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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: Earnings Call Transcript

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio call recording of the Company's Investor / Analyst Call held on 14th February 2024, on the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December 2023, is attached herewith. It is hereby confirmed that no unpublished price sensitive information was shared / discussed in the call. The transcript of recording can also be accessed on the Company's website, from the attached link: *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.

AJAY KUMAR MALL
Digitally signed by AJAY KUMAR MALL
Date: 2024.02.17 15:33:20 +05'30'

Ajay Kumar Mall
Managing Director
DIN:00470184

Enclosed: As above

MALLCOM (INDIA) LIMITED

Q3 FY24 & 9M FY24 Earnings Conference Call

Wednesday, February 14th, 2024

MANAGEMENT PARTICIPANTS

Mr. Rohit Mall: General Manager

Mr. Shyam Sundar Agrawal: Chief Financial Officer

Mallcom (India) Limited
Q3 and Nine Months FY 2024
February 14, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Mallcom (India) Limited's Q3 and Nine Months FY 2024 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. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Good morning, everyone. My name is Purvangi Jain 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 Third Quarter and Nine Months ended 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 to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the management 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 Aggarwal -- 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, Purvangi. First of all, wish you all a very Happy Basant Panchami**.** It is a pleasure to welcome you all to our earnings conference call for the third quarter and nine months ended of the financial year 2024.

In this quarter, our company achieved a significant milestone, marking 40 years of successful operations. We are excited to share the news that our recently established garment unit in West Bengal is now fully operational, following the successful reallocation of our previous garment unit. Our focus is on branding local market development and recognizing high growth opportunities has led to a shift in turnover ratio between export and domestic markets, which now stands at approximately 56 export : 44 domestic year-to-date, compared to 64:36 previously.

Progress continues on our greenfield project at SANAND-II Gujarat for Protech and other product categories with development proceeding according to schedule. We have already invested Rs. 28 crores in this project, with an additional investment of approximately Rs. 32 crores expected over the next two quarters, before the unit becomes operational in Q1 FY 2025.

Now I will request Mr. Shyam Aggarwal, our CFO to give a briefing about third quarter nine month financials.

Shyam Aggarwal: Thank you, Rohit and good morning and Happy Saraswati Pooja to all the participants. I would like to provide an overview of our financial performance for the third quarter and nine months ended financial year 2024.

In the third quarter, the company attained operating revenues of Rs. 96 crores, representing a year-on-year decline of 4% and a quarter-on-quarter decline of 12%. This decline can be attributed to temporary disruptions in our raw material supply chain and the relocation of our existing garment unit, resulting in higher operational costs under-recovery. However, we anticipate recovering some of the loss volume for garments in the current quarter of FY 2024. EBITDA for the quarter stood at Rs. 12 crores, resulting in EBITDA margin of 12.13%. EBITDA margin is declined by 230 basis points year-on-year and 209 basis points quarter-on-quarter. The quarterly net profit amounted to Rs. 7 crores, translating to a PAT margin of 7.11%, which experienced a decline of 371 basis points year-on-year and 138 basis points quarter-on-quarter.

Over the nine-month period, the company's operating revenue reached Rs. 298 crores, indicating flat growth. EBITDA for the company stood at Rs. 41 crores, marking EBITDA margin of 13.81%, which degrew by 23 basis points year-on-year. The net profit for the nine months was reported at Rs. 25 crores with the PAT margin reported at 8.21%, which declined by 92 basis points year-on-year. Amid challenges, our net profit for the nine months ended December 31, 2023 experienced a decline primarily due to increasing depreciation costs, marketing costs, brand promotion cost, operating expenses and finance costs.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Adityapal Singh from Motilal Oswal Financial Services. Please go ahead.

Adityapal Singh: So, quickly wanted to understand the status on where we are with the supply chain issue that we faced last quarter with our garment's supply?

