

**MAYUR UNIQUOTERS LIMITED**

Manufacturers of Artificial Leather/PVC Vinyl

**Ref: MUL/SEC/2024-25/17****Date: May 24, 2024**

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 Earnings Conference call held on May 22, 2024.**

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 Earnings Conference Call held on May 22, 2024 of the Audited Financial Results of the Company for the quarter and financial year ended on March 31, 2024.

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

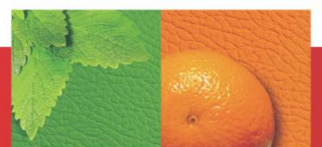
You are kindly requested to take the same on record.

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  
Q4 FY '24 Earnings Conference Call”

May 22, 2024



**MANAGEMENT:** **MR. SURESH KUMAR 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 Q4 FY '24 Earnings Conference Call hosted by Monarch Network Capital. 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 now hand the conference over to Mr. Rahul Dani from Monarch Network Capital. Thank you, and over to you, sir.

**Rahul Dani:**

Yes. Thank you, Yusuf. Good afternoon, everyone. On behalf of Monarch Network Capital, it's my pleasure to host the senior management of Mayur Uniquoters. We have with us Mr. Suresh Kumar Poddar, Chairman and Managing Director of the company; and Mr. Vinod Sharma, CFO of the company. I will now hand the call to Mr. Vinod Sharma for opening remarks. Then, we'll move to Q&A. Thank you, and over to you, sir.

**Vinod Sharma:**

Thank you, Rahul. Good afternoon, dear investors and analysts. It's a great pleasure to address you as we reflect on the past year and look forward to the future of the company. Your support and trust in Mayur Uniquoters have been instrumental in our success, and we are honoured to share with you the performance of Mayur.

Thanks for giving your precious time to join Mayur Uniquoters Limited Q4 FY '24 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 national as well as international business markets.

Now I would like to start with financial highlights for Q4 FY '24 under review, and we will also give replies to your queries after our review on the financial advice -- results of the quarter. The company has achieved the revenue from operations on consolidated basis is INR220.89 crores, PBT INR39.93crores and PAT, INR32.15 crores.

In the quarter, the consolidated revenue increased by 24%. PBT and PAT have increased by 10% and 18%, respectively. The revenue from operations on a stand-alone basis is INR216.1 crores; PBT, INR39.7 crores; and PAT, INR31.98 crores. And in this quarter, the revenue increased by 24% and PAT increased by 9%.

Our endeavour is to make the company a preferred supplier for the leading OEM, especially US and European regions. [Inaudible 0:02:39] informed earlier that we have been selected and received some good orders for OEM supplies to new orders in export markets. And based on that, our OEM export sale is expected to increase further in this year as well as coming 2 years.

And the supply to some new hurdles has already started and some orders is expected to start in coming quarters. So we are hoping for a good performance in these 3 years. Also considering the continued request from our export OEM customers, especially in the US, we have seen and finalized the industrial land to start with warehousing facilities and finishing facilities later in Mexico near US border soon. And land acquisition process will be completed after the required legal formalities done in Mexico.

Further to start the general business and European regions, we are also planning to establish a subsidy company soon in Lithuania, Europe to cater and supply our products to nearby countries in Europe. While pursuing our business interest, Mayur Uniquoters has also been endeavouring to fulfil our responsibilities to our society.

Under the corporate social responsibility program, we contributed towards the regular plantations and having a plan to do it at large scale in coming years. The company has also adopted many happy schools for education of children. The company has worked on education for all people and underprivileged children, various health care initiatives, especially child skill development, water for all, sanitation in school area, distribution of books, bags, clothes, and etcetera. And most importantly, family planning and family welfare schemes in the villages. The state government has also recognized these initiatives on various platforms. I'm 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 avoid repeated questions, and we will not discuss volume data. So please avoid volume-related queries. Thank you. Yes, over to you Rahul.

