind of things which we need to complete so that the value add can be a little better than what it is. So, it's not the right time. It's not a right time to sell or do any incremental work on the property.

Sudhir Bheda: The process is on, that much we can say.

Hari Nair: Yes, sure. See, the Company is cognizant of the fact that this is a valuable asset and it's something which we need to monetize. And if we can add value to it by doing certain things regulatorily, we are doing it.

Moderator: Next question is from the line of Rahil Shah from Crown Capital Partners. Please go ahead.

Rahil Shah: Firstly, thank you for conducting this call, we have been looking forward to it. And congratulations on good numbers. So, a couple of months back, I heard there was some issues like you mentioned in the US market, there was some destocking going on. So, has it now returned to normalcy? And so what is the scenario there in the US market?

Deepak Joshi: In the US market, yes, it is now almost the correction has been completed. I mean I can say still only 10% remaining. But in the last year, if we all remember that there was a lot of supply chain issues and because owing to COVID to some countries, there some of the manufacturers were down, not producing. So, there were a lot of expected order flow, I mean order book was quite heavy and people were not able to cater, including us also. So, at that time, there was a lot of buying happened and it continued for many months. And at the same time, the supply chain went really at its worst by not supplying material to westward including Europe and America so leading to a very high inventory situation in those countries, which has been corrected in I would say Q4 and to some extent it will complete in this quarter. So, it has not 100% been completed, but I can say that during this quarter it will be over.

Rahil Shah: So, benefit should like come in FY24, things are looking good there.

Deepak Joshi: Yes.

Rahil Shah: What percentage of exports are to us out of total?

Deepak Joshi: We have shared that in the presentation, it's 30% to be precise.

Rahil Shah: Right. And what's the raw material scenario right now?

Deepak Joshi: Again, you are talking of raw material for entire Company or particular products?

Rahil Shah: Yes, overall, in general.

Deepak Joshi: Overall, this raw material is on the lower side. If I can say it all because we are vertically integrated, I would say backward integrated from sun control, PPF towards this everything, I mean till petrochemicals. So, petrochemical prices are dependent on Naphtha and ultimately on crude oil, which is we believe is at a lower level right now and it should remain in that territory for some time. So, I mean there are other raw materials other than these petrochemicals, but they all are at a lower level at this moment.

Moderator: Next question is from the line of Kashyap Karthik from Table Tree Capital. Please go ahead.

Kashyap Karthik: So, my question, 2 questions. First one on the PPF side. So, PPF we are around Rs. 70 crore, Rs. 75 crore for this year. Even basis the last year con call, it was around the same number. So, a, have we not grown in PPF this year? B, how much of that is domestic and how much of that is export? And Expel, Avery Dennison, Lumar, everybody are talking about an explosion in the PPF market in terms of the demand scenarios because of multiple car accessories. And we're still probably Rs. 70 crore, Rs. 75 crore with 50%, which essentially means for 100% utilization, we've got Rs. 150 crore, Rs. 170 crore. So, I'm just a little surprised that management is not very gung-ho on PPF in terms of growing fairly quickly on a much, much lower base. So, if you can just tell me the export and domestic split. Domestic, you've got a great brand name, you're known for value for money, you've done market research. So, just try to understand your thoughts around the PPF market please, both on the export side and the domestic side.

Deepak Joshi: So, first question, as you said last year when we said, the capacity were very low utilized at that time, I mean, the previous year I would say, FY21. So, that time, as we said, this is a fungible asset where we were producing some sun control components there to keep it utilized. That's why we are not seeing any growth as compared to '21 to '23. However, I can assure you that the volumes of PPF, I mean the PPF line from PPF has grown quite a bit and especially in Q4. And right now, the trends and the order book and everything shows a robust growth. So, management, I mean, I won't use the word gung-ho, but very, very positive on that and our investment is paying right way for us. And in terms of the domestic market, as I said, I mean the numbers are outstanding. If we compare 2 years prior versus now, I can say there is a 10 times growth. But since the base was low, that's why we are not promoting that a great deal. Our aim is to grow, I mean, if I say in terms of plant capacity so 25% is the target to be in the domestic market, 25%, 30%. And 70% is the export market. And we might think of further expansion if everything goes well in this direction and that will come out during this financial year only.

