



“Pearl Global Industries Limited
Investor Day 2026”
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Shishir Gahoi:

Hello, everyone. I am Shishir Gahoi, Investor Relations Head at Pearl Global Industries Limited. And it is my pleasure to welcome you all to Pearl Global Investor Day 2026.

On behalf of Pearl Global, I would like to thank you all our investors, analysts, and members of the investment community for taking the time to join us today. We truly value your continued interest in Pearl Global and your engagement with the company.

Today's Investor Day provides us with an opportunity to go beyond our regular quarterly interactions and share our perspective on the company journey, the opportunity ahead, and our vision for the future. Over the course of today's session, our management team will take you through Pearl Global growth strategy, key strategic initiatives, and long-term outlook followed by an interaction with the management team.

We are pleased to have with us, Mr. Pulkit Seth, who is our Vice Chairman, Mr. Pallab Banerjee, Managing Director, and Mr. Sanjay Gandhi, our Group CFO. We also have Strategic Growth Advisors, our Investor Relations Advisor with us. We have an engaging agenda lined up for you today followed by an interactive Q&A session with the management team. We look forward to an open and meaningful discussion.

A brief disclosure. Certain statements made today may be forward-looking in nature. Please refer to Safe Harbor disclosure included in the presentation for further details. Before we start, may I request everyone to kindly keep their mobile phone on silent mode during the presentation so that we can ensure an uninterrupted session.

With this, I would like to invite Mr. Pallab Banerjee, our Managing Director, to present the next phase of Pearl Global growth journey. Thank you. Over to you, Pallab ji.

Pallab Banerjee:

Thank you. Thank you, Shishir. I take the privilege of welcoming you all to this session where we would be talking about what's the overview of our company. So the overview, how we are placed today, all the geographies wise that we're doing the business, we'll give you an update on that. And what is building on to this resilience through the diversification that we have done over the years, so we'll speak about that.

And in 2023 (wrongly said: kindly read it as 2024), of February, I think we came here and we did a presentation to some of you of what we wanted to be. So compared to that, where we are today and what's the way forward. So that are the things that also we'll cover. And along with that, we'll definitely cover the risk mitigation and the governance that we have implemented in our business.

But before we start, the privilege that we have also with us today is Pulkit Seth, our Vice Chairman. So let us hear from him about the vision of the company and what he thinks and where he wants us to lead us in the future. Pulkit, a few minutes.

Pulkit Seth:

Good afternoon, everyone. I'm really glad to be here and it's an honor to be addressing all of you. I'm just going to just introduce and just talk a little bit in general about Pearl. Pallab will have much more fun by taking you through a much more detailed presentation.

So I wanted to welcome you all to this analyst meet, Investor Day. And it's an important milestone where we want to kind of recap where we are today, where we've reached as an organization, what we've been talking about for the last few years and what we've been able to achieve. And then what we what path we're on and what kind of growth we're going to work towards and look at achieving in the future.

As you all know, the company was started in 1987 and it was a promoter-led business. And we were able to establish one of the, I would say, most well-established, well-diversified garment manufacturing businesses out of this out of India initially. And today we have a very strong legacy in place as an organization.

From the beginning, we build a company with the vision of having a very strong professional management team. And as we grow the businesses across different parts of the world, started in India, went to Indonesia, and then we went to Bangladesh, and then we went to Vietnam, and most recently went to Guatemala. Always the objective was to really drive the business with along with a strong executive team.

So today we have a very strong executive team which is leading the business across the globe. We work together on the highest levels of, of transparency, trust, and teamwork as a group and as a team. And it's with these principles that we drive our business.

And we've seen wherever we have the right mix of obviously the capacity, the customer, the team, and then everyone's working with trust and transparency, we come out winning and we come out really, really strong.

And of course, Pearl Global today has a very, I would say, one of the most well-diversified manufacturing footprints in the world which we'll present to you in detail. Each of the country that we are in are extremely strong for apparel supply chain.

The fact that we are in four countries gives us the ability to service the best retailers in the world to grow with them strategically year-on-year. And at the same time, the model allows us to onboard some of the best retail partners that there that are out there.

Also, we are very, very focused on seeing who we do business with. So anytime we select a customer, it's after a lot of due diligence from our side. So we don't really get in a customer unless the customer is AAA, creditworthy, and we know will help us to grow strategically in the years ahead and who are thinking for the long-term and with whom we can think together.

As you all know, we today operate 25 manufacturing units across five geographies. We make 100 million garments. We have capacity to make 100 million garments a year, which we'll present today how much we've achieved, how much we shipped out of the 100 million and how much more we're going to grow with that. And we have 30,000-plus associates.

So the foundation is extremely strong. It's taken more than, I would say, almost close to three decades to build to where we are today. And we're really glad where we are today. And we feel we're still getting started and there is tremendous tailwinds that will allow us to continue to grow in a very healthy manner, in a very sustainable manner.

And of course, our objective is that there are fewer and fewer retailers in the world. Maybe there were 100 10 years ago. Today, maybe there are 30 or 40. In the same way in the apparel supply chain, apparel manufacturing side, there were maybe thousands of manufacturers, but even there is consolidation happening there.

So our objective is that on the B2B side, any large retailer, which are few and deep today, when they want to come in explore business and sourcing and manufacturing with companies, that Pearl Global name comes right on top out of the India region. Of course, we're an Indian company with a footprint in India, but also a global footprint.

And that's a big USP, and that's what retailers today want. They want to work with fewer manufacturing groups, people who are there in it for the long-term, people who have the ability to service them, supply to them, and also offer a lot of value-added services.

So, we're here on a very strong footing and we look forward to a very strong future. And Pallab will take you through a much more detailed presentation, and I look forward to interacting with you all after the same. So thank you.

Pallab Banerjee:

Thank you, Pulkit. So as you just heard, like little bit of overview that Pulkit also mentioned some of these numbers. So our vision for the company is to be the global leader providing end-to-end supply chain solutions to the fashion industry of the globe. And our mission continues to exceed the customer and all stakeholders' expectation.

Of course, out here it's shareholder, but all stakeholders' expectations we want to exceed by strategically driving sustainability and technological advancement with innovative solutions, delivered by the best talent in the industry. And the goal is to innovate the way the fashion is created across the globe.

With that, today we have manufacturing locations in India, Bangladesh, Vietnam, Indonesia, and Guatemala. And the markets that we are serving majorly are USA, European Union, UK, Japan, Australia, and Canada. Along with the manufacturing setups that we have in these 5 countries, we do have a very well-organized and setup of designers and commercial people in Hong Kong, in Spain, United Kingdom, that's in London, in USA, in New York, and in Dubai.

So, this is the whole network across 10 different locations or 10 different countries, if you see that we're covering today, is the strength that we have built up over these 30-plus years of Pearl Global. As I speak, we have a capacity of 101 million pieces approximately, and by this year end, by March, that number would significantly go up close to between 115, 16. Of course, we'll give you the exact numbers as we close up.

100-plus designers working with the latest technology that is available to the industry today, whether it is 3D designs and the AI technology, which we'll speak about as we go through this presentation. We met, as I said, in 2023 (wrongly said, kindly read it as 2024) since -- so that's our journey that you have already we spoke about in 2023. So from there onwards, what are the things that we have done in this last few years?

We strengthened the capacity that we have in Indonesia. Indonesia, our factory was next to the water. So naturally, the global warming, we could see physically what's happening. At least twice a year, the water was coming inside the factory and the roads outside. So the seawater's level is increasing definitely as a high tide, one of the high tide, you would see that things are going bad. So we had to shift that factory. We shifted it to a better location and built up more better capacity out there.

We expanded our operations in Guatemala. That's a partnership that we got into in 2022. Today, we have got almost 80% share in that facility. 2025, we also incorporate, sorry, 2024, we continue to expand our presence through new facilities in India and Bangladesh. We built up a capacity in India because we found that in 2023, 2024, there's a huge amount of possibility in India and positivity from all our customers' side. But unfortunately, in 2025, we had a Trumponomics played. And that's why the whole tariff thing came up.

In 2025, we incorporated a subsidiary in Bangladesh. And in 2026, we have incorporated a subsidiary in Singapore. The capacity of Bangladesh got increased. And also, we have done a laundry, an updated laundry where we can do a lot of value-added washes in Bangladesh. So these two, we just inaugurated day before yesterday.

At least a few of you was there with us. It was a huge pleasure for us to host some of you there. And as with that, like this 101 million pieces of capacity immediately goes to 108 million pieces after this inauguration of these 2 units in Bangladesh. And before this year end, as I said, that there would be couple of units more coming up that will add further capacity.

Global presence on the map, as you can see, we just spoke about. USA is the market, and also we have a presence, we have a design showroom, designers employed in New York. In Spain, we are in both Barcelona as well as La Coruña. And then in Richmond of London, we have it, the office, Dubai. And India, Indonesia, Bangladesh, Vietnam, all these countries where we have our manufacturing, we do have a complete design setup along with product showrooms.

In India, again, we are well-diversified. We started in Gurgaon, Chennai, and then Bengaluru. Today, we have our facility in Muzaffarpur. We are looking into the other opportunities that is there available in India, we are exploring that. What we feel is that the workforce comes from the, what do you call, this particular belt of India. And especially for our industry, we find Bihar, Bengal, and then Odisha, and Jharkhand, these are the place where a lot of skilled workforce actually comes and they understand the industry very well.

Of course, Chennai and Bangalore, we find a lot of people are going from this region and working out there. And same is for North in Gurgaon. So what we intend to do is to take some of our factories to the home of this workforce. So that, I think, is the unlock that we need to do in our country.

And who are the architects? Of course, like you heard Dr. Seth, Deepak Seth, who started this journey back in 1987. Of course, he had the vision to not limit himself to only India. So that's the benefit that we are reaping today. Of course, under the leadership of Pulkit Seth, today, I

think we have built up a very strong and very talented team. Let me just briefly go through these names.

Shifalli Seth, that's of course, Pulkit's wife, but very talented in terms of design and this whole sustainability initiative she's driving within the company. Gurusankar Gurumoorthy is our CEO for the Hong Kong region, sorry, the Vietnam operations that we have and also, he leads the Hong Kong team. Then Sandeep, Pankaj Bhasin, and Adarsh, these 3 gentlemen are helping us in India. They are individual business units that we have given to them where they are responsible end to end.

Vikas Mehra is the CEO of Bangladesh. Now if I speak about a little bit about Guru or Vikas, like Guru has already worked in USA. He was running a retail chain. Before that, he was heading the supply chain of many big retailers and got a very strong understanding of the industry, the entire supply chain. Same is for Vikas. He was for 17 years he was with Jones New York that they supplied the largest amount of denim to the US market globally across the globe if you think of.

So he had a 17 years stint out there, so naturally, a very strong understanding of that product. Myself, my background was in Gap, so I was definitely 21 years with Gap Inc. and that's the time I understood the whole supply chain of the globe. How the garments are made and supplied to the various markets, that's the background that I had.

Sanjay Gandhi, you all interacted with, again a huge amount of experience in the international market, has worked, I think, on 7 or 8 different locations across the globe. So that's the kind of acumen that he's bringing in. Amit Kumar is a production expert that we have in Indonesia who is heading that team.

Jo Hales, Joanna Hales, like she was with Marks & Spencer for almost 21 years before she joined us. She was a head buyer there. So that's again a huge amount of experience and the talent that she brings in from that buying background. And same is for Jonathan who had a stint with Mango as well as Zara as buying, again, buying team head.

So that's the kind of team that we have built up, and that is the engine which is taking us forward in our journey. Of course, we are backed up by a very strong independent board of directors. I'll not go through each of the names, but some of them are really stalwarts with a lot of experience from the industry as well as other fields.

So I will straight away jump into each country, spend a couple of minutes so that you get a background of what's happening. So in India, as I said, like, our manufacturing locations are in Bengaluru, Chennai, Gurgaon, and Muzaffarpur. These are the 4 places where we own 100% of the units of the factories. That's 8 manufacturing units, total capacity of about 26 million pieces.

And the utilization has been low, and this number, 62%, is the utilization that you saw for the last year, 2025 (wrongly said, kindly read it as 2026). And that's the year, remember, we had the US 50% tariff, which slowed us down. But before that, the whole thought process was that India is going to get a very strong chance in this particular phase because of China plus one.

But of course, the tariff slowed us down by a year. So that's why the utilization was a little less. And we have built up this capacity over the last four years today to have a 26 million pieces. If we fully use that, that's almost double than the turnover that we're doing now. In terms of product range, we have been doing women's tops, skirts, and dresses in India for a long time.