**Moderator:** We will now begin with the question-and-answer session. First question is from the line of Shoumik Ganguly from Aditya Money Limited.

**Shoumik Ganguly:** Yes. Sir, as you mentioned, revenue, EBT and PAT had an increase. So what would be the qualitative reason for it?

**Vinod Sharma:** EBT has increased. Revenue has increased. PBT, that has increased for those reasons.

**Suresh Poddar:** So is the market improving. We have good sales in automotive industry, so doing good and export is doing very good. That's the main reason.

**Moderator:** Next question is from the line of Ritika Gupta, an individual investor.

**Ritika Gupta:** So I just wanted to know that can you elaborate on where the growth has come from? How has the footwear industry done in this quarter? How has the export OEM done, auto OEM domestic as well as the furnishing industry?

**Suresh Poddar:** See, every area has done good except for footwear industry. Because there was one regulation by the Government of India, BIS specification. That in every footwear, they have to use the BIS specification, which people were not ready for that. And because this cycle is very big cycle, manufacture, supply to wholesaler, wholesaler supply to retailer, then from retailer, it comes to the consumer.

Now, because of this regulation and those existing stocks, they are so high that they have to consume the stocks which is without BIS. So to liquidate those stocks, they have their production, they have reduced. That's why the sale was down.

**Ritika Gupta:** Okay. And sir, can you give us the breakup for export OEM or domestic auto OEM footwear, furnishing for this quarter, please, in terms of value, not volume?

- Vinod Sharma:** Yes, please, note done.
- Ritika Gupta:** Yes.
- Vinod Sharma:** Overall, overall export volume is INR66.62 crores in export, and the INR147.58 crores in domestic. So would you like to have more breakup?
- Ritika Gupta:** Yes, yes. In domestic, can you give us auto OEM or auto replacement footwear?
- Vinod Sharma:** Auto OEM INR52 crores. Replacement, INR40 crores. Footwear, INR48 crores. And others, you can take INR8 crores.
- Ritika Gupta:** Okay. Sir, can you also tell us what is the outlook for the export OEM and whether the BMW order has contributed to the growth in Q4, and whether it's a fixed price contract and how do freight costs impact us?
- Suresh Poddar:** Outlook for export future is very good. OEM export is good general export is good. They're looking good.
- Ritika Gupta:** And what kind of growth can we envisage in export OEM for this coming year?
- Vinod Sharma:** 20% you can consider in export OEM. And export general, we can -- you can consider 20% to 25%.
- Suresh Poddar:** 20% to 25% export and 10% to 15% is local.
- Vinod Sharma:** Local, domestic OEM.
- Ritika Gupta:** Okay. And as per the numbers that you gave us, sir, the footwear industry is showing a growth year-on-year in terms of Q4 FY '23 and Q4 FY '24. You mentioned INR48 crores of sale and footwear domestic versus INR33.6 crores, which is Q4 FY '23, which I have the numbers.
- Suresh Poddar:** In Q4, it has increased numbers in footwear, certainly. But overall, if you see the comparison of that --
- Ritika Gupta:** Yes. The whole year is down.
- Suresh Poddar:** Yes, it's down.
- Ritika Gupta:** 156 versus 189. So, what is the outlook going forward? Can we see this run rate for Q4 continuing or we will see a dip again?
- Vinod Sharma:** No, it will footwear will not increase much. But on footwear, we are working in very details with global brands. A local brand, there is too much competition also, and people are working with very, very little margin, which we don't want. So, we are working on global brands, and we have already started working these brands. People have started visiting our factory. And hopefully, will start increasing.

It will take some time, but this will be a big leap in course of time because these -- once you are approved to these big brands, they can recommend you for the whole world, wherever they are manufacturing. So, the chance is very good. We have a very good lead, but it will definitely take time. Because they have so many processes that it takes a long time to get approval then to get a business.

