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BSE Security Code: 539400	NSE Symbol: MALLCOM

Dear Sir/Madam,

Sub: Transcript of conference call held with Analysts & Investors on 30 May 2024

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that a conference call was held on 30 May 2024, wherein Management of Mallcom (India) Ltd. discussed the Audited (Standalone and Consolidated) Financial Results of the Company for the Quarter and Year ended on March 31st, 2024, with the Analysts and Investors.

Transcript of the above-mentioned conference call is attached herewith and can also be accessed at:
https://mallcom.in/pages/investor-relations/shareholder-information#Earnings_Call_2023-2024.

This is for your kind information and record.

Thanking you

Yours faithfully

For MALLCOM (INDIA) LTD.

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GAURAV RAJ

Company Secretary & Compliance Officer

Enclosed: As above



Mallcom (India) Limited
Q4 FY24 Earnings Conference Call
May 30, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Mallcom (India) Limited's Q4 and FY24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touchtone phone. I now hand the conference over to Ms. Stuti Shah from Valorem Advisors. Thank you and over to you, ma'am.

Stuti Shah: Thank you. Good morning, everyone. My name is Stuti Shah from Valorem Advisors. We represent the Investor Relations for Mallcom (India) Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the Fourth Quarter and Financial Year 2024.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the management team participating with us in today's earnings call and hand it over to them for opening remarks. We have with us, Mr. Rohit Mall - General Manager and Mr. Shyam Agrawal - CFO. Without any further delay, I request Mr. Rohit Mall to start with his opening remarks. Thank you and over to you, sir.

Rohit Mall: Thank you Stuti. It is a pleasure to welcome you all to our earnings conference call for the fourth quarter and financial year ended 2024. Let me give you some of the operational highlights for the quarter and financial year ended 2024, after which our CFO Mr. Shyam Agrawal will brief you on the financials.

The company achieved a branded sales percentage of 41% during FY24 up from 36% in FY23. This was because of rising demand of branded range of PPE in India, Middle East and Southeast Asia. Before also in accordance to the lackluster growth in Europe and some supply chain issues

that we face for private label markets. As you may be aware in the financial year 2024 the garment manufacturing unit at the city was fully shifted to an integrated with the newly setup garment unit in Chandipur, West Bengal. This new facility offers larger infrastructure, increase space and higher manufacturing capacity leading to improve productivity. The temporary disruption in the raw material supply chain for the garment unit as reported earlier has been completely resolved contributing to higher turnover and productivity during Q4 FY24.

On the CAPEX front in the first quarter of FY25 the company commenced the second phase of expansion at Chandipur, West Bengal setting up a new unit for manufacturing industrial safety shoe. This project involves a built up floor area of 50,000 square feet with a CAPEX of INR 20 crores. Commercialization is expected by the fourth quarter of FY25. The total CAPEX outlay for FY24 was INR 26 crore, and the company plans to invest an additional INR 60 crores in FY25 funded through internal accruals.

Additionally, the greenfield project at Sanand, Gujarat for Protech gloves, and other PPE is progressing as scheduled, with the first phase of construction likely to be completed by July 2024. An investment of INR 38 crores has already been made with an additional investment of INR 40 crores before the unit becomes fully operational.

During the FY24, the company maintained a long term rating of A with stable outlook assigned by ICRA. The company retained its status as three star export house and an ARO status holder awarded by the Ministry of Commerce and the Ministry of Finance respectively. Now, I will request Mr. Shyam Aggarwal, our CFO to brief you on the financial performance of the company.

Shyam Agrawal:

Thank you Rohit and good morning to all the participants. I would like to provide an overview of our financial performance for the fourth quarter and the financial year ended 2024. In the fourth quarter, the company achieved its highest consolidated quarterly turnover of INR 122 crores, resulting in a growth of almost 9% year-on-year. EBITDA for the quarter stood at around INR 17 crores with EBITDA margin at 13.48%. The net profit was reported at around INR 12 crores with PAT margin of 9.64%. For the financial year ending 2024 the company's operating revenue reached around INR 420 crores indicating a latest growth of almost 3% year-on-year. EBITDA for the year stood at around INR 58 crores which declined marginally by 1% with EBITDA margin of 13.72%. The net profit was reported at INR 36 crores with a PAT margin of 8.63%. Thank you, with this we can now open the floor for the questions-and-answer session.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Saki Nasa from Nasar Investment. Please go ahead.