Rohit Mall: So, this supply chain issue which was created last quarter continuing into this quarter and that's why you see a little bit dip, especially in our export turnover or not as expected revenue. So we are moving out of it, gradually, as we speak, the activities are ongoing. It was already started in December and January, so I think it will take this quarter entirely to move away. And we are on the path and we have successfully been able to develop other vendors or with another set of vendors, we have been able to develop the same kind of products. So, I think by this year end, we will be completely out of it and we should start seeing results in the coming quarters for the year and following year.

Adityapal Singh: And can I attribute the entire degrowth in Europe to this garment or material itself?

Rohit Mall: Sorry, can you repeat?

Adityapal Singh: Can I attribute the entire degrowth in Europe, so Europe as a geography degrew by 30% for us. So, what would that be?

Rohit Mall: A big reason was the supply chain, but also Europe's economy itself has not been performing so well. As you can see the interest rates and the pressure on them and the unemployment and everything, that just added on and the war, etc. So, that just added on to the troubles. But yeah, largely for us, it was the supply chain and then their economy.

Adityapal Singh: And going forward, how are we looking, if you just can give me geography-wise growth predicts? Because a few geographies, from the new European geography, geographies are actually decreasing. So, we are at two ends of the curve.

Rohit Mall: Yeah. So, definitely we see a lot of growth coming out of Asia, primarily India, then Middle East and then North America is also a market where we are pushing and starting to see some good movements. South America has been a mixed bag for us. So, countries like Argentina have their own issues of unable to remit foreign currencies. But other countries have been positively being impacted. So that's kind of a mixed bag. But yeah, this is where we see most of our growth. Europe will definitely remain our key market, but the scale of growth, the quantum of growth in Europe will not be as high as, let's say, the other countries that we have seen.

Adityapal Singh: So for example, geographically South America performed really well in the nine months period, going from Rs. 30 crores to Rs. 45 crores. And same North America actually degrew, so any comments over there?

Rohit Mall: See, in any kind of this business it takes time for the shift to happen. We were talking about reverse China plus while in all these while. So now it's taken almost gestation period of one years, one and a half years and now we're starting to see effect. So a lot of this effect will have a spillover for the next financial year. So we are very confident of North America growing in the next financial year. And even in the 12 month period, there should not be a big degrowth from that economy. We should see same or maybe some positive growth there.

South America, like I said, it's been a mixed bag. We should have expected more growth if countries like Argentina didn't go into a big trouble themselves. But yeah, we were able to recoup and get some other markets. But yeah, there's some dependencies on how the countries and how the political scenario and the economic scenario there is as well.

Adityapal Singh: And the gross margins have improved actually. So how can I attribute, what will be the percentage of value added products as a percent of sales?

Shyam Aggarwal: Most likely it should remain same. Whatever margin we are working upon, it should remain same. Only for this quarter as you see that in case of garmenting, because of lower turnover, which was impacted by both supply chain management as well as shifting of the unit also was some issue, which we could complete in last quarter. So otherwise, the EBITDA margin should remain in which we are working till now.

Adityapal Singh: No, Shyam ji, what I wanted to understand is that your gross margins have improved from 38% to 43% over the quarter. So, my question was that, how can I attribute? What would be the percentage coming from decreasing raw material cost?

Shyam Aggarwal: That margin for the quarter is lower raw material cost for some of the product categories, yes. That's why only, but we see that as a temporary, but going forward, margins should remain in that range only.

Adityapal Singh: Which is 38% to 40%?

Shyam Aggarwal: Yeah. Yeah.

Moderator: Thank you, sir. We have our next question from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Rohit, any green shoots that you are seeing from the European markets? Or is expected to remain subdued for the next one or two more quarters at least, if not more?

Rohit Mall: So they have just started their new financial year and definitely the talks are on and it's been a little better than the last six months, I would say, at least the talks and some of the inquiries and orders are flowing in. So we expect it to improve in the next coming two quarters for sure, because the unemployment rate is also going down and the inflation rate in some of these countries are going down. So we expect improvement in the coming quarters. We hope that the worst is behind, unless there's another geopolitical issue coming up which we don't know about, but we expect it to get better now.

