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The Manager Corporate Relationship Department BSE Limited 1 st 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, 5 th 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 9th August, 2023, on the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 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 It is hereby confirmed that no unpublished price sensitive information was shared / discussed in the call.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.**

Shalini Ojha
Company Secretary and Compliance officer

Enclosed: As above





Mallcom (India) Limited
Q1 FY24 Earnings Conference Call

Event Date / Time : 09/08/2023, 11:30 Hrs.
Event Duration : 45 mins 34 secs

CORPORATE PARTICIPANTS:

Tushar

Ventura securities Limited

Mr. Shyam Agarwal

Chief Financial Officer

Mr. Rohit Mall

General Manager

Q&A PARTICIPANTS:

- | | |
|---------------------------|---------------------------------|
| 1. Rahul Jain | : Credence Wealth |
| 2. Jagadeesh Singh | : Shade Capital Private Ltd |
| 3. Dhwanil Desai | : Turtle Capital |
| 4. Manish Parikh | : Vibrant Securities Pvt Ltd |
| 5. Yogansh Jeswani | : Mittal Analytics Pvt Ltd |
| 6. Rahul Dhruv | : Pegasus Growth LLP |
| 7. Pratik Dedhia | : Individual investor |
| 8. Deepa Agrawal | : Niveshaay Investment advisors |

Moderator

Ladies and gentlemen, good day and welcome to the Mallcom (India) Limited Q1 FY24 earnings conference call hosted by Ventura Securities limited. As a reminder, all participant lines will be in listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing * and then 0 on your touch tone phone. Please note this conference is being recorded. I would now like to hand the conference over to Tushar from Ventura securities Limited. Thank you and over to you Tushar.

Tushar

Thank you. Good day ladies and gentlemen on behalf of Ventura securities limited. I welcome you all to Mallcom (India) Limited Q1 FY24 earnings conference call. The company is represented by Mr. Shyam Agarwal, Chief Financial Officer of the company, and Mr. Rohit Mall, General Manager of the company. I would now like to hand over the call to Mr. Rohit Mall for opening remarks. Thank you, and over to you, Sir.

Rohit Mall

Thank you, Tushar. Good morning, everyone. It is a pleasure to welcome you all to our earnings conference call for the first quarter of the FY24. Firstly, let me thank all the participants joining us today and I hope everyone is keeping well.

Mallcom (India) Limited continued on its growth trajectory, with consolidated top line and PAT growth during Q1 FY24. Recorded a YoY growth of 8.11% and 23.28% respectively. With further improvement in our EBITDA margins primarily on account savings in manufacturing and other operational expenses arising out of consolidation and optimization of manufacturing facilities.

During the same quarter, the company initiated, land development and construction activities at it's Sanand II unit in Gujarat. The target is to complete the civil work within the current financial year.

More notably, the company introduced certified synthetic thermal gloves, designed for the export market, establishing its position as one of the pioneering Indian firms to do so.

Additionally, in the recent quarter, Mallcom (India) Limited and KJN Housing LLP joined forces to a joint development agreement to develop a land parcel in Kolkata. According to this agreement, the company will receive a 30% share of the net revenue generated from the project sale.

Now I will request Mr. Shyam Agarwal, our CFO to brief you on the financial performance of the company, after which I will brief on the operational highlights.

Shyam Agarwal

Thank you, Rohit, and good morning, everyone. In the first quarter of the FY23, the consolidated revenue from operations stood at 95 crores representing an 8% increase compared to the same quarter previous year. The EBITDA for the quarter reached 14 crores representing an increase of approximately 19% YoY. EBITDA margin stood at approximately 14.92% representing an increase of 135 basis points on a YoY basis. The net profit after tax for the quarter was reported at INR 9 crores representing a growth of 23% YoY while the PAT margin for the quarter stood at around 8.99%.

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

Moderator

Thank you. Ladies and gentlemen. We will now begin the question-and-answer session. If we have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question please press * and 1 on a telephone keypad. We will wait for a moment while the question queue assembles. First question comes from Rahul Jain from Credence Wealth. Please go ahead.

