

**MAYUR UNIQUOTERS LIMITED**

Manufacturers of Artificial Leather/PVC Vinyl

**Ref: MUL/SEC/2023-24/116****Date: February 10, 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 February 08, 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 February 08, 2024 of the Un-Audited Financial Results of the Company for the quarter and nine months ended on December 31, 2023.

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

**Correspondance Address:**

28, 4th Floor, Lakshmi Complex, MI Road, Jaipur-302001 (Rajasthan) India • Tel: +91-141-2361132 • Fax: +91-141-2365423

**Regd. Office & Works:** Village Jaitpura, Jaipur-Sikar Road, Jaipur-303704 (Rajasthan) India • Tel: +91-1423-224001 • Fax: +91-1423-224420Email: [info@mayur.biz](mailto:info@mayur.biz) • [www.mayuruniquoters.com](http://www.mayuruniquoters.com)



# “Mayur Uniquoters Limited Q3 FY24 Earnings Conference Call”

**February 08, 2024**



**MANAGEMENT: MR. SURESH KUMAR PODDAR – CHAIRMAN &  
MANAGING DIRECTOR, MAYUR UNIQUOTERS LIMITED  
MR. VINOD SHARMA – CFO, MAYUR UNIQUOTERS  
LIMITED**

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



*Mayur Uniquoters Limited*  
*February 08, 2024*

**Moderator:** Ladies and gentlemen, good day and welcome to Mayur Uniquoters Limited Q3 FY24 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 this conference call, please signal an operator by pressing “\*” then “0” on your touch-tone 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, Mr. Dani.

**Rahul Dani:** Thank you, Neerav. Good afternoon, everyone. On behalf of Monarch Network Capital, it's our pleasure to host the senior management of Mayur Uniquoters.

We have with us Mr. Suresh Kumar Poddar – Chairman & Managing Director of the Company, and Mr. Vinod Sharma – CFO of the Company.

I will now request Mr. Vinod Sharma to start the call with his “Opening Remarks.” Then we move to Q&A. Thank you and over to you, sir.

**Vinod Sharma:** Thank you, Rahul. 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 Q3 FY24 Conference Call.

Mayur Uniquoters Limited, 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 and international business markets.

Now I would like to start with “Financial Highlights” for Q3 FY24 under review and we will also give replies to your queries after our “Review on the Financial Results for the Quarter:

The Company has achieved the revenue from operation on a standalone basis, is Rs. 175 crores, PBT Rs. 39 crores and PAT Rs. 29 crores. In the quarter, the revenue is decreased by 4%, but the PBT and PAT have increased very good by 3%. The revenue from operation on a consolidated basis is Rs. 178 crores, PBT Rs. 36.45 crores, and PAT Rs. 27.30 crores. Our endeavor is to make the Company a preferred supplier for the leading OEMs, especially in the US and European markets.

As earlier informed, we have been selected and received good orders for OM supplies to some new models in export and domestic markets. And based on that our OM export sales is expected to increase in the coming quarters of the next two years. The supply to some new models has

already started and some new models are expected to start in coming quarters. So we are having good sales performance in next two years and coming quarters. While pursuing our business interests, Mayur Uniquoters has also been endeavoring to fulfil our responsibilities towards the society. Under the corporate social responsibilities programs, we contributed towards Har Ghar Triganga, regular plantation plan to do at large scale income in this year and coming years.

The Company has also adopted many happy schools for education of children and the Company has worked on education for all and underprivileged children, various healthcare initiatives, especially child care development and water for all, sanitation and school area, distribution of books, bags, clothes, etc. And most importantly, family planning and family welfare schemes in the villages. The State Government has also recognized these initiatives taken by companies on various platforms.

I am very much thankful to all the investors for their valuable time, to those who became part of this Earning Call.

With this positive note, I would like to conclude and request you all to open the form for questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Priyank Chheda from Vallum Capital. Please go ahead.

