

**MAYUR UNIQUOTERS LIMITED**

Manufacturers of Artificial Leather/PVC Vinyl

**Ref: MUL/SEC/2022-23/158****Date: February 10, 2023**

To,

BSE Limited  
Phirozee Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001  
(Maharashtra)  
**(Scrip Code: BSE- 522249)**

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup>Floor, Plot No. C/1,  
G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051  
(Maharashtra)  
**(Trading Symbol: MAYURUNIQ)**

**Subject: Transcript of the Earnings Conference Call held on February 08, 2023.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), we submit herewith the transcript of the Earnings Conference Call held on February 08, 2023 of the Financial Results of the Company for the quarter and nine months ended December 31, 2022.

The above information is also available on the website of the Company at [www.mayuruniquoters.com](http://www.mayuruniquoters.com)

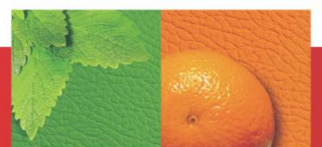
You are kindly requested to take the same on record.

Thanking you,

**For Mayur Uniquoters Limited**

**Pawan Kumawat**  
**Company Secretary and Compliance Officer**  
**M. No. – ACS 25377**

A Texture For Every Idea

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“Mayur Uniquoters Limited  
Q3 FY '23 Earnings Conference Call”  
**February 08, 2023**



**MANAGEMENT:** **MR. SURESH PODDAR – CHAIRMAN AND MANAGING DIRECTOR – MAYUR UNIQUOTERS LIMITED**  
**MR. VINOD SHARMA – CHIEF FINANCIAL OFFICER – MAYUR UNIQUOTERS LIMITED**

**MODERATOR:** **MR. RAHUL DANI – MONARCH NETWORK CAPITAL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Mayur Uniquoters Limited Q3 FY '23 Earnings Conference Call Hosted by Monarch Network Capital Limited. 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 touchtone phone. Please note that this conference is being recorded.

I'll now hand the conference over to Mr. Rahul Dani from Monarch Network Capital Limited. Thank you and over to you, sir.

**Rahul Dani:** Yes. Hi, thank you, Faizan. Good afternoon, everyone. On behalf of Monarch Network Capital, it's our pleasure to host the senior management of Mayur Uniquoters. Today we have with us, Mr. Suresh Poddar, Chairman and Managing Director of the company; and Mr. Vinod Sharma, CFO of the company. I would now request the CFO to start with the opening remarks, and then we'll go to Q&A. Thank you and over to you, sir.

**Vinod Sharma:** Thank you, Rahul. And good afternoon dear investors and analysts. Ladies and gentlemen, it is a great pleasure to be here to share with you the performance of Mayur. Thanks for giving your precious time to join Mayur Uniquoters Limited's Q3 FY '23 conference call.

Mayur Uniquoters, being a market leader in the synthetic leather industry and an organized player, has been able to leverage the emerging opportunities and delivered exemplary performance in past years, both in domestic and international business markets.

Now I would like to start with financial highlights for Q3 FY '23 under review, and we will also reply your query after our review on financial results for the quarter. The company has achieved revenue from operations on a standalone basis amounting to INR 170 crores, PBT INR 32.70 crores, PAT INR 26.07 crores during the quarter. The revenue from operations is decreased by 13%, however the PBT and PAT has slightly increased by 1% and 3%, respectively, over the last quarter. The revenue from operations on consolidated basis is INR 178 crores, PBT is INR 33.40 crores, and PAT INR 26.56 crores, and has decreased by 13%, 5% and 2%, respectively, on a quarter-to-quarter basis. Our endeavor here is to make the company a preferred supplier for the leading OEMs, especially US and European regions.

In OEM sectors, we have been selected for several upcoming SKU models in exports and domestic markets, for which supply is expected to start in the years '23-'24 and '24-'25. So we are hoping a very good performance especially in coming next 2 years. And this year also is going to be better year for us with top line and bottom line than last year.