Rahul Jain

Thanks for the opportunity. Sir, good results in a tough environment is what we understand. Most, more specifically on the export side. So, first question would be with regards to how are we looking at the export markets? Any signs of further slowdown? Our first quarter numbers have been almost flattish to the previous year and down from the March quarter. Of course, it would be wrong on my part to compare this on a quarterly basis. So, if you could just give us scenario of exports, how do we see the growth this year? Any challenges over there or any benefits arising in any of the countries like Australia, UK, where, for last few months, we have been traveling and trying to generate new business, including some long-term kind of relationships? That is my first question, Sir.

Rohit Mall

Right, I will take this. So, looking at the export market, honestly, it looks a little bleak, especially because of our reliance on Europe. It has been not a good year in Europe in terms of their own economy. So, interest rates are still pretty high, inflation, and they are, you know, increasing in interest rates every time they meet, and inflation is also high. Unemployment is also high there. They're struggling with their energy prices. They're struggling with people spending. So, it's not the best time for Europe, and maybe continue for the quarter is what we are anticipating before it starts getting better. So, that's the situation with Europe. US also a little bit, North America, like that. Not that much. But that's where we are trying to get

more market share from. Other than that Australia market has been okay. South America has also been okay. Yes, that's the situation right now.

Rahul Jain

And, any new relationships and new customer additions on the export side?

Rohit Mall

Yes, definitely. We are every, you know, every time, every quarter, we are adding new customers. We are talking to couple of big ones also, which, in which we can have like once we entered, we can have a long-term association. So, yes, definitely, we are looking at it, and we are adding new customers every quarter, let's say.

Rahul Jain

Then, Sir, on the domestic side, in last few quarters, you have been mentioning about the potential of domestic markets being there, considering various reasons, including the compliances. So, and we also are putting up a plant over there. So how do we see the domestic market in terms of the various strategies taken? What are, how do we look at the domestic over the next year or so, in terms of growth?

Rohit Mall

Yes, so domestic market, we've been bullish, and we still continue to remain bullish. So, the economy is also doing well. We believe the spending power is increasing, the workforce is increasing, and it's the young workforce, and it's a more compliant, let's say work force, the international organizations coming in with their compliance. So, we are still bullish, it's going good, and we expect it to remain like this for the foreseeable future. So, we are pretty confident in our performance in the domestic market.

Rahul Jain

Sir, on the domestic market, we have been in this range of 35 to 40 crores, for almost five-six quarters now. So, do we see, you know, the inflection point where we can see a sharp growth on this, there?

Rohit Mall

So, I think every year like a couple of years and this time also, we were planning for 20% increments. We don't see or I'm not even sure if you want a sudden spurt in growth and then not being able to maintain it. Our growth has always come in a sustainable manner, and we would like to continue doing that because the importance here is not just bringing in the sale but also ensuring that we have the production and the

quality keeping in mind, so, which takes a little bit of time. So, I don't think we'll ever see 50%, 100% growth or something like that. I think we're comfortable with if you're growing 20%-25% yield on your shots.

Rahul Jain

Last one with regards to this JDA for the real estate. So, you've already mentioned that you will get, when does it start typically, as the work being started or there is just agreement signed, and if you could just spell out the kind of timelines as to when will the first kind of revenue start ticking?

Shyam Agarwal

Rohit, let me answer this. So, what is happening that, we have just signed this agreement and then, already there is factory there and production is going on. So, it will take almost, you know, by December or first quarter of next year, we should be moving out completely from this place, and in the meantime, the process is on for taking various approvals and so that is the target when you can see that, you know, the construction starts happening there. So, maybe by the end of this financial year.

Rahul Jain

Okay, and based on the current prices, prevailing real estate prices, any ballpark figure in terms of the potential of this particular-

Shyam Agarwal

We have [inaudible 11:38] potential users. So, considering the current, like we can see that the construction area could be in the range of around two lakh square feet. So, it is just a guess, it depends on what market price you are able to sell that.