But we are now diversifying into other products like men's, as well as we're increasing our capacity in the bottoms, that means the pants manufacturing in India. India, the focus earlier, historically, has been only in Bangalore, Chennai, and Gurugram, all the metropolitan cities, if you have to say. So how do we get into now the tier 2, tier 3 cities like Muzaffarpur?

So that's the journey that we have started. So these are two big changes that has happened in India: product diversification as well as the location going into tier 2, tier 3 cities. That's because, definitely, the EU readiness, that is very important now as India is going to sign a FTA with European Union.

We have already an FTA with UK. So those two countries are definitely very actively engaging with the Indian manufacturers at this point of time, including us. Of course, we bring in a little bit additional benefit to them because we are already supplying to them from Bangladesh and to certain extent from Vietnam.

So that's, I think, is also one of the big driving force in it. And if you talk about the FTA readiness, definitely the kind of factories that we have in terms of ESG, in terms of sustainability and traceability, these three things would be very important for European Union. So we are ready for that. 50% of our factories are already approved by the buyers of European Union.

Others also are in the process of getting approved. Bihar, we started with operation in one of the shed, two of the sheds, we took three sheds from the Bihar government. And the third one, we are now putting the machines as well. And this is the plant -- this is the location where we would like to experiment with this two shifts of working.

So that would scale up our capacity further in India. Moving on to Bangladesh, we have four manufacturing units 100% owned by us, and we have partnerships with another five facilities. But this big one that we launched day before yesterday. The one that we got inaugurated day before yesterday, so now it is five and five (five owned and five partnership facility) . And of course, we got a state-of-the-art laundry. That also is one of the unique because I think that's one of the best laundry today, as on date, in Bangladesh that we have made. So this is a cost-competitive country.

As you know, the wage is still almost -- if I have to compare between India and Bangladesh, so if India's minimum wage is around INR15,000, in rupee term in Bangladesh, equivalent would be about 10,000. So that's the kind of minimum wage slab that starts with the workers. So that gives an advantage of that.

But even the bigger advantage is the whole ecosystem that Bangladesh has built up over these last 25 years. Especially after the WTO, after the GATT went away, the quota system went away, this is one of the major beneficiary as a country they have done. And 2015 onwards, we saw an accelerated growth in this country for the apparel manufacturing.

Today, there is a very strong workforce, not only the labor force or the sewing operators, but also the lower level management, mid-level management, and to somehow it's coming up to the upper level management as well. So that's how the country has developed. Today, they have almost about USD48 billion-plus of garment manufacturing and exports.

Compared to that, India is at around 15 or 16, so it's almost three times than India. And basically done from only two cities. Majorly, it is from Dhaka. And then there's a small presence in Chittagong. So that's why, if you go to Dhaka today, every third or fourth big building that you see is a garment factory.

So that's the kind of ecosystem that country has built up over these years. And that's an advantage they had is the duty-free access to the European Union market and the Canada market because of their LDC status, the least-developed country status. So yes, they definitely had a little bit of political disturbance and all, being a third world country, after once in a five, six years, something happens.

But this particular industry has thrived through all the disturbances that we have seen in Bangladesh history. Here we produce denim, majorly, any kind of other woven, heavy woven kind of garments, any kind of knitted jersey, polo, t-shirts, those kind of product that we do, and of course, we supply to the sleepwear or loungewear or activewear, athleisure.

So variety of product can be made in Bangladesh. They were very much dependent on fabrics from India and China, but over the last 10 years or so, there have been a significant investment that has gone in in terms of fabric manufacturing in Bangladesh, not yarn. Yarns, they are still not competitive.

They do have a lot of spindles now, but what we see is the yarn competitiveness is still from China or from India. But the fabric manufacturing has really developed out there now. The duty-free access on because of this LDC status is there till 2026 with an automatic grace period of 3 years, that means 2029, they will have that benefit.

Some of the questions that we often hear: what will happen after that? What we are seeing is that Bangladesh government and BGMEA, their trade body, is definitely engaged to continue this kind of benefit through another route, either through some kind of bilateral trade agreement or an FTA. So that kind of discussions are actively on.

And the proof of pudding is that when this US negotiations was going on, they come out with the brilliant idea that we'll take the cotton from US and give the garments back to you. So how much of duty-free access that we can do. So that kind of innovative ideas they're also bringing on to the table during this negotiations, which they're doing with the Western countries.

So we feel that the strategic hub, which is powering the global growth of Bangladesh, will continue for some more time. Today, if you look at the USD550 billion of total global trade that happens in garment trade, out of this, 150 or 140 now, maybe I'm assuming that this year number, when it comes out, it will be a little less to China. So that is China.

So out of USD550 billion, almost USD150 billion or USD140 billion is still with China. Then comes Bangladesh at USD48 billion, and followed by Vietnam, which is close to about USD44 billion. So that's the kind of three big countries that we're talking about globally as a supplier of or manufacturer of apparel for export market.

And after that, from Asia, the two countries are India and Indonesia. These are the countries they are in the range of about USD15 billion to USD17 billion. So who will win between these two countries, we'll get to see in the next few years. Talking about Vietnam, just mentioned to you \$40 billion-plus of garment exports that they are doing.

They have this advantage because 2015, '16, there was a big talk of TPP. They used to call it Trans-Pacific Pact that time. Of course, as soon as Trump came in in 2016, it was shot down. But a lot of work had happened. Now this TPP has become a Comprehensive TPP, CP -- Comprehensive Pact of TPP, I think, that's how they call it, where USA is not the member, but the balance other nine players have went ahead and signed that document, because of which, Vietnam today have the access to the European Union and the UK market, along with Canada and Australia, the duty-free access is was granted to Vietnam as well.

So the market is very mature, the manufacturing market. Because of course, started as a communist country, so they built up those, very worker-friendly factories. And later on, it was distributed to the so-called capitalist of the communist country. That means some of the Politburos took over those factories.

And those are leased to the South Koreans, Taiwanese, and now player like us. We also use those kind of facilities, along with one facility that we have, which we 100% own, and another second one, like we partially we have done some kind of agreement, so we run that facility as well. Apart from that, three more facility that we use to get to our capacity.

So that's the arrangement that we have in in Vietnam. These are this is the place where we do very heavy-duty, high altitude jackets, down filled, poly filled, any kind of technical garment in terms of outerwear, warm clothing that we do, along with some athleisure and some other products as well.

The benefit of Vietnam is that the skill level is very high. And the place that where we have our factory, which is a place called Bac Giang near Hanoi, the skill level is very high. We don't compete for these workers with other garment factories, we work with Samsung. We compete with Samsung, I mean. Just maybe about 10 km away from our factory is a huge, I think one of the largest facility of Samsung is there.

So that's where, I think, the struggle of Vietnam is. The workers now are so skilled that they would like to go away from garment into maybe a high-end electronics and all. So yes, the cost is high, but you get a very, very highly skilled workforce out there. Productivity is very high. So that's one advantage that we have taken.

We have built up the higher end of our customers, the highest end of our garment in terms of technical standard and quality standard, we do out of Vietnam. Brief about Indonesia and

Guatemala. Indonesia, we had this plant. This is the first, I think, overseas factory that Pearl Global had since 2002.

That facility today has is still continuing and we made it into two facilities now and also coming up one more, adjacent to the one that we just built up, basically, more like an extension. So this location is Semarang. The provinces are Kabupaten and Demak. These are the two places where we have these two factories.

And in Demak, we are creating an extension now, where we will be adding one more category of product. So as on date, Pearl produces six different categories of product, things like outerwear, bottoms, denim, then tops, skirts, and dresses in wovens, knits, then there is sleepwear, athleisure wear.

So these are like six different categories that Pearl was making. And the seventh category that we are talking about, we'll again speak about it a little later. One in-house manufacturing unit, second one is coming up, sorry, two manufacturing units we have, sorry, out here, one in-house, two. And then a 90% utilization we are already doing and 3.3 million pieces that we are making.

Sorry, this is Guatemala. Indonesia is that side, two in-house. And Guatemala, we took this one factory, we started in 2022. That's something we have done with a joint venture initially. We took a stake in an existing factory, and then we are now holding 80% of that stake. And this is something we are still figuring it out, as a country, how it can be more efficient, how we can make money out there.

But this is a place which is nearshore to the American market. As a result, it's a big attraction to all the US clients. Everybody wants to have a capacity in this particular facility. So that's what is happening out here in this factory. Hopefully, this year, we will come to more close to the breakeven, and then we see from there onwards how we can take it to a profitable venture.

The other initiative that we have been doing majorly in Bangladesh is to get to this 85% water reduction as we are making a denim pant. So the all the latest technology of washing a garment with no hazardous chemical, that's something is a big achievement that we have already done, and not only in one facility, now we are replicated that in a second facility with much more updated machines, which is definitely an attraction for all our customers.

Why we did it, we found that, yes, we do a lot of innovative washes, and our customers are really taking these washes. And our capacity was running short, so we were doing a lot of through the partnerships, we are doing this kind of washes. So bring that in, getting our value-added and that exclusivity in our own in-house facilities much better. So that's something we have done in Bangladesh now.

The other initiatives of sustainability, we definitely are looking into the water conservation. We have done already 41% in terms of the groundwater consumption, how we are reducing it, what kind of washing and all. A lot of work is going on there. The waste management is a very important part in our industry.

As you make this garment, a lot of wastage comes up. Small pieces of fabrics gets leftover, other trims gets leftover. So how do you manage that? How you can recycle that back into your production? And the other big thing is the renewable energy. So as I speak, today, in India, almost about 35% of our electricity consumption is renewable from solar.

In Vietnam also, it's slightly higher number, and so is happening in Bangladesh. We have taken initiative to improve and increase the green belt around our factories, each locations. And even in places like Gurgaon and all, where we are situated, we are trying to do that more and more. So as you can see some numbers that we have published out here, how much of carbon dioxide saving or absorption that we have done.

Other activities, definitely a lot of, We actually do we call it as three pillars for ourselves. We are talking about education, we are talking about health and safety, and the environment. So this is three things that we have been spending our time and resources to give back to the society and to the environment.

So, in terms of coming back to this global footprint that we have created for ourself, the major benefit is through the own design. How we can create that design where we provide the design to the retailers and then book the business. The industry runs on broadly, you know, you can talk about two classification: one is that the tech pack given business, that means the retailer or the brand is doing the development and then just bidding it to the suppliers.

And whoever gets it, just follow it and then make the garments. Follow the specifications and make the garment. The other part is that where you bring in the innovation or I -- we bring in the innovation, we bring in the product, and we show them the collection and they just select from there.

So, that is where the focus of Pearl has been. And that's the reason for which this investment that has happened in New York, in London, in Spain, now we are trying to see how to get into the other markets of Japan and Australia. So, those are the things that is the unique value that we've always want to bring in to our customers, and that is giving us success.

So, the three models of engagement on designs, what we do is end-to-end design, that means the buyer just walks into our showroom, sees the whole setup of the store, like how it should look like, and they pick, okay, this matches to our filter or our handwriting and we just buy this. And then we just make that particular design for them in bulk quantity. That is called end-to-end design.

Design team extension is that there are certain brands, Tommy Hilfiger or Calvin Klein, who have an image or a particular way that they want to look always the garment should look at. So, they start this new creative process where they download what is the vision that they have for the year or the next year. And from that vision, how you take it up and then, you know, supply them that design, the final product to it. So, that's what we call it as design team extension.

And then the third part is design co-creation where we give the customer, this is what's happening in the globe. Because let's say a U.S. retailer, where we'd say, okay, this is what we are seeing is happening in Japan or this is what is happening in UK, this is what we see the trend in Australia

and European Union, would you like to have something like that? So, this is how that interaction starts place, then we both mutually decide which is the product that should be designed into, like what is the final product should look like. We design, do it together, so that's what we call it as co-creation.

So, these are the three models that we use. And as of 2026, definitely there is a lot of 3D innovation that comes in, that means before even the garment is the fabric is cut, the garment is visually made in a 3D world, in a, you know, virtual world, and then put AI into it to make it absolutely look like real. So, that is what is giving us a lot of success, because as a designer who is saying -- who is meeting maybe, like, you know, 50 or 100 suppliers and they are showing different product, how do you get that mind space, like, okay, you are the one who are providing the best designs and the best in-class product.

So, that's something that we have been really talking about, and we do it across all the six categories, that is knits, wovens, tops and then denim. Knits and wovens, we write like this, but knits also is all product of knits, this tops, skirts, and denim we call it. Wovens also tops, skirts, and denim tops, skirts, and dresses, then denim product, outerwear product, active and athleisure product, and sleepwear and lounge.