But I think in next three years' time, this business will start increasing. And it will start every year, but after three years, we will see the big jump.

**Ritika Gupta:** Okay. And what about the BMW order? Has it contributed to our Q4 revenue?

**Vinod Sharma:** Yes, it has contributed, but not much because they are buying in Thailand only. Now they are starting in South Africa from this year. This year, it will increase, the quantity.

**Ritika Gupta:** Okay. And is it a fixed-price contract? Like how does freight costs -- have freight costs impacted us in this Q4? And do we see them going forward also impacting us?

**Vinod Sharma:** Yes, it is a fixed price context and freight cost, it's a temporary phenomenon actually when it increases because of certain reasons. And now it is coming.

**Ritika Gupta:** Okay. And is it possible also to give us the PU revenue for this quarter?

**Vinod Sharma:** PU, around INR6.5 crores in last quarter.

**Ritika Gupta:** Okay. And what about the investment that you mentioned of up to INR30 crores in America? I understand it's for warehousing facilities, but is it going to like increase revenues? Or what is the purpose? And when can we see it?

**Vinod Sharma:** Actually, we are taking this land for -- starting -- to start with the warehousing capacities and later, we'll use it for manufacturing capacities.

**Ritika Gupta:** Okay. We are planning to set up a manufacturing?

**Vinod Sharma:** Yes, yes, yes.

**Moderator:** Sorry to interrupt Mrs. Ritika we please request you to region to the queue. As there are several participants waiting for their turn?

**Ritika Gupta:** Okay. Sure, sure.

**Moderator:** Next question is from the line of Uday Kumar from U.K. Capital. Please proceed.

**Uday Kumar:** Thank you for taking my question. Sir, despite good scale of business and exports doing well, why the margins contracted this time? It should have been gone up, right? And any margin expansion we're looking forward or?

**Vinod Sharma:** Yes, definitely, margin is also good in this quarter also, and it will further improve in coming quarters because of increase in the exports. But this quarter, because we have taken -- considered

some provisions on account of materials and employment benefits and all. That's why it is disclosed. Otherwise, it is better than last quarter.

**Uday Kumar:** Any pain on the raw material side, sir, and how does -- moving forward?

**Vinod Sharma:** No such special pain in raw material side.

**Uday Kumar:** Okay. Thank you for taking my question.

**Moderator:** Thank you. Next question is from the line of Rishab Bothra from Anand Rathi. Please go ahead.

**Rishab Bothra:** Hello. Good afternoon sir. Sir, I wanted to understand, though, I believe in each of the calls mentioned that it takes time for approvals and things will follow sooner than later. But what I see is from 2016 to 2021, our sales have been in the range of INR500 crores to INR600 crores, up and down plus minus 10%. And margins were around 27%, came down to 20%. Last two years, we have seen healthy growth in revenues.

But was it because of volume or price increases? First question. And the offtake which we are mentioning last two, three years, with automobile giants, a lot of orders going in. How are those pipelines shaping up? And when will we reach back to the margin trajectory of 25%, 26% plus? Sir, I'm mentioning a full year, not the quarterly Q4. Overall margin in FY '24.

**Vinod Sharma:** Rishab, you take one by one question, okay?

**Rishab Bothra:** Sure, sure.

**Vinod Sharma:** It's easy to reply.

**Rishab Bothra:** First one is on the revenue front. We were in the range of INR500 crores to INR600 crores. Now increased to INR800 crores.

**Vinod Sharma:** Yes, '21, we were ranging between INR500 crores to INR600 crores. Correct. You are absolutely correct. And margin was around 24%, 25%. Okay. Now for the last two years, and we are increasing in revenue terms and our margin was also increasing --

**Rishab Bothra:** Margin has come down, cooled off.

**Suresh Poddar:** If you look at '20 '22, '23, 18%, 19% is the margin. So, around 400 to 500 basis point reduction is there in margins -- operating margin.

