



“Mayur Uniquoters Limited Q4 FY-21 Earnings Conference Call”

June 11, 2021



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MODERATOR: **MR. ANUBHAV RAWAT – MONARCH NETWORK
CAPITAL LIMITED**



Mayur Uniquoters Limited
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Moderator: Ladies and gentlemen, good day and welcome to Mayur Uniquoters Limited Q4 FY21 earnings conference call hosted by Monarch Network Capital Limited. As a reminder, all participants' 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Anubhav Rawat. Thank you and over to you sir.

Anubhav Rawat: Thank you Ayesha. Good afternoon everyone. I hope you and all your loved ones are safe and healthy. On behalf of Monarch Network Capital it is our pleasure to host the senior management team of Mayur Uniquoters. Today we have with us Mr. Suresh Kumar Poddar – Chairman and Managing Director of the company and Mr. Vinod Kumar Sharma – CFO of the company. I would request the management to provide their initial comments about the results and then we will take your questions. Over to you sir.

Vinod Kumar Sharma: Thank you Anubhav. Good afternoon dear investors and analysts. Ladies and gentlemen, it is a great pleasure to be here to share with you the performance of Mayur. Thanks for giving your precious time to join Mayur Uniquoters Limited Q4 FY21 conference call.

Mayur Uniquoters Limited being a market leader in the synthetic leather industry and an organized player has been able to leverage with the emerging opportunities and deliver exemplary performance in past years both in national and international business markets. As you all are aware, the manufacturers are again facing the similar downward pressures on demand, production, and revenue, as the second wave of COVID-19 pandemic affected badly to our country during the first two months of this new financial year. Due to regional lockdowns declared by the different state governments for different periods, the OEMs and other manufacturers were severely impacted and stopped their operation due to no demand from the market. However, from June the cases are getting reduced and possibility of vaccination drive is also expected to pick up the speed again from 21st January 2021, as the Central Government has taken the chargeback for free vaccination of entire country. Also, with the start of lifting of the lockdowns from the state governments from this month we are quite hopeful we regain business operations and demand from the market back on track on its normalcy in coming months.

As your company has been with a very good track record of being an investor friendly company and it is committed to drive value creation for all the shareholders. Now, I would like to tell you that board of directors of your company have proposed a final dividend of Rs. 2 that is 40% for the financial year 2021.

I would also like to start with the financial highlights on Q4 FY21 under review. We will reply to your queries after my review on the financial results. The company has achieved revenue from operation on a standalone basis amounting to Rs. 188.83 crores, PBT of Rs. 52.53 crores and PAT Rs. 39.15 crores during the quarter which are higher by 14% and 16% and 30% respectively

over the last quarter. The revenue from operations on consolidated basis is Rs. 178.35 crores, PBT is Rs. 46.82 crores and PAT Rs. 34.66 crores, it is increased by 5% and 1% of the last quarter. Our endeavor is to make the company a preferred supplier for the leading OEM, especially in US and the European regions. I am pleased to share that your company is already approved by Mercedes-Benz for supply to their South Africa plant and product supply has also started of little quantity for the new models from this coming month. The product approval from BMW is also obtained and material supply is expected from April 2022. Regarding project PU plant, project expertise is almost completed except some small civil work is going on at the site. The small supply orders and dispatches is also getting increased gradually.

While pursuing our business interest Mayur Uniquoters has also been endeavoring to fulfill our responsibility towards the society under the Corporate Social Responsibility programs. The company has done three phases of COVID-19 RTPCR tests and vaccinations in the plants and nearby villages. And staff members have also contributed for the oxygen plants donated COVID safety kits and oxygen concentrators through CII and ASSOCHAM and the company also adopted many Happy Schools for education of children. And the company has also worked on education especially for girls and underprivileged child education. Towards health care initiatives especially child skill development, water for all, sanitation at school area, distribution of books, bags, clothes, etc., and most importantly family planning and family welfare schemes. The state government has recognized these initiatives on various platforms.

I am thankful to all the investors for their valuable time to those who became the part of this conference call. And with this positive note, I would like to conclude and request you all to open the forum for questions. And before that, I will request that due to time constraints we need to end this call within 45 to 50 minutes, we therefore request you to kindly avoid repeat questions during the call. And volume data will not be discussed, so please avoid volume related queries. Thank you.

