Ref: MIL/BSE/NSE/25
Date: February 05, 2025

The Manager Corporate Relationship Department BSE Limited 1st Floor, New Trading Wing, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400001	The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E),Mumbai - 400051
BSE Security Code: 539400	**NSE Symbol: MALLCOM**

Dear Sir/Madam,

Sub: Transcript of Conference Call with Analysts and Investors – 31st January 2025

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and with reference to our intimation dated 28th January 2025, we hereby enclose the transcript of the Analysts & Investors Conference Call held on 31st January 2025, to discuss the Un-Audited financial results for the third quarter ended 31st December 2024.

The transcript of the said conference call will also be uploaded on the Company's website at

https://mallcom.in/pages/investor-relations#Earning Call 2024-2025

This is for your kind information and record.

Thanking you

Yours faithfully
For MALLCOM (INDIA) LTD.

GAURAV RAJ
Digitally signed by GAURAV RAJ
Date: 2025.02.05 12:49:05 +05'30'

Gaurav Raj
Company Secretary & Compliance Officer

Enclosed: As above

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"Mallcom (India) Limited Q3 FY25 Earnings Conference Call"

January 31, 2025

MANAGEMENT: **MR. ROHIT MALL - ASSOCIATE VICE PRESIDENT - MALLCOM (INDIA) LIMITED**
MR. SHYAM SUNDAR AGRAWAL - CHIEF FINANCIAL OFFICER - MALLCOM (INDIA) LIMITED

MODERATOR: **MR. VIKRAM SURYAVANSHI - PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY'25 Earnings Conference Call of Mallcom (India) Limited.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikram Suryavanshi from PhillipCapital (India) Private Limited. Thank you. And over to you, sir.

Vikram Suryavanshi: Good morning and a very warm welcome to everyone. On behalf of PhillipCapital, I am pleased to welcome you all on the Earnings Call of Mallcom India.

We are happy to have the Management with us here today for a question-and-answer session with the investors community.

Management is represented by Mr. Rohit Mall – Associate Vice President and Mr. Shyam Sunder Agrawal – Chief Financial Officer.

We will begin with "Opening Remarks from the Management," followed by the "Interactive Question and Answer Session." With this, I hand over the call to Mr. Rohit.

Rohit Mall: Thank you. It's a pleasure to welcome you all to our "Earnings Conference Call" for the 3rd Quarter and nine months of the Financial Year 2025. Let me first start by thanking our host, PhillipCapital for hosting today's Earnings Call.

I will begin with some "Operational Highlights for the 3rd Quarter of the Financial Year 2025," after which our "CFO, Mr. Shyam Agrawal, will Provide a Detailed Brief on the Financials."

We had a strong performance in the 3rd Quarter across the financial parameters. This was possible through our relentless efforts on growth and cost optimization.

On the CAPEX front, our Greenfield expansion at Sanand, Gujarat, which is being set up for the manufacturing of Protect Gloves is almost complete. The trial runs have also started expecting commercial production by next month.

The Company has already invested about 80 crores in the project against an estimated total investment of Rs.90 crores.

The Greenfield Project at Chandipur to manufacture Industrial Safety Shoes and a DIPP approved Design Studio is also nearing completion. The factory building, which measures almost 50,000 square feet, is almost completed and the installation of plant, machinery and fittings is in progress and expected to be completed in the next 15-days. The trial run for this unit is planned to commence from March 2025.

I am also happy to report that during the quarter, the Company has been awarded the prestigious "Great Place to Work certification as well as the "Outlook Business Spotlight Safety Leadership Award."

In line with our commitment to expanding the product range, we launched a new range of wider toe cap single density safety shoes, called DOCKER and DOXLE.

Now I will request Mr. Shyam Agrawal, our CFO, to brief you on "Financial Performance" of the Company.

Shyam Sundar Agrawal: Thank you, Rohit, and good morning everyone.

Let me brief you on the consolidated financial performance for the 3rd Quarter and Nine Months of the Financial Year 2025:

On a consolidated basis, the quarterly operating revenue stood at Rs.118 crores, reflecting a growth of 23% year-on-year. EBITDA for the quarter was Rs.15 crores, a growth of 31% year-over-year with EBITDA margins of 12.91%. The net profit was reported at Rs.9 crores, a growth of 32% year-on-year with PAT margin of 7.65%.