Kashyap Karthik: Got it. And a 2-part question. One, are the PPF margins double of the sun control films? I mean, I don't want exact margins, but are they 2x sun control films or the margins are very similar from an EBITDA perspective? And two, there's a lot of stuff around processing charges in the annual report that last time as well, and I'm sure this will come this time as well. So, any commentary around the processing charges with Garware Industries?

Deepak Joshi: See, so margins are in the same range because this is a very high value product. So, I mean, it cannot be double that, but it's almost the same. What was your second question, sorry, commentary about?

Kashyap Karthik: Sir, I mean last year's annual report spoke about processing charges to Garware Industries, about Rs. 30 crore, Rs. 35 crore. And this year also it looks very similar. So, is there a structured arrangement between us and Garware Industries for processing?

Deepak Joshi: Hari, would you like to take that?

Hari Nair: See, this particular processing of window films, there is a particular arrangement with industries since couple of like, almost nearly a decade. So, that continues. So, there is no change vis-à-vis that particular transaction.

Kashyap Karthik: So, it's going to continue, it's going to be a recurring charge every year for the next foreseeable future?

Hari Nair: Yes. And also see this particular PPF when we said that the total capacity, if you translate into rupee crore, it comes to Rs. 300 crore to Rs. 400 crore range, I put a number to it depending on where the value lies. But that is the total volume if you get the value in order. It's not Rs. 150 crore, it's more than that.

Kashyap Karthik: No, sir, the reason why I said Rs. 150 crore is 50% utilization as said in the presentation, and if you work out the number, it's coming to about Rs. 70 crore, Rs. 75 crore in PPF for this year. So, if 50% utilization is Rs. 75 crore, then 100% utilization my understanding was 150 crore.

Hair Nair: If you see the note also, there is an asterisk. We have used that particular plant also for clearing the backlog. See, we had lot of backlog of Window film processing which has to be done. So, we used the same machine to complete that backlog for which reason the capacity utilization has been factored based on what you call window film processing also. But now, we use PPF machine purely for PPF purposes. And the final capacity 300 or less will give us about Rs. 300 crore to Rs. 400 crore. So, that's the number. You can take that number.

Moderator: Next question is from the line of Harsh Mulchandani from KRIIS Portfolio. Please go ahead.

Harsh Mulchandani: Congratulations on a good set of numbers. I wanted to understand the current segment wise split like for sun control, PPF, shrink films and the other set of films? So, because I could find only 2-3 segments in the PPT, it's my first question and I will come to the second.

Hari Nair: Let me just grasp your question. You're basically trying to split the broader numbers. We normally don't give, but just can you explain your question, please?

Harsh Mulchandani: Yes. I want to understand out of the total revenue, what revenue came from sun control, shrink films, PPF? So, want to get that split of all products. you want to get that split? Of our all products.

Hari Nair: So, see from a CPD, now we will put together sun control as well as PPF. It's almost like 51%, 52% comes from sun control and PPF. And off the commodity now, roughly say 50:50, sun control plus PPF is 50% and 50% comes from the industrial products. Of industrial products, approximately half of that comes from special and shrink products. So, this is the broader mix. If you look at our presentation, it's there, broadly it is given there. And commodity gives us about 20 odd percentage. As we grow our CPD business, which is sun control, shrink as well as our IPD, this percentage will keep on changing. You see over a period of time from 40 odd percent, 50 odd percent, it has come to almost 80 odd percent. So, there will be a little bit change in the mix going forward and we are not increasing the capacity of the commodity business per se in the Company. So, the mix will continue to be skewed toward CPD and what you call PPF business.

Deepak Joshi: Just one comment on that. As Hari explained, CPD is 50%, then other value-added products are roughly 30%. So, 80% comes from value added products and with more capacity utilization of PPF and then sun control, this number is further going to increase on value added because all the expansions, all the drive to grow the business is towards that segment only.

Harsh Mulchandani: And second is the new lines which we started, lamination and for PPF, what is the current utilization? And say for example, we go for a new capacity addition. So, what is the time to add that line from drawing board to actual installation? Just wanted to get that timeline also.