**Priyank Chheda:** Sir, if you can share the PVC volumes and PU volumes for the quarter as well as the segment chains break up, it would be great. It's a request that these data points, if are shared on the press release or in the opening remarks, it saves a lot of time.

**Vinod Sharma:** We will tell you the total volume of PVC and PU in the quarter. Total volume we sold is 70,55,000 meters. And out of that, the PU was 2, 07,000 meters.

**Priyank Chheda:** Okay, and sales break up in the segments of domestic?

**Vinod Sharma:** You can note down. Export and general Rs. 177 crores.

**Priyank Chheda:** You are telling for the YTD?

**Vinod Sharma:** I am telling you quarterly. The export and general is Rs. 17.66 crores, export OEM Rs. 35.42 crores, total export is Rs. 53.09 crores, Auto OEM 41.60, auto replacement 37.80, footwear 33.60, furnishing 5.60, and remaining you can club in others.

**Priyank Chheda:** Where are we on the export volumes that we were supposed to scale up on the various OEM platforms, if you can help me, the incremental orders that would come from say the BMW which we were planning to scale up from 4000 to 40,000 and for the Ford Motors the new supplies

were supposed to start, as well as Mercedes volumes pick up. So if you can help me on the total volume of exports as well as OEM wise, where are we scaling up?

**Suresh Kumar Poddar:** BMW is still 4,000, this 40,000 is new models we are talking that will be from April 2024. BMW volume because you know this is whenever they start a new model it's always six months here and there. Sometime they say they will start at this time and suddenly they come up and say another two months. So now it's I think for sure that from April it should start, BMW.

**Moderator:** Thank you. Priyank, The next question is from the line of Hrithika Naik, individual investor. Please go ahead.

**Hrithika Naik:** Could you give us an idea of how were the realizations this quarter? Were they slightly lower because the revenue QoQ if you see was lower, but the volumes were flattish?

**Vinod Sharma:** You want to know the regions of revenue lower in this quarter as against the previous quarter, right?

**Hrithika Naik:** Yes.

**Vinod Sharma:** So basically it is because of footwear, because we have down sell in footwear and some quantity we seen downwards in replacement. Otherwise, overall our revenue is 3% but profit is up by 9%.

**Hrithika Naik:** Okay and was there any impact of freight in this quarter for our exports? And do we see any impact in the ensuing quarters? Also, what is our outlook for FY25?

**Vinod Sharma:** Overall, increase in exports is 27% in which OEM has increased 42% in the last nine months of this year. And because of this increase in exports, our overall increase in exports is itself 27%. And in coming quarters, it will be increasing gradually.

**Hrithika Naik:** No, see if you look at exports overall from Q1 to Q3, there's been a decline from 66 crores to 53 crores.

**Vinod Sharma:** Yes, because in two months OEM exports in the US there was some strike in the Ford plants. So that's what the reason of decline in export.