Over a nine-month period, the Company's operating revenue grew by 17%, reaching Rs.349 crores. EBITDA grew by 10% year-on-year reaching Rs.45 crores. EBITDA margin was reported at 13%. The net profit for the period grew by 13% year-on-year, reaching to Rs.28 crores, with PAT margin reported at 7.93%.

Thank you. With this, we can now open the floor for the question-and-answer session.

Moderator: Thank you. Ladies and gentlemen, we will now begin with a question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touch tone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Rishab Shah from BugleRock PMS. Please go ahead.

Rishab Shah: Yes. Thanks for the opportunity. So, I had three questions.

Moderator: Sorry to interrupt. Could you be a little louder please?

Rishab Shah:: Sir, on our vision of 1,000 crores top line by FY'27, you said that the growth will mostly be denominated by the domestic market. But historically, we have mentioned that in exports we have great margin and there is a huge opportunity in exports also. So, could you explain me how we reach to that vision?

Rohit Mall: I can take this Rishab. So, I don't know if the two things that you mentioned are related because the idea is still to reach 1,000 crores mark and we see a lot of potential in the domestic market for sure. So, we are expecting a high rate of growth from that market to reach this target. And profitability wise, I think we have always said that it depends on the product category, it depends on the market, it's not very linear that private label has, or exports has more or less profit than the domestic market. That depends completely. But our idea is how we are envisioning is that there is definitely scope for growth in the export market as well and we are pushing for growth in both the markets, but the expectation is that the domestic market will grow at a faster pace because of the fact that the country is growing, there's a lot of tailwinds and there's more predictability in that market. That's what we are envisioning.

Rishab Shah: Fine. Sir, my next question is in the past two to three years, how many new products have you invented and how are they being readily accepted by the market?

Rohit Mall: So, Rishab, firstly, we are not inventing, we are developing products. It's nothing like that new is being created. We are definitely launching new product. Every three or four months we are launching something new because we have a wide array of product categories, in which we would like to develop. So, I am expecting every year at least three to four major product launches are happening. Some products are launched for certain markets, some products are launched for certain industries, some products are launched to cater to certain specific white label customers. So, with the view in mind that it gets widely accepted elsewhere as well. So, we keep doing this exercise and we have had a fairly good response and that's why it's encouraging and that's why we keep reinvesting into product development.

Rishab Shah: Okay. And sir, my next question was Company had introduced this new nitrile glove range, which was launched a few years back. But does any other player make these kind of gloves, and how cost efficient are you in making these gloves as compared to others?

Rohit Mall: So, in the world there are a lot of players who are making these gloves. In India, I think hardly two, three players probably who are making such gloves and nitrile gloves also have a wide range. So, it depends what kind of nitrile gloves you are talking about. The ones we are producing, the biggest competition that we face is from China, they're definitely cheaper in those kind of products, but it depends on the quality as well. So, I think the fact that we are still accepted in the market both international as well as the domestic market as we are seen as a quality player such that okay, the quality-to-price ratio is acceptable for the market.

Rishab Shah: Sir, just leaving aside China, the other players in the domestic market, so the quality which Mallcom produces, how cost efficient are you than those two to three players?

Rohit Mall: It's difficult to just compare it like that. I would still like to say that the price-to-quality ratio for us is good and acceptable to the market and that's why we are experiencing decent growth for these product categories in the domestic market and we are investing more into it.

Shyam Sundar Agrawal: Yes, just to add on what we have done in case of nitrile gloves is the maximum backward integration to minimize the cost and scale of operations also we are trying to achieve. So, keeping these two things in mind, we would like to be cost competitive and maybe we can compete with the cheaper Chinese imports also. This is our plan.

Rishab Shah: Fine. Thank you, sir. I get back in the queue.

Moderator: Thank you. A reminder to all participants, you may press "*" and 1 to ask a question. The next question is from the line of Aradhana Jain from B&K Securities. Please go ahead.

Aradhana Jain: Hi! Thank you for the opportunity and congratulations to the Company for the good set of numbers. I have a couple of questions. The first is, if you could just highlight what were the drivers for the 23% top line growth? That would be my first question.

Rohit Mall: Sure. So, as compared to last year because we had supply chain issues in certain places, so we had some loss of revenue, so we were able to recover that and that's why it shows this kind of growth. The other is that newer markets and newer customers have opened up like our push towards North American market is going in the right direction. We have had some newer clients add up as well. And definitely in the domestic market, the growth as we had expected, is coming. So, it's a combination of marketing efforts ensuring supply chain issues are ironed out and newer launches in addition to the product category.