While pursuing our business interest, Mayur Uniquoters has also been endeavouring to fulfil our responsibilities to our society. Under the Corporate Social Responsibility program, contribution towards regular plantations and plan to do at large scale in coming years. The company has also adopted many happy schools for educations of children. The company has worked on education

for all and underprivileged children, various healthcare initiatives, especially child skill development, water for all, sanitation at school area, distribution of books, bags, cloths, etcetera, and most importantly family planning and family welfare schemes in the villages of the states. The state government has recognized these initiatives on various platforms.

I am thankful to all the investors for their valuable time to those who became the part of this earnings call. With this positive note, I would like to conclude and request you all to open the forum for questions, and we request you to kindly note that due to time constraints, duration of this call will be around 45 minutes. We, therefore, request you to kindly avoid repeated questions, and we will not discuss volume data, so please avoid volume-related queries. Over to you, Rahul.

- Moderator:** The first question is from the line of Rahul Dani from Monarch Network Capital Limited.
- Rahul Dani:** Just wanted to check regarding the footwear segment, again, we've seen a decline in revenue. So what is your outlook on the footwear segment?
- Suresh Poddar:** Footwear segment it was okay, but, of course, it's little down because during November and December -- from November, December, January, 3 months are the winter season, and in the winter season, the chappals are sold less, only closed shoes are sold. And these closed shoes are made with -- generally with leather. But now it has started again, and we'll be okay.
- Rahul Dani:** And just wanted your outlook on the domestic OEM business. On a Q-o-Q basis, we've seen a little decline. Just wanted to check regarding Hyundai and Kia orders, have they started to pick up?
- Suresh Poddar:** The domestic OEM business, in this quarter, we have done -- on domestic OEM is INR 40 crores in this quarter, and previous quarter it was INR 42 crores, because of new year they keep less stock because people want to buy a new year model car, so that's why December is a little bit down. From January it's start to increase.
- Moderator:** The next question is from the line of Aman Agarwal from Carnelian Capital.
- Aman Agarwal:** A few questions from my side. First of all, if you can talk about how much has been the impact of raw material price decline in terms of our revenue. Because if I see on a Q-on-Q basis, we have declined by somewhere around 13% and on Y-o-Y basis, the revenue has declined by around 1% on consol basis. So how much of this impact has been due to decline in crude prices and relating to our raw material? And what kind of volume growth we have if you can talk about it?
- Suresh Poddar:** So the price has not declined, yet, of course, the raw material prices are going down. And it will be decline little bit, quarterly contract with the automotive industry. Accordingly, when the price is up, we increase the price: when price is low -- and leather if you compare from quarter 3 to quarter 2, per meter price has increased by INR 5.89 per meter, and volume was a little less then '22 '23, say what it is.