- Moderator:** The first question is from the line of Chintan Sheth from Sameeksha Capital.
- Chintan Sheth:** A couple of questions. On PVC side, the seventh line which we were supposed to commission this in Q4, have we commissioned and started commercial production from that?
- Vinod Kumar Sharma:** No, it is under commissioning stage.
- Suresh Kumar Poddar:** By July end it will start.
- Vinod Kumar Sharma:** Production is expected to start by end of July.
- Chintan Sheth:** On PU side so the first line has been commissioned and we started small quantities as you explained earlier. Can you elaborate on how the product has been getting accepted in the market? What is the way forward for FY22? What are our targets for FY22 for PU?

Suresh Kumar Poddar: You see, first of all, I would like to tell you that production in Gwalior in line has started only in March 2020, by that time the Corona effect had started. So, this year was very crucial and although in general PVC market also was very bad and fruitless. But anyhow we have now at present prepare all kinds of products which are being used for local and export's purpose. But since the market is very-very down and there are lot of stocks, this PU is mainly 90% supplied by China. Everybody is filled with up to the nose. So, the sale was not very attractive although we were selling at approximate 40,000 to 50,000 meters but that is not enough. Just to have breakeven we have to have at least 200,000 meters. Again, the second wave has come, now the market has started opening up because almost in all the states it was lockdown, so this lockdown was affecting too much to the other industry other than automotive. Automotive were doing their production and keeping the stocks so there was no problem in April and May also it was just okay, but June is very bad. And you know our main market in footwear is out and south all the four states are in lockdown. Now some of them will start opening from this Monday, let us see what happens. I hope if everything is all right it should have good business. But unfortunately, the automotive is also getting down too much down in May, and June also till now they are not in a very good shape, but I hope that from second or third week of June things should start moving. Already footwear in few places in south we have started getting the order, but from last two weeks there was no order at all. Now things are moving. And so far as PU is concerned, we have to wait for this year. Let us see how the COVID moves, it all depends on that. But most of the product which is being used by manufacturers that are approved. I mean DMF less than 1000 DMF that also we have made less than 500 we have made less than 250. And so far product is concerned, there is no issue, and they are buying also, but the quantity is less at the moment. I hope from last quarter, third quarter, it should have good improvement. We can supply the right material to them.

Chintan Sheth: Auto any new engagements we have been able to finalize over this quarter, any new engagement, in talks we are on?

Suresh Kumar Poddar: You are saying for this quarter?

Chintan Sheth: Yes, from last quarter to this quarter, have we been able to get into any OEM types during this quarter engagement is progressing further?

Suresh Kumar Poddar: You are talking about Quarter 4?

Chintan Sheth: Yes sir, Quarter 4.

Suresh Kumar Poddar: Quarter 4 versus Quarter 1 of this year?

Chintan Sheth: Basically, any new engagement with OEMs we have started discussing with the OEM clients?

Suresh Kumar Poddar: As we told you that we are already started supplying to Mercedes Benz in South Africa. The consignment has started moving. Hopefully, already we have got more than Rs. 3 crores per

month order in our hand and which will be supplied from this month only. BMW, we have also been approved, their supplies should start in 2022 early, January or February. Volkswagen also in India we have got approval and a small-small quantity has started going, I hope to start improving the business from second quarter, third quarter and by fourth quarter there will be in full production which is about 30,000-40,000 meters every month. It all depends on COVID, if COVID is all right then there is no problem at all. And now in May-June the problem is in USA the demand is very good but because of that chips problem many companies are closing down, and they are reducing their chips and hopefully what they have given us the prediction, second quarter is good. The first quarter was very bad almost they were working 30%-35%, but now the statement which they have given, in July it should be full production according to them and from others it should be 120%-130%. It is according to their estimate, but what will happen actually we do not know. Maybe at least 80% should happen.