Saki Nasa:

As I see India has performed pretty well compared to your international operations. Sir, I would like to understand the growth, what mix for 2025,26, what kind of growth rate you are looking for, and also your mix between India and international and also Mallcom brand and your white

label things. And also a bit of margin profile with your new production facility coming up. Thank you, sir.

Rohit Mall: Thank you for the question. So, in terms of growth, we are expecting something like a 15% growth from here for the next year. And we are geared up for that, in terms of so India versus the rest of the world. And branded versus white label so branded is mostly in India. So, I'm going to use it interchangeably. So the percentage split, we are looking at a similar percentage split as what we had this time. Also, maybe it could be a slightly increased percentage in white label because the white label did not perform that well this year. So we are hoping to recover that. So, I don't see much difference in the percentage split for 25 and 26. And, the margin profile we are expecting to have something similar as compared to this year, because a lot of the products which are going to be launched new are going to come only in the later half of the year.

Saki Nasa: Sure. And Rohit, are you noticing a better compliance from the Indian industry in terms of safety standards going forward or the government is to tweaking labor rules and stuff like that, maybe at least in terms of safety. So do you see that on a ground level?

Rohit Mall: Yes, definitely that is happening. So the labor regulations are getting stricter. And so from all ends, this is happening from the government's end, from the authorities end let say the Bureau of Indian standards as well as the company, some of the MNCs or the larger corporations in India, they would like to follow certain level of safety standard and comply to it. So, it is happening from both ends.

Saki Nasa: And my question for Shyam, what levels of debt would you be happy with sir during the year end and the next year sir?

Shyam Agrawal: Talking of debt?

Saki Nasa: Yes.

Shyam Agrawal: See basically, we are not borrowing anything to meet our long term capital requirements. So, only working capital so, as you see the level remains almost debt equities 0.25:1 and see already we are sitting with some cash, which is you can see that of balance sheet. So, it should remain similar because we are generating cash and we already have cash in our balance sheet so, nothing much is going to change and the only borrowing we will have would it be working capital borrowing.

Moderator: Thank you. The next question is from Agm Shah an Individual Investor. Please go ahead.

Agum Shah: A quick question on the CAPEX front you said so broadly 38 crores we have spent and including both the units Sanand and Ghatakpur will be shelling other 60 crores right in next year?

Shyam Agrawal: Yes, that is correct. 60 crore minimum we planned as CAPEX for FY25.

Agum Shah: So, including this as well as 38 crores which you have spent this year, so approximately around let's say 100 crores. So, when can we see the full benefits of all this coming in and what kind of asset turns can we do this CAPEX, when can we use the optimum utilization levels which we foresee?

Shyam Agrawal: So, let me just explain you how it is happening and why it is happening. So, we have already stated our target till FY28 we target Rs.1000 crore and for that we needed to prepare this infra ready and to whatever demand comes in future and so, we can meet that demand and we should have infra ready. The second point is that Mallcom is a 40 year old company and we needed to replace assets, while consolidate also our facilities. So, both things happening together, so CAPEX which we have done recently last two, three years and is still going on is a major one and now, we see that it will take care of both the consideration replacement and future growth requirements, and target for this is already stated. So, we expect 15% minimum growth for next year and let us see that we achieve this target of 1000 crore by FY28.

Agum Shah: Sure. The number you stated by FY28, that will require at least 20% CAGR revenue growth, so by FY26-27 we cover for it since you are targeting next year 15% growth so is it like that?

Shyam Agrawal: Target remains, we are not changing this. So, we are definitely trying to meet that and that's why we are investing and all the investments that is happening is on track.

Agum Shah: So, the growth will be back ended, towards so FY26-27 we will see a much larger growth right?

Shyam Agrawal: This is what we target, yes the plan is right that only.

Agum Shah: Okay. And what can we be the margins when we reach say 800, 1000 crore by FY28?

Shyam Agrawal: Margins would be in the range only. So, whatever we see the product profile is not changing much but yes with the better technology and some upgrades as per market development, but product more or less remain same. So, margins would be in that range only, whatever we are doing little bit variation, but not much expected.

Agum Shah: So, can it increase more than 15% or remain in that range?

Shyam Agrawal: See definitely we will try but as of now it is in the range of 14% so, it may be 50 basis point up that is possible.