Deepak Joshi: PPF, we have already discussed, like the current utilization which we declared was like 50% to 60%. But looking forward, I mean we have a target to complete full utilization by the end of this financial year. So, we are on track in terms of PPF. Whereas on sun control, it started in December '22 only. So, it's 4-5 months. So, it takes and the market scenario is still not what it used to be. So, it is at the rate of around 20% currently. PPF, we are on track. On sun control, as per the current situation, it is around 20%, but it will grow very fast. And in case of any better correction comes from Europe and USA, then it will quickly jump into utilization. And in terms of new addition to the capacities, see, our direction is for these kind of consumer products for future. So, we have made provisions of space, building, utilities and everything for further expansion. As soon as we trigger that for the new line, within a year that will be installed because groundwork and everything is ready.

Harsh Mulchandani: So, should we plan for PPF assuming we get full utilization this year, so for next year, we can have some lines being planned in this quarter and at full capacity, so that we can go beyond Rs. 2000 crore, Rs. 2500 crore of revenue.

Deepak Joshi: Yes. We are certainly looking in that direction, but the decision has not yet been made. We are in discussion in line what you're asking. So, the direction is quite clear. But we are just seeing some factors because we also want to be sure to put the CAPEX, which will give us good returns. So, we are evaluating that. And we have envisaged that kind of growth. That's why our direction in the last 3-4 years has been towards these kind of consumer products. And that's why we have built, I mean the basic infrastructure to go for expansion in a quick, I mean span of time.

Moderator: The next question is from the line of Shrinjana from RatnaTraya Capital. Please go ahead.

Shrinjana: I firstly really appreciate the detailed presentation. So, my first question is on for this particular quarter, sir. We saved about Rs. 15 crores on the other expenses side because of which we could control the drop at the EBITDA level. So, I just wanted to understand what led to those savings? That would be my first question.

Hari Nair: See some of the savings is on account of what you call cost measures as well as on account of volume change as well as it includes freight also. So, freight prices have come down. So, it's a mix of it, not one particular factor and primarily these are the factors which have led to the reduction.

Shrinjana: So, should we assume that that will continue like this kind of in terms of expenses as a percentage of sales the OPEX?

Hari Nair: OPEX will continue. Also, if you look at one of the slides which we have given, we are also trying to genuinely reduce the fixed cost also because ultimately we'll have to keep control over cost also. So, we are like trying to lower the ratio now. At what timeframe we will be able to do, we will have to see because there are multiple issues we need to navigate, but that's something which we are trying to do. So, ratio will be, you can assume this number, but our idea internally is also to look at it a little more closely, trying to bring it a little lower if not much little lower than the existing level.

Shrinjana: My second question is, we have two subsidiaries in the US and UK, right. So, do we also keep inventory there in order to sell in those markets? And if yes, like what would be the typical inventory holding period?

Deepak Joshi: Yes, we do not keep anything in the UK subsidiary. We keep at USA because that market is quite big for us and the orders we need to cater, we need to compete with our peers there. So, the typical period is 30 days, I mean almost 30 days sales volume usually we keep there.

Shrinjana: And has it increased lately or is it the same inventory cycle?

Deepak Joshi: There were some patterns when there was inventory last year when the supply chain was slow and material then suddenly picked up. So, that was the 2-3 months period where it went a little high, but I mean somebody else asked the same question, so it has been mostly corrected and slight correction is happening. Now we are seeing that correction. So, it will be complete now.

Shrinjana: Just one more question, if I can ask. Regarding the demand side, since we have exposure to the US and UK market and exports in the US and UK, there is some weakness. So, are you also seeing that kind of weakness?

Deepak Joshi: So, if your question is are we also seeing demand slowdown towards US and Europe, right?

Participant: Correct, yes.

Deepak Joshi: Yes, actually, I mean I would say on sun control side, yes, we have seen that because there was a lot of stagnant growth in US because of low car sales last year and then because of high inflation, there was a lower trend for sun control films, but at the same time, the similar volumes have been picked up in PPF. So, PPF has increased quite substantially, whereas there is a slight drop on the sun control side.