Ankit Gupta: And on this China plus strategy which was happening, and we have seen across many other products where because there has been some slowdown and some talks about China plus one. The Chinese companies have started dumping products in the market at lower prices, so how is the case with our products? Are we seeing some dumping from them at lower prices or that's not an issue in our products?

Rohit Mall: No, that's definitely happening in some of our product categories, where they are just to have the same market share or increase it, they're dumping the products at some political prices. But there are also buyers who are very clear that they want to have a parallel supply chain even if it comes at a cost, so we're happy to do it. And also, we are trying to pitch such kind of products, where countries like India are inherently good, because of the availability of the raw material. And we are trying to also reposition in terms of the kind of services that we can provide and long-term association, because they're happy with the outlook of India for the coming years.

So, that's how we are pitching, but definitely we are seeing a lot of dumping. And even some countries are starting to recognize it and maybe put some kind of anti-dumping on China as well. So, that's also helping. So, it's mixed because we have seen some success also, but we've seen this kind of issues as well.

Moderator: We have our next question from the line of Astha Sundarka from Niveshaay. Please go ahead.

Astha Sundarka: My first question to you is what is the target year to touch Rs. 1,000 crore topline?

Rohit Mall: So it remains same as previously also stated, there is no change in that. And even though this year may not have been the greatest of the years, that does not change for now.

Astha Sundarka: My next question is that what is the revenue potential of Ghatakpukur plant and from this how much is the old capacity shifted here?

Shyam Aggarwal: Now this plant for garmenting can give us almost Rs. 200 crores of turnover per annum only for garments. And almost the shifted capacity is around Rs. 80 crores, Rs. 90 crores which we were doing at the previous plant. So that is one and we have almost double space here and we need to add some machineries there, plant machineries which can be done at very short notice. But overall, at full capacity, it should be giving us around Rs. 200 crores turnover for garments only.

Astha Sundarka: And one last question from my side. What is the current capacity utilization of plants on an average?

Shyam Aggarwal: So it is around, as of now around 70% to 80% for garments. And yeah, for garments it is around that.

Moderator: Thank you. We have our next question from the line of Yash Tony, a shareholder, please go ahead.

Yash Tony: So my first question is regarding with the Ghatakpukur plant. So we have that as fully operational. When can we expect the commencement of Phase-2 CAPEX plants?

Rohit Mall: I can take this. So we have already started the talks for Phase-2. And hopefully, by Q1 2025 we'll start the CAPEX there, like the actual groundbreaking and setting up the facility there. And hopefully within FY 2025 that should be completed.

Moderator: Thank you. We have our next question from the line of Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah: In the previous calls, regarding your target of Rs. 1,000 crores, the next buoyancy so you had said the growth will be gradual 15% or so and you expected the same to happen for this year as well. But the last two quarters have been muted including this one. So any changes there or what are expectation now?

Shyam Agarwal: No, like I mentioned there's no change on the target or the year in which we are trying to achieve it. It remains the same. Yes, the last couple of quarters have not been the greatest, but there have been good developments nonetheless and these are, we consider to be some operational roadblocks or some headwinds. But like you see in other geographies and India have been performing well, so we are still confident that we should be able to hit our targets.

Rahil Shah: I specifically meant for this year as well, 15% or so you can achieve on the top.

Shyam Agarwal: No, maybe not for this year. I'm not sure about it. We are trying our level best in the last couple of months to hit the target, but this year I'm not sure if we'll be able to hit the 15% target.

Rahil Shah: But you expect the growth to accelerate next year definitely with the key developments you have seen?

Shyam Agarwal: Yes.

Rahil Shah: What about the margins trajectory, are they sustainable or will they be impacted as well?