**Hrithika Naik:** So how do we see that playing out in Q4 and Q1 of next year?

**Vinod Sharma:** Yes, it will be going to increase.

**Hrithika Naik:** So is that issue at the Ford plant sorted?

**Vinod Sharma:** Yes.

- Hrithika Naik:** And also we saw a decline in auto replacement domestic?
- Vinod Sharma:** Yes, because of that requirement put by the Government that the backward seats will also be having safety bags concept. That's why this requirement the automotive companies and the customers were working on that to implement that safety belts in backward seats. So how do we see it playing out in Q4 and Q1?
- Hrithika Naik:** How do we see this auto replacement segment playing out in Q4 and Q1? Do we still see the demand being low?
- Suresh Kumar Poddar:** You see, regarding replacement market, in every car in the front seat, when there is an accident this open out, but in the back seat it is not there. Now they have made compulsions in the back seat also. So whatever in replacement market going on on the back seat that they have to change the design or all these things. So that's why it is taking little time. But it will happen. I think so, I can't assure you, but in next three months it should happen.
- Hrithika Naik:** So we do see Q4 being on the same line as Q3 when it comes to auto replacement?
- Suresh Kumar Poddar:** Because this is a technical matter, you know. So this has to be solved. Government is after that, and they are also requesting Government to please increase the time and they are working at the same time to produce the seat covers which can stand. So I think if you ask me frankly it will happen in the maybe first quarter or maybe May or June, something like that, end of the first quarter.
- Hrithika Naik:** Okay, and we have some fixed price contracts also, right, for exports, so are we impacted because of increase in trade costs?
- Vinod Sharma:** It is a temporary impact on the sea freight and after March this issue is going to be vanished.
- Suresh Kumar Poddar:** No, I think that should be, we cannot forget that. This has happened you know because of this war. The Suez Canal was closed. That's why it is there. Now let's see when it will be. Everybody is saying just wait and see. I can't say that when that will be.
- Hrithika Naik:** But what impact do we see on the margin because of that?
- Suresh Kumar Poddar:** Of course, about you can say Rs. 7- Rs. 8 down. It's costing us about Rs.7 to Rs. 8 more per meter.
- Hrithika Naik:** And what kind of outlook do we see for FY25?
- Suresh Kumar Poddar:** For what?
- Hrithika Naik:** For the Company as a whole.

**Suresh Kumar Poddar:** 24-25?

**Hrithika Naik:** Yes.

**Suresh Kumar Poddar:** Yes. It should be better, definitely. But the real result you will see in '25-26. Because as I told you previously also, the new models order we have been given but they have not started in full swing right now. So gradually they are increasing. Suppose if I want to get a new order, if need to get 2 lakh meter, which got sanctioned, and suppose if it has become 10,000-12,000, then it is increasing every month. So, in '25-26, it will have full effect. It will also come in 24-25, definitely.

**Moderator:** Thank you. Next question is from the line of Rachna Kukreja from SIMPL. Please go ahead.

**Rachna Kukreja:** Sir, can you please share if there has been any improvement in terms of realization on a sequential and YoY basis?

**Vinod Sharma:** In YoY basis in overall totality?

**Rachna Kukreja:** On QoQ basis and YoY basis, realization.

**Suresh Kumar Poddar:** No, sale price has not increased. Decrease in prices. But still, we are managing with our management and changing the formulation to reduce the prices so that bottomline is not hurt. But the prices have not increased. Topline prices per meter is not increased.

**Rachna Kukreja:** Why the prices have not increased, which segments if you can specify?

**Suresh Kumar Poddar:** You see in all the segments, now the market is very tight and other thing we are surviving because we are dealing with top auto OEM companies whether it is local or whether it is export or our general export. There we are getting good volume and good profits also comparatively. But in local markets like footwear we talk, I would like to tell that because they have introduced some BIS specification, so they have some deadline. Now the problem is for the manufacturer, they have to make the material, supply it to the wholesaler, then wholesaler supply to retailer, then retailer supply to the end customer. Now this is a big circle of six months. So therefore people are scared to keep more stock because on a particular day, from a particular day, they will not be allowed to sell any material without BIS. They are fighting with the Government that please allow the small industries or I mean up to the certain level industries for this. But Government is not agreeing and they are fighting. I think ultimately they have to accept. But it's a question of time. Now the big, very, very big companies, they have started introducing. But because the footwear business is 80% is for the lower segment, maybe 15% for the medium segment and 5% for the top segments. So these big companies, those who are manufacturing for big segment, they are able to do it.