And all of these, in children's also we do. Children's means like definitely a special handling, special control of needle, and processes are needed, so that also we expertise upon. So, these are the six categories. If you include children's, then you call it seven category or six category, also into children.

And the category that we are adding now are this dressy collection, that means the dress pants and these kind of jacket suits and all, especially for the women, first, and then go into the men's. So, that's something we are expanding into this portfolio.

That means, let's say if the store has 10 different category of product, we were already doing six, now we are getting into a seventh one. The seven maybe 70%, you can call it. In knits, one interesting thing is that, if you see, we do knit tops, skirts, and dresses, and we do athleisure quite a lot.

Active performance because India or Bangladesh region was not so strong. Vietnam, we do something of it, because that particular category actually developed by Taiwanese and managed by Vietnamese, and now some Chinese. So, that's one pie that we are also focused upon, and you will see some growth in that area.

So, we are building up the talent infrastructure to grow in that. So, almost that means give us like almost eight different categories, so 80% of the store I will have in terms of the wallet share that we can get into with one customer.

And as I was talking about, like, you know, how do we do this digital transformation. Let say, a designer got an inspiration from some customer -- from some product. They show us that picture and say, can you make something similar?

We want little bit of change, like you can see on the red line that she has drawn on that photograph from a magazine, let's say. So, we convert that into a sketch for first of all, you know, how it should look like in a 2D stage. Again, this is in virtually.

Then 2D sketch get converted into a 3D rendering, that means there are 3D softwares which are available. On that, the designers would create exactly a replica of how the future garment should look like.

This is not the same garment, this is as per the requirement that is there, was given to us, like, you know, or let's say, a discussion that happened in a co-creation discussion. So, we create this thing. Then how this 3D has to be rendered on a particular model, again on virtual world, not a real world.

And you can see the detail how the garment would fall, how the garment would, you know, behave, each detail of the wash that you can see on that to the granular level. Now, this garment doesn't exist.

This model doesn't exist. So, this is completely virtual, has been created through the AI and the design rendering that we have done. And finally, the garment got stitched. Now, you will see the difference between these two garments, like what was created virtually and how the actual garment looks.

So, this is the confidence that if a designer is given to, from a customer's point of view, that converts the business. That means, like, you know, you see something, like, you know, you see 20 designs in this virtual world in a 3D form, in a virtual life form through AI, and how you select.

So, here's another example. This garment, we didn't stitch. We had a swatch of fabric. We created a 3D rendering, put it on a AI model, make her walk. See the translucency. Like, the transparency in the fabric, of course not so clear on this screen, but this is what gives that confidence. You see a little bit of it, like how that fall, how the fabric would move.

So, that creates that difference. This is an order that was booked even before the one single garment was stitched or a design was made with one of the very prominent denim brand that you can think of. So, they bought it.

So, that's what we are talking about how the business operates in our world. Now, coming into the diversification of our business, like, you know, the locations you've heard, and so, you know, one is the manufacturing footprint, and the other is the marketing, like where we are marketing our product.

Both has to be diversified. So yes, what is a benefit that is giving it to us, we derisk the geographic exposure, lower dependence on any single market, balance revenue across mix all the regions. We have an access to all the global growth markets.

You see, like, you know, if I have a factory in that region, I can even cater to Australia and Japan very quickly and easily. The flexibility of scalable manufacturing that we have, because the locations that we have decided upon and how Pearl has grown, these are the four markets.

As I told you, like, 550 billion, out of the 550 billion, if you take out China, China is definitely a -- you know, a question mark, what will happen to it, how much will decrease because they have gone into a very high engineering product now. So, garment is shrinking there quickly and fast.

And so, next is your Vietnam, Bangladesh, we are present. India and Indonesia, this the third tier, we are already there. And then, of course, Guatemala is more like a, you know, near location, but these are the four countries which has got a lot of, you know, growth power.

Each one of them, if you look at it, individually if you study this four markets, there would be at least -- when Bangladesh, there would be at least seven or eight players today who are close to USD800 million to USD1 billion. So, that means, what's stopping us from going into that level?

Same is India, we have at least one guy who is cross that, you know, USD900 million to USD1 billion mark. So, that gives us same, like, you know, India -- Pearl can be in India also in that size.

If you talk of Vietnam, similar. So, again, there would be at least about these Korean players who are doing out of Vietnam close to USD1 billion each. So, those kind of things are possible. So, each of the market has got a lot of energy and a lot of benefits to be taken.

Pallab Banerjee:

Yes, same is Indonesia. USD500 million to USD700 million, there are at least about seven players are there in Indonesia. So, nothing stops us to be in that range. So, each of these market, we can be into that range.

So, our first goal definitely will talk about in the second half of this presentation. But before that, the resilience that we're talking about. So, what we saw in the last 3 years, like we had Bangladesh unrest where the regime change happened.

The country had a disruption, so there's 6 days the whole country was shut down. And after that also, many players had got a lot of problems out there. Last year, we got U.S. tariff shock where the tariff, which was only MFN, first of all, 26% of additional tariff got added to the MFN, then Trump decided to go for a 50%, then that was reduced to talk of 25% penalty was reduced, and now we have the whole IEEPA tariff gone and we have got a 301 10% continuing.

We have a bilateral trade agreement, which is more or less signed, as we are told, at 18%. We don't know when that will come through. And that 18% is supposed to replace MFN. So, whether it will replace MFN or not, that also we don't know.

I don't think anybody of us in this room knows as of yet how that will play. But yes, that's the disruption that we have been seeing and how we have done through it, we'll talk about it. And now this particular year, 2026, we have this Iran war.

Again, a huge disruption in terms of supply chain, in terms of logistics, how do we cope up with it. So, these are -- through this disruption, I'll tell you how Pearl emerged stronger in each of this disruption.

First, let's talk about Bangladesh. When this unrest happened, after 6 days, very few factories were up and running on the 7th day. And proud to tell that Pearl was fully running on the 7th day.

We had almost like 97% attendance. Every worker was on seat, and we delivered 100% goods on time by sea. Not a single shipment was delayed, not a single air freight or delay that happened in Bangladesh.

So, that's the kind of, you know, support that we have from the ground level, from the workers, supervisors, the managers that we have in Bangladesh where we are working for now almost 25 years So, that's the strength that Bangladesh, you know, or Pearl brings in onto the table.

This resulted in a stronger confidence level with the customers who were facing problems with other manufacturers in Bangladesh. Many of them were banking with the local banking system, which was still stopped after the 6 days of, you know, curfew. They couldn't open up for almost about next 1 month or 15 days to 1 month, they had a disruption.

So, their salaries were paid late. Of course, we as an international player had that advantage, we had international bankers. But apart from that, the whole loyalty that we had generated during that period, both from the workers and from the customers, that our business grew. Almost 35% growth that this particular year we experienced in Bangladesh.

Talking about the tariff shock in U.S. Yes, like, you know, if we are only in India, then it was of course, almost a -- you know, nothing can be done kind of situation. So, we could engage with each of our customers. We could move the business from India to other locations, whatever they wanted.

Some of the goods they wanted out of India and wanted a discount, we could provide that. But apart from that, that particular fungibility gave that confidence to the customer to increase our market share. So, even that particular year, we grew as a company.

So, that's something again was unique. Very few companies, I think worldwide, grew this particular year in our sector in terms of any manufacturer supplier that you look at. So, that's where we came across. And not only that, we had both, you know, top-line growth as well as bottom-line advancement.

So, again, I'm not going through each of the way that it's done. You can see it, but this is what the story is. Like, you know, through this both these things, it proved that the strategy that Pearl had adopted came across as a success.

And then this year, as the Middle East crisis is happening, we have definitely a disturbance in terms of the energy prices, energy availability of the, you know, gas and oil in a lot of locations. Daily commodity vessels are getting disrupted, and definitely the inflation is hitting us.

But so far, what we are seeing is that this is the year where a lot of players which were not so strong or they didn't have a very strong governance or were located only in one location, so the kind of difficulty that they are facing and the business migration that is happening, that's definitely Pearl is emerging again much, much, much more stronger.

So, that's something again, like, you know, we have done only 1 quarter of result as of yet -- sorry, 2 quarters have now gone. 1 quarter gone, the 2 quarter is just finishing, and then, yes, you'll see that how we are progressing through this. We find ourselves much, much more stronger, both ourselves as well as the confidence that we're getting from our customers.

So, with that resilience in us and to withstand this kind of, you know, headwinds, some of it we could, you know, very clearly forecast and work against, built up the strategies so that we can, you know, see that this kind of problems would come in and this should be our solutions to it. And yes, in 90% of the cases, it worked in our favor.

So, saying that, you know, what we told you in 2023 (wrongly said: kindly read it as 2024) when we were here. So, we gave a road map of 2027, '28 that we want to be a INR6,000 crores company, and we want to achieve certain things. So, where we are today compared to that, let me hand it over to Sanjay to go through these numbers and walk you through for the next few minutes.

Sanjay Gandhi:

Thank you. Thank you, Pallab. Good evening, everyone. It's my privilege to be here and part of the team presenting the third time our map for the next few years. We have defined the map two times earlier. We converted that into our territory. We defined the Excel sheet. We defined the PowerPoint presentation. We converted into audited financials. And that's what we intend to do as we present our next four, five years plan.

But before that, it's quick. It will be good to really revisit what has driven our strategy, how we have delivered on the last few, five years, and what are the pillars which have been there on the governance perspective, because every business, operational strategy looks happy when we translate it into the number, which are growing numbers.

So, what we stated in FY23, we were at this number of INR3,158 crores revenue. We grew 17% CAGR. We have been really mentioning about 12% to 14%, but we successfully deliver revenue growth of 17% on a compounded annual growth rate. Our EBITDA has grown even higher. We stated that our there will be accelerated growth in profitability compared to the top line, which is what we delivered in the last three years.

We are at EBITDA of 22% CAGR for the last three years. The PAT has grown at 21%. Return on capital employed, so while there has been a lot of capex, which has been incurred during this period, as one can see our financial statements from the balance sheet, what we were looking at a 20%, 22%, but with the efficient utilization of the capital, asset turn, and the various parameter, our return on capital employed has been standing at a healthy 28%. And we shall see in the succeeding slides, how we intend how we intend to continue delivering on this parameter as well.

Our total annual capacity has increased 8% CAGR. We are now at a 100 million pieces capacity. That's also expanding. We had said by FY28 around 120 to 125 million pieces capacity. We

shall see in the succeeding slides and the way forward how it really the direction where it's going. The pieces shipped, we said volume growth will also be there. It is not only the revenue growth.

The volume growth is a very, very pertinent for us. If the time the assumption was that, constant realization per piece, but the volume growth was our main focus, and that's what has been delivered across geographies.

We just mentioned the various parameters, what we said and where we are and how we have achieved there. So that's the commitment for us and to all our stakeholders. We said we'll grow at a revenue of 14%. We said EBITDA should be in the range of 10% to 12% by FY28, which means growing at 18% to 23%. Number of pieces, 12% to 14%. And that's where the ROCE was targeted consistently because a lot of capex was planned around that time as well across geography. 20% to 22% was the healthy return on capital employed we were looking at.

Now, where are we? So, we reached INR5,000 crores by FY26. Our Q1 revenue is INR1,500 crores. It clearly shows that this INR6,000 crores is not very distance far. It's much ahead. We should be ahead of this target timeline which is stated here. Adjusted EBITDA is continuing to grow at 22%. We said 10% to 12% should be our FY28.

We are in Q1, we closed at 10.7%. The last year, FY26, if you adjust for the reciprocal tariff, we business has inherently generated a 10% EBITDA, and we have been consistently mentioning in all our earning calls that business has reached a stage of generating a 10% double-digit EBITDA. And that's what is getting reflected in our financial number in this year quarter one onwards.

Annual capacity, this is FY28, 120, 140. We are at 101. We mentioned that in the previous slide on the Bangladesh where we mentioned that 7 million pieces has been added, we are at 108. And then there are capex plan which will be discussed, which will show very clearly that we'll be reaching this number ahead of this timeline as well.

Number of pieces shipped, though the pieces shipped are 78 here, a 21 million pieces in the first quarter itself. We believe the trend should remain healthy, and that and our realization has also improved, by the way. So that there is a there is a volume growth, there is a realization growth, which is both are really converging well ahead of the time to help us in terms of accomplishment of our target way above FY28.