**Vinod Sharma:** He is comparing with the '18, '19 margin.

**Suresh Poddar:** Lot of things have been the changed.

**Vinod Sharma:** Last seven years, a lot of things have changed. So '18, '19 margin, abnormally high.

**Suresh Poddar:** I have to discuss about the last year and this year and the future year. What has happened four years back and now this is happening, it is very difficult to reply.

- Rishab Bothra:** You mean to say we will not be able to scale up to those levels of margins. These 20%, 21%, 22% is a normal level now going forward?
- Vinod Sharma:** Yes. And you can take that the last year margin was better than years back, I think, 21%, 22% and 22%, 23% is better, now 23%, 24% is better than last year. And we are expecting improvement in margin as well as revenue in coming two, three years, especially in two, three years.
- Rishab Bothra:** And in terms of the revenue increase, is it because of volume increase or is it because of price increase of the commodity?
- Vinod Sharma:** Both.
- Rishab Bothra:** Both. And what is the scope for further increase in revenue? I mean, what is the spare capacity we have currently?
- Vinod Sharma:** Spare, around 25% capacity is there, and we can easily go up.
- Rishab Bothra:** And you mentioned PVC or PU?
- Vinod Sharma:** Yes. PVC and PU, both.
- Rishab Bothra:** So, in PU, we are utilizing around 50%, 60% capacity?
- Vinod Sharma:** No, no, no. I'm talking about average capacity. Average total capacity, okay? And in PU, we have subsequent 70%, 80% in spare. And PVC, we have 20%, 25%.
- Rishab Bothra:** Okay. And I see the depreciation fees are increasing year-on-year from INR22 crores to INR29 crores in FY '24. So where has been the major expansion like or something has changed in terms of policy?
- Vinod Sharma:** Some capex, we are incurring INR30 crores to INR40 crores on a year -- on an average every year. And for Gwalior, we have -- actually taken, considered some additional depreciation on buildings and plant and machinery.
- Rishab Bothra:** Okay. I'll come back in the queue sir.
- Moderator:** Thank you. Next question is from the line of Pranav from Rare Enterprises. Please go ahead.
- Pranav:** to look at the Sir, so if I had to -- a chance export data, and the market is very, very huge. And whoever is producing premium PU leather and PVC leather. All those geographies are high-cost geographies like Europe and US. So actually, your strategy fits the market opportunity perfectly that you will only do in a high-value segment. Sir, the question is that what it will take for us to crack this market very fast?
- Because though the strategy is perfect, the speed is a little bit less than what it could have been. I know there are some one-time factors, but the market is huge. So for example, China is like \$2.5 billion export but they are exporting in \$2 per kg market, whereas our realization is much,



much better. So can you just highlight what we need to do to improve our revenue growth considerably?

**Suresh Poddar:** Yes. The growth in export automotive. See, export automotive is growing, going very fast. And from this year and next three years, if we grow more than 2.5x to 3x. You see in export OEM, OEM business is a very different business. It cannot be that just if I like, I can increase any quantity in one year or two years. They have a process. Any new model they introduce, they introduced two years before. And accordingly, they allot. Now, whatever allotment we have got, now from this year, in next three years, it will be 2.5x, which models we already have allotted to us. But naturally, we are increasing.

**Vinod Sharma:** Actually getting the orders from automotive industry, it's very different from others.

**Suresh Poddar:** And one thing to remember, automotive industry, suppose in particular model, they have two suppliers, they will not change the supplier until and unless there is a problem with their supplier. So any new business is always coming from new orders, so that we are getting it successfully. Every quarter from now, every quarter, we will have some model in the next three years.