- Rachna Kukreja:** Okay got it. Sir, as you said the realization has remained same. So, what was the reason and if we see what was the reason for the fall, what was the reason? The reason for the realization not improving.
- Vinod Sharma:** Realization not improving what we want to ask ma'am?
- Rachna Kukreja:** I said the realization was same, right?
- Suresh Kumar Poddar:** Per meter cost or you are asking for total topline?
- Participant:** Per meter cost, the fall was due to what?
- Suresh Kumar Poddar:** If the prices are going down how the prices will increase. Everybody is fighting in this market. The Government may say that we are doing this, this, this but in general product the prices are not increasing. Not at all.
- Moderator:** Thank you. The next question is from the line of Abhilasha Satale from Quantum Asset Managers. Please go ahead.
- Abhilasha Satale:** Basically, I just want to know that in our previous calls, we have indicated that we have around Rs. 550 crores to Rs. 600 crores of exports for OEMs. So, how do we see the execution in towns like, what is your current visibility? Because you have been saying that the execution has been slow from the OEM front. So you were expecting these orders to get executed by FY26. So based on current assessment, how much do you see execution in FY25 and 26?
- Suresh Kumar Poddar:** From '25-26, you will see the real increment. '24-25 will also increase, but not very big scale. But the profitability will definitely increase.
- Abhilasha Satale:** This 600 will be done by '26, but there could be delay in 2-3 quarters, but what is our timeline? What indication have we got regarding when to complete these orders?
- Vinod Sharma:** The orders are regular but they are gradually increasing. Whenever we get orders for new models, they are confirmed. But gradually they are picked up and gradually increase. And when the quantity reaches, '25-26 it will be full. It will reach the highest peak level in '25-26. So you will see a very handsome and good increase in the topline in FY25-26 and it will be highest. And increase you will see in '24-25 also.
- Abhilasha Satale:** Right. How much leverage is there once we start executing these orders of full-fledged?
- Vinod Sharma:** Definitely better than today.
- Suresh Kumar Poddar:** Any indication like 100 basis points, 200 basis points?
- Vinod Sharma:** That we can't give you right now, but we assure you that it will be better.



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

**Shashank Kanodia:** The last con call you mentioned that second half will be better than the first half and still we reported flat numbers. So, sir, going forward, how do we see closing for this fiscal year and next year? So, do we expect this year to close at some growth or it's going to be largely flattish in nature?

**Vinod Sharma:** This year, hopefully it will be flat. But definitely it will be going to increase in next year. And then again, FY25-26.

**Suresh Kumar Poddar:** But the bottom line will increase for this year also.

**Vinod Sharma:** And if you see, the bottom line has already increased.

**Shashank Kanodia:** Suresh ji and team, we have been promising good stuff but our numbers don't deliver that promise time and again. So should investors largely lose hope that we can do something good or should we professionalize the team? How do we look at it? Because the expectation is that we will sell at Rs. 990 odd crores. We still land at less than Rs. 800 odd crores at this run rate. Next year, we are guiding for decent growth and actual growth will happen in FY26. So time and again, there has been over-promising under-delivered from the management side. So how do we look at things?

**Suresh Kumar Poddar:** One thing be assured. Number one, for any Company, it is very important, in my opinion to see the bottomline. Now today, I can increase to topline like anything. Every year, I can increase 25%, 35%. But if my bottom line is going down, there is no meaning of increasing the topline. So my always aim is that my bottom line should be maintained. So for that, you have to go all over the world. Now, recently we have introduced marine product. We are not making any marine product. But now we have started getting order. So everything you know in business is not just like that you can do something. You have to do, it will take time. Now this marine, we are working from last three years. Now from this year, we have started getting the orders. Within one year time, in marine, we will have good export orders. So you know, the main thing is, market is always, who knows that this BIS will happen. And suddenly the market is 50%, 60% down. What do you do? You can't help it. But what I am trying to do that to maintain my bottom line, to increase my bottom line, I go to different part of the world and to see which type of customer I can catch with the my profitability increasing. Now with this marine product, it is just like automotive and we are getting very good response. I mean but one thing you must understand. Suppose I came to you today, you are buying X material. My prices is good. Everything is good. But I have just approached you and you are buying from somebody from last 10 years, 15 years, 5 years, 20 years. You will not give me the business just like that. It depends on circumstances also. Suppose the supplier from which he is buying, if he is not able to supply in time, then your sale increases suddenly. So everything takes time. And now you see about footwear. Now what is happening in footwear? This BIS problem and all those things.