Rahul Jain

Sure, thank you so much, Sir, and all the best.

Moderator

Thank you. Next question comes from Jagadeesh Singh from Shade Capital Private Limited. Please go ahead.

Jagadeesh Singh

Thanks for the opportunity. Sir, my question is related to the margins. So, we have improved our margins in this quarter. Also, what is the guidance for the full year basis for EBITDA margins?

Rohit Mall

It should be in the range of, see, we did around 15%, 14.92% to be exact. So, we estimate it to be in the range of 15% almost.

Jagadeesh Singh

So, there is scope, some sale reduction in our commodity. So, can we see some improvement in the margin going forward or not?

Shyam Agarwal

No, in that case you know, in our type of business mostly whatever, you know price movement is there that is passed on to the customer. So, no advantage or disadvantage on that front. But definitely we could save something on manufacturing because of consolidation of our own manufacturing facilities, we could save you know, on manufacturing costs. So, that had contributed into our profit margin this quarter and it should be in the range only. Yes, going forward also.

Jagadeesh Singh

Okay, and second question related to a turnover. So, we have grown at around 8% in the Q1. So, full year basis. So, what kind of growth we can be in the full digit growth all?

Shyam Agarwal

See, so for the, full year basis, we had a projection of around 15% growth for this year and normally the first quarter remains little bit on the volume-wise, it will remain on the lower side. We could grow at 8% as Rohit mentioned that, on export front there is some pressure, but domestic is going, doing good. So let us see. We hope to catch up in third and fourth quarter. Yes, so target remains, we, let us target 15% which is our expected target.

Jagadeesh Singh

And our so, my question related to capability expansion. So, this new project will come in FY25

Shyam Agarwal

Pardon, which one? Can you just repeat because there some echo is there?

Jagadeesh Singh

So, this new plant, when will come?

Shyam Agarwal

See basically, you are talking of new plant. So, they, recently we have set up this Ghatakpur plant for garment unit. Now it is fully functional, and yes, we are building up further capacity there. And the Sanand one project, it, we have just started construction there. So, we target to complete it within March next year and then from April onwards we should be having production there also.

Jagadeesh Singh

March 24

Management Team

Yes, March 24.

Jagadeesh Singh

Okay. That is it from my side. Thank you.

Moderator

Thank you. Next question comes from Dhwani Desai from Turtle Capital. Please go ahead.

Dhwani Desai

Hi. Sir, first question is, if you can update on the utilization improvement at the Ahmedabad facility and are we considering the phase two that function there. Some update on that?

Rohit Mall

So, Ahmedabad in terms of capacity utilization efficiency, we would be at around 50-55% or so, and there is no phase two plan for Ahmedabad. The only thing in Gujarat now we are doing is Sanand two. So, the

only objective in Ahmedabad is now to improve the efficiencies further in a garmenting, especially in all kinds of workwear, where it requires some time to establish the efficiency and because of the variety of product, you will never close to you know, 80-90%. You will probably max out at 60-65% or something like that. So, our efforts, it is to reach the maximum efficiency possible, and for that, it is important that we have a steady order flow, which like I said, Europe is a little sluggish at the moment. So, that's what we are trying to achieve in Ahmedabad.

Shyam Agarwal

Rohit, only to clarify this in Ahmedabad garment facility, you know, with we have this infra, the building ready with sufficient capacity to aid on to further, you know, we can always expand as per requirement. So, Machinery installation is not a big problem. It can happen immediately. So, first target would be that whatever capacity we have, let us utilize it to the maximum then we can expand there also.

Dhwanil Desai

Okay. So, given the export challenges, do we expect this utilization to move from 60-65% to a higher number this year or it will take time?

Rohit Mall

We are expecting it to hit this year only. We are working towards it. Well, let's see. But yes, that's the target.