**Pranav:** Right. But even in non-auto...

**Suresh Poddar:** Has already been allotted.

**Pranav:** Even in non-auto OEM, so for example, furnishing and fashion and every other category, these categories also have really high realization. And those are not as a step change like an auto OEM, right? So in those markets, in foreign export markets, what will it take for us to have a significant share? Because the way I realize is that 15%, 16% of market is each in fashion and furniture. So auto OEM is just 15%, 20% of the remaining 50%. Even in fashion and furnishing in global market is a huge premium market. So any steps there?

**Suresh Poddar:** See, listen, so far furnishing is concerned, general export is increasing about 15% to 18% every month. Now how it is increasing? Also there are a lot of different type of market. One is footwear market, then it is what we call [inaudible 0:23:16] market and furniture market also. But furniture market is also like an automotive market.

There also, they just don't like to buy just like that. It needs time. So we are working in these three areas, in general export, footwear, leather goods. And now we have got good success in marine business. They are doing hardly any marine business. Now it has started picking up because there is less competition in marine. So now people have accepted our material, and we have started supplying.

You know one thing you must remember. It is not easy to just like that increase the business. Suppose you are buying something from somebody. I went as a new customer. You will first ask me for one year, one and a half year that how is my quality, how is my supply? And then accordingly, you will keep on increasing.

I can tell you in marine, we have got very, very good future. Because recently, in the last one and a half year, we have participated in four different exhibitions for marine. So that has given

us a very good exposure. So that will also come. You see there is a very good future for export and there is a margin also. So we are working on that very seriously.

**Moderator:** Next question is from the line of Awanish Chandra from SMIFS.

**Awanish Chandra:** Congratulations, sir, on a strong set of numbers. Sir, a few updates. And first thing on the Mexico side, you have already explained many things in your press release, but who will look after the business? What kind of growth potential and business we are looking at? Any ballpark figure on the business plan from the Mexico side?

**Suresh Poddar:** Mexico. As I told you that the OEM export, which is mainly at the moment concentrating on USA. Now like BMW and Mercedes, we are already supplying to South Africa. Now they have told us that if you have a plant here, we'll give you the business of America also, which is double than South Africa. Volkswagen, we are supplying 100% in India, they have also said same thing.

Nowadays, Americans are also preferring to have supplies from their own country because when we are supplying from here, the time period is too long. And then nowadays, market is very fluctuating. Certain model is running very good. Suddenly, it's reduced. Suddenly, the model which is less filling, that increased like anything. So they are avoiding to give us the future trend for 3 months, 4 months. They are bringing it down every year. So it has become necessary for us to have a unit over there, for which we are working.

**Awanish Chandra:** Sir, I was asking -- so in Mexico, we will be recruiting people or management team, some senior person will go from here and they will look after the business in Mexico.

**Suresh Poddar:** When we are starting the factory, we know what to do, where from the new people has to come, people have to go from here, we are working on all those things. Because, of course, we have to send people from here also. Then we'll get a good manager from outside. So that we are looking already.

**Awanish Chandra:** Okay, sir. And two very small updates. One, BMW last time we said that we will be starting in quarter 1 FY'25. So we are already in quarter 1 FY'25. So will it get delayed or this quarter we are starting?

**Suresh Poddar:** Listen to me, see, we always talk according to the projection of the OEMs but their projection always varies. And that varies is not big, maybe one quarter or four months, you can't help it. We tell you whatever they tell us. But that is there that the business is there. Business is allotted. You understand my point?

**Awanish Chandra:** Yes, sir. So still there will be some bit of delay over here on BMW main start?

**Suresh Poddar:** Understand, it should start in July-August.

**Awanish Chandra:** Okay, sir. And sir, PU business, we have been doing INR6 crores, INR7 crores every quarter. So any guidance over there on the PU in FY'25?

**Suresh Poddar:** FY'25 PU will increase, but not that big. And what I've told now that we are working on the big brands and those big brands are all in PU. So whenever those things start working, and it will

start. It has started working, but it takes time. So I don't feel that -- of course, it takes time but the things will be all right. And every year, it will increase.