Agum Shah: Okay. And there was some land sale which you were planning to do, so any updates on that?

Shyam Agrawal: It is happening, it is in progress so yes, we have already shifted our unit, the land is already in the process of development now.

Agum Shah: So, what kind of cash flow we can expect from that?

Shyam Agrawal: That we need to wait and see. So, you already know, it depends upon the market. So we cannot predict anything as of now.

Moderator: Thank you. The next question is from the line of Dilip Sahu an Individual Investor. Please go ahead.

Dilip Sahu: So sir I just wanted to understand in terms of, like you rightly said, brand and India business are kind of synonymous and non-branded, and export are also synonymous. So, our growth of say 20%, 25%, over next three years, or maybe that will take four year doesn't matter whether you are 1000 crore at 28, or 29. But is it predicated on a similar growth in both branded and white goods, that's question number one. And my second question is, coming to the distribution of product, which is basically hand and feet versus body, is there a margin difference and the manufacturing versus outsource difference between the gloves and feet in a shoes versus and headgear versus a garment or something. Are we manufacturing certain items in-house versus outsourcing and what kind of margin difference is there?

Rohit Mall: Okay. So with regards to your first question, growth so till actually last year, we were predicting a lot higher growth in the branded sales versus the white label. However, because of some of the geopolitical changes which are happening, and maybe some, lot of the countries are going for elections. So waiting for that also, because that will decide a lot of things how supply chain moves across the globe. So if that is favorable, so that can mean also decent growth from the white label also. So now we are hopeful for our white label business also experiencing a decent growth, whether it remains dependent on some of the macroeconomic factors and the geopolitical factors. So we will have to just wait for that. But we are hopeful of growth and much higher growth in branded sales as compared to white label.

And with regards to the distribution of products and the margin difference, so usually all our margin profiles are dependent on whether it's branded or unbranded and what product category so usually, leather gloves is something which, in at least the private label space does not command that much margin, rest are overall on a similar margin profile that you see on an overall level. And most of our products are in 90%, or maybe more 95%. We are manufacturing on our own. So we don't outsource let say manufacturing and even only the ones that were doing, some stitching pieces, things like that which the factories cater to us only, but the final product is definitely coming out of our units for 90%, 95% of the cases only in case of our branded products, we are importing some items.

Dilip Sahu: Good, good thanks. My understanding is that if you are going to say grow at 20% for next five years, you are saying that the branded India business will grow higher than 20%, non-branded and internal business will grow lower than 20%, on the assumption that the geopolitical situation across is great, fantastic. Now, I just scanned around Palya which is a large industrial

area in Bangalore and we went to a couple of places which especially sell into this head, and heat and protective. Now when it's branding, what I saw is a bunch of carton lying and these stores are very industrial in nature and there's no real branding, per se of any competitive either. But essentially the visibility of the product brand is a bunch of cartons lying in the front of this thing. And of course, our Mallcom cartons looks much better than the competitor carton in terms of it's not sad, and it's not broken with necessarily what you mean by branding in this kind of a business?

Rohit Mall:

Right. Firstly, I would like to thank you for the question and the effort that you took to be a real investor and check what is happening on the ground. So much appreciated. So, just on the branding front, yes absolutely correct. That our dealers place, there is very little scope of brand visibility, because of the space availability with them. We have tried to do something in the past, but it hasn't worked really well, because, they would like to maximize the space with the stocking of the products than any other thing. So what we do essentially, to build our brand is we reach out directly to the end user, and try to create a pull from them. So for example, we regularly do technical symposiums or seminars in industrial belts, where we will call all the safety officers and purchase officers and explain them, more about safety, about new products that we are doing. And so that's something that we do, other thing is we do some outdoor campaigns where hoarding or branding are in the outside place. But again, more in the Industrial belt, we have recently done some ads on, let's say OTTs and theaters, mostly catering to tier two, tier three cities, because that's again, where our audience is, we do a lot of digitally branding and marketing from regeneration, as well as branding on digital front, that's something that we are regularly doing. And again, participating in exhibition, different industry in different locations, we regularly participate there, and that's where we talk about our brand. So these are some of the various avenues, where we try to establish our brand.