Moderator: Thank you. Next question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai: So, my first question is on sun control. So, you mentioned that we are primarily focused on the automotive side and we are working on the architectural side. So, if you can give us some sense as to our total revenue of 600 something crore? What is the automotive and the distribution channel for architectural, sun control would be very different. So, even though we are introducing a new product, how do we want to scale it up and will it be kind of help us take that sun control to grow at 20% kind of a number going forward, how do you guys look at it?

Deepak Joshi: Yes, actually, if you see the nature of both films in window films, in architectural as well as automotive is different. And the distribution network is also quite different. It's not that the same distributors do not do, but there are people who are expert in, they are especially focused on architectural segment. So, to answer your question like for us we have appointed new distributors in the USA who are actually working mainly on architectural segment. So, if I say the films which we are talking now, designer film, decorative films and some specialty films in architectural segment. So, we have hired distributors who have got that kind of penetration into the market that is one way and then we are also creating that kind of similar value or market creation in European market as well, where we have hired some new talent, who have been working in similar field and similar products. So, that is number two. So, hiring the new distributors in that territory, appointing them and then hiring new talent. And also, the focus since last one year have been like the products which are especially made for Europe market, which is mainly after this energy crisis, there has been a big pickup on architectural segment, so that opportunity also been tapped and some of the products which I said we are developing are in that segment.

Dhwanil Desai: Out of current revenue on sun control, is it safe to assume that large part is only automobile and architecture is a very small number?

Deepak Joshi: Yes. Till date it is roughly 80-20, 80% automotive and 20% architectural. I will have to also look into that. But our target is to at least go 30%-35% on architectural segment and balance on automotive. So, having said that, automotive won't drop, it will continue to increase after this, whatever the short-term issues are going on, but at the same time architectural segment, we have done as I said, the efforts have been put, new product, new territories and new distributors and new talent in sales. So, this is the strategy to grow the architectural segment.

Dhwanil Desai: And my second question is on PPF. So, we have mentioned that the global market is around $300 million and I assume that the US will be a large part of that and we have our ambition to take 8% to 10% market share. So, is it like we are looking at a $10-$12 million kind of a revenue in PAT and when we say 10% market share and to tie this in, if you look at companies like XPEL or others, they've all grown at 20%-25% this year, so our numbers on growth side have been stopped. So, do you think that going forward, we will catch up and grow at much faster rate to get this market share?

Deepak Joshi: Yes, because the basic difference is, as I said, these players are there for the last 15-20 years where we have started our drive for the last 3 years. But the basic difference between them and us is that we are a strong manufacturing company having our own R&D, our own components. So, we are already catching up. So, definitely as I said, the target once again saying to complete full utilization by end of this year. So, that means our volumes will be quite different and quite strong going forward on PPF.

Moderator: Next follow up question is from the line of Kashyap Karthik from Table Tree Capital. Please go ahead.

Kashyap Karthik: Sir, the brand Global brand Garware, everything is owned by the listed entity, right? No other entity owns it.

Deepak Joshi: Yes, it's owned by Garware Hi-Tech Films Limited.

Kashyap Karthik: So, Global Garware and anything related to Garware Hi Tech Films is owned by Garware Hi Tech Films essentially, right? No other private company.

Moderator: Thank you. Next question is from the line of Anshuman Sharma from Control Print Limited. Please go ahead.

Anshuman Sharma: I have only one question. I want to know that as we know our company has huge freehold land, so is there any plans to monetize it?

Hari Nair: So, see, there are 2 sorts of land. One is this Vile Parle property where we have corporate office which I have discussed about just few minutes back. Then we have some property in Nashik where we had some factory which we are trying to monetize. From a monetization perspective, we will take up Nashik Plot first and then of course look at Bombay also closely. Anyway, we are working on Bombay. And in respect of Aurangabad, we have two freehold properties, both we are utilizing for manufacturing purposes. So, as of now we will continue with the manufacturing process. So, monetization part, we'll have to look at Nashik as well as Mumbai Parle area.

Anshuman Sharma: So, Sir, by when we can expect this monetization complete?