**Moderator:** Next question is from the line of Manjeet Buaria from Solidarity Investment Manager.

**Manjeet Buaria:** Vinodji, just two bookkeeping questions before my main question. What was the FY'24 full year quantum you mentioned for export OEM and export in general, rupees crores?

**Vinod Sharma:** Yes, I included both. If you wanted separate, I can give you separate numbers.

**Manjeet Buaria:** Can you give me export general rupees crores revenue?

**Vinod Sharma:** For whole year or quarter?

**Manjeet Buaria:** Full year.

**Vinod Sharma:** Full year, okay. I told this for quarter.

**Manjeet Buaria:** I want the full year, sir.

**Vinod Sharma:** Okay. Export general INR70 crores. And export OEM, INR168 crores.

**Manjeet Buaria:** And domestic OEM, sir, for full year?

**Vinod Sharma:** Domestic, INR185 crores. And replacement, INR143 crores.

**Manjeet Buaria:** Okay. Now to my main question. One I just wanted to clarify, you mentioned the export OEM, which is INR168 crores in FY '24. This is whatever orders you have won, the programs you have won, this can be growing up to 3x in the next 3 years. Is that correct, sir, this INR168 crores?

**Vinod Sharma:** We have told you 2.5 to 3x. It will be there, definitely will be there. And -- but you have to consider the quantity mid of the last year. We are already actually increased if you see the FY '22, then this quantum was INR140 crores. And it has increased to INR168 crores. Already, we are on the path to increase and definitely, this 140 it will be 3x in the next 3 years.

**Manjeet Buaria:** Got it. So this 140 should settled at INR420 crores by FY '27 is what your current program?

**Vinod Sharma:** Yes, we are expecting.

**Manjeet Buaria:** Sir, the second question I had was on your margins that I appreciate a lot has changed. But given exports are going to increase so significantly, why is it tough to go back to a 24%, 25% margins, which we did in the past? Because I believe this will be much higher margin sale the export OEM sale.

**Vinod Sharma:** As soon as this export sale is increasing, definitely we can expect better margin in coming years, definitely. And you have seen in last two years also, the margin is increasing. And because of increase in export OEM volume.

- Manjeet Buaria:** One last question was on the marine business. If you could just explain where does our product find application in the marine business and what is the sort of size of this industry globally, the PVC or PU for marine industry for the segment we want to target the high margin segment. Thank you, sir.
- Suresh Poddar:** Quantum, I can't tell you right now. But in marine business, they all use PVC not PU.
- Manjeet Buaria:** Sir, where do you use this in marine business? Can you explain the application?
- Management:** Application in marine, where they use...
- Suresh Poddar:** In boat and all that, you see there is a sitting area on that it is used in these developed countries, most of the people are having their own boat like the car. So it's a very, very good market and there are very few people. And the quality of this product is very, very difficult because the boat is in open air. There is a summer, there is a water. There is a humidity. So the quality is required to be suitable to this.
- So again, we have recently introduced in this thing, but there is a very big market like automotive. And there are very established suppliers. And because this is in open, so they're very -- I mean, precisely look for the new customers. But we have started getting orders. We have started supplying. And to whom we are supplying from 2, 3, 4, 5, 6 months, we are satisfied with our quality and gradually, they are increasing.
- Manjeet Buaria:** And sir, how far are we from our PU plant starting to go towards 70%, 80% utilization? You said that many of our samples have been sold to big global players. Can you give us some update on that?
- Suresh Poddar:** Listen, PU we have started with a very good idea, invested money on that. But because of manipulation in the customs, all these problems are creating. Even people are ready to buy 10%, 12% higher from China from us, but the difference is more than 30% to 35%. Now why that difference is there because of the manipulation in customs. In one container, it is more than INR30 lakh to INR40 lakh, we are working seriously on that. We have increased the import duty in PU from 10% to 20%. We have tried to implement this anti-dumping to duty 46 cent. But in spite of that, they are, every time, reducing the value.
- So that is the big crunch we are having. We are working with the government, we are working - - and that's why I told that why we want to go in the branded products in footwear, because they all use PU. So that is really a little problem, but if this manipulation is not done, we can start from -- but within 1.5 years, we can do all the 3 shifts.
- Moderator:** Next question is from the line of Arun Maurya from Vallum Capital Advisors.
- Arun Maurya:** It would be really helpful if you can shed some light on the PV volumes and PVC volumes for this quarter?
- Vinod Sharma:** Sorry, we could not get your question.
- Arun Maurya:** Could you please -- is the PV volumes, PU and PVC volumes for this quarter?