- Chintan Sheth:** 80% is sequential or you are talking about the run rate that 80% you will be able to deliver?
- Vinod Kumar Sharma:** Chintan your voice is not clear. Can you come near your phone?
- Chintan Sheth:** Is it okay, is it audible now?
- Vinod Kumar Sharma:** Not much clear.
- Chintan Sheth:** I will come back in the queue.
- Moderator:** The next question is from the line of Pritesh Chheda from Lucky Investment.
- Pritesh Chheda:** Just a clarification. In the quarter which has gone by, we did not supply to Mercedes, and we did not supply to Volkswagen, is it right?
- Suresh Kumar Poddar:** No, we have started supplying to Mercedes, but in fourth quarter it was not.
- Pritesh Chheda:** So, in the fourth quarter it was not there, right?
- Suresh Kumar Poddar:** Yes. In fourth quarter we have sold not bad, at least Rs. 2 crores we have sold in the fourth quarter also.
- Pritesh Chheda:** How much crores?
- Suresh Kumar Poddar:** 2-3 crores.
- Pritesh Chheda:** We have been going through continuous margin expansion, so now what we have got reported in Quarter 4 is about 29% margin and it is also without large Mercedes or one of those value-added orders. We have not reported these kinds of margins ever, so if we have to look at your business and the changes that you have made, what should be a good indicative margin or per meter EBITDA if you could help us understand there?

Suresh Kumar Poddar: Margin from last 4-5 years I am saying same thing, when the margin was 10%, you people used to ask how much margin we will maintain but you are seeing it is continuously improving. Now the margin depends on how you place your production, how efficiently you make your production, how efficiently you reduce your cost, how efficiently you make a new product which can add value to your product. I am trying my best every year. What is the main thing? The main thing is that to produce new kind of product which company require, and which is not supplied by others. There only you can make money, right? And then you need to have your R&D like we are working very seriously on PU. Now, PU material we are 70%- 80% we have achieved with Chrysler in America. Now that material is \$ 20, and this is going to be approved. We have reached 80%- 85%, maybe in next three to six months' time we will start. Now many companies are shifting from genuine leather to PU. Because PU is more eco-friendly compared to PVC and leather. In leather when you are slaughtering the leather, there is huge pollution, and the cost is also very high. What I am trying to say that as soon as this material approves the margin will automatically increase. This is the good business and people are gradually converting. Now we are approaching to other companies also, they are all excited. I think it is a matter of maybe another two quarters by that time we should be able to enter in this PU market. And further margin depends on how you work out our fifth line, sixth line, seventh line, all the lines have got wide material like we are supplying 140 now we are supplying 170 centimeters. So, what happened, only your cost of the material increased, but you are getting 20% more value, so that you are competitive also as well as you are getting more margin. So, this is the ongoing process. It is very difficult to say that whether we will continue with this. We are trying our best and every time we are improving, that is what I can say.

Pritesh Chheda: From your answer is it fair to assume, at least that in PVC, I am not asking you on PU, but in PVC, whatever historic margins that we were making at about, let's say in higher of about 25%- 26% a couple of years we have made that margin, because we have changed the product mix and because we have added these two last 2-3 lines are more wider with more value adds and with the new customer high value add customer orders which will get executed incrementally because whatever Mercedes, BMW, Volkswagen is yet to reflect in the numbers, is it fair to assume that your margin would be higher than what in the past that you have made without asking how much percent I have but, is it a fair assumption to assume that it will be at least higher than what we have made?

Suresh Kumar Poddar: Higher than what we have made means you are comparing with last quarter?

Pritesh Chheda: The best margin that we have made in the past is about 26%.

Suresh Kumar Poddar: You are talking about EBITDA?

Pritesh Chheda: Yes Sir, EBITDA, we had made that in 2017-2018.

Suresh Kumar Poddar: Let us talk about last year, this last year it was good margin, it was 24%. We hope we are able to maintain this.