Further every day new factories are coming. And what they are doing? They are just reducing the price. So what do you do? I can't reduce the price. If once you reduce the price, you can never increase in your lifetime. So now what we have decided, like automotive industry we are approaching all the world's big brands, those who are selling in their brands these footwear products and leather goods products. Now, like Zara, they have four visits to our Gwalior factory. And now we are sure in the next three, four months' time we'll get the order. Now when we catch hold of these kind of a customer, then we can sell their material all over the world. They will allow us to sell any part of the world from wherever we're buying those products. But these things, if I want to register to somebody for the whole world, it's not that they will just see in one or two visit, this will happen. Now, Zara, we are working from last three years. It took us one and a half year to just to allow them to talk to us that what we are, what we are not. So I have to work according to the future. I cannot go on the product where I have to fight every day for the prices because I am never going to adjust myself with the quality. I cannot play with the quality even 1%. What people are doing, reducing the prices and decreasing the quality. And their sales increasing. But see the bottom line. How many companies, manufacturing companies, had a bottom line like this? Because I am after it. I can increase sale tomorrow. Every year I can say, increase the sale 30%-40%. There's no problem. But what is the use? You tell me. You have more credit, you have to take more loan. So what is the use? Now today you see in our Company there is zero loan. We have surplus. That's why we are able to work. So, frankly speaking, we are trying our best. Whatever I'm telling you in any this quarterly result, that is what I see in the market. That market is not in my control. But I can assure you that we are doing our best. And the customer, any customer who has come to Mayur, they are never going back. Now if the customer has, because you know we are B2B, we are not B2C. So all my all predictions are according to my supply, whatever they say, we tell you. And always it happens. Now so many companies are now automotive Company, you must have seen. Tatas, Mahindra, they are coming up new models, with so many new models. But what happens? Now, suppose they have come out with five new models, and they have estimated x quantity of the sales. But until and unless that model goes in the market, they don't know actually what is going to be said. So even after putting up the model, you know what is happening after three, four months. So whatever prediction we are giving you, we are giving according to our customers. Now, who knows that this BIS will happen? And you will not believe these last three, four months, they used to be the best period for footwear industry which has gone down. During these last four, five months, business increases more than 30%, 40% now. And instead of that, it has gone down. So what I'm trying to say that we are telling you whatever we get further from our buyers and accordingly we are talking to you. Tell me, how much percent of the footwear was down? 18% footwear was down. It's not a matter of joke. Whereas our footwear was the highest. But what you do, even we are trying our best to meet other areas. Why we have opened so many fronts? Now like we have started retailing this furnishing business. It is going good. Last month we have sold in retail 20,000 meters, which is not a matter of joke. Now, gradually that will start. We have more than 500 dealers we have made in India. Our plan is in next six months to make another 500. In starting, sales happen to only 5-6 customers every day. Now 40 customers everyday started buying, and in different areas. So what I'm trying to say, we have a good future

plan, but all these plans take time. And now you see why I have started this furnishing business. The main reason is that we know the real price. You are coming directly with the consumer. So your margin is also good. The day it will start having 2-3 lakhs meter, you see the bottomline will go like hell. So everything takes time. Whatever we say, believe me, we say according to our customer what they say. And you know, there is a saying in our India, Laxmi is very flickering, today here, tomorrow there. Now someone is at the top. Now look, IT was so much at the top, it has gone down. And then it has started going down. So you see, these kind of things happen in business. But we have to see whether we are able to manage our bottom line.

**Moderator:** Thank you. The next question is from the line of Deepak Lalwani from Unifi Capital. Please, go ahead.

**Deepak Lalwani:** I just wanted some clarity on, you know, which OEMs have given you new business. What is the quantum of the business and when should it start ramping up? Thank you.

**Suresh Kumar Poddar:** As I told you that from next quarter it will start increasing and by '25-26 whatever we have been allotted, you see in automotive industry at least 2 to 2.5 years before they start a new model they decide the supplier. And then accordingly they take step by step. Now, whatever we have got, like there is one new quality, which we have introduced, and we are the only supplier in USA to Stellantis, a big Company. But that plan is going on. They have just put up some few thousand cars. Now every quarter they will increase it. Why I am saying '25-26, by '25-26 they will all be in top. I mean whatever I have got the orders, those orders will be completely start executing.