Aradhana Jain: Understood.

Moderator: You are breaking up. Can you please come to area where there's better reach?

Aradhana Jain: Sir, my second question is on the contraction in the gross margin that has happened. When I was comparing your product mix as on 3Q versus the last year, I witness that the safety shoes contribution has reduced from 61% to close to 40% this year, while the garment contribution has increased from say, 13% to 34%. So, could you throw some light on how your product category wise gross margin stands?

Shyam Sundar Agrawal: Yes. So, Rohit, let me answer this. What we know and figures which we have shared is like the safety shoe contribution remains almost similar what it was last year nine-month period. But definitely we have grown into garment segment. So, as Rohit mentioned, we had some supply chain issue last year and which we could iron out this year and this has led to some volume loss there and related to this, the growth which we could achieve. And margin wise, I would say that both the products will have an EBITDA margin of around 15% and we had some additional cost which we have incurred into marketing expenditures and some consultancy charges also we have been paying. So, that had led to some marginal profit erosion. Otherwise, it is almost similar to previous period.

Aradhana Jain: Sure. But 400 bps of compression would be because of inferior product mix this quarter or nine months or like the marketing cost that you are saying that would be having an impact on EBIDTA margin, right? I am just trying to understand.

Shyam Sundar Agrawal: We don't see any 400-bps contraction in any of the product. I don't know from where you are picking up the figures. So, we have -

Aradhana Jain: I am comparing 3Q FY'24. The gross margin for 3Q FY'24 was around 43.4%, which this year is 39.4%. So, that comparison I am doing.

Shyam Sundar Agrawal: No, we need to check that, ma'am, because that figures are not in front of us, so we need to check that because we don't see those figures, we need to check on that and we can revert to you separately then.

Aradhana Jain: Sure. The last question from my end is on the export market. So, if you could just throw some light on how the export market trends have been during the quarter and what is the outlook given that now Trump has come in, so any change in your export market contribution or anything, any thoughts on that?

Rohit Mall: Export market has been fairly better as compared to last year I would say and also because of our supply chain also we have been able to address the market also better and faster as compared to last year. The order book has looked healthy and still is healthy as far as the export markets are concerned. So, I think we are experiencing growth in most of the major markets in which we are increasing volumes in the existing wallet share and also expanding our market presence and market share also. With Trump coming in, it's too early to say because a lot of comments have been made, but not enough actions. So, everybody is vigilant, some Americans especially are proactive, and some Europeans are also following suit where they are exploring dual sourcing options to China but it's not in a very aggressive manner that they're doing, it's a more look and watch and act kind of manner in which it's happening. So, we are also waiting for the big push to happen. And also we don't know what will the stance be with China, with India. So, that's why it's a little tricky right now. Europe, we are seeing again this year maybe slowing down a little or that's what people are saying, but we are yet to experience that and usually first the market experience and then it comes to us later. So, we are also being watchful and as always we are trying to open up newer customers, newer territories to ensure that we don't have erosion of revenue.

Aradhana Jain: Understood. That was helpful. Thank you and all the best.

Rohit Mall: Thank you.

Moderator: The next question is from the line of Anand Mundra from Soar Wealth. Please go ahead.

Anand Mundra: Thanks for the opportunity and congratulation on good results. I wanted to understand how large this market, sir, and who are the key players?

Rohit Mall: So, globally, the market is almost probably $60 billion market and there are some couple of billion dollar companies also operating in this market, companies like Bansal and VIP, and you have Ansal and some multinational companies also operating in it and then most of it is being serviced by China as of today, I would say, 70% of it.

Anand Mundra: Okay. And in India particularly, which are the other players?

Rohit Mall: So, in Indian context you have players like Bata Industrials and. Liberty also, you have players like KARAM, players like Super House, these are some of the players, also Honeywell and Anfield and 3M, they also operate in this market.

Anand Mundra: Do we do directly to distributor, or we have our own sales people because I am assuming that we would be selling it to corporate only basic entities, so how are we -?

Rohit Mall: So, we have two separate go-to-market ideas, and one is where we are producing for white label which is happening in Europe, North, South America, Russia and Australasia. And then in the Indian subcontinent, Middle East, Southeast Asia and Africa, we have a distributor network through which we service, and we also have our sales team, which is doing the technical sales with the distributor to end users.