- Vinod Sharma:** Total volume for this quarter is 77 lakh meters and it includes a PU volume of 3 lakhs meters a quarter.
- Arun Maurya:** And it will be also helpful if you can just give an overall export volumes and revenue of PU and PVC?
- Vinod Sharma:** What was your question?
- Arun Maurya:** Can you just give like the numbers on overall export volumes of overall exports?
- Vinod Sharma:** That we can't give you.
- Moderator:** Next question is from the line of Bhargav from Ambit Asset Management.
- Bhargav:** So was this BIS implementation in footwear, are you seeing any investments happening in footwear manufacturing in India?
- Vinod Sharma:** Acquire.
- Bhargav:** No, like, are there a lot of sportswear getting imported into India but -- especially from China. But post this BIS implementation, are you seeing any Taiwanese contract manufacturer setting up facilities in India or an Indian sportswear company increasing investment in India?
- Vinod Sharma:** Yes, they are coming in India.
- Suresh Poddar:** You see a lot of all known brands have started sourcing their material from India. Now today, we are in South India, the three big manufactures from Taiwan who started sourcing from India.
- Bhargav:** Are we supplying to any of them? Will we be able to supply PU to any of these players?
- Suresh Poddar:** Because they are all using PU and that PU, they are importing and that is without duty. So that is a little problem, but we have already started working like with Tata, Tata was doing good exports. And Zara is also manufacturing in India. With them, we are in contact, they have listed our factory. There is one more footwear brand, which is working here. We have discussed with them more than hundreds of samples we have submitted them. Now you see these guys take a sample, make their product. When they sold to their customer overseas and accordingly, they do start supply.
- So this is good future, but it will take time. It will grow gradually. It cannot -- this business is not like this that I went somewhere and we have shown the material and shown the price and they said, okay, they start tomorrow. They don't do like that. It's a bit -- wrong procedure.
- We are very hopeful because we are getting good response, very positive response. So I am 100% sure that we will have a good business in coming years. But it will grow slowly. And once it has grown, it will be unlike anything because at that time, they will recommend to all over the world, our product.
- Bhargav:** So sir, amongst the domestic players, who all are into manufacturing of PU apart from Mayur?

**Suresh Poddar:** There are three manufactures.

**Vinod Sharma:** J S is manufacturing PU.

**Bhargav:** And like J S does he have...

**Suresh Poddar:** Three more companies.

**Vinod Sharma:** But they are not that much of organized.

**Bhargav:** So in the organize, there are only J S and your company? And if you have to increase the capacity of the PU by 2 or 3 times, how much will it cost you?

**Vinod Sharma:** Which? PU?

**Bhargav:** Yes.

**Vinod Sharma:** There is no immediate plan to increase the capacity. Existing capacity will be utilized and then we will plan.