**Deepak Lalwani:** And sir what will be the quantum of the order and the name of the customer?

**Suresh Kumar Poddar:** Everyone is a customer. If we talk about OEM then Stellantis in America, Ford Motors, then BMW, Mercedes in South Africa, now talks going on with BMW America, that they buy in America also because they are very happy. Mercedes is happy continuously Mercedes, we are supplying 30,000 meters every month from last 1.5 year. There is no problem, they are all happy. They are chasing us that we should start supplying from there also. They are very much interested. But in automotive, suppose you are supplying a particular model, to change that model to other customers, it costs them hell of money. Until and unless they see that my new supplier is having a good gap of the prices or other benefit because it cost them \$4 lakh to \$5 lakh to change the system. So they have to get assured also, that I have quoted less price, but in 4 days I might say not able to do, so they want to make sure that since you have quoted less price whether you will be able to continue with this price. So there are so many factors. So, what I am talking about now, at the end of the '25-26, and this is increasing every quarter. You can see the difference between the last quarter and this quarter OEM difference, 42% difference, in nine months. And in between it has gone down. It has been picking up for the last two to two and a half months.

**Deepak Lalwani:** In the domestic market, the replacement market that you were talking about, is that a permanent issue or is it a temporary phenomenon where you expect that volume will come back?

**Suresh Kumar Poddar:** Talking about OEM in domestic, export has increased by 27% and domestic has increased by 12%. This replacement is a temporary phenomenon. The replacement market, I just told you, the problem of the airbag has started. Now, the Government wants that in the back seat also there should be an airbag. The airbag is in the front seat from the beginning. The system that they have made, like some systems blow air from the bottom to the front seat. Now in the rear seat, to do that, it will be done in OEM, because in OEM they will do it. But in replacement market, they are finding out some solution. The replacement market we are talking mainly for the Maruti. We are giving it to others in the replacement market. It is increasing but it is very slow. This was a very big market. Now, it is expected to be fixed. Understand one thing. Those whom we are giving goods to, those who are making seats, and are supplying only Maruti, in what condition they are. We can sell leather cloths today, but for them it has become a question of life and death, they are behind. This matter will be solved, but I don't know whether in three months or six months. But still I am telling you, I am not depending on Maruti. Now I have started with other customers also, other OEMs also, to go and try to influence them for retail market and same one or two I don't remember name of the customer OEMs we have already started little bit. Now what is the problem? Please understand. Maruti requirement is so fantastic, so high and for every seat they are giving one seat free. I mean, the sales are like this. The rest of the people don't have it. That's why more effect is there. Now I understand that this will not work if we depend only on Maruti. So we are trying to capture other areas also, but again that will go slowly. But Maruti will have to be done, and they will do, it is a matter of time. It takes three months, six months. I can't say. But as far as I am concerned, the way people talk to us, our customers talk to us, they say that we will have to shut out in 2-4 months, otherwise our shops will be blown away. So you are dealing in different kind of market. Every market. Let's say we are dealing in automotive today, today we are dealing in footwear, leather goods, furnishing. Our benefit is that today, think about it, more than 55% of the time we were selling to the footwear industry. Today we have moved our feet forward in the automotive industry. So today we are at least safe. We are not down. Why have you started furnishing? I thought of all possibilities, in 8 months making 500 dealers is not a joke. We have a strong marketing team in all four, East, North, South, West. Our task is to make at least 15-20 dealers every month. The more dealers we have, the more sales we will have. I am depending too much on the furnishing business. Because I know, and you will not believe it, even outside, like the goods we send outside, like automotive replacement or domestic hotels, restaurants, all these go. Now, our range, that we are doing here in the furnishing market, we have given that range to our, you know we have subsidy in America. We have given those range in America also and they are showing it to our customers. They have started coming up. They say, okay, the material is very good. We'll start. What is it that it takes a lot of time to start things? You tell me. Today, I'll tell you about the footwear industry or leather goods industry, the sport shoes brands here are best Company here has a brand that is no more than Rs. 3000. The brands that are out buy from these people. 30,000, 40,000, 20,000, no one is paying. Why? Because they have fixed their brand name. That's why they are getting. The profit that we are making today, brother, please see the situation of the leather cloth industry. Because of our quality that we don't compromise at any cost with the quality. I don't want goods are spoiled, I will keep it in my house, I will not let bad products to reach any of the customers.