Hari Nair: Nashik, Mr. Deepak Joshi is working on it. Now see, when you go and talk to the market players, there are multiple prices which we do get. Now it has to come to the range where we believe it is market rate. We don't want to like there is no exigency in the company that we need to sell immediately or something, so we want the right price to come at a right. Nashik is clear sale. There is no development. It is clean, we can just sell it off. We are waiting for a good price to come, we believe. We have kept a stiff price. If we get the price, we will sell it off. Bombay, there are a little more what we call angles to look at. So, maybe it will and both are of similar value for that matter. It's not that Nashik is a smaller value property. Both are of similar value property and also we don't want to short sell anything, everything has to come with the company proper value, everything has to come it has to be right, so we are working on it.

Moderator: Thank you. Next question is from the line of Naitik Mohata from Sequent Investments. Please go ahead.

Naitik Mohata: Sir, I just want some clearance regarding the PPF line that we had set up. So, I have an understanding that the peak revenue capacity of this line was somewhere around 300 crores. And in your June 2022 quarter concall itself, you had mentioned that we have generated somewhere around 80 to 100 crores from the PPF segment. So, at 50% capacity, I believe there has been no growth since the last one year. So, is my understanding correct?

Deepak Joshi: No, actually, we explained, even Hari also explained some time back that last year we had lot of backlogs of sun control films because there were issues in the market owing to supply chain situation and many producers going out of market. So, this line is a fungible line. So, we used some components of sun control film to produce to clear the backlog that's why that utilization was high, but that was not 100% PPF line for PPF product. Whereas if you compare now this year and going forward, now everything is in that line because we have new lamination line anyways in place which has got capacity. So, now we are utilizing PPF for PPF purpose only. So, that's why the numbers are looking like that. But again, the full capacity as you rightly mentioned, you can take 300 crore and that these kind of numbers we have a target to fully utilize the line by end of this financial year.

Hari Nair: See if you look at PPF-PPF previous year to current year, the growth has been 300% in volume terms and so the growth is huge and we believe that this what you call full utilization of capacity we are targeting. Now there are other market factors also we need to look at, but this is something this growth what we call increase in volume growth is something which we are working on.

Naitik Mohata: Right sir, that is quite understandable. So, definitely we were getting good margins when we were making sun controls films rather than PPF line. So, my second question would be so regarding PPF and sun control films, so do we have any deals or tie-ups with the car manufacturers itself that we sell these things right when the car is purchased from a dealer or all of these have to be purchased by the customer after they purchased the car?

Deepak Joshi: See, we have arrangements with two manufacturers already and there are more discussions on to have that. At the same time, we have around 100 dealerships who buy directly from us. So, there are two things. One is a car manufacturing company directly asking for this product. So, we have two such companies already and there are more in discussion and other than that we have 100 dealers where we directly supply the material. So, that is another way and we have a target we have shown in the presentation to reach that kind of number to 500 and of course the maximum number of manufacturers, we will try to go directly with them. So, to answer your question, it's both.

Naitik Mohata: So, these tie-ups, are these exclusively for India or exclusively for US or something like that?

Deepak Joshi: So, no, I'm talking as of now for India only. For US market, yes, there are in fact for Sun control also or PPF also, there are distributors and there are some customers who have directly tied up with the manufacturers there because in India we are doing everything to increase the volumes and all. In the US, we have a very strong presence by our distributors who are local people there and they have got good connect. So, in that market, they are doing this tie ups and we are directly supplying from here, here means from global in USA. So, the answer holds true for both of them. But in India, the Garware directly doing all those things. In the USA, the distributors are doing that.

Moderator: Thank you. Next question is from the line of Shubham Agarwal from Aequitas Investments. Please go ahead.

Shubham Agarwal: Sir, I had one question regarding the margin. So, if we observe the last 10-12 quarters, our EBITDA margin has been kind of going down significantly from almost 27% to now 15%. Now given that we are into specialty and we expect the margin to remain slightly stable. So, what is the reason for such a massive fall and how do we expect the margin or what is the level that we expect the margin to stabilize?

Hari Nair: Shubham, see we need to look at 2 segments separately, one is in relation to CPD products, margins are stable. In fact, we are able to do as well as we have been doing earlier. Now there are certain commodity products, which we do sell, earlier it was around 20 odd percentage. The margins do come down at that particular segment. Last quarter was not that good. Maybe the whole year was not that good. So, the average has come down primarily because of this particular aspect. Anyway, that's not something which we are what we call focusing on, because our idea is to increase volume and value vis-à-vis value-add products. So, as it goes up and the percentage will stabilize. So, Deepak, maybe you can add.