- Vinod Sharma:** Volume total, in last quarter, we sold 75 lakh meters and in Q3 the volume was 64 lakh. So volume was down a little -- 12.6% but the price has increased over the last quarter. So the sales and -- profit has increased over the last quarter. If you see, our profit in Q3 was PBT around INR 32.69 crores and PAT INR 26.07 crores. And in last quarter, it was INR 32.47 crores and INR 25.39 crores. In spite of decrease in the sales revenue, our profit has increased.
- Aman Agarwal:** If you can explain why this volume decline on your Y-o-Y and Q-on-Q basis? Is it mainly driven by exports or some other segments also impacted the volume demand for this quarter?
- Vinod Sharma:** Volume has declined in Q-on-Q basis, but it is not on Y-on-Y basis. Y-on-Y basis, it has increased. And in last year, 9 months, we have sold around -- just a minute -- 192...
- Suresh Poddar:** October, November, December is generally down quarter.
- Vinod Sharma:** In last year 9 months, we have sold 192.3 lakh meters, and this year 9 months, 208.86 lakh meters.
- Suresh Poddar:** So the 9-month volume is more than last month -- last 9 months.
- Vinod Sharma:** In fact, it is 9% increase in volume and prices also.
- Aman Agarwal:** And on the Hyundai Kia order update, sir, if you can update when that would start coming to the sales in -- on that book.
- Suresh Poddar:** You're asking about Hyundai order?
- Aman Agarwal:** Yes, sir, Hyundai.
- Suresh Poddar:** Hyundai we are supplying now at the moment it is growing about 30,000 to 35,000 meters per month. These orders are specifically for specific model. Model which we have been given that is lifting is about 30,000 to 35,000 meters per month.
- Aman Agarwal:** Just a final question on margins, sir. Our gross margins have improved materially during this quarter. We have reported 42% gross margin. So what actually led to this kind of improvement? Is it due to higher realization or if you can talk about it, sir?
- Vinod Sharma:** It is because of both. Raw material prices also decreased, and we have also increased our prices, as I already told you. In last quarter we have increased average INR 6 per meter sale prices over the last quarter so the profit has increased because of increase in sales price and decrease in raw material prices.
- Aman Agarwal:** And this should be the trend going forward also, right sir, given the way we are seeing raw material prices and all?
- Vinod Sharma:** Yes, we are expecting the same trend in coming quarters.

- Moderator:** The next question is from the line of Awanish Chandra from SMIFS Limited.
- Awanish Chandra:** Sir, first question on PU business, we were doing INR 6 crores to INR 8 crores run rate in a quarter. So any improvement on that side or any guidance for next year on the PU business side?
- Suresh Poddar:** You see PU business because that goes mainly in footwear and leather goods, as I told you that in this quarter, it is always down, whatever it is, other than automotive. So now it was okay, just it was going. But from this quarter, the sale will increase. And secondly, we had a division in Chennai, leatherette division, where all the -- most of the top brands like Nike, Adidas, all that -- Louis Vuitton, these big brands people came there, listed our exhibition also. And we are expecting good business. Now it should start moving.
- And then we have appointed one distributor in South who is selling a lot of chemicals, different type of chemicals of the world's renowned companies to all these big brands. So now he will start -- he has started introducing us to the big brands for our artificial leather PU. And I hope next year should be good and year after next should be much better.
- As I told you previously also, because of the problem of the government this traders' manipulation of the excise duty and this custom duty given we have put up a antidumping duty, now they are manipulating in quantity and the prices they are showing is hardly 1/2 or 1/3. So that was creating a little bit problem. But now what -- we are shifting now to the brands. So in the brand, advantage is that once the brand is approved by any supplier to any supplier, then their supplier has to buy from us. So I think this year, we should come in line. And hopefully, next year, we should do much better.
- Awanish Chandra:** And sir, second question on Mercedes and BMW. So what kind of run rate we are having now from the Mercedes, monthly or quarterly any run rate, and BMW timeline?
- Suresh Poddar:** Monthly about it 30,000 to 35,000 meters with Mercedes. BMW it was 3,000 to 4,000 meters because it was going to Thailand only. Now they have approved for South Africa. So in next 3 months, it will also start 15,000 meters, and it will go in 6 months' time up to 30,000 meters.
- Moderator:** The next question is from the line of Dhruvesh Sanghvi from Prospero Tree.
- Dhruvesh Sanghvi:** Sir, I have two questions. One, as we have now, 70-75 lakhs meter per quarter, approximately our volume has remained. Will this be done sustainably from 90 lakhs to 1 crores meters in the next 1.5-2 years? Which, as we have been saying since the last 3 quarters, that these OE models will start coming in the next 12-18 months. So can we say that we will reach nearly 90 lakhs from 70 lakhs quarterly? An estimate. 90 lakhs per month. 30 lakhs per month?
- Suresh Poddar:** See it is like, whatever we are making and we are very much optimistic with export auto OEMs. Not only optimistic, we have got many models order. The program has already started. And in next 2 years, in '23-'24, '24-'25. '23-'24 it will be doubled than '22-'23. I'm talking about export OEM. And from '23-'24 to '24-'25, it will increase by another 50%. This I'm talking with the orders, which is in our hand. The supply will start after -- some supply will start after 3 months,

some after 6 months, some already has started. So there is going to be a very good growth in export OEM. And the profitability should be also more because the OEM profitability is good. And then the turnover will also increase quite handsomely. So I can say in nutshell, '22-'23 is good, '23-'24 and '24-'25 these 2 years will be fantastic years.