Cost will increase, but it pays in the long. Yesterday, one customer came from Qatar, came searching for Mayur, because in the market, we sell goods from all over the world, in UAE, etc. Now he is sitting there, we want this too, we want that too. What I am trying to say is that it takes time to gain respect and gain confidence. And everything has a limit. Today, tell me in automotive or marine, there is no one in India. Nobody. We are the only supplier because we have taken the pain in 12 years before, I spent more than Rs. 10 crores on machinery, on testing equipment and all those things. At first, it seemed very heavy. Now, I am getting results. So, what I mean to say is that rest assured, Mayur will not leave any stone unturned, but it will not compromise with the profitability. This is for sure. Because my leather cloth experience is from 1962 and I have seen that wherever you come and reduce the price in enthusiasm, it will be for your whole life. So what I'm trying to say that please don't go too much on what I'm saying. I'm saying only whatever our customers are saying. There is no lacuna from our side, that this customer wants this, this quality, we are all giving it. So tell me, is it a joke to supply to players like Mercedes-Benz? Today, you are giving up to Volkswagen, MG Motors, Toyota, all the top quality manufacturers.

For Maruti, In our times, we used to give 2.5 lakh meters, but now we only give 30,000 meters. Why am I giving? Because I am giving it to the high range car. You can make money in that. I give 2.5 lakh meters today. It is not even 5% margin. What is the use of doing this? So, what I mean in nutshell is that we are trying our best, whatever prediction we are giving according to our customer because we are B2B. In B2C, yes. Today we have started in B2C, I know it will take 3 years, 4 years. But luckily it is increasing. Today in retail, if my sale is increasing 5000 meters in a month, so I think it is just like 25,000 meters or 35,000 meters of my distance. What I meant to say is Mayur is trying all the parts, all the areas, wherever it is possible. Now see, ups and downs, it happens always. It is that you guys live in an expectation, that this has to happen, that has to happen, but the manufacturers know what the problems are, what they need, what they have to do. Suddenly, something about the Government has come. Still, we will maintain the bottom line and improve the bottom line.

**Moderator:** Thank you. So the last question is from the line of Chirag Shah from White Pine Investment Management Private Limited. Please go ahead. Thanks for the opportunity.

**Chirag Shah:** In fact, I have three connected questions or clarification earlier one. The first question is you mentioned that there are more capacities coming up. So can you talk a little bit about this? So what kind of capacities and what size and who are putting up? Is it more regional thing? It is more or it is some large.

**Suresh Kumar Poddar:** The capacity is coming. All small and big. Today we install plants, then we invest around Rs. 150 crore. Their plant can be installed in 20-25 crores. It is not even overrated. Everybody wants to, if the cost of material is Rs. 100, want to sell the material for Rs. 110. What happens is that they go for the price in the beginning and the material is also sold. But in the course of time, like I said, once you have given the price, you don't increase the price. It is impossible in our industry.

What happens is, in Gujarat, one factory is coming after another. If we talk about 4-5 years ago, there were by far 2 factories. Now there are 10-12 factories.

**Participant:** What industries are these factories supplying? Is it more automotive, more footwear in nature? Is it non-automotive?