Anand Mundra: How many distributors would be there in India?

Rohit Mall: In India, there will be around 70, 75 distributors as on today.

Anand Mundra: Okay. And sir, this export business is all white label?

Rohit Mall: Like I said, in Southeast Asia, Middle East and Africa, we export under our brand name and rest is white label.

Anand Mundra: Okay. What is the breakup sir, how much would the white label out of Rs.100 revenue which we generate through exports?

Rohit Mall: For practical reasons, the entire export is almost 95%, 97%.

Anand Mundra: Okay. And sir, are you seeing any traction of growth in export because of China Plus One that people are giving you more order, there are more enquiries?

Rohit Mall: Yes, that's what I was mentioning earlier. So, because of China Plus One, definitely there's been more movement in the market for Indian or non-Chinese suppliers and we are yet to see larger enquiries being coming here and converting into orders, we have seen some movements, and we have been able to convert some of such customers, but one is the scale at which China is operating, I don't think India is ready for it. So, even if we start getting a lot of huge orders, I don't think we can service it because of the capacity and the raw material ecosystem and also it's not easy to shift the supply chain. So, it's early days and we are still witnessing it and we are still trying to convert some of these.

Anand Mundra: Okay. And what would be the price point difference between your product pricing and Chinese product pricing for white label export?

Rohit Mall: Difficult to answer. It depends on the product, depends on the market.

Anand Mundra: As a percentage of sale, sir, for example, sir, we are not able to complete with Chinese because of the price point the Chinese players are supplying.

Rohit Mall: Again, depends on the product. We have a varied product category. So, it depends on which kind of product, so some products India is competitive, some products, India isn't, for our kind of quality in some places we are very much competitive, so it depends completely.

Anand Mundra: Okay. And sir, as in Indian industry do we import also low-price products from China, not you, as an industry I am saying?

Shyam Sundar Agrawal: We are importing some of our raw material requirement. That's all. And that to some technical textile which through the nominated vendor of some of our customers. Otherwise, primarily the sourcing is from India only.

Anand Mundra: No. Are there any traders who import from China and sell it in India, finished products?

Rohit Mall: Yes, yes, there are lot of people who import from China and sell it in the Indian market.

Anand Mundra: Okay. So, what would that quantum be in terms of size of the industry, how much would be the import percentage?

Rohit Mall: That's difficult. I don't think we have the data, but a lot of it is unregulated players also unorganized and since India does not have standards or requirements for some of these product categories, the data is also not clear.

Anand Mundra: Okay. And sir, are there any chances if BIS-IV was implemented where it's difficult to import from China, is there anything possible now in the industry also?

Rohit Mall: Yes, that's what I was mentioning, that if we have the required certification by BIS then it will start getting more difficult to import. So, in the products which there are certification required, the imports are far, far lesser than in products where no certification is mandatory.

Anand Mundra: Okay. Within your segment, you are saying in some product, it's mandatory, in some product it is not mandatory, right, sir?

Rohit Mall: Yes, right.

Anand Mundra: Okay, okay. And has this happened the last two or three years because of which we are seeing some growth?

Rohit Mall: Has what happened?

Anand Mundra: With the BIS implementation, anything in the last one or two years?

Rohit Mall: So, BIS is continuously updating the certifications, adding some new certifications as well, but for our product range, no, the ones which don't have it, nothing has happened in the last three, four years and the ones which have BIS have been there for few years, yes.

Anand Mundra: Okay. And sir, now on gross margin, I wanted to understand what is the gross margin difference between our white label business and branded business?

Shyam Sundar Agrawal: As we also mentioned earlier, it is not depending upon white label and branded, it depends on the product category. So, on average, it is in the range of 15%. So, maybe in case of leather gloves, we have lower margin, but in case of other like garment and safety shoes and deep gloves, we have almost similar margins both for white label and branded products.

Anand Mundra: Okay. I was talking about gross margins, sir. You are saying EBITDA margin is similar, correct?

Moderator: I would request you to join the queue so that other participants get an opportunity to ask their questions.

Anand Mundra: Yes. Thanks a lot, thanks a lot.

Moderator: The next question is from the line of Rishab Shah from BugleRock PMS. Please go ahead.