Dhwanil Desai

Okay, and whatever, you know, whatever movement that we have done to Ghatakpur, is that all stabilized and up and running and, you know, what kind of capacity utilization are we getting there in Ghatakpur?

Rohit Mall

It's been built. We are moving as we speak. So, we move part by part, it's not easy to just dismantle a facility where you've been working for almost 30 years and move away. A lot of HR, issues also that you have to take care of. So, it's happening gradually. At the moment, it would be wrong to say any capacity utilization from Ghatakpur, because there are a lot of movement is still happening. So, once maybe from Q3, Q4, we can still tell you, what is capacity utilization because then it's a more established unit. But infra wise, machinery wise. Yes, everything is there, and now we need to you know, move it. And also, because the production is running in both the facilities. So, it's not just easy to move production from one place to the other. We're trying so, hopefully by Q3 we can give you some updates about stable capacity utilization there.

Dhwanil Desai

Okay, and Sir, when you move completely out of the existing facility and move to Ghatakpur, I understood from earlier conversation that there will be some capacity addition. So, can you quantify that number in terms of revenue or any other?

Shyam Agarwal

So, talking of Ghatakpur facility, yes, we have, as we mentioned that the infra is ready, the building is ready and what we are doing, we have initially moved, shifted some of the facilities to this new place. So, capacity utilization overall remains the same as earlier. So, whether it is at the older capacity or the newer capacity combined it remains the same. So, we are doing turnover and whatever turnover, for example, if garment, it was 100 crores happening earlier also, now we are doing the same thing, but from two place. But going forward, definitely this place will have, we already have added some machines, and there will be more addition and the target is to double the capacity. So, we target 200 crores of turnover from the new unit going forward.

Dhwanil Desai

Okay. Sir, that will happen as and when you start adding machines from 600 crores and stabilize it, then you will add more machines, it will be incremental in that sense?

Shyam Agarwal

Yes, it is already happening, some of the machines are already added, and going forward, it will be more. So, there will be only single place factory in West Bengal from where we'll be having around this target turnover going forward. Yes.

Dhwanil Desai

Okay, and last question slightly longer term are more strategic one, we are seeing very good traction in domestic market for west region and export growth, we are currently facing headwinds. If we look at from slightly more structural perspective, our product portfolio is almost complete. We are into relationship with some very large customers for many years, we have grabbed some of the larger markets. So, given all that, how are we positioning so that we can grow in export market at 20-25%, and, once the global situation normalizes? Any thoughts on that, what are we doing? Some qualitative colour on that would be very helpful.

Rohit Mall

So, couple of things, once. One, like we mentioned earlier also that North America is a market, we want to crack. It's still not a big part of our turnovers, and we're trying to get some entry there. So, that's one geographical diversification that we have to do. The second is the product mix. So, Sanand facility, once that is up and running, we have new product lines coming in. We are also investing, like I said earlier in into head protection as well. So, these kinds of categories, we'd like to get into plus, there's a lot of products or materials in which China was a predominant player, and nobody was looking at India. So, you know, some of those items are now you know, being wanting to be sourced from India. So, we are trying to get in entries into those.

They are product extensions, not a different product line, but historically not being source for India, from India, and we're trying to get that part solved. So, these kinds of efforts are going towards, you know, establishing new products in the market, extending product lines, opening new geographies, and moving towards more-high value-added items. That's the idea.

Dhwanil Desai

Okay, and Sir, my understanding, was that Sanand is largely catering to the domestic market, but from what you're saying, we would have head protection part from, part may be utilized to kind of cater to the export markets, if that understanding that there are, if there are gap in terms of product portfolio on the head protection side for export markets from our side?

Rohit Mall

Yes, so see facility, we are not restricting in saying that okay, no, this will only cater to the domestic market. We will try and get you know, inquiries. When we are setting a new facility, we see the domestic market and we see the export market as well. In domestic market, we control the flow of products, in export it is order to win. But we are not limiting it to saying that, okay, no, this will only serve the domestic market. if inquiries come and if it's a decent response, we will serve the export market from there as well. So that's number one.