**Dhruvesh Sanghvi:** Sir, because we are not talking in specific volume numbers, like you said that export OEM will be doubled and then it will increase by 50% So 70 lakhs per quarter can easily be 90 lakhs to 1 crores per quarter, right? 90 lakhs per quarter. Is this correct assumption, sir?

**Suresh Poddar:** Per quarter, 75 to 90.

**Vinod Sharma:** 75 to 90, 5 lakhs per month.

**Suresh Poddar:** So the month will increase by 5 lakhs? Yes, it should increase by 5 lakhs. See, it can be as low as 1.5 lakhs. I can't predict at the moment. But one thing I can tell you, the turnover will increase because when you are exporting OEMs, the cost prices -- the selling price is also very high. So in comparison to that your top line will also increase and bottom line will also increase.

**Dhruvesh Sanghvi:** Yes sir. And second in terms of Like you said about the PU, the problems in terms of under-billing of the trader, it happens in almost every product and commodity in India. So when we put this plant, we must have thought that it will happen. So despite all this, do you think that in 4-5 years, we will be able to manage all this? We will be there. We will do it. I am talking about a year or 5 years, I don't know the direction?

**Suresh Poddar:** It is not a matter of a year or 5 years. It will happen in 2 years. Secondly, we are making a different type of PUB. We have already been approved by Chrysler Motor for their Thailand plant. We have already been approved by Chrysler Motor for their Thailand plant. We have already started supplying 10,000 meters every month which is about \$21 per meter. And this will also go up. When people are converting on PU, some different types, there are 3, 4 kinds of PUs which has been started. So this is one which has started long back.

Now 2 different type of PUs is also coming, which is very strong, and you can compare it with leather. So that product is also developed by us. In the world, only 3 countries are making. One is German company, one is a Japanese company, and we are the third. So we have started entering on that line also, which has got good margins and top price -- basic prices are also very high. So we are concentrating more on that.

On the top of that, I don't know whether you know, we have started retelling of furnishing material. We have introduced more than 270 retail counters all over India, and we are selling directly to them and then through our distributors also. By end of this year, I mean in 2023, we have plan to make 1,000 dealers all over India. Advantage in this business is that you are having direct contact with the retailers, and we are having good margin. Of course, it takes a little time. But when the brand is famous then you start getting good. It's going slow, but it has -- people have started asking nowadays now the people are asking for that cinema halls, hotels, restaurants,

we have got order for one 5-star hotel for their all India and one they have got 2,000 meters order.

So this is the new area which we have opened in furnishing, and we are very much optimistic on this because margin is good. And in my study, I have studied that artificial leather, which is used, say, 100 meters is used in all type of this thing, out of that, 50 meters is used in furnishing. Furnishing means sofa set, chairs, cinema hall seats, and all those contract upholstery. So this is a very big market, which was not tapped by us very rigorously. Now we are going for it, and we are getting good response. Good means, it will be gradually. Maybe in the next 2 years, we will see the good result out of this. Maybe in this less volume but more profit. So we are working on that also.

What I'm trying to say, we are working in all the lines. Now we have got hold of one very big leather goods manufacturer like ladies purse, ladies bag, and they are supplying to all over the world. And we had a good connection with them. They have made a material from our material and the customer has liked. These are the future things which are happening. And we were not much in leather goods, and now we are concentrating more on export of leather goods and footwear manufacturers, those who are exporting these products with the PU material. So we are very much optimistic about PU also, because PU is increasing, PU is replacing leather, and there are 2, 3 kinds of PU. So we have started making another kind of PU also.