Dilip Sahu:

Sure. In terms of hand and feet those are like must essential, you cannot they are non-discretionary quote unquote, from many of this industrial unit. And obviously, that reflects in our parts, products, also they have more than 60%, 70% of our business. What about these other things like eye protection and body protection, so we are well placed in hand and feet, but what about the garments and eyes and those so called not essential, which may not be any factories they go in India they don't use eye gears or body gears, et cetera. So, is this industry specific, how you are trying to promote these two, three product lines?

Rohit Mall:

Right. So with regards to work wear, it's again a very highly competitive segment in India per se, because there's no such standard which has to be followed. So, any tailor who can get hold of the fabric is essentially our competitor. And in these cases, because there are a lot of sizes and customizations so people tend to near shore all these suppliers so that they get faster supplies. So, here we are trying to focus on quality, we are trying to focus on larger brands, where and that's a international brand where they have a certain specification, where they would like to meet certain criteria or standards, and that's where we would like to target our energies to. So, we are not trying to compete with anybody and everybody in this segment, we

are trying to do specialized work only, but definitely we have to put in more effort into that domain. And we have started doing that, we have recently launched our high visibility vests for the market, specialized coveralls, flame retardant, et cetera. So that's what we are doing on the work wear end. And on the eye wear and things like that, yes this also something that we are currently trading only. But in the future we plan to manufacture those items as well. And it's again like it's a more volume less value item and not something which is used everywhere. Or people don't feel the need to use it. And again it goes back to some standards being followed, MNCs coming in, and the government making it mandatory. So that should help elevate the market. But we are gearing ourselves so in the next two, three years we will definitely see some movement in that segment as well for ourselves.

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

Harsh Doshi: I wanted to know whether the garment supply chain issue is 100% sorted now, and is that the reason for healthy revenue in Q4?

Rohit Mall: Yes, that is one of the main reasons because there were a lot of backlogs which had been created. So, with orders in hand we were not able to execute it. And now, we have completely come out of it and have been able to establish different supply chains yes.

Harsh Doshi: Understood. Also, I wanted to know, what was the capacity utilization level in Q4 and the full financial year?

Shyam Agrawal: Basically, it would be flexible. So, it goes by different product category. So, maybe talking about leather gloves, it is almost 90%, maybe garments it is 70%, and for synthetic glove it is around 70% and your safety shoes, it is again almost around 80% we are doing. But it is flexible, so it is not fixed like it is not at a continuous processing plant. So, we can work in one shift or two shift depending upon some of the product category, we can outsource also. So, part of the manufacturing process can be outsourced also, but, on the extended capacities the way we are working, the range I explained that is what we are doing and it remains almost similar in for the quarters.

Harsh Doshi: Understood. Sir last question, what would be a typical asset in our industry?

Shyam Agrawal: That is a bit difficult to, before the industry itself, so, we hardly find our peers and very hard, information is not there publicly available because you may compare us with some of the listed entities doing safety shoes business, very few are into garmenting and gloves I don't find much of the listed entity. So, would be difficult to compare.

Moderator: Thank you. The next question is from the line of Lakshmi Narayan from Tunga Investment. Please go ahead.

Lakshmi Narayan: Sir, if I just look at the turnover which you have actually drawn, back from an operating cash flow, it seems to be lower. So, just want to understand why our cash flows have been lower this year and how does the company think about it?

Shyam Agrawal: So, operating cash flow is on the lower side, because of increase of working capital requirements. So, as you can see that, we have increase in inventory and debtors also and this represents mostly, the target this is the end of the year, and we are targeting minimum growth of 15%. So, the buildup is based and the higher turnover we did for the last quarter also. So, the entire base, this is a base which is taking care of our future turnover and growth requirements. So, based on that, you see this declining generation from operating activities.

Lakshmi Narayan: I just look at the last several years, this seems to be lower in terms of operating cash flows. So, when do you think this will get normalize is it like a one off things.

Shyam Agrawal: Please repeat I'm not able to hear you clearly, will you please repeat the question?

Lakshmi Narayan: The question is, if we look at our operating cash flows over the last few years, I find that from that context also it's quite low in the last if I look at from 2017 onwards 2022. So, is this a one off and we would actually go back to better operating cash flow levels or this is something which would remain as we actually prime up for higher growth?

Shyam Agrawal: For that only because, we are investing and we are growing. So, that way whatever cash we are generating is being invested into either it is in CAPEX or it is in working capital. So, that's why this lower level of cash generation.

Lakshmi Narayan: Got it. So, between the international business and the India business, how does the working capital change within India and internationally?