- Pritesh Chheda:** My last question is on volume side.
- Suresh Kumar Poddar:** Volumes side it all depends on this COVID. Other than automotive was doing fantastic. I mean, when I saw last this April, it was fantastic. Suddenly May is down and automotive was booming in April, but in May it is down, June also it is down, because whole of South India is in lockup. Now they have started a little bit, so it all depends. If everything goes all right, the way things are moving in last 15 days, if that continues, I think next quarter should be good. At least I will say last year first quarter was so bad, comparatively even this quarter we will do much better. God willing from July if the things happen, I think we will be doing better than last year also in spite of a good result.
- Pritesh Chheda:** Can you just share what would be the volume growth in FY21 without sharing what is the volume number, but at least the volume growth percentage?
- Suresh Kumar Poddar:** Last year compared to 2019-2020, 2020-2021 was about 8% or 9% in volume.
- Moderator:** The next question is from the line of Avneesh Chadha from East India Securities.
- Avneesh Chadha:** I understand that PU business was pretty low but approximately how much contribution into all FY21 from the PU business approximately?
- Suresh Kumar Poddar:** PU was not very much; it was maybe in the whole year if you see about 400,000 meters. And you can say it is about Rs. 8-10 crores.
- Avneesh Chadha:** Any expectation we can have in FY22 from the PU business your own estimates?
- Suresh Kumar Poddar:** PU business as I told you, whole market, not only in India everywhere **(Inaudible) (25.53)**. That is why there were no customers. Now it is opening, like we are seeing UK they have opened up, if we are talking to the customers, they say people will start coming from the middle of next week. So, the market other than automotive from third week of this month it will start moving, if everything goes the way it is going on from last two weeks. I am talking about COVID. And this automotive business was also very good in April, but in May it was down, you are reading newspapers every day and because the showrooms are not opening, now the situation is because showrooms are not opening, they are building up the stocks. Now I tell you in USA the business is also down because they do not have chips, must be reading in the newspaper. Because of chips they have reduced their production. Now in USA all the showrooms are vacant, there is no car even in the showroom. But the things are moving, like last month and in this month, we were hardly having 40% to 45% business in USA also automotive. But for the next year, they said that they will buy 100% and from month after next, I mean from August they say that we will be having 120%. Now that is their prediction. So, what is happening, in India the problem is that shops are not opening, the showrooms are not opening and the worldwide the biggest shortage of the chips, because chips are made by only two countries mainly Japan and Taiwan and this increasing production chips takes at least one year to two-year time. But abroad the demand is

fantastic. And here also, the demand was very good, because of this lockdown this is happening. So, so far as market is concerned, people are there to buy the material, companies are ready to produce. The only thing in Indian market it depends on COVID. Export market is good. General export is increasing every year. Even in this time, our general export is going very well. Approximately 2.25-2.50 lakh meter, we are still making, there is no problem. New products are also coming. So, let us hope. From our point of view why we have put seven lines. At the moment we are running only four to five lines, sometimes four lines sometimes five lines in the month of May and June. April was the best month in our history, because of automotive, this demand has now coming. Now that the market is opening, it all depends on COVID. Because if the market opens the demand will be there. And Mayur's demand is there, because we are catering all types of customers everywhere, not only India, whether you talk about furnishing, you talk about footwear, you talk about leather goods, you talk about aftermarket, automotive, everything. So, once the market opens you do not worry, Mayur will do a very good business.

Avneesh Chadha: The update on the Tesla front and how the talks going on with the Volkswagen in the European market?

Suresh Kumar Poddar: Volkswagen, I told you we have got the order everything is finalized. The production...

Avneesh Chadha: That was for India market, for the European market I am asking.

Suresh Kumar Poddar: We are talking about India Volkswagen we are not supplying to abroad.

Avneesh Chadha: Okay. And update on Tesla.

Suresh Kumar Poddar: Tesla they came, and we are talking but still I do not know when they will start, because the factory has not started yet and then it depends on where from they will buy the interior, because generally we have seen any new companies coming in the beginning the interiors they import, and then even if they substitute. They came also to meet us. We have also gone to their Delhi office, but they are not able to tell anything when they will start. In America they are using PU, so we are preparing PU also. That will be an advantage to Mayur. I do not know whether they come here, and they start using PVC, I do not know, in USA also with Tesla to go for PU material. Of course, when they come here, we will definitely have the business.

Moderator: The next question is from the line of Depesh Kashyap from Equirus Securities.

Depesh Kashyap: To Mercedes earlier we were hoping to supply 50,000 meters per month, just wanted to understand when exactly have you started supplying to Mercedes and is there any change in the volume per month assumption going at for Mercedes?

Suresh Kumar Poddar: We have started supplying and at the moment from next month they have given us the order for 30,000 meters every month. Hopefully by end of the third quarter they should start with 50,000 that is what they are predicting now, 30,000 already started.