**Moderator:** We'll take the next question from the line of Nirali Gopani from Unique PMS.

**Nirali Gopani:** Sir, just one clarification on this PU part. So you are saying that we have developed a second type of PU and that is mainly for the automotive side, right? The first type of PU will go to the footwear or the handbag product?

**Suresh Poddar:** No, you see this costly PU which we have produced, we are going to introduce it in furnishing and footwear and leather goods also. Now because it is very expensive than our common PU. So how people will take it up, but of course, automotive people have started accepting. And I think in the next 3, 4 years, it will increase. And gradually, leather is going down because of the cost, because of this environment and this sustainability and go green. And now the PU, also, we have made without solvent and without DMF, which is, as I told, that only 3 companies are making, including ourselves.

So people are going more towards environment. So that is also good news for our artificial leather. And because we are working only on top products, that's why we are getting margin. And I have very good hope for this artificial leather will keep on increasing, there is no doubt, because nowadays hardly any difference in leather and artificial leather because people say it is breathable.

Now where is the breathability because of a lot of finishing and all that, the breathability is going down day by day. A general person will never understand, but the price difference is huge. So people have started even here in America this SUV's third row, people have started shifting from



leather to PVC or to PU. So the PU will keep on increasing, no doubt about this. And we are only after that, working very hard on that.

**Nirali Gopani:** Right. So, sir, what will be the volume for PU in this quarter?

**Suresh Poddar:** You see, I told you, this is just starting. As I told that we are making about 7,000 to 10,000 meters, we have already started supply from last 3 months. So it will -- for another 6 months, it will be 7,000 to 10,000 meters only. After 6 months, it will gradually go up, because there was a German company, we have taken fresh order from them.

So now because we are new in this type of PU, people will like to understand us, how is our quality, how is supplies and all that thing. So gradually, they will increase. But it will be increased 100%. There's no doubt about it. And it is because this is we are supplying only to Thailand. Now our material is in process in America also, and I think during the next 3, 4, 5 months, you'll get the result. And we will start there also. Like that, we are talking with the Ford Company also. You see in this automotive industry it takes time.

But when it once happens, then it happens. Like we are drawing so much work for PVC. Now the things were moving very slow, but now you will be surprised the kind of increase you will see in next 2 years, you will be surprised because we have already got the order, some RFQ is on the line, some SOPs are in the line. So this '23-'24 and '24-'25 there will be a big expansion, and it will keep on increasing.

**Nirali Gopani:** Sir, I understand that we are very positive about the next 2 years, FY '24 and '25, and we are trying to do multiple things, export OEMs, PU, furnishing. So as investors, what revenue growth should we see over the next 2 years?

**Suresh Poddar:** Revenue from export?

**Nirali Gopani:** No, overall at company level.

**Suresh Poddar:** You see what is my calculation, in next 2 years, I mean '23-'24, '24-'25, revenue should grow between INR 1,100 crores to INR 1,200 crores.

**Nirali Gopani:** Okay, sir.

**Suresh Poddar:** This is for sure.

**Nirali Gopani:** And sir, one request or suggestion. Since your son has joined the business, why don't you bring him on the call so that it will give a lot of comfort to the investors to see the succession planning also at the company level?

**Suresh Poddar:** He is coming, he will come. Nowadays it takes time for young generation. And don't worry, this company is going fully -- professionalized, and we are working with professionals. And he will also come, but it will take some time.

**Nirali Gopani:** Okay, sir. Sir, the CEO search is also...

**Suresh Poddar:** My grandson is getting ready also.

**Nirali Gopani:** Sorry?

**Suresh Poddar:** My grandson is studying in America, and in the next 2 years he will pass the graduation, and he will also work.