So, what we have delivered on the cash flow perspective, you know, the PAT, profit, numbers, EBITDA are good, but they have to be translated into the cash flow, which is what we try to make it with respect to efficient utilization of fixed asset, efficient utilization of the working capital. So, we see working capital days, we stated will be ranging in the will be in the range of 38 to 42 days, and that's what consistent consistently maintained for the last several years. Return on capital employed remain healthy. We said 20, 22, but we are consistently doing 28%.

Now, dividend payout, we have declared a dividend policy here sometime. We said at least 20% of the PAT will be given as a dividend. We are at a very healthy rate. The last year, we are 24.7%. So we keep rewarding the shareholders with the surplus cash. Just a glimpse of revenue, we are ahead. EBITDA margin, we are on track to achieve double-digit EBITDA. Total annual

capacity, we are on track. Pieces shipped, all tick mark. Working capital days, ROCE, dividend policy. So, on all this, we have a strong execution, consistent progress, which is resulting into creation of a long-term value for all the shareholders.

Now, just a quick recap of what was there in FY21-'23, similar kind of a target was there, and we did achieve the top line marks, INR3,000 crores by FY23. There was EBITDA margin improvement. Of course, it was a very single-digit EBITDA, so that also talk about evolution of the company for the last five years time period from FY21 to '26, from 4% to 10%-plus EBITDA, from INR1,500 crores to INR6,000 crores top line, and the return on capital employed, which was hovering around 12%, is consistently at 26%-plus. This is the value unlocking for all the shareholders. So that was a commitment delivered.

Now while we have the operational resilience, we have the financial resilience, we have the financial discipline, there are risk and governance strategy which always remain at the core, and we keep looking at the risk, each and a parameter of our business on a more consistent on more regular basis. Every day, weekly, there has been a consistent on the credit exposure, and these are the some of the risk what we really keep monitoring internally. We have an Audit Committee, we have internal risk committee, which keeps reviewing it on a more regular basis.

Trade policy risk, we have seen the slide where how the diversification, how the various action we are demonstrated how this risk mitigation policy is actually put in place even in adverse scenario. That's where the diversification has really played out and has been demonstrated, which we have been saying in FY21 and '22 came to the fore, during the crisis time which the world has witnessed.

Geographical revenue concentration, it was very high. I think in '21, '22, it was about 80%. Now it is 50%. Now, as per the vision, it may target even more less level. Supply chain disruption has been there, but the footprint across has helped us in terms of maintaining the supply chain resilience. Demand volatility, this is a value-add product customer which is already mentioned in our realization and our continued growth in order book.

Foreign exchange risk, we largely buy and sell in US dollar only. So there is a natural hedge which is there in overseas country. And for India, it is only on the export realization part, which, in a depreciating currency environment, we keep evaluating with a marginal hedging policy of 10, 20, 30%. The rest of it are kept open so that we can benefit from the depreciation. So that way, we are completely monitoring all the time.

Operational execution risk, this is being evaluated by the operational team across. Wherever we have the best practice, that's getting replicated. Client concentration risk, we will see in the coming slide how it has played out.

Now these are the pillars which we stated in FY23 also, and it was on a paper, but we translated into real balance sheet. Healthy financial metrics, we have seen the net worth improvement, highest ever cash balance, which shows the CFO, free cash flow operation to EBITDA conversion, healthy 80% for the last two, three years, a lowest net debt to EBITDA, capital allocation discipline, optimum utilization, governance.

Here also, we have worked very extensively. We have strengthened our internal control system. We have Ernst & Young as our internal auditor in all our operating entities now. We have Big Four as a statutory auditor in all overseas company, and this year, we are looking in India as well, given that term coming up. We are migrating to the S/4HANA RISE. We have implemented multiple IT system to strengthen our MIS, to strengthen our compliances, to strengthen our fabric or production management, inventory management as well.

So, all this have been worked out very extensively. Working capital, I have really mentioned to you. These are also very important for us. The board reviews it very actively. More than the operational, I think these are the pillar which has become a hallmark of our review. Audit Committee is also very strict in terms of reviewing it.

So, what is our capital allocation? While we keep doing it, we this is remain at the core of all the decision-making, operational expansion, geographic expansion, and it has become over a period of time the DNA of the company. Any capital project which we do, we have done recently USD28 million capex in in Bangladesh or any other project in Vietnam or India, I think return on capital employed is the first thing which has been discussed by all the geography CEO, CFOs, and the operational team.

So, what our capital allocation policy looks like, we reinvest in a organic growth. That's a priority number one with a capacity expansion, backward integration, new product, geography. So this is where the amount gets invested. I stated that there is a dividend policy of declaring at least 20% of consolidated PAT as a dividend, which is consistently delivered. And we maintain the high net cash position positive and keep the optionality, optionality of investment, optionality of organic growth. That's what has been the core of our strategy.

Now the fourth priority, which is in a dotted, is something which is not factored in the plan so far and not factored in the plan going way forward will be presented. But having said that, this can be an opportunity for us, given our healthy balance sheet position, but that's something which is not on the card, but it's not completely ruled out.

So, there is a there can be an opportunity will be evaluated, meeting all the criteria, meeting all the return criteria. Growth for the sake of growth is not mandated from the board as well. The board is clear, it has to be value accretive for all the shareholders. And we follow that to the priorities which are mentioned there. So this is asset-light and all we just heard.

So all of this financial cash position, operational resilience have resulted in upgrading of our consistent rating from BBB stable to A+ stable. Now this helped us in a multiple way. We manage the risk well. We get the working capital access. We get a cheap working capital relative to our competitor. That makes our much more competitive in pricing our product, and also improve the bottom line in that way.

We have a very strong, healthy relationship across the bank. We have HDFC, Citi, Standard Chartered, international bank, having a very healthy relationship across the globe. And their across the globe strategy also help us in optimizing our cash utilization. Treasury management become much more efficient if Citi or Standard or HSBC have a complete visibility of our global

relationship. And given the fungibility of the funds which are there in each geography, I think that makes it much more easy for us to also manage that. So those are the strengths which comes with the higher credit profile.

We are guided by the stakeholder relationship all the time, the employees, clients, community, investor, our Board of Directors, public shareholding, all our minority shareholder, professionally management team. All these are one which are guiding our principle, our decision-making on a day-to-day basis. So everything which is done has to have a financial discipline and need to keep in the interest of all the stakeholder before any decision is put forward for implementation to the best of our abilities. Now with this, I will request Pallab to please come and guide for the way forward.

Pallab Banerjee:

So now for the next 3 to 4 years, how do we see ourselves and what you want to achieve? Talking of capacities, in each of these locations, if you see, we have built up this 101 million pieces of capacity. And from the utilization, it is very clear that Bangladesh and Vietnam, both these places, we are seeing 80% to 85% utilization already happening.

India was slow last year because of the tariff, so this year we expect that India should gain momentum definitely. And Guatemala, being a small unit, already we are at 90% efficiency, utilization that we are doing.

Now as of 2026, this 101 million pieces of capacity that we had and almost about 77%, 78% of utilization that we have shown already, you have seen that. In by 2030, what we want to achieve, we definitely want to be our total capacity should look around 170 million to 175 million pieces that we should be able to execute. That's the kind of capacity we want to build up.

The combination will continue. Like if you can see today in '26, 76 million is our 100% owned factories capacity and 25 million pieces is coming through the partnership factories. Same thing, a proportion we are continuing. We would be having 128 million or 131 million pieces, which will be, we will have our own 100% infrastructure under us and about 42 million to 44 million pieces of available partnership capacity that we will be having by 2030 financial year.

Now the assumption that Sanjay has mentioned out here that woven would be 74% and knit would be 26% when we talk about this capacities. Now this is something which will also play an important role. That depends on the definitely some kind of consumer sentiment, how the market is behaving.

We see always there is a cycle between the knits and wovens if I talk about a global market in that area. So for example, during the pandemic, the knit was very high, and the wovens actually came down to a great extent. After that, there was immediately a rebound that a lot of wovens were being bought by the customers. But now we are seeing again a trend towards a little bit of knits preference. So that's a cycle that happens over a 6 to 7 years in the industry.

So total capital expenditure that we want to do by 2030 would be another at least INR700 crores, so from INR675 crores to INR725 crores is a range that we are talking about. So this will be a growth of capacity expansion, that's up to the future capture the higher demand and the new product category and that drive that growth, so that all this would be coming in from here. So

this portion of INR600 crores to INR700 crores would be between INR325 crores to INR350 crores where we will be talking about capacity expansion across the geographies, the four geographies that we are talking about.

Of course, we are not talking about an expansion at this point of time in Guatemala, but the all other four geographies, we feel there would be possible to grow, as I just said. The big players are there in each four of them, and we can definitely easily grow to that kind of size.

Now along with this, one important step that we will be taking now is little bit of backward vertical integration. So that's something we have decided to go for a backward vertical integration. We would be setting up a knit processing unit and knitting unit. So that means the jersey kind of fabric and knitting fabric, knitted fabric, that's something we will be knitting as well as processing.

So that project, we are sanctioning INR350 crores to INR375 crores. Between these two projects, already more than INR200 crores each has already been finalized now by the board has given a green signal to us already. So this is already in motion as I speak.

Source of funding will be mix of internal accrual and loans. The key enablers, very clearly, our ROCE target will continue to be in the 22% to 25% range. And a very disciplined capital allocation, as Sanjay just spoke about. So this is something that today we wanted to disclose to you.

Now if we see in terms of revenue, customers that were that -- we have been continuously adding customers, and we wanted to go to those kind of customers, as Pulkit had mentioned earlier, is the customers who are gaining the wallet share of the consumers. That's very, very important. These are the customers who are AAA-rating, who are financially sound, and they are in that cycle of growing.

And that is something like we are very, very focused upon who we take in as a customer, and how we grow with them. And once we get a customer with one or two products, we try to grow with them into all the seven or eight products that we are offering to them. That's how we get more and more wallet share.

We call the strategic customers are those who are willing to sit down with us and talk about future, that means 1 to 3-year horizon, what kind of business that they want to do and how they want us to support them, and what we want from them, we can openly discuss to the top management of those customers.

So in this cycle, if you can see what happened in financial year '23 when we came to you, that time 25% of the revenue was coming from this newly acquired customers. And newly acquired means like where we have started some kind of relationship in the last 5 years. That's what we call as a newly acquired customers.

So today that, if we go to FY26, that particular the revenue that is coming from this customer has jumped up to 48%. Of course, that's fueling the growth also of the company. Out of which,

top six customers, where we are talking about a strategic partnership or strategic relationship, that's contributing about 50% to 55% of our percentage of our revenue.

The next 15, I would say, are the ones who are creating that bracket of 35% to 40% of our revenue. And then, of course, the absolutely new ones that we are acquiring or something like where we are not so much of interested, but they are we have a legacy like those kind of customers also are contributing to about 5% to 10% of our revenue. So that's the kind of path that I think we will continue to have for 2030.

Now we have built this strong partnerships where we have got operational integration, we talked about it, the trusted partnership that I am talking now about with our customers, the global compliance system that we have built up, which gives that trust and confidence to our customers to grow with us, the design collaboration we are doing, end-to-end solutions we are providing, and that's not limited to only designs, but there are many other sourcings solutions that they need.

The kind of upheaval that you saw that happened in the last 3 years. So through that's the time like when they need a lot of this quick solutions and end-to-end in most of the cases solution that they want for their supply chain, that we are able to provide. We can give them the speed to action. Certain European customers really need to be very fast.

And then, as we grow in this customer confidence and we are that's the thing that is very important as we go into a new category. We are already seeing that push coming from our customers, okay, why do not you do this category for us? So that gives that assurance for us also that there will be definitely a growth in terms of revenue.

So Yes, with this disclosing the number, what we are aspiring to be, that's between INR9,000 crores to INR10,000 crores by the year of financial year of 2030. How the percentage would be, if you see the trend, where almost 20%, 25% is there in India, that continues.

So out of the INR9,000 crores to INR10,000 crores, INR2,200 crores to INR2,500 crores would be coming from India. And INR6,800 crores to INR7,500 crores is the range that we are talking about for our international places where we are manufacturing.

So how the CAGR which, as Sanjay walked you through, so we are looking forward to a growth, a CAGR of 16% to 18% from what we showed in 2026 to where we will be in 2030. And similarly, the EBITDA margin will also grow in the range of anywhere between 23% to 32%.

So we should be ending up anywhere between 12% to 14% of EBITDA as we achieve our INR9,000 crores to INR10,000 crores revenue, which should be in the range of INR1,080 crores to INR1,400 crores.