Rohit Mall: I think margins should remain at the same level. If I'm not wrong, Shyam Ji can address, but I don't expect it to change a lot.

Shyam Aggarwal: I've already answered. So, our margins should remain in the range which we have been working for quite some time now. So, that is not likely to impact it.

Rahil Shah: Lastly, so, what new are we thinking to try going ahead in the next couple of quarters? Do you know that to see that revival of growth now other than these new capacities and everything. So, any other areas where you are focusing more which will help us grow further?

Rohit Mall: See, one of the biggest thing that hindered our growth was the supply chain issue and we've already started worked on it and we've tried to derisk ourselves and ensure that this issue is taken care of. So that was the major work that we were doing, and we are on the path of completely moving away from that situation. So for the next immediate like a couple of months, that's what we are working on and ensuring that we can get some revenue, some lost revenue recovered from that.

Rahil Shah: You mentioned the new North America market, you're expecting good growth. South America seems a bit dicey. And we also mentioned Asia, Middle East, those are promising geographies, right? What about the domestic market? How is our prospects over there in terms of growth?

Rohit Mall: Yeah, so when I mention Asia, it's largely India I'm talking about. And there we have seen good growth and consistent growth and there we are confident of consistently hitting the 15%, 20% growth numbers.

Rahil Shah: Any change in product mix or largely the same?

Rohit Mall: Right now, largely, like global product mix, yes, it has changed again, because the garments turnover has gone down, so you'll see lesser of garment in the mix and which has been taken over by I think shoes footwear largely, that's the change that has happened. But we consider it to be again something temporary. We don't expect our product mix to change significantly.

Shyam Aggarwal: Rohit, going forward, I would like to mention that, yes, we are looking for newer products, like for the product mix, we will be launching some new products in hand safety per segments and helmet is again something, which is our new product we are concentrating more on developing our market share there.

Rahil Shah: Do they provide better margins or similar?

Shyam Aggarwal: Yes, yes. It would be like in hand safety segment, the margins would be similar. And helmet is something which we are still trying to develop our market and product. So let us see how it develops.

Moderator: Thank you, sir. We have our next question from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai: So my first question is, you mentioned in your commentary that you lost some volume and revenue because of the supply chain issues and shifting of the plant. So can you quantify this number?

Shyam Aggarwal: So for the three months it should be in the range of around Rs. 10 crores to Rs. 12 crores which we lost for garment's turnover.

Dhwanil Desai: And that is mainly on the garment side?

Shyam Aggarwal: Yeah, only for garment. So both, due to supply chain issue as well as shifting of the plant. So now it is on track. So as we mentioned, some of the turnover should be recovering in this quarter also.

Dhwanil Desai: So 50% - 60% of that can be recovered, is that a fair assumption?

Shyam Aggarwal: Not sure. We are trying hard. So now the unit is fully operational, and we would like to, because order is not an issue, so it is all about production and supply of the pending orders.

Rohit Mall: Also I'd just like to add, so it's not easy to just recover the lost revenue because the production capacity is still intact and more or less the same. So a lot of shifting has happened and you can't increase capacity overnight, so that takes time. And it cannot happen 50% in the last two months. It will take longer time than that because it's a function of increasing the production capacity and the order is not being lost, because of delays and other such issues.

Dhwanil Desai: So, second question is, if I look at our company last two years, three years, we have done significant CAPEX, and we are still going ahead with the SANAND project where also we're going to put in a lot of CAPEX. And as we have been mentioning in the last few con-calls, the export market is a bit soft. So, given all this and now we have observed that you guys are very conservative about putting capital. So, what gives you this confidence that, while the Ahmedabad unit is still ramping up, Ghatakpukur also, we are in the transition mode and we're still going ahead with SANAND. So what gives you that confidence to protect such large capital?