Deepak Joshi: So, again, as Hari explained, so that 20% which margins were rock bottom, but we assume that has reached to its lowest possible and the only sign from there is it can go slightly up, but our focus is not that. Again, our focus is to PPF and sun control, which we value and there these margins will be stable and the volumes will pick up. So, overall average EBITDA margin should increase going forward, I am saying stable to strong.

Shubham Agarwal: No, but the margin at what level should it stabilize like any number that you have in mind?

Hari Nair: See couple of factors we need to look at dynamically. We can say that current levels is a good number to look at from an extrapolation perspective, but we are also looking at what we call PPF growth. Luckily PPF as well as sun control, we are at a similar level. Shrink margins may vary. So, overall current levels you can consider as a stable number now under the market forces change dramatically on IPD or something, current level should hold good. PPF, also, we will be able to hold good, I think broadly it looks like these numbers we can like this can be managed.

Deepak Joshi: Offline we can't calculate right now, but the thought process is more volumes of specialty and then percentage of commodities is already very low. It will go further down to making that EBITDA percentage stable or better.

Shubham Agarwal: Understood. Fair enough, sir. And lastly, one second question on this PPF. So, what is the total CAPEX required for adding a new line if we decide to do that?

Hari Nair: So, see most of the infrastructure has been completed. We need to just acquire the equipment now. Currently, we believe whatever was the number which we had spent out last year about 30%-40% was for the infrastructure that we did not do it again, so we will the CAPEX of say 100 crore around that level. We don't know, of course put a caveat we don't have any agreement. We have not signed any papers with the supplier etc., but this looks to be a rough number which we can think about.

Shubham Agarwal: So, this will basically on 100 crores, we can almost double our revenue potential, which is currently 300 to 600. If I assume correctly, right?

Hari Nair: Correct.

Shubham Agarwal: And is this the same case with the sun control film?

Hari Nair: Sun control, investment is little higher, so the basics remained same. The infrastructure has already been put for the new sun control line also. We need to only acquire the equipment. Of course, the value of equipment is on the higher side.

Deepak Joshi: Because it just we have commissioned the line 4-5 months back, so that will take a little longer in that process, but on PPF, we will be working fast in reviewing the numbers.

Moderator: Thank you. Next question is from the line of Keshav Garg from Counter-Cyclical. Please go ahead.

Keshav Garg: Sir, I just wanted to understand one thing. Sir, our EBITDA last year was 230 crore and our sister concern Garware Technical Fibres, their EBITDA was also 230 crore, so both companies are debt free. So, how come their market capitalization is almost 4 times our company?

Hari Nair: So, Keshav, see, we don't want to comment on the market cap or share price. I think we will rather focus on selling PPF and sun control and then be happy with that. Now of course, people markets look at variously. In fact, one of the complaints have been we have not even had a call for last one year. So, there are multiple smaller factors and many people have clubbed us with the commodity market. Now if you talk to many people, the investors, they were thinking as more like a commodity player, not as a though we have been telling earlier also it's not first time we have been saying all these things, but that's the scenario. From a market cap perspective or share price perspective, we would not get into that kind of thought process. Let us complete the process of selling as much sun control and PPF as possible.

Deepak Joshi: Yes. So, again, I'm just complementing what Hari said that the company once again it's a R&D driven new product development, high quality consistency having 90 plus countries exports, so our focus will remain there to fill the line of PPF fully used, then sun control fully used and think of further expansions and all. So, all those things will be in our mind. And again, we are a company which makes product which nobody makes in India. So, our peers and our, there is no comparison. So, we will set the tone like that. We will do our work and that market to its own course of actions.

Keshav Garg: Sir, the thing is that Garware Technical Fibres has done 5 share buybacks, whereas sir, we are just sitting on 250 crore of net cash. We have over 200 crore of operating cash flow every year, which is more than sufficient for any CAPEX that might come in future. But sir, still neither its dividend going up nor is there any share buyback. So, there is a limit to how much you can top down your stock?