Now this revenue growth we are expecting from the strengthened relations from the existing customers, we just spoke about. As we get into a customer, we continue to increase the wallet share. That will continue. We will continue to add new customers. We have a list already like who are the ones like we will be bringing in in over the next few years. We will continue to improve in terms of our working efficiency, delivery, design capabilities and all.

Today, as I speak, all our factories have been digitized in forms of inventory tracking, in terms of traceability of the product, as well as the quality system that all the customers need from us. We will continue to improve the...

Pulkit Seth:

The last point, Pallab, we had discussed, will be more focus on product margin than product realization.

Pallab Banerjee:

Yes, the average FOB, the margins definitely would be more important. Although in this case, we are showing that INR640 was the average price that you saw in financial year '26, which will grow to we are talking about a growth of INR660 to INR670. But what Pulkit is trying to say is that that may not be the most important thing that you should look at.

Because as we see the cycle of knitted products, which is much more friendly to the body, and especially the athletic wear, the performance wear, the synthetics, man-made fiber, that is where also there is a huge potential that is coming up as we are seeing it. That might affect this number, but what happens is the top line will continue to go, the bottom line will continue to grow, but may not be the average unit realization.

Because if we sell more outerwear or more jackets, then you get better utilization of this price, UVR, I call it, unit value realization. But if you are selling more profitable, active garments, maybe the UVR is less, but profitability margin could be more and the volume utilization also you will see much, much higher. So that's something which will be playing over the next few years.

Margin expansion through scaling the capacity expansion, backward integration that we spoke about. In fact, both will help us in terms of margin, the laundry that we have built up where the value addition is happening, as well as the backward integration where we are doing our own knitting and the processing of the fabric.

So yes, new product that we spoke about, expansion is happening. Annual capacity will reach a big number, 170 million to 175 million. Higher volumes to leverage existing infrastructure, and that way, the margin again gets better.

Revenue growth and consistent margin expansion expected while we are driving the ROCE beyond the 22%. So that's the vision on which we are working now, and this is the result that we should be delivering to you as we meet in 2030 or maybe like this year, a little earlier.

So as a summary, before I end, whatever we said in financial year '23, targets substantially delivered little early, maybe, or delivering little early. Revenue, capacity, and margin, all ahead of plan, as you saw.

The multi-geography, multi-product strategy, the model that we have created for Pearl Global has been tested during this geopolitical situations that came up in the last couple of years, and it worked beautifully. The balance sheet, the governance, and the credit profile materially strengthened while maintaining the stated dividend policy and enabling this company of ours to give you the bonus shares. The first-ever bonus issue has been done.

So with that, I am ending today's presentation. I will ask once again, Mr. Pulkit Seth to speak a few words in terms of what he can add to this vision or any other thing that you want to summarize with.

Pulkit Seth:

Thank you, Pallab. Well, I think that was a pretty detailed presentation. I am sure, got a very good flavor of what we have done and, where we are going. So I just want to say that it's a very exciting time at Pearl. We are on an extremely strong footing, and the initiatives that we can take in as an organization and the things that we can do is far beyond a lot of our competition.

But, of course, at no time can we sit comfortably. The overall macroenvironment keeps changing, things keep evolving. We do have a lot of competition, but competition is fun to deal with. We welcome competition. So the fact that where we are today, we are very, very confident of where we are going to get to.

And like I said earlier, the three T's are most important to us: Trust, trust both internally between our teams, trust with our customers, trust with our bankers, trust with our shareholders, and same thing, transparency. We are totally transparent. We share a lot of information internally with our people and teams more than I would say most companies and promoters do, so that brings in a lot of spirit of entrepreneurship in all levels within the organization.

And then, of course, without teamwork, there's nothing. So if there's no teamwork, then nothing is going to happen. So we are always talking to our teams to work as one, work as a family, and win together. So it's really great for us to have the opportunity to present this to you today. And obviously, I'm looking forward to some interaction post this. Of course, we'll be taking questions now. But thank you for making this afternoon for us, and I hope you're all excited as we are. Thank you.

Pallab Banerjee:

So some interaction?

Shishir Gahoi:

Thank you, Pulkit-ji. Thank you, Pallab-ji. Thank you, Sanjay-ji. That was very interesting presentation. Now we'll start the Q&A session. So anyone who wishes to ask question, they can raise their hand and please say their name and their organization.

Jatin Damania:

This is Jatin Damania this side from Svan Investment. Thank you, Pulkit and team, for the detailed presentation and congrats on achieving a target -- I mean, on track of achieving a target early than the anticipated FY28.

So just wanted to carry on to the vision, like from INR5,000 crores to INR6,000 crores, the incremental INR1,000 crores of the revenue that probably we can see in this year or probably in first half of FY28, 60% of that will probably come from India. So the remaining 40%, which geography are we targeting? And you can also help us in terms of understanding the margin breakup across the geography, whether it's in India, Bangladesh, Vietnam, and Indonesia, Guatemala? So first on that part.

Pallab Banerjee:

Yes, numbers.

Sanjay Gandhi:

I think there is -- sorry, first part you said...

- Jatin Damania:** Currently you are at INR5,000 crores of revenue, right?
- Sanjay Gandhi:** Yes.
- Jatin Damania:** And we are targeting INR6,000 crores. So, incremental...
- Sanjay Gandhi:** We're targeting INR10,000 crores.
- Jatin Damania:** So INR10,000 crores for FY30, and for FY28, it's around INR6,000 crores probably we'll be achieving before that.
- Sanjay Gandhi:** Yes.
- Jatin Damania:** So for the near term, right, incremental INR1,000 crores of revenue, because as per the presentation, the Indian business have a potential of near about INR1,600 crores and we are at near about INR1,000 crores of revenue.
- Sanjay Gandhi:** So there's a potential of INR1,600 crores as per the capacity, doesn't mean that entire INR1,600 crores will translate now to make up to the INR1,000 crores towards our journey to INR6,000 crores. The INR5,000 crores to INR6,000 crores journey will be traveled across all the geographies. So India will have its own share of contribution to that, which will be coming in there.
- So it's just to really, make it a right interpretation, the journey from INR5,000 crores to INR6,000 crores, which is a near term, will be traveled with a contribution across the geography; Bangladesh, India, Indonesia as well as Vietnam. So there will be some contribution coming from them in their proportion of their share what they sit in total revenue.
- Jatin Damania:** And in terms of the margin and the ROCE profile across the four geographies, if you can break up how much would be the margin and ROCE across the four geographies?
- Sanjay Gandhi:** So what we have been saying, not really geography-specific, what we mentioned in terms of the hierarchy, which is the higher ROCE and which is the higher margin. So in terms of the margin profile, Vietnam stands at number one and the return on capital employed. Then come Bangladesh, which is very close to the return on capital employed, however the margin profile will be lower than Vietnam.
- Third in the tree will be Indonesia, and then fourth is India, as of now. This hold good for the margin as well as return on capital employed. Guatemala, till last year, we mentioned it was making losses. Now we expect it to be breakeven in this financial year, which we are very confident as we are sitting in quarter 2, this year to be, and that's what will be reflecting in our margin improvement as well. So that's the hierarchy I would like to mention.
- Jatin Damania:** So what levers that we have taken or the steps that we have taken in Guatemala to move from a loss to probably a breakeven in this year and probably the profitable venture from FY28 onwards?

Sanjay Gandhi: So that's a business strategy. I would request to Mr. Pulkit to explain what step we have taken in Guatemala.

Pulkit Seth: So I'll just answer that. Pallab, you can add to it. So, any new country that you enter, there is definitely a gestation period. And as there's been more and more consolidation in the industry and there are fewer players and less -- so because of that, I would say to enter a new country is even harder today than it was a decade ago, and probably harder today than it was two decades ago. So obviously, when we enter a new market, there was a gestation period which was there.

It also takes some time for the customer base to settle down to certain the internal controls to increase the level of efficiency and productivity that you have to achieve. So, going into year 3, we are seeing Guatemala coming up to speed and breaking even. Obviously, if we are expanding in countries where we already established, that period should be shorter, is definitely shorter. While going into a new country, you can expect that.

Obviously, Guatemala, our strategy is to stabilize. We do feel that the Central America region does have merit in terms of a supply chain. And once we stabilize and get to this level, we will regroup at the Board level and see that how we want to nurture this supply chain as well.

So our objective always is that whichever supply chains we are in, we build them on their own strength, almost on an independent basis, and then we keep nurturing them based on that. So I hope that answers your question.

Jatin Damania: And last question, which is more on the FY30 guidance, which probably you indicated INR10,000 crores of revenue and margin closer to a double digit, which is 12 to early teens. So just wanted to understand what sorts of different company as a whole will get it only from the backward integration initiatives of the dyeing and the processing unit that will be getting at? So incremental benefit that we'll get only from the backward integration? Thank you.

Pulkit Seth: Exact numbers and crunching, obviously, we've done the -- project has got the required, the level of return on capital employed. So, definitely, when we're talking from 10 to 12 and from 12 to 14 kind of range, there is definitely improvement in margin because of the backward integration. The knit business is right now 25% of our total business, and we see it always being between 25% to 35%, depending on market situations and the way the category does grow.

We do see an opportunity in this category in general because a lot of knit business is sitting in Vietnam, and so we do see tailwinds of this business moving and, for that matter, China, Vietnam, of this business, and especially in the active segment, moving into the geographies of Indonesia, Bangladesh, and India. So the knit verticality, which might be 30%, 35% of the business, in that business, we might see some margin expansion because of the backward integration.

Pallab Banerjee: USD750 billion of global trade that happens, the top four -- top two or three -- four categories, I would say, would be in the knit category. That is the knitted t-shirts in cotton, then knitted t-shirts in manmade fibers, knitted pullovers in cotton, and knitted pullovers in manmade fibers. These are the four, if you see, almost 70% of the category is sitting in -- 70%, 75% of the category is sitting in China plus Vietnam.

About another 16%, 17% is in, let's say, in Bangladesh today. India contributes to about 5% of it. So thanks to Tirupur. That 5% is only because of Tirupur, I would say. So this is something what we are seeing is that the US customers are realizing that because of this geopolitical situation, which is changing almost every day, rather than focused on only one or two regions, they want to now spread around.

Some portion of this China and Vietnam business is desperate to move if India can provide the capability, or Bangladesh can provide the capability. So as we are going into this vertical integration, we are seeing a lot of interest from the customers to support that strategic move of theirs.

Jatin Damania: And this backward integration process will be across the four region, right? Or it will be largely Vietnam and India?

Pallab Banerjee: This will be Bangladesh is where we are setting up the unit. And from Bangladesh, we also want to feed not only the Bangladeshi factories, but also the Indian factories. So that's why like Muzaffarpur in Bihar, hardly road distance is about 200 kilometers. Yes, we have to cross the border, customs and all. Otherwise, the transportation time is quite less. So that's something like what we feel is that if you look at India today, the operators, the sewing operators, anywhere if you go, either it is Bihar, or it is Bengal, or it is Odisha, and a little bit of Jharkhand. So this is one region, this is the region of India, which I think more and more in our discussion will come up, and I'm sure from many other suppliers that you will speak to.

So what we feel is that Bangladesh today have the infrastructure, have the technical staff, the know-how much better. Of course, till now the gas was cheaper there, but now that gas situation has come up temporarily in most of the Asia. So that's something is one which is not so much positive at this point, but everything else is very, very positive. So that's why that we are taking the decision to do it there and then become the supply chain for my other factories in India as well.

Jatin Damania: So is it fair to assume that post this, your Bangladesh knit, on the knitting segment, the margin would be equivalent to what Vietnam is, would be?

Pallab Banerjee: Yes. So, business basically, like, every business, everything that we pick up, we have a certain understanding of the bottom line that we want to get. Of course, this varies from product-to-product, customer-to-customer, and region-to-region, but very near what you're talking about, not bigger difference between the two countries.

Jatin Damania: So, thank you, and all the best.

Pulkit Seth: Just to add that Vietnam is outerwear category, so it is a different category.

Pallab Banerjee: No, I assumed it that Vietnam knits that is happening and Bangladesh, the knits that we'll be producing, so in that...

Jatin Damania: Just comparing knits to knits? Yes.

Pallab Banerjee: Yes, Yes, Yes.

Jatin Damania: Thank you.