Shyam Aggarwal: So there are a couple of reasons why we are doing this. One is, so a lot of plant machinery and everything was getting old, and we were running out of space. So that is one of the reasons. It so happened that, they kind of converge at the same point that we are running out of space. So that was one of the reasons for having a CAPEX or shifting of capacities. Second is the potential in the Indian market that we are seeing and the Middle East market, these kind of markets that we've seen where we are doing our own branded sales. And third, definitely, apart from Europe also, like we have mentioned some countries, South America and then North America are showing good potential. And there has to be the China plus one thing going on, because China has much larger capacities, so we need to ensure that we have capacities that we can offer to some of our buyers. So it was a mix of all these that led us to do this kind of CAPEX.

Dhwanil Desai: Okay. The reason I'm asking this is that I wanted to understand, whether when you put up such CAPEX and when things are fluid, is it that you get some kind of indication or soft commitment from customers or is it more of our understanding of how things will evolve in the next three or four years? How does it work?

Shyam Aggarwal: No, this is based on our understanding and our talks with the customer, our understanding of our branded market, there's no such soft commitment. It's just verbal, nothing on paper that we get from the customer, so it's largely on our estimation.

Dhwanil Desai: Right. But customers still, do give you some indication that if you put up such capacity, we are building buyers, that kind of a thing, those are the kind of conversations we are having?

Rohit Mall: Yeah, we regularly keep them updated about what we are planning to do and if we are going in the right direction, get some samples and everything, yes, we are doing that regularly.

Dhwanil Desai: Third question is, I think, SANAND plant, you had mentioned that head protection is going to be one of the important pillars for SANAND. Now in this head protection segment, I think, in Indian market there are already very well-established players. So how do we compete in this market and gain market share? If you can talk a bit about that because either any specialty variants in the head protection segment or it is all the same if you can again talk, a bit about that?

Rohit Mall: See the biggest reason is the size of the market. So India, as a market is so large that it cannot be serviced by one player or two players in any of the product category. So that is number one. Number two is we are seeing the shift in India where more and more people are turning towards certified products and even BIS is getting stronger, and a lot of these local small unorganized players are not selling certified products. So that is again a market which will increase, so one is the regular growth of the market then new market being added. And thirdly, this is a product category which is missing from the basket, and we would like to be a one-stop shop for everybody asking for PPE, head to toe. So this is a missing category and it goes from similar distribution channel. So we are confident that we'll be able to push this product also and get some recall on it as well, with our brand and with the USPs that our brand gives in other product categories in the same product category also there will be takers.

Dhwanil Desai: So any kind of attraction you're getting on the Australian market post FDA and any updates on that?

Rohit Mall: Yes. So, Australian market and New Zealand market are combined together. Australian specifically, yes, there have been improvements there, especially on the value-added products.

And we are further confident that it will improve, because we see some delegations from there coming over. So we are confident about that market. It's not a very large market because the population is limited. But definitely we are seeing better interest from that market than what was earlier.

Moderator: Thank you, sir. We have our follow-up question from the line of Adityapal Singh from Motilal Oswal. Please go ahead.

Adityapal Singh: Shyam sir, just wanted to understand, in Phase-2 in Ghatakpukur plant, what would be the incremental CAPEX and what would be the incremental revenue capacity from this plant?

Shyam Aggarwal: So, CAPEX as of now we estimate CAPEX to be in the range of Rs. 15 crores to Rs. 20 crores. And it will not be for the same product, it will be a different product. And then different product, talking of different product, it will be safety shoes and then we have, like it will be sort of providing us some shoe upper and some manufacturing capacity. So, in the safety shoe segment, we target almost whatever turnover we project, almost one-third of that should be out of safety shoes. So this unit should be catering to the overall set-up of our production capacity for safety shoes.

Adityapal Singh: But if I were to put a number of the revenue capacity from the increment, because I assume that garment is doing Rs. 200 crores.