Number two, in head protection, yes, definitely, we have a very small range at the moment. Let alone for the export market, even for the domestic market, we don't have the entire basket, what competition has or what the market wants. So, there we definitely need to get more products out in the market to be having a complete range. So that is being done constantly.

Dhwanil Desai

Okay, got it. Thanks. That's it from my side.

Moderator

Thank you. I request the participants to restrict with two questions in the initial round and join back the queue for more questions. Next question comes from Manish Parikh from Vibrant Securities Private Limited. Please go ahead.

Manish Parikh

Yes, this is Manish here. My question is more-broader. This is regarding competition in the industry and how many players are there in the industry, and if we have some data on the market share on our products, if you can, maybe share some insight on that.

Rohit Mall

So, Manish, everything that I say now will be based on estimates. There is no market data available on this industry. The last market data I have from this industry is probably 10-12 years old, and we are just building on to that data. So, roughly what we say the market in India is, the global market is almost \$60 billion. The Indian market is anywhere between 12 to 15,000 crores. Almost half or maybe slightly more than half is unorganized.

So, we're talking about maybe 6-7000 crores of organized market and in this also there's a huge product range. So, anything from you know uniform that railway or canteen staff or medical professional is wearing to your harnesses and lanyards and everything come under this industry. So, then you can calculate. So, we are, you know, doing what 120-150 crores in the Indian domestic market branded sales. So, you know you can make out the-

Manish Parikh

Our addressable market will be, say 6000 crores that is what you're trying to say?

Rohit Mall

Yes, you can say that. Yes 6000 crores.

Manish Parikh

Roughly it would be 6000 crores where our product was and total market, your domestic market, you are saying is around 12,000 crores. Am I right?

Rohit Mall

Yes. Should be.

Manish Parikh

Okay, and in terms of competition, how stiff is the competition or because of the demand going up for all of our products, you're able to maintain the margin? So, what is the situation? Just wanted to understand the domestic market.

Rohit Mall

So, it is flooded with unorganized players. So, for example, for uniforms, we are up against the tailors also who are just sitting on the street and tailoring uniforms, and then we are up against something like Honeywell as well, or 3M who is there in the market with their range of products. So, it's varied and it's highly competitive and very unorganized also. The thing that we are focusing on and where we are trying to make our market is that we are only selling certified products.

We are trying to generate a brand name for ourselves, and we only deal in, mostly we're trying to deal with products. Mostly we're trying to complete a basket of products that we can offer. So, head to toe the entire range we are trying to offer and trying to manufacture it in India itself. So, you know, without having a lot of reliance on other suppliers, etc. So that's what we are trying to do, and that's how we are trying to address the market. But yes, it's a very fragmented industry.

Moderator

Thank you, Sir. Next question comes from Yogansh Jeswani from Mittal Analytics Private Limited. Please go ahead.

Yogansh Jeswani

Hi, Sir, thanks for the opportunity. Am I audible?

Rohit Mall

Yes.

Yogansh Jeswani

Sir, last quarter you mentioned about some distributors and you're trying to set up in the Middle East market and then you expected that Q2, Q3 onwards there will be some business pick up from that region. So, any further update on that and where are we on those developments?

Rohit Mall

Right. So, Middle East is performing decent. We especially with the FTA and now you know Saudi completely in an expansion mode, and the relationship between two countries probably getting better. So, the market is definitely growing at a decent pace for us. We are adding, we have added couple of more dealers in those markets and who are participating but that market works mostly because of government tenders. We are trying through our dealers to participate in government tenders and get those kind of markets. So, it's definitely progressing well for us. We will be participating in some exhibitions also going ahead, which should reap more benefits. So, it shows a good prospect that market.

Yogansh Jeswani

So, basically, Q2, Q3, do we see the share of business coming in from Middle East increase significantly, Sir?

Rohit Mall

Yes, we will, because historically we were not there in Middle East anyway. So, yes, it should be a significant growth in the middle, from the Middle East.