Hari Nair: Firstly, we do not want to top down our stock for sure. See the cash will be required, in our humble opinion, maybe in the near term. Of course, expansion is something which we are looking at. See we have to build the whole infrastructure. We need to only buy the equipment to double our capacity for PPF and not exactly double, but at least 30%-40% increase in the whole sun control area space. And if we can do without that, why not do it. So, cash is something which is required. Anyway, having said that, the cash is not some, we will have more cash because we may at some point of time selling our Nashik land. We will do something with that. So, the cash will come up. The idea is to build a good balance sheet, get good technologies. Maybe if we get some good cut technologies to acquire, we will do that. We don't know it. Currently, a lot of things are uncertain. We don't want to comment on future course of action. Immediate one and half year goal fill up the existing capacity which we have and as we reach the capacity utilization as we are able to foresee a position where we are able to fill up our capacity, we will surely use the existing cash to what we call build new lines because all those things take time. You give money. It takes time. So, all these monies are required. It's not like we broadly do believe the money will be issued, but if we think otherwise, of course we will come back.

Deepak Joshi: And just to add on Hari's thing, when he said that we have built, so this new line we have made replica of the building, I mean the building can accommodate 2 lines. I mean one has been operational. Another thing is fully ready with all the utilities; building, everything is ready. We just have to put the equipment whenever needed. So, we know that the market is going in the right direction. So, we will utilize our cash into that area.

Keshav Garg: Sir now the apprehension is not the cash. Cash will surely increase on the balance sheet, but whether that cash will reach the shareholders, that is the main apprehension. So, anyway you have addressed that question. So, now the second thing is that we are trying to see...

Hari Nair: Cash is for shareholders. See Keshav, let us set it right. Cash is for shareholders. So, there is no question. There is no question how will we use the cash. Cash is purely used for what we call, we have kept it primarily for expansion purposes, no other purpose.

Keshav Garg: Thing is, we are trying to sell our PPF in the domestic market under the name of Garware Application Studio. Now, sir, the point is that nobody will put PPF in a Maruti or Mahindra car. They will put in an imported brand BMW, Mercedes and so on. So, now if someone is buying a foreign branded car of let's say 50 lakh or 1 crore or above. So, they will go for 3M, which is a foreign brand, and their main pitch is that we are a foreign brand and whereas we are trying to sell it under Garware Application Studio. So, why aren't we trying to sell it under the Global Film brand?

Hari Nair: Keshav, primarily we are targeting as much as export market as we can. So, last year, just to give a rough estimate, 70% of our PPF was used by the USA. So, it is that much which we have sold in US market, we are talking of 30%-40%-50% utilization going forward in India and Garware is a brand which is a very strong brand. 3M is not even what you call manufacturer of their own product. We do not want to top down any other thing, but broadly we believe in our manufacturing capacity, we believe in our product capacity, and we will grow on that basis.

Deepak Joshi: Yes, I will tell you the numbers like we keep track of this thing, as I said, if we compare two years back, India sale is now 10 times of PPF we are selling in India market. That is number one. Second is not true that people do not put on low and I won't name Maruti and all, but the higher selling are the Harriers and Scorpio and XUVs and all. So, we have all the records and everything and we are seeing the growth is going on all those segment, right. And the second thing is whenever we go to the market, we have a very strong survey of the market. Our team is on the ground and we do surveys as a third person, and we understand that Garware brand is quite strong on sun control and now same kind of perception on PPF also. So, we are doing really good on that and these are data proven scientific research which we have to support our arguments.

Moderator: Ladies and gentlemen, due to time constraint, we'll take that as the last question. I now hand the conference over to the management for closing comments.

Deepak Joshi: Yes, I would like to express our sincere gratitude to all the participants for joining us today and contributing to this engaging discussion. Your presence and insightful questions have been valuable to us. We remain committed to pursuing our business strategies and overcoming obstacles with determination. We are grateful for your continued support and trust in our company. Should you have any further question or require additional information, please do not hesitate to reach out to us or our IR team at Ernst & Young LLP. On behalf of the management, we once again extend our heartful thanks for your time and participation, take care. Good bye. Thank you.

Moderator: Thank you very much. On behalf of Garware Hi-Tech Films Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.