Shyam Aggarwal: See, as I mentioned, talking of, if Rs. 1,000 crore turnover we are projecting by FY 2028 years then almost Rs. 300 crore turnover should be coming out of safety shoes, Rs. 330 crores. And this unit is not going to produce finished shoes. It will be making maybe shoe upper also, so this unit becomes the intermediary product we are not selling directly. So that way, this will be the feeding unit and some manufacturing also. So overall turnover, we project in the range of one-third of the projected turnover or total turnover.

Adityapal Singh: And sir, I understand that we are at 70% to 80% in garments, but what about other products? What will be the capacity utilization over there?

Shyam Aggarwal: The overall capacity utilization for all the products is in the range of 70% to 80%. But that is always in our type of product category, it is also scalable. So there can be a change in shift, there can be a little bit of outsourcing of production, so that way we can increase productivity as per requirement. But the overall productivity range for all the products remains in the 70%, 80% category.

Adityapal Singh: And so FY 2024 we are expected to close with a high single-digit growth, is that fair to assume?

Shyam Aggarwal: Pardon, will you please repeat the question?

Adityapal Singh: I'm saying that in FY 2024, we'll close with a high single-digit revenue growth?

Shyam Aggarwal: Yeah, that is most likely. That should be the figure, yeah.

Moderator: Thank you, sir. We have our next question from the line of Dipesh Sancheti from Manya Finance. Please go ahead.

Dipesh Sancheti: Just wanted to know, what is the capacity expansion which we have done at SANAND? And after this, what will be our total capacity? I mean, percentage wise, how much will be our incremental capacity?

Rohit Mall: So SANAND, we are going mostly for Phase 1 is mostly Protech glove, so it will be almost additional 50% of our existing capacity for these gloves. And for the helmet range, it should be almost, it's a little bit of shifting of the capacity also plus new capacity, so again 50% of our existing capacity.

Dipesh Sancheti: And when are you planning to completely finish off all the phases of expansion?

Rohit Mall: In SANAND, so we have only right now started and decided for Phase 1. Phase-2 we haven't planned yet. So I'm expecting somewhere in FY 2026 is when I'm planning. But we're yet to decide on the timeline.

Dipesh Sancheti: After shifting of the capacity, what are your plans for the Ahmedabad unit? I mean, are you using the real estate to get some cash or how is it? Still the work going on with it?

Rohit Mall: No, Ahmedabad unit is different and that will continue its operations as is and there's no shifting from the Ahmedabad unit.

Dipesh Sancheti: And what is the position of the debt right now and for this expansion, I mean, what is the source of the expansion, is it internal accruals?

Rohit Mall: So source of the funding for all the CAPEX is through internal accruals. And as of now, we don't have any long-term debt and only working capital borrowing, which we do and that also is supported by equally, almost we are invested into liquid cap. So, going forward, so as of now, hardly any borrowing, a little bit of working capital only.

Dipesh Sancheti: So, what is the capacity utilization right now expected in this quarter and maybe for this coming year also? What will be the capacity utilization according to after the expansion done?

Rohit Mall: Sorry, can you repeat?

Dipesh Sancheti: What is the current capacity utilization? Like what is the run rate for the last two months? And going ahead, what capacity utilization are we expecting to do?

Shyam Aggarwal: So, Rohit, let me answer here. So, as I mentioned, the overall capacity utilization is in the range of 70% - 80% for all product categories. And yes, going forward also, what we are doing like the infrastructure which we are creating, it is more of creating, building and creating space. So, going forward, whatever plant and machinery we install that would be as per requirement and it can be done on short notice. And yeah, capacity utilization should be in the range of that only, based on requirement we keep investing into plant and machinery.

Dipesh Sancheti: Okay. No, just wanted to understand, because in the previous call, you mentioned that you will be doing single-digit growth for the next year. Since our capacity expansion has already happened and even that will come in line and we'll be expecting the same utilization, why wouldn't we be looking at around 20% to 30% growth?