Shyam Agrawal: So, working within India is on the very low lower side and so, what we do in India we hardly give credit to our distributors, so, it is more of capital. And when we also, it is more rotating and so, definitely we need lower capital in case of Indian business and in case of export business, it depends upon which market you are selling. So, suppose it is far distance like American markets or South American markets, there it takes lot of time to reach the goods. So, customer would like to have better, larger credit period. So, it depends to which market you are selling and definitely the working capital requirement is more in that case.

Lakshmi Narayan: So, any number you have in mindset, because?

Shyam Agrawal: It is in the range of for export business, it is networking capital days are almost 90 to 100 days, and in case of domestic market it is around 30 days max.

Lakshmi Narayan: And secondly, when we actually export, do we invoice through agents or do we actually have a sales office or do we actually directly?

Shyam Agrawal: No, through agents only, we have in domestic market, we have around 80 to 85 distributors all over India, and we invoice through them only.

Lakshmi Narayan: For exports market sir?

Shyam Agrawal: Export market again it is mostly sold through distributors only. They are all reputed well brands like maybe Honeywell and Ansell and, those type of brands and they also are distributors only.

Lakshmi Narayan: Sir and in terms of the total CAPEX you like to do for the next three years. Last year, last couple of years you have done at least in range of 25 crores to 45 crores. Just want to understand how you think about CAPEX for the next few years down?

Shyam Agrawal: As we have mentioned that for the current year, we plan to invest around more than 60 crore. So, this is already planned. And this should be taking care of our immediate investment plans. So nothing as of now apart from regular investment which we keep doing in different product segment. No, further infra creation we plan now.

Moderator: Thanks you. The next question is from the line of Tushar Vasuja from Yogya Capital. Please go ahead.

Tushar Vasuja: Sir, my first question is on market size. So, what's the market size for safety shoes, leather gloves and garments, both domestic and international, global?

Rohit Mall: So this we estimate for the global around two, three markets are \$50 to \$60 billion and it is a fair estimate that it is almost 1/3 in hand protection and then about a third in above neck item, and maybe a third in, so it's okay to estimate a 25% across the category four categories that we are in. But there are also some items that we are not in and that constitute part of it. So, usually these four categories will constitute a total of let's say 80% to 90% of the overall business, of the overall size. In India we estimate something around 12,000 to 15,000 crores of the market but largely dominated by feet protection and head protection in the Indian context.

Tushar Vasuja: Okay, sir and one more thing I want to talk about is the Rs.1000 crore revenue that you guys are talking about. So, what segment are you particularly looking the growth to come from?

Rohit Mall: So from multiple segments, we are expecting from the feet protection actually all segments, we are expecting it to grow.

Tushar Vasuja: All segments equally, no segment in particularly high growth?

Rohit Mall: No such segment particularly in high growth, like the segments where we are lesser present we expect to grow in higher percentage in those so for example head protection or body protection, that's where we expect and even synthetic gloves that's where we expect more and footwear has to be.

Tushar Vasuja: Okay, sir. And considering the nature of the industry, you guys might face a lot of competition from unorganized and local players. So, can you talk a bit about that?

Rohit Mall: Yes, we do almost, we say almost 50% to 60% of the Indian market is unorganized. So, you can understand the size of the unorganized market and till the point proper certifications in place in India and there is proper policing of the standards and certification, this market will continue to grow. So, that's the competition that we are in.

Shyam Agrawal: So, Rohit I would just like to mention here, that the organized market you will see is growing and it is also happening because your market demand moving from unorganized to organized sector, so people are getting more aware of the quality product and who are the suppliers and product awareness and the new product and quality products which we are able to sell. So, the market is now getting aware of this and so, how the market is growing is because of the newer users, new MNCs, larger corporations looking for quality products, and they also in the past used to source from unorganized market only. So, this market is shifting now from unorganized to organized and that is the scope for the company where we see that apart from launching your own, promoting life safety shoes, and hand safety and other segments of the product, which the market is one by one trying to pick up, and the market should also move, this is what we are witnessing.

Tushar Vasuja: Okay, sir that's wonderful, and one more question regarding the pricing of the industry. So, what's the pricing scenario, like what things can affect your margins?