- Depesh Kashyap:** Started in June only or May we started?
- Suresh Kumar Poddar:** We started before in the last quarter also, but it is picking up from last two months and not in June, but July, August, September, we must supply minimum 30,000, and from maybe October onwards we may have to start 40,000-50,000 what they are predicting.
- Depesh Kashyap:** What kind of CAPEX are we targeting for this year and are you going to increase the capacity of PU plant?
- Suresh Kumar Poddar:** PU first of all I have to say this, whatever machine, one machine is there, one set of machine is there in Gwalior, and with that I can make 400,000 meters every month. But at the moment we are hardly making 30,000-40,000 meters, and hopefully within next 1-1½ year, we should be able to increase it. It is a question of just getting the market open because as I told somebody now that most of our material which is required for export or for India market is accepted by the customers. Now it is the question of market and because there were no sales and everything 95% of material was coming PU material from China, people are holding the stocks. Now as soon as they open first they have to clear their stocks. But still few distributors are buying from us, they are satisfied with our quality, and they are ready to give whatever cost is from China, at least 10% for that because they do not have to keep the stock. So, as soon as the market opens, the things will start moving. At the same time, we are working in PU making PU resin also and the fabric especially for this PU material, because I have to fight with China. So, my raw material cost has to be very competitive. So, within next 1-1½ year, I will start making this fabric and as well as PU resin also. We are working very seriously.
- Depesh Kashyap:** What kind of CAPEX would this be Sir, for resin fabric?
- Suresh Kumar Poddar:** This will be maybe about you can say 100-150 crores.
- Depesh Kashyap:** The PV resin prices have started falling from the month of April, right? Just wanted to check with you how the automobile revises their prices, like when the revision generally happens, in 15 days or something because we might be sitting on high-cost inventory or PVC resin.
- Suresh Kumar Poddar:** There are two kinds of PU, one is called high solid PU and one is co-regulated PU. All these American companies are going for high solid because co-regulated is also containing DNR, they need minimum of DNR. So, other than Korea, now we are talking to one very big company in Korea **(Inaudible) 36:44** Limited, to have a joint venture with them for coagulated PU used for automotive consumption. And we are in very advanced stage, and we are capable of making that because you see what is happening, the big quantity and big price material, quality products like PU, now coagulated PU Koreans are using in their heavy cars and it is supplied by Koreans all over the world. That is why we are working on **(Inaudible) 37:29** the Korean company and their team has visited, they liked our factory, we are in very advanced stage of talking with them. So, once in next 2-3 months if the matter is okay, then we will start supplying to Hyundai here. And even we are talking with them because they are not making PVC. We are having contract with

them that all over the world wherever they are supplying PU, they can introduce us in PVC also in Korean company. So, there are a lot of things happening, I am not leaving any stone unturned. We are talking to the new joint ventures, we are talking to the new machinery, we are talking to the new product like PU, so that is the way to keep your margin intact. How will the margin come? If you are making same thing, a lot of new people will come in and commit, so naturally competition takes place. You have to be at least 2-3 steps ahead of your competitor. That is what we are doing.

Depesh Kashyap: Lastly for your working capital seems to have said a lot towards the end of the year since your customers are generally the larger corporate, just wondering what led to this increase in receivable days? Receivable days have increased in FY21, so your EBITDA has increased for 20% but your cash from operation has not increased mainly because of the working capital stretch that you have that you have got towards the end of the year.

Vinod Kumar Sharma: It has increased abnormally at the end of this financial year and March, because of this COVID impact.