Shyam Aggarwal: No, I mentioned of current year. For FY 2024 you wanted to know, whether in single-digit growth, so this is what we are projecting. And definitely for the next FY 2025 the growth should be in the double-digits.

Dipesh Sancheti: I mean, so what I said approximately 20% to 30% should be viable?

Shyam Aggarwal: How much?

Dipesh Sancheti: 20% to 30% growth we should expect?

Shyam Aggarwal: Yeah, we should expect, yes.

Dipesh Sancheti: What is the percentage of online and offline sales because we were doing some online sales before?

Rohit Mall: Yeah, online is negligible right now as compared to our offline.

Dipesh Sancheti: So what is our focus? Instead of coming into the Indian market are we looking at doing online sales ahead or no?

Rohit Mall: Yeah, we are looking and we are continuing to do so, but this kind of product category it's not a completely retail product, so we don't expect it to be greater than even 5% or even 2% - 3% to start off with as compared to that overall sales.

Moderator: Thank you, sir. We have a next question from the line of Khushi Kabra from Pegasus Growth. Please go ahead.

Khushi Kabra: I just wanted to know if you guys are seeing any increase in freight cost due to the Red Sea issue?

Rohit Mall: Yes. We are seeing increase in freight cost, we're also seeing delays in deliveried because of Red Sea, but we usually pass it on to the customer.

Khushi Kabra: And do you expect any improvement in operating costs due to the shift in production to the new cut-off per unit?

Rohit Mall: Yes. So, for temporarily, the operational costs have increased. We expect it to normalize in the coming months.

Moderator: Thank you, ma'am. We have our next question from the line of Raunak Kapoor from Systematix Group. Please go ahead.

Raunak Kapoor: So, can you just brief the stress on the market size in India and what do you expect the market to grow? And what is the current market share like? I believe there are a lot of unlisted players in this segment. So, are we the top two, top three in this segment? And what is the moat over our competitors?

Rohit Mall: Okay. So, market size, we expect it to be around anywhere between Rs. 12,000 crores to Rs. 15,000 crores, almost 50% to 60% would be unorganized. And in terms of market shares, it's very difficult to ascertain that kind of data. But yeah, we would be around, I think, 4% - 5% of the entire market, if I'm not wrong, but there's no published data for this. We are trying to build the brand in India and we've been trying to do this for the last 15 years or so. And we focus on the quality of our products. We only sell certified products even where there's no Indian certification available, then we rely on European certification and we ensure the availability of our product and that we are launching new products and providing entire head-to-toe solutions. That's what our focus is.

Raunak Kapoor: So in India like what would be our standing likely it be a number two, number three or?

Rohit Mall: There's no published ranking and like you also said a lot of smaller unlisted players, so we don't have their numbers and also it will depend from categoryto category.

Raunak Kapoor: And are you also doing firefighting equipment?

Rohit Mall: No we don't do firefighting. We do flame retardant coveralls and garments. We do heat resistant gloves, but we don't specifically do firefighting equipment.

Raunak Kapoor: And just one more question, based on your current capacity utilization, optimal utilization assuming there's no further CAPEE, what would be your revenue like ideal revenue you expect?

Rohit Mall: It should be in the range of around Rs. 600 crores to Rs. 700 crores we can achieve with existing capacity only without putting any additional machineries also.

Raunak Kapoor: And in terms of margins, do you think EBITDA margin of 14% - 15% will be sustainable or it can be increased on a long run?

Shyam Agarwal: Yes. No, it should be in that range only as of now.

Raunak Kapoor: So by FY 2028 you all are targeting Rs. 1,000 crores, so you expect like 14% - 15%?

Shyam Agarwal: Yes.

Raunak Kapoor: There is no scope for the margin expansion?

Shyam Agarwal: Not yet, we don't see that right now.

Moderator: Thank you. As there are no further questions, I now hand the conference over to management from Mallcom (India) Limited for 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 Manager at Valorem Advisors. Thank you. Stay safe and stay healthy.

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