Rishab Shah: Thanks for the opportunity. In the previous call, you mentioned that the import into India isn't easy because different industries work in different manner and there's a lot of bureaucracy as well in the country. But if there is no standard, then anyone can order anything like 100%. So, how difficult is to deal with all these things like no standards and everything from license?

Rohit Mall: So, Rishab, for the products where there are standards and certification, it's difficult to import or it's mandatory for the importer to ensure that it meets the requirement. And also in some cases, the supplier needs to have that kind of certification. But in products where the standards do not exist in the Indian context, it is far easier to import. And that's one of the bigger challenges we face in the Indian market that cheap Chinese imports and completely non-certified products are being imported and that's what we hope and expect that as will come out with the Indian standard for such product categories and to support the local manufacturers.

Rishab Shah: These kind of products may not be having a problem in exports, right?

Rohit Mall: Sorry.

Rishab Shah: The cheap quality China products may not be having problems in the export market?

Rohit Mall: No, no, export so, Europe or US, they have their standards and certifications in place. So, unless your product is certified, you can't export into those countries.

Rishab Shah: My next question is since US was never a big market for us and in the past also we have stated that we are putting all our efforts, but it was a slow growing market. Also, entry into such market is very difficult. But once you enter these kind of markets, the customer sticks with you for a very long time. So, my question is, have we progressed into the US markets and how we want to crack the US markets?

Rohit Mall: Yes, our efforts are also going towards it and we have been able to crack some customers from that market and that's why that market is showing good growth for us and like mentioned earlier, it's a slow and steady kind of operations where you have to keep building on to the relationship to the particular client and expect to increase volumes with them. So, yes, we have been able to crack that market.

Rishab Shah: So, once you will be able to crack that market, like what percentage -?

Moderator: Sorry to interrupt. I would request you to rejoin the queue if you have any further questions. Thank you. The next question is from the line of Bijal Shah from RTL Investments. Please go ahead.

Bijal Shah: Yes, hi, thanks a lot and congratulations on good set of numbers. I have one question. So, you have given a guidance or aspiration about 1,000 crores kind of revenue. So, how confident are you of achieving that? And that would mean a very meaningful acceleration in growth. So, are you seeing already that the growth is set to accelerate in the coming quarter or coming year?

Rohit Mall: So, we would still like to stick to the guideline, and we would like to keep that pressure on us going forward. And that's why we are taking all the measures necessary to ensure our bases are strong, supply chain issues are solved, and the go-to-market strategy is properly laid out and the efforts are towards ensuring the targets are being met. So, we are still hopeful about the target and we are working towards it.

Bijal Shah: Okay. And should we see an acceleration in growth, I mean, you've done a lot of groundwork already, so the factories have come on line and commercial production is also set to start. So, should we see some acceleration in growth or is it going to be slow?

Shyam Sundar Agrawal: Yes, that has to be. There is no alternate to that because if you are looking for 1,000 crores turnover in FY'28, so there is a minimum requirement of growth which we need to achieve and this is what we are saying that the target is set, we are following it and there is a ground work already done. So, then we need to work on this and try to achieve it.

Bijal Shah: Thank you very much and sir, all the best.

Moderator: Thank you. Participants, please restrict yourselves to two questions. If you have any more questions, I would request you to rejoin the queue. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Yes. Thanks for the opportunity and congratulations for a good set of numbers. Sir, my first question was we have been trying to sell our products to contract manufacturers, white label, our products to some of the large MNCs and also trying to increase our product basket with them. So, if you can particularly talk about how has been the progress there with some of this large MNCs which will have procurement of billions of dollars, so how's been the traction there for us and how do you see this building up over the next two to three years?

Rohit Mall: It has been fairly going well. Also, you have to understand with these kind of customers, you have a lot of suppliers approaching them and trying to get into their radar. Because we already have touch points and already are a supplier to them, so it makes it a little bit easier to get access and the results are there, it's good and with these customers also they have their own idea and agenda of how they want their supply chain and where do they want to put it, how much country risk, how much supply risk do they want to go through, they are wary of what percentage are they getting for which kind of a supplier. So, they'll also try and restrict of how much business you can do with them in a particular product category. But I am not saying there's no chance of growth, there's a lot of scope and we have been able to be on good terms with them and have been able to increase our business with them. Because these are large corporations it does not happen overnight, it takes longer gestation period, but that's happening, we are confident of these accounts.