Suresh Kumar Poddar: Now it will reduce in this quarter, end of the 2nd quarter you will find that it is reduced. It is according to the sell but now it is definitely more. Like you see Bombay, Bombay is closed from last 3 months, so, nothing is coming from Bombay we have not sold a single meter and we have not got money from them, how can I ask? Now UP is also closed, Delhi was closed, now they have started working. But we are very careful about money, now even those moneys are overdue, whatever money they are paying we are hardly supplying 50% of the material. The biggest problem we face for the south, because south was never closed, and my south companies are tremendous, particular about the payment. This time in the month of May and June till now we are suffering with their payment also because they are piled up with their stocks and not a single player is moving. Now it is slight, we can see very big companies they have started production, they have started billing the orders, Paragon is still closed. But I think from next week all of them will gradually start moving. Surely with this COVID problem the working capital is the problem. You see the problem is from both the sides, one side people are not paying. I am very strict, that whoever in the world I am not going to supply the material, I do not need margin, but I cannot lose the capital. So, we are in very much control. And other side there is one another reason also for having good margin because we buy in cash. So, if you buy in cash and you buy in quantity you get discount, that discount you get, you get quantity discount, of course you have to have the stocks, but what is the cost of the money, nothing. So, that is also one of the reason that we are getting good buyers. Most of the PVC resin in last 4-5 months I have bought in cash and was getting 3%-4% discount. Business is a mix of everything, not one thing.

Depesh Kashyap: Lastly Vinod Sir can you please give the sales mix for the 4th quarter like how much from exports and domestic auto, etc.

Vinod Kumar Sharma: For the last quarter? 32% is export and 68% is domestic.

- Depesh Kashyap:** Domestic is how much auto and footwear?
- Vinod Kumar Sharma:** 34% is the auto including replacement, and footwear is 33%. Are you asking in domestic only?
- Depesh Kashyap:** Total how much in exports, domestic, the general break-up that you give, how much in exports OEM, how much in exports general and then the domestic part, that you generally give? Total break up.
- Suresh Kumar Poddar:** Automotive, there are 3 categories, one is export OEM, and another is domestic OEM, third is the replacement market. If you are talking about automotive this is all total with these 3 segments about 57%-58%.
- Vinod Kumar Sharma:** Including exports.
- Suresh Kumar Poddar:** This includes export OEM, domestic OEM, plus automotive replacement market.
- Vinod Kumar Sharma:** All 3 segments.
- Suresh Kumar Poddar:** All 3 categories, about 59%, 58%.
- Depesh Kashyap:** Exports was 32%.
- Vinod Kumar Sharma:** Individual exports 32%.
- Suresh Kumar Poddar:** Export there are 2 kinds of export, one is automotive export, and another is general export. General export and automotive export these two mix about 32%. And OEM export is about 23.85% and 8% is general exports.
- Depesh Kashyap:** If you can give a breakup of domestic and replacement OEM also that would be great Sir, domestic OEM, and the replacement auto.
- Vinod Kumar Sharma:** You note down. Export general 8%, export OEM 24%, total it comes to 32%. Auto OEM 13% domestic and replacement 21%, footwear 33%, and furnishing and others is about 2%.
- Moderator:** The next question is from the line of Alok, an Individual Investor.
- Alok:** I just wanted to understand the industry dynamics as such like we are into the business of PU like who will be our major competitors in this segment who will be apply to this OEM auto manufacturers and all?
- Suresh Kumar Poddar:** Nobody. In India nobody.
- Alok:** India nobody. So, we are basically having the majority share who are supplying to major auto OEMs.



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- Suresh Kumar Poddar:** Now PU in automotive industry very few companies have started worldwide but they are moving towards it. Now we are working very seriously with Chrysler, 85% we have come closer, and we are talking to Indian companies also, and they are also showing interest. Once my product is approved and that is passed 100% in Chrysler, openly move to Indian markets also. And this material is replacement of genuine leather.
- Alok:** We have a plant in Mysore and what would be the capacity utilization for that plant for the last financial year?
- Vinod Kumar Sharma:** We do not have any plant in Mysore.
- Alok:** Sir, we have at Mysore, I was just going through the Annual Report.
- Vinod Kumar Sharma:** Earlier we were having a plan to put up a plant in Mysore and purchase some land. But it has some problem, size, and the slot problem so we dropped the idea to put up the plant in Mysore.
- Alok:** Okay, so as of now we are not operating in Mysore. We are operating from Rajasthan and MP.
- Vinod Kumar Sharma:** Yes, Rajasthan and MP.
- Moderator:** The next question is from the line of Venkatesh Pandarinathan from Lane Learning Center.
- Venkatesh P.:** I would like to know what is your capacity utilization for all your plants?
- Suresh Kumar Poddar:** You see at the moment, actually we have 6 line including PU running lines, one PVC line is also coming up by the end of the next month we will be having all total 8 lines. So, if you calculate all these 8 lines the capacity is about 3.15 million meters per month.
- Venkatesh P.:** How much percentage we are in having that order, sir?
- Suresh Kumar Poddar:** Order is in the month of May. It was hardly 30-35%. Now actually seventh line will be starting from July end, and PU as I explained you what the situation of PU is. Once this COVID problem has gone, I think if everything is all right from 2022-2023, we should be able to produce at least 85%.
- Venkatesh P.:** From 33% to 85%, we can go from FY22 to 2023.
- Suresh Kumar Poddar:** Yes.
- Venkatesh P.:** What is your topline guidance for FY22 compared to FY21?
- Suresh Kumar Poddar:** The way the market is moving even God cannot predict. If anybody say I can do this, I think it is just beating around the bush. You see everything is good, we are capable of making the product