Yogansh Jeswani

Broadly, could you tell us what are our key markets in terms of percentages. I think Europe is one of our biggest market. What will be the other two-three-four market that's there?

Rohit Mall

So, Europe, then should be Asia, which is primarily driven by India, which should be almost 40% of all market share. And then you could have the South American market which should be anywhere between 10 to 15% and followed by North America, which will be in the range of 7% or something like that.

Yogansh Jeswani

Okay, and sir, you did mention about the Ahmedabad facility working at 50-55% utilization, but together if you put the entire Mallcom, currently, what is the utilization?

Shyam Agarwal

Overall, it is again, you know, you can say, it is around in the range of 70-80% overall, but it depends product to product. So, we are talking of maybe, safety shoes, we are selling more now. So, we are almost I would say 90% we are utilizing our capacity. Leather gloves also similar, but in case of nitrile gloves and garment, we can do more. But, you know, again, these capacities are all flexible. So, what we can do that, as per our requirement, we can use our own manufacturing facility, or maybe we can go for part of manufacturing, outsource, and maybe we can change the shift also. So, instead of doing one shift, as per requirement we can go for two shifts also. So, it depends, but overall, as per past practice it is in the range of 20-20%.

Yogansh Jeswani

Okay. Understood. Alright, Sir. Thank you.

Moderator

Thank you, ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. I request the participants to stick with two questions in the initial round and join back the queue for more questions. Next question comes from Rahul Dhruv from Pegasus Growth LLP. Please go ahead.

Rahul Dhruv

I actually missed the answer to the earlier question on the land parcel in the agreement that you've signed, in terms of what economics, what is the size, what is the pricing and when we get to see the cash flow from there?

Shyam Agarwal

Hello? Can you repeat the question?

Rahul Dhruv

I missed the question earlier. I, there was a lot of buzzing sound. That was on the land parcel in that you have signed an agreement for? What exactly are you expecting in terms of size? In terms of pricing? In terms of cash flow?

Shyam Agarwal

See, basically what we plan that as of now, we already, we are still running the factory there. So, by December we plan to move out completely from this place, and in the meantime, all the necessary approvals are to be taken, and so, we have mentioned that the land parcel is around 100 khatta around. So, the construction area would be in the range of two lakh square feet considering the current permission they are giving. So, it depends the revenue should start coming only after, construction should start only after maybe say around 12 months. After 12 months should start, and then before that we should have all the permission in place and then it depends, how, at what price we're able to sell that. So, we need to see that.

Rahul Dhruv

And you would not be making any investment in this?

Shyam Agarwal

No, it is a development agreement. So, we remain the partner with the land only and the other partner would be investing into construction activity.

Rahul Dhruv

And then you would basically get 30% of the overall revenue?

Management Team

Yes, for our land parcel only.

Rahul Dhruv

Okay, perfect. Thank you very much.

Moderator

Thank you, we have a follow up question from Manish Parikh from Vibrant Securities Private Limited. Please go ahead.

Manish Parikh

Yes. Sir, the follow up to the question which was asked whether earlier person. This is regarding that land person you said, two lakh square feet. So, will it be a residential project or a commercial project?

Shyam Agarwal

Yes, it is to be a residential project. It is within residential area only, yes.

Manish Parikh

Okay, and so, what are the rates going on around that area in terms of-

Shyam Agarwal

you can all easily look at, you know, the location and the, in Calcutta market, you know, and you can always estimate the price. We have mentioned the place there where the land is located.

Manish Parikh

Okay,

Shyam Agarwal

you can have that idea. Yes.

Manish Parikh

Got it. Thanks a lot. That is the only question.

Moderator

Next question comes from Pratik Dedhia, an individual investor. Please go ahead.

Pratik Dedhia

Am I audible?

Shyam Agarwal

Yes.