Ankit Gupta: Sure. And my second question was on our top line. If we look at our last December FY'24 Q3 the numbers have been impacted because of the supply chain issues as we know that. But in the last three to four quarters, our top line has been in the range of around 120 to 130 crores per quarter and despite some scale up, our margins have also not improved. So, two questions there. So, basically, when do you see this top line crossing this barrier of 120, 130 crores and like why hasn't the increase in our scale of operation resulted in improvement in margin, which normally should have happened given our scale and some operating leverage should have come in?

Shyam Sundar Agrawal: So, let me tell you how it is happening, right. The volume which you see of 120 to 125 crores is the volume which we have been doing for the last two, three years and now as you know that all the facilities are ready and these were the facilities we did investment into capacity building like adding floor area. So, now we are increasing our capacities also, putting new machines, and increasing capacity slowly. So, it cannot be done overnight. So, definitely we see that out of this new investment which we are making into machinery now capacity building for production, that should add up to our turnover going forward. And regarding the margin, as you know that in our type of product category, the scope is not much there because whatever margin we have like 15%, 16% margin we operate, so almost 60% goes into raw material in most of the products. So, there is hardly much scope. Maybe with increasing the operations, we may see some margin increase, but there is not much scope there.

Ankit Gupta: Surprising thing is we have in fact seen some decline in margins over the past two quarters and -

Shyam Sundar Agrawal: That is happening because of our effort to increase our volume and branding and product awareness. So, we are investing into two things basically, one into marketing efforts and second is to streamline the operations also, to increase production efficiency also. So, yes, these are the efforts which we are putting in. Going forward, we should see results out of this. So, with the increased capacity and lesser cost on this account some margin improvement is possible.

Ankit Gupta: Sure. And the last question is on our target for 1,000 crores by FY'28. Given like we have put in a CAPEX over the past three years, and we have been trying quite a bit to enter into large accounts and increasing our product basket with them. So, do you think we'll start seeing acceleration in growth from next year onwards? If we look at our nine-month numbers, we are up 13% and on a full year basis also if we look at we'll end up somewhere around 480, 490 crores kind of top line for this year. From that base to double our top line in three years seems to be a bit of steep task. So, like will we start seeing 20%, 30% kind of growth from FY'26 onwards or it will be more of a back ended kind of growth which will come in '27, '28, how do you think about it?

Shyam Sundar Agrawal: Should start improving. So, as I mentioned that first for the current year, we should be targeting around 15% growth and from next year onwards definitely the additional volume will come up with the investment we have done. So, that would not be immediate, gradual only and we keep adding and we keep looking for the newer market to our customers also and in our type of industry, yes, it is possible that capacity addition can be done like installation of machinery on shorter notice and that we will keep doing based on demand scenario.

Ankit Gupta: Thank you and wish you all the best.

Moderator: Thank you. The next question is from the line of Zaki Nazir, an individual investor. Please go ahead.

Zaki Nazir: Sir, congratulations on a strong set of numbers. Rohit, ji, I would like to understand that in the last quarter gone by and the current quarter going ahead, do you see any pull on the general industry front and orders not going in because of slowdown about the export and the domestic part of it, sir?

Rohit Mall: So, on the export part, not yet, we are yet to see that there's a pullback and orders not coming as expected. But definitely looking at the projections that the customers have shared, it is lower than previous year in the export market for wherever we are seeing especially the Europeans and others. So, that is what we are seeing, but we are yet to experience it when we start getting and executing the orders. So, that's on the export market. And on the domestic market, there has been some slowdown with the auto industry and some key industries, but. I don't think it's a major slowdown that we have to start raising eyebrows and question. And I think the scope of growth and the market is still huge and it's still lot left on the table to capture. So, I don't think it should be a worrying cause right now for the domestic market.

Zaki Nazir: And, Rohit, ji, what white label go through supply, are these designs given by their principals or these are primarily Mallcom designs which are labeled under it?

Rohit Mall: So, happens both ways and also some are standard designs, so depends on the product as well. So, usually for work wear and footwear, the customers would like to share their design, or they ask us to design something, and once we give them, they make their changes to the design. And for gloves, it's largely common designs which are used across. There's some specialized specific gloves which people would like to do it. Then there's some other customizations on the printing, packing, etc., that they would also like to do. But happens both ways I would say for footwear and. workwear.

Zaki Nazir: And do you think by 3rd Quarter of next year these capacities which have put up will reach their optimum capacity, sir?