Rahul Maheshwary: Rahul Maheshwary from Ambit Capital. Good evening. First of all, kudos to the entire team for making walk the talk show and consistent execution. Two questions. First, on a location-wise, can you give cross-learnings which you are applying to -- of one geography to another geography? And also what you mentioned that, the margin expansion will happen because of the in-house process capabilities you would be building out? So can you name two, three process capabilities building initiatives which you would be taking, which will act as an enabler?

And second, India ranking fourth in terms of margin, ROC, etcetera, definitely, the efficiency is way lower. What are the steps being taken to increase the efficiency, because I think so almost 20%, 25% efficiency gap is there between Bangladesh versus India? Thanks.

Pallab Banerjee: Thank you. Interesting question. So Yes, I'll take your second part first and then third, and then go to the first. So second part of it was that what's the value addition that we can get in this laundry process. So we have been in Bangladesh doing a lot of over dyed garments, a lot of typical washes, both on twill, that means solid fabrics, as well as on denim, denim means the indigo denim.

So that each of this wash process itself, like if a garment is of \$8, I would say, this \$2, \$3 can be more of this wash process itself. And the sewing portion could be maybe about \$2 or \$1.5. So you can see the difference. So that's something, like if I am doing, a lot of wash is being done by my partners, so that's something can be brought in, because that's where a lot of value addition is.

In stitching, whatever we know, what's the cost that we are incurring and how much we're giving to the partner, that's almost same. In the washing, the margins are better. So how do I -- why should I share so much of margin there? That's one thing that can be done better.

And then, as you evolve to better quality of washes, as you go to the better brands, go to the highest level of the brands, so that's where the game becomes very interesting. So this is something that we want to achieve and we want to target. So that's where, definitely, it should be margin accreditation. Then your next question was?

Rahul Maheshwary: India, efficiency and cost...

Pallab Banerjee: India, the limitation that we had was Pearl factories were only in the metros of Gurugram, then Chennai, and Bengaluru. So we have started with one tier 3 city, which is your Muzaffarpur. We are exploring some partnerships in Odisha, Tier 3 city and Andhra Pradesh Tier 3 cities. So that's something is an interesting part for us at this point of time.

And of course, we would be in the next few years exploring what's the potential in West Bengal, because that was out of syllabus so far, but with the change of government out there, that could be an interesting place again, because a lot of skilled workforce is coming from there. So if that thing kicks in, so that will be an added advantage.

And the second part is that we were doing only one category of product in India, which is woven tops, skirts, and dresses, which are very big. We have started introducing the pants manufacturing, the bottoms, what you call it, and also expanding the knit capacities and some athleisure capacities.

So basically, India goes from one product category to almost four product category in future. So these are the two action that we're taking so that the margin, what you call, the capacity utilization has to get better. We cannot sit on a 62% capacity, then definitely we'll not make money. So that's something is in progress at this point of time.

Pulkit Seth:

Well, I just want to add on a lighter note, like India has a lot of states, and every state is giving very nice ideas and looking to give a lot of incentives, so it's a little confusing on which state to go in. So that's a continuous work in progress.

And the other thing I just wanted to add that the efficiency is lower in India in general because of two reasons. One is that, the legacy product that we've been doing in India for a long time has been the top, skirts, and dresses category. That's the women's category, and girls mostly, and that is -- one is quite seasonal, and second is quite dynamic in the sense that the product keeps changing, fabric changes, silhouette changes, there are a lot of permutation combinations. So there's a continuous change of product, which leads to lower efficiency for sure.

If we're going to do that product in another country, we also see that the efficiency levels are lower. So as we introduce those categories that we're doing in other countries into India, which are more consistent, that will help to improve efficiency. And the challenge there is to get to the same level of efficiency in that product as we are achieving in other countries, that's a work in progress.

And second thing is that, the fact that the factories are in the metros, and the workers are coming from other regions, the absenteeism and attrition also adds to that. So that's why the idea is to first identify the state, it's quite challenging, maybe all of you can help us. But on a serious note, we've started in Bihar, and we are looking at one or two more states to be in, and, of course, grow within Bihar also.

So the results we have seen in Bihar are encouraging, so we will definitely grow in this region. The workforce is going to be stable, product categories are going to be more consistent, so we see an opportunity to continuously improve in India as well.

Rahul Maheshwary:

Just on first question, any cross-functional geography learnings?

Pallab Banerjee:

Yes. As these products comes in, like bottoms we have been doing quite a lot in Bangladesh, so there's definitely an interaction. The teams are coming here, giving their own experience or training, there's kind of a little bit of things are going on in that direction. Not at the workers level as of yet, but everybody in the chain has to be trained. So athleisure, bottoms, and knits, all three areas where you'll see more.

Rahul Maheshwary:

And just last...

Pulkit Seth: Also, we are looking at leveraging customer base, the customers.

Pallab Banerjee: Yes. The customer automatically comes. When the product comes, customer has to.

Pulkit Seth: No, no, Europe and UK customer.

Pallab Banerjee: Europe and UK, Yes. Europe and UK has been very, very focused on Bangladesh now, because of the duty-free status. As we get into that FTA, so these customers also are asking us to produce in India, and also we need to transfer the understanding, the knowledge of execution, the speed.

Rahul Maheshwary: Also, just last, I know you don't disclose, but internally, you do track NPS score. So currently, Pearl Global, whether in for the top five customer or for the company, which you mentioned about the internal controls and entire process which you map from for the customer onboarding to execution, what is the current NPS score for you, and what is the internal benchmark which you are targeting currently?

Pallab Banerjee: NPA?

Rahul Maheshwary: NPS score, The Net Promoter Score.

Pallab Banerjee: You mean the credit risk point of view?

Rahul Maheshwary: No, no, not from credit risk point of view...

Pallab Banerjee: The Net Promoter?

Rahul Maheshwary: The Net Promoter Score, which includes the entire process, customer satisfaction, etcetera, to internally, you would be taking into account the customer satisfaction and the targets, which is being enabled, etcetera. Any such qualitative scores you are taking into account?

Pallab Banerjee: See, I'll not go into that detail. Definitely, it's more internal. But one thing I can tell you is that when we talk about these top customers, if we are their top five, like for example, if they are our top five customers, then we want to ensure that we are their top five vendor also. So I think that will give you a lot of thoughts like how it happens, because they're like multibillion-dollar customers. So if we can be their top -- in the top circle, like top of their mind, that's the analog that we need to create for.

Rahul Maheshwary: Thanks, and best wishes. Thanks.

Pallab Banerjee: Thank you.

Shradha: Hi. This is Shradha from Asian Market Securities. Thank you, Pallab-ji and team for laying out the strategy roadmap so clearly for FY30. So one thing, until now, I know the execution has been top class, but we have always been calling out 12% to 14% CAGR. Now at the first go itself, we are giving confidence of a 16%, 17% CAGR, and that, too, on a much higher base than what it was three years back. So what gives us this confidence that the revenue CAGR will be better and higher at a better at a higher revenue run rate, given that the geopolitical tensions and

macro uncertainty continues? And despite that, we are very confident of getting to a higher growth trajectory?

Pallab Banerjee:

So, we built up this strategy framework in 2019, I would say, because before that, Pearl had established that base. Then how to approach the customers, how we position ourselves, a lot of that work happened in 2019. And immediately after that, it was pandemic. So after the pandemic, as we approached the customers, talked about our strategy, of our approach to the business and how we're going to show it to them, so it's a courtship period. They try, they give us little bit.

They work on our first who is the first guy who will give us the success. So that happened maybe in, you know, 2022, '23, you saw a big jump that happened in our turnover when two or three people really believed in our strategy and started working on us.

Then as we approached in a larger scale, when people saw that we are successful with one, two, or three customers already, then more people started following. You know, that movement that starts. First with one person, then with two person, then four person, then five person. So today, we are in that sweet spot in which more and more customers are coming to us rather than we are going there. So that is one level of confidence that is given.

Second, the most beautiful part, which was presented in in our presentation also, is this diversification, which, the whole idea came to us maybe like we were trying to copy someone, the Koreans and the Taiwanese have done this model. But their limitation we could define, and we could work on that limitation from day one itself.

That means they have been very exposed to the US market, supplying from two or three regions, but either to US or to maybe a US and Australia. So one or two markets they were catering to. We started going into six different markets from that angle. So this that has resulted, if you compare with this Koreans and Taiwanese, the rate of growth that we are today showing to you is much higher.

So that's the second level of confidence that we can build up, that this model is even stronger than what they have done. So now they are following us. Although they are bigger than us, they are bigger giants than us, but still our strategy is stronger than them.

The third is the tests that we underwent, those three slides with three stories that I spoke about, that is also giving us that confidence that consolidation is in motion now in this industry. So these are the three big, I would say, indicators, which are promoting us. Of course, there are a few others, smaller one, but these are three big things that I can portray the confidence in us and what we are telling to you.

Shradha:

Right. And in terms of geographical mix of revenue by FY30, where do you see US versus other geographies in terms of revenue mix for us?

Pallab Banerjee:

40-60.

Shradha:

40 is US, and which is currently the mix also?

Pallab Banerjee: Currently, it would be about, I think, 52 anywhere 48 to 52 in that range that we are catering to, so Yes.

Shradha: And in terms of near-term headwinds, if RoSCTL benefits go away or in terms of the in terms of the proposed Russian oil tariff to be probably levied on India, so how are we looking at these near-term headwinds and.

Pallab Banerjee: So, I think Indian government is in a better wicket with US at this point of time in the negotiation process. So I don't see an immediate threat. But Yes, with Trump administration on chair, like it can anything can happen any point of time. So yes, so that's, I think, more like a worry at the moment in some of our customers' mind also, like to do a long-term planning for India. So that's the reality today, if I have to talk about.

So, I don't have a immediate solution to that, what will happen long term, but that that uncertainty is prevailing to certain extent. But more and more, like for example, the role of India in the New York meetings that is going on with everybody, Jaishankar there, it seems to be like a little bit positive direction only.

Earlier, this time, during the initial days of tariff and initial days of negotiation, there were a lot of, you know, people India against India. So that has now I think it's much more stable with US. That's that gives me the confidence of not an immediate, and I'm seeing that in the customer's mind also. Nobody is immediately pulling out business or reducing business as of now.

But yes, when we sit down to talk about long term, they say, okay, let's wait for some more time before we talk long term. So that's the kind of, you know, situation today with US. With other markets, fortunately, that's not the case. The market which we always clubbed with US as North America, we used to call it, that has become two now, two interesting markets, US and Canada, because that those two countries have decoupled, if you look at it geopolitically. So that's also giving an advantage for a country like India.

If India can do a quick negotiation with Canada, because now, Canada, one talk was that it will be part of EU. But I don't know like whether they will come under the EU negotiation, but we have to do a negotiation with Canada as soon as possible, as a country. That's the India aspect, I think, you're talking about. So, I hope that answers your question to certain extent.

Shradha: Just on the last bit of the margin guidance that you've given, assuming RoSCTL benefits kind of get halved from the current 4% export benefits that you get in India, so do we still stick with the margin guidance, or there could be some tweaking out there?

Sanjay Gandhi: So, I think this is, let me just tell you what 12% to 14% is built in. Here is where the margin expansion, one is, of course, the revenue, higher revenue will give us overhead leverage. The second is the recently commissioned laundry project. That's going to expand EBITDA by a certain percentage, certain bps, sorry.

Then this backward integration project, a question earlier was also about what's an asset turn. If we really look at the potential of asset turn, it is 1:2. But how much will reflect in the turnover may be 1:1. Reason, 50%, more than 50%, 55% will consume internally. But that internal will

improve the EBITDA margin. So that's the margin expansion coming from this level also. Then the laundry project is there.

So, there is a the capacity expansion out of INR 325, 350 crores, out of which we the you know, the already approved capex is around INR100 crores, which is 20 in India and 80 in Bangladesh. It should get reflected in our capacity by December '26 itself. The plants and machineries are getting ordered. The remaining part of INR100 crores is in Vietnam. Then there is a for INR30, INR40 crores in Indonesia. So that's tell you the construct of the capex. And the remaining 100, 120 is parked for India.

Now why it is parked right now, not approved by the board, it is for the spending clarification, regulatory clarity, which you just highlighted, the uncertainty part of tariff and all that. So, which means that the major part of the margin profile is getting protected in some way.

Now if you look at a composition of our margin right now, 10.75% at a group level EBITDA, as to how much India is contributing to that, I think that can give you a reflection of even if there is a downside coming. I mean, we expect an improvement from this to come to reach to a 12%-plus EBITDA. Now if those improvement takes little longer compared to one year, two year, I think to one to two year, it should stabilize somewhere.