Shyam Agrawal: So, that is not, so how we operate is that in a private label segment also and in branded also, it is always cost plus our margin which we would like to keep. So, whatever price movement is whether it is in the case of currency or in case of raw material cost. So we are always hedged. So we take care of our margins and we are able to negotiate with our customers at all times. So, whatever business we are doing we are protected, the margins are protected and it doesn't matter much in most of the cases that the moment in the prices of raw material or currency impacts our margins, that is not the case.

Tushar Vasuja: Okay, sir. What are the major raw materials for you?

Shyam Agrawal: So, for three segments like we manufacture leather, and leather gloves and safety shoes for that we use leather, then we use PU for shoe sole, we use nitrile compound for synthetic glove PU also for synthetic gloves, then garments this fabric both cotton and poly cotton and synthetic. So, these are few of the raw materials we use.

Moderator: Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah: Sir you had mentioned earlier in one of the last calls that, the North American market will be doing well from the next year onwards. So compared to the Europe market, and Middle East as well how important is it for us the North American market. And how has it been so far in the Q1?

Rohit Mall: It has actually gone as expected. So, it is performing pretty well we have some orders going in some inquiries, which are going strong and some new developments also. So that market, definitely, we are witnessing a lot of positive development. And in the years to come, that should become a big market for us so, that is as per plan.

Rahil Shah: Okay. And I am sorry to repeat this, but I had some interference earlier when you were mentioning the growth trajectory. So, have I heard you correctly when you said 15% growth this year in FY25 with a 50 basis point margin increase, you can expect and from there on towards your target of 1000 crores you will grow minimum 25% to 30% is that how you are planning?

Rohit Mall: Yes, for this year we are expecting 15% growth and margins we don't expect to change much. We are working towards it, but we don't expect as of right now, for a change in margins. And yes the 1000 crore goal is also set. So, whatever growth percentage we have to ensure that our target has been achieved we will try to work for it.

Moderator: Thank you. The next question is from the line of Saket Mehrotra from Tusk Investments. Please go ahead.

Saket Mehrotra: So my question is, how is the Q1 looking for us and what's the trajectory that we are expecting from our exports going forward this year and the year ahead?

Rohit Mall: So, Q1 is looking much brighter as compared to last year and also as compared to last quarter for us. This is on account of like Shyamji also mentioning we have a lot of inventories and raw material now in stock which we can convert into sale and also some of the pending orders from last year supply chain, which we are not able to do it. So, that delayed is going out now. And decent start to the domestic market also. Going ahead, the export market is seeing, bullish as compared to previous years, because Europe is coming back and North America has been like I said more responsive and also the South American market has been decently responsive. So, we are expecting a better Q1 as compared to last year and last quarter.

Moderator: Thank you. The next question is from the liner Dilip Sahu an Individual Investor. Please go ahead.

Dilip Sahu: Sir, just drawing on this 1000 crore by 28, you would obviously have to grow at 25% CAGR for next four years and that will mean a 30% CAGR in India that industry which is growing at 12%, 13%, 14% that means you are essentially doing something which is different than what you

have been doing. Now question is, one answer could be merger and acquisition and the question would be, what exactly would you look in a merger and acquisition, which gap should you fill in terms of product, in terms of geography of markets, market segments or geography within India, that you are going to look specifically you have been very strong in maybe automobile and into construction and heavy industries, are you looking at a separate industry altogether, like biotech or chemicals or IT very seriously?

Rohit Mall:

So, in terms of your first question for M&A, so we are always on the lookout for interesting offers that there are, we would definitely like to strengthen ourselves in those product categories, where we are not present or in those geographies where we are not present and if something like that comes up, which complements our current offering, we will be definitely interested to look into it. So that's one, second is with regards to the industries and geographies within India. So, in terms of geography, we are there mostly where most of the core sectors are present, industrial sectors are present which is mostly in the West, and the South of the country. And in terms of some of the newer industries or different industries to look into. So, something like construction is where we haven't been present as compared to the size of industry, secondary mining, that's something that we are also looking at getting into. So, these are, two main industries that we will try to explore more and see how we can improve our offering for these industries, because these are growing and we are a very small player in those industries.

Moderator:

Thank you. As there are no further questions, and I now hand the conference over to management for closing comments.

Rohit Mall:

Thank you all for participating in this Earnings Conference Call. I hope we were able to answer your question satisfactory and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Managers at Valorem Advisors. Thank you. Stay safe and stay healthy.

Moderator:

Thank you. On behalf of Mallcom (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.