Rohit Mall: It should. For the new Chandipur Phase-II that we are definitely hopeful because that's a product category that we know and we have been into it, so we are aware. In Sanand, PU gloves is a new category that we started manufacturing now and that is a place where we have to really put in the marketing effort to ensure that it reaches its optimum level. So, once only we start having the samples and the trial run completed, we'll be able to know and go to the market and check whether how quickly we'll be able to reach at optimum capacity and a larger chunk of it should come from the Indian market.

Zaki Nazir: Thank you. Thank you and best wishes to you and the team, sir.

Rohit Mall: Thank you.

Moderator: The next question is from the line of Priyankar Sarkar from Square 64 Capital Advisors LLP. Please go ahead.

Priyankar Sarkar: Hi, good afternoon, sir. Just a basic question. How long does it take for the customers to approve products? That's one. And does the approval time vary between products, for example, between garments and shoes?

Rohit Mall: So, for a white label customer, the approval can vary. So, if the customers need is immediate, it can happen very quickly. If they're just looking at something just comparing, benchmarking, some larger organizations have like eight, ten weeks of just having price benchmarking, quality benchmarking, and the supply rating and things like that. And even larger companies will have to onboard you. So, they'll have a visit to your facility before they finalize anything, they will need audits and things like that. So, the gestation period can take from let's say a month to two years depending on the size of the customer and the product category for gloves, because these are a lot of the gloves are standardized, this approval comes earlier because usually it's the same thing which is being supplied for workwear and shoes definitely it takes a longer time. Sorry, I missed your second part of the question.

Priyankar Sarkar: I think do the time vary for example, garments and for example, shoes?

Rohit Mall: So, for garments and footwear, because this is more customizable and this is more brand-oriented, also has a fashion element to it. So, this takes usually longer time, but gloves are fairly standardized… most of the gloves I would say 70%, 80%. So, those happen faster than the footwear and the workwear.

Priyankar Sarkar: Okay. Sir, if I may ask another question, I just want to ask, is the USA picking up faster than EU? And yet you see slowdown in EU, but that's very concrete to what we have been reading in the media and the international newspapers and magazines. So, wanted to get your sense that US will be faster?

Rohit Mall: US, yes, because we are starting from a smaller base also in the US. So, for us it's going faster. Maybe for the entire economy and the larger mass, it's not, but because even we had a very small presence for us, that's faster. And for Europe because we have order books, which we see 2-3 months in the pipeline. So, till the time we are executing those, it's okay. And like I said, the projections definitely have come lower than the last year's numbers from the customers, but because we have not yet reached that cycle, so we have not experienced the slowdown. So, based on the projections, once we start getting the orders, we'll know, okay, it's really a slow down because the new happens first there and for them to push it to the supplier it takes a cycle which takes 2-3 months. There will be a lag in this case.

Priyankar Sarkar: Perfect. Thank you very much and wish you all the best.

Moderator: Thank you. The next question is from the line of Rishab Shah from BugleRock PMS. Please go ahead.

Rishab Shah: Yes. Thanks for the opportunity again. I think the world market size is 60 billion and most of it is catered by China, approximately 75%. So, in the past four to five years, have you seen a shift, mostly dominated by China, shift happened to other countries as well?

Rohit Mall: Yes, there has been certain shifts because of whatever has started happening in the global economy and this has happened to all the other Asian, non-Chinese countries. It has also happened during COVID and post-COVID. Some people have started manufacturing in places near the countries, so countries like Turkey for Europe, countries like Central America and Mexico for US. So, that has also started happening and all these capacities are being taken largely from China. But since the volumes and the scale of operation is huge in China, I think no other country in the world is ready to take even let's say 10% of market share from them so quickly. So, I think it's a question of how far you can build the infrastructure and the raw material ecosystem to ensure that we are able to take the market share from China significantly.

Rishab Shah: Okay. But going down the road next five to six years on the road, do you see India contributing to a portion of the PPE market?

Rohit Mall: Yes, that would be my guess, that yes, India should be able to contribute more for supplying PPE to the world, especially with regards to leather, with regards to technical textile, yes, there should be more market share of Indian suppliers in the world PPE market.

Rishab Shah: Fine. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.

Rohit Mall: Thank you all for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily 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: Ladies and gentlemen, on behalf of PhillipCapital (India) Private Limited, that concludes this conference. You may now disconnect your lines.