anywhere in the world, we have got good marketing line-up, everything is in our favor. But God has to be in the favor. That is what I am saying to me but all of us...

Vinod Kumar Sharma: In today's scenario it is very difficult to say with sure figures. But yes, we are expecting the same figures we will achieve at the end of FY21.

Suresh Kumar Poddar: I tell you at the moment, Mayur is capable of making any kind of PU-PVC material under the sun. Now everything takes time you know. When you are approaching any automotive company, if everything goes all right, it needs minimum 3 years' time to start with. Now you see, when I started with Mercedes, it took us 2 ½ years to just get an appointment. So, this is all the work of 4 years when we have started the business. And whereas my marketing person was very well known to that German person, he was already selling genuine leather. And now our R&D lady which I have brought on Portugal and her previous company was supplying to Mercedes. That is how we were able to get the business. Automotive, it takes long time to get in, but once you get in, if your quality is okay, your supply is consistent, they will not change the supplier. That is the advantage in automotive.

Venkatesh P.: FY22 and 2023 is going to be a really great year for Mayur Uniquoters because of all the hard work you have put in for so many years.

Suresh Kumar Poddar: Yes, definitely.

Moderator: This is last question is from the line of Arun Baid from BOB Capital.

Arun Baid: Just a few questions sir. One is, you had mentioned that the R&D Head was supposed to come from Taiwan. Has he come for the few plants?

Suresh Kumar Poddar: No, nobody wants to come to India now. This is the problem. I had four Chinese technicians who have gone back 6 months back because of this COVID. This Taiwan person is ready with everything, but everybody is scared until and unless the things improve. Now I have got a guy from Europe also to bring him, but the problem is this COVID. Everything is stuck up.

Arun Baid: We were also looking to appoint some senior professionals with regards to the CEO position. Something has happened there, any development there, if you can share?

Suresh Kumar Poddar: Yes. We have appointed many people now. I have appointed one senior guy CEO for the production. We have got a senior guy marketing from BMD Company. From there I got a marketing guy for furnishing. Now we have appointed a new HR person. Now we are developing. In the next 2-year time all the professionals will be working. My headache will be reduced.

Arun Baid: Just one question for Vinod ji. Vinod ji, typically you just share the absolute volume numbers not the breakup. So, if you can just give the absolute volume number for Q4 and full FY21, absolute volume number?



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June 11, 2021*

Vinod Kumar Sharma: FY20-21?

Arun Baid: No, for Quarter 4 and FY21, both total volume number, not the breakup.

Suresh Kumar Poddar: For Q4 it is 79 lakhs. And for the year it is 2.31 crores meter.

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

Suresh Kumar Poddar: Thank you very much for getting joined **(Inaudible) 56.00**, and I have tried my best to answer the questions. And only thing I can tell is that if COVID does not persist, our future, Mayur future is very good. Every day we are increasing the new customers, we are making the new products and if everything goes alright you will see the result in 2022-2023. Because 2021-2022 still this first quarter is not good enough. But still I can tell you that compared to last year, this year in spite of everything first quarter would be better, much better than last year. So, if everything goes alright this year should be better than last year and 2022-2023 actually whatever the new products we are catching up, we will all start producing good quantity. So, I am very hopeful for 2022-2023 and company will give you good results and with all of your blessings, Mayur will do better. Thank you.

Moderator: Thank you. On behalf of Mayur Uniquoters and Monarch Network Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.