**Vinod Sharma:** He will also join.

**Suresh Poddar:** He will also join because he is very, very much interested. So from -- see from that point of view of what will happen if Manav is coming or not coming or late coming, nothing will happen to the business. Now this company I am handing over more and more responsibility to professionals, and they are really doing wonderful. Now I'm looking for a CEO also and COO also, which the next 1.5 year or 2 years I will finalize. Because the way things are growing, we need to professionalize.

Now we are -- maybe we have to open a plant in Mexico also because the whole thing goes to Mexico of this US account. And it is because the quantity is increasing, we are looking -- seriously we are looking for a land also to have a plant. So a lot of things are going on. We are discussing with some European companies also. We want to be all over the world. If you have a plant in Europe, if you have a plant in USA or Mexico, and then you have a plant in India, that means you are going all over the world. So the final planning is this. I was just waiting for the orders of automotive industry. Now I have got the orders.

Now I'm more confident because you see when you start a new plant somewhere, you need a minimum business. So that now -- I think, at the moment, we are supplying about 1.5 lakh or 1.7 lakh meter per month. But in next 2 years, it will cross 5.5 to 6 lakh meters. And when the prices are high, we have backward integration also, we have got foam lamination, we have got perforation. In some products, the price is \$13, \$11, \$12 with these value additions. So things will increase. And I'm sure in next 2 years also so far as footwear and leather goods and furnishing, our name will be very much important, because I'm concentrating more on quality products, not on these day-to-day business.

In automotive now, you can say, we are covering almost most of the automotive manufacturers. So like that, I want to go for the brand name of automotive -- sorry, of footwear, furnishing, and leather goods also because they are selling in much better price, so they can give price also. But there also it is not easy. Now, 11 people have visited our Gwalior plant. They have seen we are working very seriously with them. We are talking to 1 or 2 other companies also. That means people have started coming to visit us, people have started knowing Mayur in leather goods and -- in leather goods mainly.

And furnishing also now, we have started this furnishing, anybody is talking, is it Mayur, because in leather cloth in India, we are number one, as you know. And number two is not even

50%. Go anywhere to any distributor, any retailer, they will know who is Mayur. And now because of our standing in all foreign countries, those who are making car seat cover or auto interior, anywhere you go and ask the name Mayur, they will say yes. These are going slow in the export. Now we are well equipped, and we are moving towards even having the plants in Europe and America.

**Moderator:** We'll take the next question from the line of Dhiral Shah from PhillipCapital.

**Dhiral Shah:** Sir, historically, if I see your EBITDA margin, sir, it was in a range of 24% to 25%, even higher than that around 27%, and in last 2 years, sir, it has fallen to almost 18%. So when do you see, sir, these margins going back to original level of 24% to 25%?

**Suresh Poddar:** The market is very volatile and as far as the price is concerned, the margin is concerned, Why I'm moving to exports and with these guys, because of only reason that we have a good margin, we have a good product, we have a good technical product. Today if all this is happening, definitely the margin you will see in '22-'23 will increase in both '23-'24 and '24-'25. Because we will export more. You understand my point?

**Dhiral Shah:** Yes, sir.

**Suresh Poddar:** But I can't give any guarantee that it will be like this. I can just say that it will increase. And naturally, I am the supplier, I will try to get as much possible as much price. But all depends on circumstances also. But now I can tell you so far as my supply is concerned, that top line will be there and bottom line also will increase, not decrease. And it should increase good.

**Moderator:** We'll take the next question from the line of Manoj Dua from Geometric Securities.

**Manoj Dua:** Okay. So Poddar ji, last call we were talking about that we are trying for sample of Chrysler USA for high solid PU. So what is the progress regarding that?