**Bhargav:** How much revenue can be done on full capacity?

**Vinod Sharma:** INR125 crores to INR150 crores.

**Moderator:** Mr. Bhargav, may we please request you to rejoin the queue?

**Bhargav:** There is only one number.

**Vinod Sharma:** Go ahead.

**Bhargav:** How much revenue did FY '24 get in PU?

**Vinod Sharma:** INR25 crores.

**Moderator:** Next question is from the line of Shashank Kanodia from ICICI Securities. Please go ahead.

**Shashank Kanodia:** Sir, I just wanted to check that on the auto OEM exports, we were getting something like INR600 crores of revenues for [inaudible 0:42:40] on the base of INR160 crores in FY '23. So is there any change in time over there? So have we lost any client or any capability why there is some issue? Because now you're getting just INR400-odd crores that too by FY '27?

**Vinod Sharma:** So which segment you are talking about? Auto domestic or replacement?

**Shashank Kanodia:** Auto OEM exports.

**Vinod Sharma:** Exports, it is increasing.

**Shashank Kanodia:** Sir, in a couple of calls back, you've given a guidance that it should be INR600 crores by FY '26.

- Vinod Sharma:** INR600 crores. Today, in last year, we have done INR168 crores. And we are expecting 400 plus something in the coming two years. Three years, including this year.
- Shashank Kanodia:** Secondly, sir, we have been talking about good growth across OEMs and replacement market, but still a full year basis, our top line has hardly grown anything right. So now going forward, realistically, sir, how should we take the growth prospect for you? Because time and again, there have been some disappointments, there have been some false promises. So can we consider that we should be to go...
- Moderator:** It seems that we have lost the line from the current questioner.
- Vinod Sharma:** Call duration is 45 minutes, so you can take a last question.
- Moderator:** Okay, sir. We'll take the last question from the line of Gunit Singh from Counter PMS. Please go ahead.
- Gunit Singh:** Sir, with regards to all the commentary and discussion previously. So, what outlook do we have for FY'25 in terms of top line and bottom line? What growth are we looking at in FY'25? And what margins are we looking at in FY'25 looking at the current scenario and for FY'26 as well for the next two years?
- Vinod Sharma:** We are expecting growth in top line, 20% to 25%. And in the bottom line, should be 10% to 15%.
- Gunit Singh:** All right. So we are expecting a 10% to 15% increase in the bottom line. So, are we looking at some margin contraction because top line is growing faster than the bottom line?
- Vinod Sharma:** 25% in top line and bottom line. 20% to 25%, both.
- Gunit Singh:** All right. And sir, what gives us the confidence for this, my last question?
- Vinod Sharma:** Yes?
- Gunit Singh:** What gives us the confidence for these numbers?
- Suresh Poddar:** You see, can anyone tell confidently that what is going to happen tomorrow? So how can you ask this question that how much I'm confident? Now we have made certain assessments accordingly, that we are talking to you because we are working on certain things that we will improve in these areas so much, this area so much. And accordingly, we are telling.
- Now whatever we are telling, that is whatever work we have done for this year. But how can I say that we are confident or non-confident? We will try our best, whatever we are saying. But what is happening in the -- during the year that nobody can predict. But we will try to maintain it our best. Until and unless there is some extraordinary things happen in India or in the world.
- Gunit Singh:** All right, sir, got it. That's what I wanted to understand basically. I mean, normally, companies get confidence from the order book they have or the -- I mean the...

- Vinod Sharma:** You try to appreciate our views also. We are confident, but it is subject to the everything goes well, then it will be done. We are 100% confident. That's why we are telling you because we have done projections. We have done assessments. Based on that, we are telling you. But it is subject to that everything goes well and everything is -- everything happens in the same direction as we have expected. But if something goes in different directions, then it may affect our projections.
- Gunit Singh:** Right sir, got it. Thank you. I wish you all the best.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for the day. I would now like to hand the conference over to the management for the closing comments.
- Suresh Poddar:** Thank you for organizing this conference. And it gives us a lot of learning and understanding that what investors are looking for Mayur. And we can just tell you one thing, that we are doing our best, and we see the good future. And we will definitely do better and better in coming years. Thank you for organizing this meeting.
- Moderator:** Thank you. On behalf of Monarch Network Capital, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.