Pratik Dedhia

Okay. So just one question, what is the pricing power that you garnered in terms of the products that you sell domestically? So, I think this is in reference to the point that you had made that you only sell certified products? So, wanted to understand the pricing power that you have?

Rohit Mall

Yes. Okay. So, in the domestic market, we, let's say, we are economy-premium kind of a segment. We will not be the most expensive one out there, because you have international brands also, and we will definitely not be the cheapest one. We are a bit above premium, you know, like, the premium segment, I would say. That's the kind of position or pricing power that we command, and we give a lot of attention to the product improvement, innovation in the product, new material, how our products are presented also, the packaging and everything. And so that's the segment, we are catering, and we deal with those kind of dealers or when you're going to end users, and we explained about the certifications, and even in some cases, certifications are not in India, but we are explaining them about the European certification, you know, which our products comply with. So, yeah, that's how I would say are positioned.

Pratik Dedhia

Okay, all right. And as a follow up of this, do you have any joint development with any of the say, construction companies or infrastructure companies that would request a specific prototype or a product to develop for their customized need?

Rohit Mall

Yes, there's no specific agreement. We do customize for our branded products also, and this happens, mostly in case of, let's say, workwear and maybe when the orders are large, it can happen in other cases also. So, we do customizations for them and we make specific, SKUs for them as well if the need be.

Pratik Dedhia

Okay, got it. Can I go ahead with one more question?

Moderator

Pratik Sir, could you please join back the queue again, Sir.

Pratik Dedhia

Yes, okay. Thank you.

Moderator

Thank you, Sir. Next question comes from Deepa Agarwal from Niveshaay Investment Advisors. Please go ahead.

Deepa Agarwal

My question is there is some foreign investment in our investor profile. Could you please elaborate on what is the amount and what will it be used for?

Shyam Agarwal

What is the amount of foreign investment in our company?

Deepa Agarwal

Yes.

Shyam Agarwal

Yes, it is around, as of now what we know that the non-resident **[inaudible 41:05]** would be in the range of 30-40%. Yes.

Deepa Agarwal

Okay.

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. We have a follow up question from Dhwani Desai from Turtle Capital. Please go ahead.

Dhwani Desai

Sir, just one clarification. So, you mentioned that the Sanand project will be completed in March, 24 which is seven-eight months from now. So, next year, we'll see some revenue from Sanand project?

Shyam Agarwal

Yes, that is what, you know we have planned. So, basically what we do that the construction of, simultaneously we are placing the order for machineries and the construction also prefabricated structure would be placed there. So, we have assured that the first phase of the project should be ready by March 24, and definitely thereafter we start manufacturing from there. So, initially it would be synthetic gloves and helmets which we start producing from there. So, definitely we will have additional turnover coming from there, in next FY.

Dhwani Desai

Okay. Thank you. Thanks a lot.

Moderator

Thank you. We have a follow up question from Pratik Dedhia, an individual investor. Please go ahead.

Pratik Dedhia

Yes. So, in terms of, So, again, going back to my question, in terms of customers request that you get from contractors, is there any long-term contract being signed for continuous supply, and if yes, then what is the contract length that you've been observing?

Rohit Mall

I am not aware if there's any long term such customization requirements. Usually, some companies have some annual requirements, which we are fulfilling. I don't know if there's any, any contract which is more than annual and like I said, mostly it happens in case of workwear that we have seen. So yes, that's the situation. I'm not sure there is anything more than that.

Shyam Agarwal

For this, we are talking of only branded and local sales, but in case of the export sales, definitely we do customization and these customizations are mostly for long term. So, what happens you have a customer and he would like to place, you know, do the customization for them and then he becomes your long-term customer. So that happens in case of exports only.

Pratik Dedhia

Got it. Okay, thanks. Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. I repeat ladies and gentlemen if you have any question, please press * and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. There are no questions. Thank you. Now I hand over the floor to Mr. Tushar for closing comments.

Tushar

Thank you on the behalf of Ventura Securities Limited, we would like to thank the management of Mallcom (India) and the participants. Good day.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day.

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- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.