**Suresh Poddar:** I have explained just now that we have already started supplying in Thailand its plant. Now we have given our sample in America also. We are testing it and hopefully in next 3, 4, 5 months we will get it. You see, it will go slow, but it will increase. Everybody is looking at Mayur. Because of the climate, because everybody wants DMF and solvent free. You see, even PVC also there is solvent and PU also there is DMF and solvent. So we are working for the process which doesn't have all this. And it is not easy that anybody can go and do it. We are the third person only in the world. One is German, one is European, third we are.

So you can understand how much pain we are taking and how much you know our R&D is working on those things. If your are sowing a seed, for becoming a plant it will take time. We have been doing this process from last 3-4 years very rigorously and we are getting a result. You know? Now tell me one thing. I want to ask you a question. You invest money from all over the world.

I see so many balance sheets whose profit is very less. Their lion runs in the sky and those who have more profit, their lion is not there. Why it is so? Because everybody talks very big and then what happens? What happened to Adani? Where were they and where have they come? I never talk in the air. I want to talk what I can do. I don't want to do that.

And in spite of that, you know, last three years where everybody has gone through the news play, now every man wants to get out. Now tell me one more thing. Now, like there is a movement in the world that the situation in Europe is bad, the situation in America is also bad. But what happened to us in between was that we were a little down because of the chips problem. We were going up to 1,75,000 meter per month which went down to 80,000 meters. Can you imagine?

Because there was no chip supply. Now the chip supply are abundant, and we have allotted the other competitors' programs also. So what I'm trying to say is that even if the market is little bit tough, my automotive export will not be decreased. That's what I'm trying to tell. So I'm very confident for next 2 years. And naturally, every year, it will keep on increasing.

**Moderator:** We'll take the next question from the line of Nikhil Upadhyay from Securities Investment Management.

**Nikhil Upadhyay:** Sir, two questions. One is, in nine months, for this year, how much will be the total sales of our exports in revenue terms?

**Vinod Sharma:** 9 months this year, total exports is around INR 135 crores and last year it was INR 106 crores, 9 months.

**Nikhil Upadhyay:** And one clarification. You mentioned in Thailand, we are -- for BMW, we are supplying 3,000 meters as of now, which will scale up to 15,000 meters.

**Suresh Poddar:** Up to 30,000 meters in 1 year time. In Thailand 3,000, 4,000 meters. Yes, this is for South Africa.

**Nikhil Upadhyay:** BMW, which will scale up to 30,000 meters.

**Suresh Poddar:** Yes.

**Nikhil Upadhyay:** Lastly, sir, like we got an opportunity in Kia and Hyundai in terms of adding more customers, in domestic OEM, like if you see now, there is more interest in premium cars. Do you think we have an opportunity to increase our share in that segment or is our share optimum there? Any idea if you can?

**Suresh Poddar:** No, share is going to increase. It is like premium automotive is also not making cheap products. Today's smaller vehicles like INR 5 lakhs, INR 7 lakhs, INR 8 lakhs using less products, high value are using more. Because its technical requirement is more like MG Motors which is in south. Now they have -- this is a Chinese company. They were buying from China factory also

our material. Now they have shifted us to 100%. So now one thing, Mayur is known all over the world, and now people -- why people come to us?

For the quality. And I cannot supply the material, which is very low price and low quality. That's why -- and there is a huge competition because every day one new leather cloth companies are coming, they are just reducing the prices, so I don't want to go in that line. We are stick to our quality products and the high price. And the world is so big, I think to get at least 20%, 25% growth every year is not a very big thing.

**Moderator:** Ladies and gentlemen, we'll take that as our last question. I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

**Suresh Poddar:** That was the last. Now thanks to all the listeners and investors. One thing I can assure you, from Mayur point of view that you will see growth every year, good growth. Of course, last 3 years were not that good, but last year was better, this year will be better than last year, and next 2 years will be very good. Maybe so far I think INR 1,000 crores we will cross in this year only '23-'24. That's what I'm after it. If God wills, but the situation and the order in our hands, future is good, in nutshell I can say that. Thank you very much for listening.

**Vinod Sharma:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, on behalf of Monarch Network Capital Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.