So we are talking about FY30 trajectory. We believe the trajectory of FY30, 12% to 14% should still remain intact. In interim, there can be a, you know, period where because of the tariff imposition or because of the RoSCTL some uncertainty, there can be a some quarter which may get impacted. But overall, if you've seen the past also, whenever the government Indian government has also come up with any withdrawal of the benefit, they have reinstated it after four or six months' time period or given it a new avatar.

So, we believe that in the interest they want to promote the, you know, textiles from a USD15 billion to USD40, USD50 billion, they cannot just kill the industry. On the one hand, there is a PM MITRA park, there is a state government which are coming with the various incentivizing policy, there are the various subsidy scheme if you make an investment.

I think taking RoSCTL completely away and then remaining it out and not replacing it with anyone will be very harsh for the sector per se. So, Yes, in the interim could be there, but a long-term trajectory should remain protected in there.

But let's say there is a not there, even then, we are talking about 12 to 14. And composition when you look at India contribute, I think we still be in a healthy margin. That's why range which is there. And then there are levers which will process improvement, which will bring in the necessary margin improvements. So that's how we look at it right now.

Shradha: Great. Thank you.

Sanjay Gandhi: Thank you.

Shradha: And all the best.

- Shirish:** Hi, this is Shirish from Motilal Oswal. Sanjay-ji, you mentioned from the slide, we can make it out, 7.1 million capacity in Vietnam out of 101, which I read. So in 170 million, what would be Vietnam looks like?
- Sanjay Gandhi:** So Yes.
- Pallab Banerjee:** Yes, I can start that. Do you want to? No, the Vietnam, he's talking about the Vietnam capacity.
- Sanjay Gandhi:** Basically, in this, what will be the Vietnam
- Shirish:** So, the question here is that Vietnam is already at 80% utilization and it's a high-margin, high-product business. So in 170 million, what is the assumption? This 7.1 can double or maybe what?
- Pulkit Seth:** So Vietnam, because we're doing outerwear it's the number of units are not very high, but the average unit value is quite high. So Vietnam in terms of growth, we will look at 16% to 17% growth in the top line. And depending on how the product mix evolves, that can be quite diverse. So how much is it right now? It will be...
- Sanjay Gandhi:** So basically if you look at 80% of 70, which is 5.6 million pieces, so what Mr. Pulkit is saying that increase the realization goes high. So first of all, to answer your first part, which is how much is a capacity expansion planned. So we have declared in the last earning call, we had taken a land parcel there of, USD3 million, which can build a capacity of the similar size what we have right now.
- Okay. Our existing in-house capacity has a top line, I'm not getting number of pieces, is between USD40 million to USD45 million. I think that capacity which is which is project which has been approved by the board to build in there. Now this is in-house only. And how much partnership will build over a period of time, that's something will be evaluated as we travel along.
- So that's to answer your first part. So in-house capacity existing, same capacity is getting planned in that way.
- Shirish:** Okay.
- Sanjay Gandhi:** So that's one part of it. Now your second part was on the composition, or this was a question?
- Shirish:** No, the part here what I was looking at, because we have our one factory and we have partner factories. So our own, what would be the contribution in 7.1 which will go to in FY30
- Sanjay Gandhi:** Yes, that's what I mentioned. We -- So I said in terms of the value wise, where it is there, because it's value wise more important, because the realization is high, the number of pieces keep fluctuating, depending upon the premium product which comes in there. So let's look at the existing in-house factory, which is here. If that is giving you the USD40 million to USD45 million, I think we want to double that capacity to USD80 million. Now whether the partnership will also increase in that proportion is something which will be evaluated. What is approved as of now by the board and what is a part of this capex plan is this, 1 plus 1.

Shirish: Okay. In 170 million, I think I read in the presentation we we're talking about 26% coming from knit. Now, for

Pallab Banerjee: 56. No. No, no. 26. That's a that's a current number. Current...

Shirish: No, not current. In 170 million, I think somewhere I read our mix will be 76 will be woven and 26% will be -- 74 is woven, and sir, 26 is knit, FY '30.

Pallab Banerjee: Yes, if you see the note below.

Management: This is for the current. Current, which 74, 26. Yes.

Shirish: What I wanted to check, in 170 million, the knit will be still be a larger supply, which will happen from Bangladesh, or you will have split almost 30% coming from India?

Pulkit Seth: If we look at the overall woven to knit, right now it's 74, 26. What I don't know if I mentioned earlier to someone in the day or right now, we see that knit portion going hovering between 26 to going potentially up to 35. So we will have an upswing in the knit business. And that's basically because we see that there is potential of a lot of migration of business in the knit category from China and Vietnam into Bangladesh for one, also some portion of that will come into India. And of course, with the backward integration, we'll be able to enhance our ability to service the knit business in a more strategic way.

Shirish: Okay. And last question, what is the current denim contribution to our revenue or maybe if you can in terms of volume, and what you look like FY '30? I'm talking about specific denim.

Pallab Banerjee: Indigo denim, you mean, no? I think indigo is close to about almost USD100 million we have touched now.

Pulkit Seth: Yes, definitely USD100 million. About 2 million pieces a month, right? And the average FOB of \$. 8 into 24, so Yes. So about 100 million is currently the denim business. So we see it growing at again when it -- you're asking about capacity or turnover?

Shirish: Turnover.

Pulkit Seth: Turnover, so 100 out of...

Pallab Banerjee: Yes, so it will be 120 out of maybe whatever we had 18% to 20%.

Pulkit Seth: 20%, Yes.

Shirish: Okay.

Pulkit Seth: So I think that would also remain that would probably remain between the 20% to 22% of the...

Shirish: No, the reason why I'm asking, because when we visited Norp two unit, we see we saw a lot of value addition in terms of customer requirement and all, and that will definitely add to the

margin. So I'm just trying to triangle the question that if that contribution goes up, there is a potential that 12 can become 14 very quickly.

Pallab Banerjee:

That's the intent.

Sanjay Gandhi:

There'll be some upside also, some downside also, as Shraddha was mentioning. So we need to neutralize somewhere. Have something to protect.

Shirish:

Now I understand your experience to running the business is much more than us. We are asking you question. But what I wanted to check very quickly and lastly, this in-house laundry, what percentage of I would assume Bangladesh is of 55%

Sanjay Gandhi:

50% to 55% on global group revenue, Yes, capacity.

Shirish:

Yes. So within Bangladesh, if Bangladesh is 100, what percentage of in-house laundry and dyeing will happen in next 2 years? Half, 30%, 20?

Pulkit Seth:

Currently, I think 60% of the washing was happening...

Pulkit Seth:

Outside. So we are going to reduce that to bring it to 20%, 25%. That's the goal to reduce that.

Shirish:

So I would assume that it will add about 50 basis points to 60 basis points improvement on margin? Overall.

Sanjay Gandhi:

I mean, it depends which top line you're looking at. When you say 50 bps, 60 bps, if the top line expand to 9,000, that 50 bps, 60 bps may not remain 50 bps, 60 bps, will come down. So as a percentage of revenue

Shirish:

Let's put it let's put it for simplicity, INR6,000 crores.

Sanjay Gandhi:

Sorry?

Shirish:

Let's put it for simplicity, INR6,000 crores.

Sanjay Gandhi:

INR6,000 crores, probably we are looking at 0.4 at a optimum level, 0.4. But as it goes to 9,000, 10,000, given that is a full capacity utilization, full margin extraction, that percentage will come down. Absolute amount will remain constant thereafter. But since the revenue is increasing, once look at a group financial, 0.4 may look like 0.3, 0.25, something like that.

Shirish:

Thank you, and all the best, team.

Runit Kapoor:

Hi, this is Runit Kapoor from Equitree Capital. So I have a couple of questions. So first of all, congratulations on being ahead of your targets. So my first question is regarding like Pearl is present in three out of the four world sourcing destinations for global textiles. So are we looking to enter, set up base in North Africa, Middle East, or Egypt, or even for say Central Asia, for that matter, to be closer to Europe? So first that's my first question.

Pallab Banerjee: So if I have to -- we are at this point of time in this four geographies, that is India, Bangladesh, Vietnam, and Indonesia. These are very strong. And we are focused on maximizing our benefits and utilization of these four region. At the same time, we are keeping an eye open with what's happening in countries like Jordan, Egypt, Morocco, Tunisia, in that belt.

But as of now, there is no immediate thought process to expand there. We're just keeping an eye, keeping a watch. I think the maximum benefit, if you see the plan that we are giving of 2030, is utilizing this current country of origin that we have established, and we're seeing that potential in this region itself.

Runit Kapoor: Yes. So my second question is given that setting up a new will have like a 18-month breakeven time, so are we looking in India specifically, are we looking at any acquisitions to of existing factories to accelerate our growth and margins?

Pallab Banerjee: In India, what we are seeing is the state benefits are at this point of time taking precedence over anything, because that's some of them are giving a quite an attractive kind of investment opportunity. And unfortunately, none of the states are talking about acquisition of older factories.

Pulkit Seth: Because the older factories in those region don't currently exist. So all these new states mostly there are no older factories. So and acquiring factories in the states where we are which are the legacy states like Gurgaon, Noida, Bangalore, Chennai does not -- we don't play into the long-term strategy right now.

But of course, there could be opportunities of acquisition, not only in India, but in other regions that we operate also. So we always have our eyes and ears open. But of course, we do look at very strong value into anything that we acquire, it's not going to be just for the sake of acquisition, and also not at very high multiple that we've some seen some other people doing.

Runit Kapoor: Lastly, in terms of entering new states, you spoke about West Bengal and the Eastern states. So are we looking at Madhya Pradesh given that it has one of the best incentives for textiles and that some of our peers are entering that state like?

Pallab Banerjee: So Madhya Pradesh, we also acquired a land. But then if I look at the workforce that is coming, whether you go to Karnataka, or Chennai, or Tirupur, or even Gurgaon, we find that most of the population is coming from this other belt, Eastern belt. So that's the reason for which we haven't taken the steps of Madhya Pradesh after acquiring the land as of yet.

We are still exploring and looking into all the details of how the things will work. Whereas if I talk of the people from Odisha, Bengal, and Bihar, and Jharkhand, we find them much more friendly to this particular industry. And much better adoption is happening in this industry from this side. So that's something is definitely playing in our mind as we take these decisions.

Runit Kapoor: Yes, thank you. That's it from my side, and all the best.

Pallab Banerjee: Thank you.

Soham: Yes. Hi, Pallab-ji. Sohamhere from Motilal. So just a couple of things. One is from sector and one is a specific company. So when you were saying that knit as a category will grow faster, and as we know that Bangladesh is always much better too compared to India, so as an industry, how will we compete going forward? That is a sector-specific.

And on a country-wise, like, as we know that consolidation is going on in our industry, like top four, five players are getting better market share. So in that case, we are expecting 16% to 18% top line growth for next 3, 4 years. Now assuming that having a bigger player in the industry, we are getting a better book, so in that case, do you see any partnership model in India as well going forward?

Pallab Banerjee: Yes, if I have to start with your last question, India is new to this partnership model. New means like it's not existing at this point of time. So as I said, like I mentioned in my earlier discussion also, we are looking into this opportunities. There is an opportunity in Odisha or in Andhra Pradesh, we are trying to do that, like to set the tone, make sure that there is a trusting relationship that gets built up, because this model has not functioned in India so much.

Apart from Tirupur, of course, Tirupur proved to the world that, in India also, like it has proven that a strong ecosystem can be built up. Again, if you go to Tirupur, like not every manufacturing that is happening or every manufacturer is exporting the product that they are manufacturing. So they have been able to successfully build that model, which if can be replicated all over India, then it would be good for the sector, I would say.

The first question that you had was in terms of the sector in India versus Bangladesh. So again, the example that I can give, if we can create a strong ecosystem that happened in Tirupur, and Tirupur actually competed against Bangladesh. So then that particular category of knits, if Bangladesh is holding 17% of the market share, global market share, India is holding today 5%. And that's only because of Tirupur.

So any other, if you talk, if you look at the top 10 categories of product, which is globally traded in our garments, then India has got only in one of this, out of this top 10, only one product India has got a more than 1% market share, which is this t-shirt, and that's only because of Tirupur.

So yes, we needed few more Tirupur, and that's how I think, that whole PM MITRA park concept came up, but it's taking some time from Indian government. That has to be fast-forwarded if we have to compete, continue to compete with Bangladesh. Otherwise, what we got into 17 and 5, beyond that, we are not seeing that growth happening in India.

And for Bangladesh, it's possible to start taking back something, because Tirupur, we know that is full of now migration worker. So that's the hard reality that is facing us at this point of time as a country.