**Suresh Kumar Poddar:** They stay in non-automotive mostly. Whatever it is, this general market, footwear, replacement market, we need cheap material here. In India, 75-80% of sales are of lower range. 15% of sales are of medium range and 5% of sales are of high range. Which is in 75%-80% range, we cannot go there. I will tell you a simple thing. About 15-20 days ago, I was sitting with a footwear manufacturer. He is a very old customer. I was there for at least 4-5 hours. Like how we are making PU now, PU is little expensive, for that I am convincing now. Then he said the price is too high, it won't sell. I said, let's do one thing. You make it and I'll invest in it. It will be done by your brand. Everything will be done. I said it. Then I asked, brother, what profit are you making in this product? You'll be surprised. He told me 80% of the material is just no profit, no loss.

It is a good Company of footwear in Jaipur. We make 10% profit in 20% We say what is not there or not. It is better if you do 2%. At least earn 30%-40% Look brother, I know a simple thing.

**Participant:** Sir, the second question was that, we have seen the negative impact of BIS in inventory clearance. So after this BIS implementation, how it will have positive impact and what is the kind of space, from which space the positive impact will come. If you can share the next 12 months view, it would be helpful.

**Vinod Sharma:** Yes, negative impact is due to this.

**Suresh Kumar Poddar:** Positive will remain, definitely.

**Participant:** How? Import will be less, so because of that. Pricing impact will be more, not much on volume, so how?

**Suresh Kumar Poddar:** It is not pricing. The government has given limit for BIS. And the person who does packing for me and till the customer, to make the product reach, they have at least 6 months inventory. Now they are all scared that if after a certain time, if my material does not come, then what will I do with it? It's not like there's no sale. But there's no material in the market. That's the reason. After the BIS comes, everything will be done. Footwear is something like that it can't be done without it. You have stayed for 2 months, 4 months, 6 months. Who will stay longer? No one. That would be better anyhow. But as I said earlier, that now in footwear also and leather goods also, I am going to the big brand for which we have already started working. And we are hopeful that in course of time we will start getting business. There, market down will not have any effect and pricing will also be good.

- Participant:** Currently big buyers buy from where? Import from China or buy it from you. That is the change that will happen. That is what we are trying to highlight.
- Vinod Sharma:** Yes, correct.
- Suresh Kumar Poddar:** Big buyers, wherever they are, they are all from China. Today, let's say, it is garment, Bangladesh has gone ahead of India. There is no export in footwear for us. Can you believe? We are exporting only 7% of the world's requirement.
- Participant:** My question is, our domestic market non-automotive, the BIS positive impact will happen because your volume will increase because you will substitute some import, or it will be more quality improved and hence the pricing will be beneficial? So why would BIS significantly be beneficial for you in at least in non-automotive market? That I was asking. For players like Mayur Uniquoters?
- Suresh Kumar Poddar:** In BIS, the positive impact will be that the market that is down for our customers will increase. So, today, I am supplying 25% of the product to a customer. Now, the sale is half. So, I have 25% to 12%. So, the position will increase. Plus, I am not only depending on that, as I told you. Now I am going to the big brands. Nowadays, there are at least four or five big companies who are manufacturing for these big brands and they are selling to them only. They are exporting from here and they are importing all the raw materials. We want to enter in the market where they are being sold, so by that it opens up the full worldwide market. I don't want to depend only on one thing. I want to open my area as much as possible. I know how much artificial leather is selling at markets and my sales is not even half percent of it. There is 99.5% market, so need to find out where it is. We are bringing new customer daily. I am not going to compromise with the profit. I don't want to sell just like that. What people are saying here is that, every year there are no companies coming and 2-3 are closing. What is the benefit? I don't want to do that kind of business.
- Moderator:** That was the last question. I would now like to hand the conference over to the management for closing comments.
- Suresh Kumar Poddar:** Now from management I would like to say that I am very happy that I got a chance to listen to our customers what they want, what is our drawback, what we should do and as I explain you how we are moving forward and how we can retain our position as number one and rest assured that from our Company side we will not leave any stone unturned. And definitely, when the things are moving in the right way today or tomorrow, you will get the result, which we are getting already. Thank you very much for giving us time. Speak to you next time. Thank you.
- Moderator:** Thank you. On behalf of Monarch Network Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.