Soham: And last one is that at this current stage, what is the cost of production differentiate between India and Bangladesh on a per unit basis?

Pulkit Seth: We have manufacturing separate product categories, so we are not able to give the exact.

Pallab Banerjee: But in general, like if you look at it, like the minimum wage in Bangladesh is about BDT13,000, which is equivalent to about INR9,500, whereas the minimum wage in India is about INR14,500. So that's the one difference that you can think of. And the second difference is that because of a stronger ecosystem in Bangladesh for a larger base, the efficiency gets higher.

So they are operating -- average efficiency would be about 65% to 75% range in Bangladesh, whereas India as a country in this sector operates between 45% to 55%. So that's the two differences that is there between India and Bangladesh.

Soham: Got it. Thank you very much, and all the best.

Pallab Banerjee: Thank you.

Bharat: Yes. Hi, Bharat from Dalal & Broacha. Just a question on the INR350 crores capex for dyeing and the knitting facility. You mentioned there would be a revenue being generated from it also, and it would be margin accretive. So could you give a sense of how -- what would be the margin accretion and then what would be the margin on the revenue we'd be generating? I think you spoke about a 1:1 asset turn, if you could give a get sense on that?

Sanjay Gandhi: So I will answer it in two parts. One is on the margin side. So it's \$30 million to \$40 million is the capex, which will be incurred in a phase-wise manner. So the revenue, which will be added to the P&L, will be about \$30 million, \$35 million. So let's say, 1:1 turnover.

Now as far as the margin is concerned, the whole project return on capital employed is estimated to be 20%, 25%. So I think we instead of making a differentiation between what is sold outside and what you get, we look at a total project. The project will generate a return on capital employed of 20%, 25%. You can just see the investment and, our ROCE, multiplied EBIT, and EBITDA will be there in our number. So that's how.

Bharat: So would it be fair to say the revenue we'd be generating from it for doing the outside dyeing would be flowing straight to EBITDA?

Sanjay Gandhi: That's the assumption. But having said that, if there is a more demand for internal consumption for Bangladesh, Bihar, or any wherever the -- permissible is there, I think that will be prioritized. So the current model which is worked out basis of viability which we have seen is on this assumption.

But yes, if there is a better way of optimization of margin accretion, I think those option will be explored. This is now starting right now, and then what I am mentioning the number about 20 is an optimum level, which we expect to achieve in 2 years from the date of commercialization of plant.

So the plant should start commercial production in this calendar year, and then we can add that number of months for it to complete. And then 1.5, 2 years before it reaches a level of return, which we are really targeting it to be. So that's why FY30 is...

Pallab Banerjee: No, no, knit should be next year. Next year.

- Sanjay Gandhi:** So end of '27, so Yes.
- Bharat:** Just on that.
- Sanjay Gandhi:** End of December '27, that means. December '27 or Jan '28, you can add, 14, 16 months from there, which is means '29, '30, that's what the year which I was just mentioning.
- Bharat:** So could you just give a sense of the breakup of the capex you are going to do this year and what would it majorly be towards? And the washing facility, that ramp-up and the margin benefit from that, I think you mentioned that, sir.
- Sanjay Gandhi:** Right. So I just mentioned that the garment and laundry unit, which has inaugurated on 22nd September, it's not a part of this capex. So that capitalization will also happen in this financial year, which is likely in December, once the initial testing period everything gets stabilized. So that's in addition to so first of all, to context the number, that's a INR250 crores roughly. Total capex of INR 725 crores-INR750 is there.
- So from FY26-'27 onward till FY30, we are looking at INR1,000 crores of capitalization. So that's one aspect. So INR250 crores is already done, that's one. INR350 crores, INR375 crores is approved by the board. Now the purchase order, tendering, all this process will start.
- The original implementation plan, which the board has given to the team, is by December '27, which Mr. Pulkit just mentioned, which means the rollout of purchase order should start happening from first quarter or end of this and December '26 onward. The capitalization accordingly, as such should happen in the next financial year for backward unit.
- Now here, INR325 crores to INR350 crores, there is a one capex around \$7 million, \$8 million, which is INR70 crores, already approved. This also should get capitalized in this financial year, which is '26-'27. India, there is another capex of INR25 crores, which is also underway. That should also get capitalized in this financial year.
- So this financial year, other than the laundry, garment we are saying out of the INR320 crores, INR325 crores INR100 crores should get capitalized. Remaining part has been approved for implementation is which is under evaluation, is Vietnam, Indonesia, and the other open part, which we will see as we progress on that.
- Yes. So, that open part will may happen in India only, but year is what is in question to the lesser those two uncertainty goes out, which major uncertainty is on the tariff part. Once that is clear, I think those project may also get an approval from the board. So '27, '28 or partly going to '28, '29, but definitely before FY '29, the entire capex will be capitalized.
- Bharat:** And just on the number of pieces, we are at roughly 108 now post inauguration. So, what do we see that number, let's say, by December when the further capacity of pieces goes up? Just trying to understand, you had earmarked about 120 to 140 as your target for FY '28.

I mean, but the pace you're going at, we seem to be reaching that by almost this year. So, just trying to get a sense of where should be we by the end of this year in terms of number of pieces capacity.

Sanjay Gandhi: Yes. So...

Pallab Banerjee: Sorry, go ahead.

Sanjay Gandhi: You want to say some.

Pallab Banerjee: No, you go ahead.

Sanjay Gandhi: So, this is what you're referring, right? So just to be clear, the 120. We said we reached 108. December '26 is another capitalization of the knit plant, which is underway, that should add knit, largely knit product of 7.5 million to 8 million pieces.

Pallab Banerjee: Garment plant, Yes.

Sanjay Gandhi: Yes. So, garment manufacturing, Yes, this garment.

Pallab Banerjee: That will be 115.

Sanjay Gandhi: That will be 115. Bihar is another 2.5 million pieces, 2.5 to 3, depending on the product mix. That's although under discussion. So, we're talking about 108, 108 plus 8,116 plus 2, 118.9.

So, Yes, by this I'm not adding the partnership capacity, which are under evaluation in Bangladesh. So, looking at in-house only, yes, we are reaching this number also by this. That's the reason in the summarization, we mentioned that, you know, on the capacity somewhere we are on track, it should be ahead of plan, but, Yes, so should reach that number.

Bharat: Got it. Thank you, sir. Thank you.

Sanjay Gandhi: Thank you.

Kishore: Good evening, sir. I'm Kishore from Unifi. Sir, just to clarify myself on the knitting capacity, I understand that capacity that you're adding is to actually have strengthen the value chain, but I'm not able to understand the rationale behind selling it outside as well. I want to understand that first.

Pallab Banerjee: Outside of India, you mean?

Kishore: No. External sales also.

Pallab Banerjee: External sales.

Kishore: Sales. So, you're adding knitting capacity to consume captively as well as to sell outside, is my understanding correct?

Pulkit Seth: No, it's majorly to...

- Pallab Banerjee:** Majorly in in-house.
- Pulkit Seth:** In in-house only, is to utilize internally.
- Kishore:** Got it, sir.
- Pulkit Seth:** And what we want to do is utilize it in Bangladesh as well as India.
- Kishore:** Okay. It's more for the captive consumption. Got it. Second, in the slides as well as in the annual report, you have mentioned you're seeing a UK business going 2x to 3x in the next 1 year to 2 years, 3 years -- 2 years.
- Are you seeing similar trajectory for EU as well once the FTA gets ratified? And on the customer addition, as you have mentioned in the last few years, most of the revenue -- incremental revenue have come from the new customers that we have added. Can you quantify how many customers are we in talks with and what are the business that you are seeing in terms of annual revenue with each of the customers? Maybe something on that.
- Pallab Banerjee:** So, I would say that, you know, comparison of markets, UK is a very focused market, whereas European Union has got what, 27 countries? So, there are definitely a lot of variability in the customers which are in each of these locations.
- So UK, we could confidently say that this is what we have done the homework, and we'll see this result. We'll prove to you. For European Union, it's still in the works. We -- that will mean more resources, tapping into more countries.
- We are so far very focused on Spanish market, or the big retailers, European retailers in Spain, we're targeting them. And we have gone into Denmark. These are the two countries we have focused so far if you see out of the European Union.
- So, that something will be work in progress. As we do more and more, we will give you more concrete number. But UK as a country and the customer base that is there, so we were confident of that, that number we started talking about. So that's, I think, is part of your question.
- The second part of the question is like addition of new customers. So, what we do is we continuously evaluate which are the customers, who are doing well and who are gaining market share. So, ideally, we would like to get into those customers first, which are gaining market share.
- So every year, our conversion rate has been from this bracket, like maybe we list down maybe 10 of them, 2 to 3 is, I think, we have been adding every year, which is from this bracket, which is, I think, the high-performance bracket, I would call, of the customers.
- Pallab Banerjee:** This is the total sales that you're talking about, 35% to 40%.
- Pulkit Seth:** This is in 2030, we've said six customers will these will be all in the USD100 million-plus bracket, right? The Top 6 customers will be in the USD100 million bracket, then...

- Pallab Banerjee:** Sorry, like your question is that, is this what you're looking for in the question, or your question was more?
- Kishore:** More on the customer addition, sir, and how much uh revenue potential that you are seeing with all those customers we are in talks with now?
- Pallab Banerjee:** So, you know, if you are talking about a customer which is really growing and have a particular size depending on what size of the customer, if they are like, you know, USD1 billion -plus in their in their sales, so there we can talk maybe like, you know, USD50 billion to USD60 billion kind of, you know, target that you would keep.
- Or if a customer is smaller, in the range of about USD300 million to USD400 million mark and they are growing, so we would like to get in. Maybe current target would be less, but as they grow, then our target will grow with them.
- So, that's how we think. You're talking about our thinking process, like how we do the homework, Yes. So, this is the formula that we use in our discussions.
- Kishore:** Got it. Just one more clarification on this knitting capacity. Can you quantify it in metric tons? And how much can it actually -- how much captive percentage can come from this knitting facility once?
- Pallab Banerjee:** So, this knitting plant that we're talking about will have a capacity of 40 tons per day. 40 tons per day means like, you know, consumption of about 1 kilo can give you about three to four garments, depending on the weight of the garment, and very lightweight can be five garments. So, 40 would be anywhere between 120,000 to 160,000 pieces per day. That's the kind of capacity of fabric that we are putting.
- And our current manufacturing is almost similar, so we can easily consume this part. What we are talking about is, as we get into this, there is an opportunity that we have to unlock in terms of the synthetic, the man-made fiber one, where we see a potential migration from China, Vietnam towards this South Asia region.
- So, that's something like we would be tapping into more. So, that means this 40 tons might get divided between a 60-40 or a 70-30 between a cotton and cotton blends and pure synthetic. So, that's the kind of, you know, approach that we are taking.
- Kishore:** Got it, sir. Thank you, and best wishes.
- Pallab Banerjee:** Thank you.
- Prateek:** Hi. Sir, Prateek from Bandhan AMC. Sir, just on Slide 34, so your working capital is flattish, revenue will go up, margins will go up. Why is the ROCE going down?
- Sanjay Gandhi:** No. It's not going down. It's -- this is what we stated earlier, we should reach here. But we are at this number right now.
- Prateek:** Okay. So...

Sanjay Gandhi: So FY '23, we said. By FY '28, we should be in this range.

Prateek: Okay. Fair.

Sanjay Gandhi: But we are we achieving much more than that. So that's -- what is shown.

Prateek: No, fair. I thought, okay. And sir, second question. What's the payback period on the INR350 crores of internal capex? Sorry, the vertical integration which you're doing on...

Sanjay Gandhi: The project IRR, you mean to say, right?

Prateek: Yes. Should it be close to...

Sanjay Gandhi: So, we are looking here of -- on this project, I think it'll be around 5 years plus minus 6 months, depending upon this, 5-year to 5.5-year kind of a payback period.

Prateek: And what was this on the laundry one, the Bangladesh one?

Sanjay Gandhi: The laundry one, which is -- which has got commercialized, there it is around 4-year, 4.5 year.

Prateek: Okay. Thank you. Thanks.

Prateek: That's cash on cash, right? Just to be on...

Sanjay Gandhi: Yes. It's a cash on cash.

Prateek: But post tax?

Sanjay Gandhi: Post tax. Yes. Because it's considered the repayment of loan and everything, it's post tax, yes.

Prateek: Okay. Thank you.

Sanjay Gandhi: Yes.

Avinash: Hi. This is Avinash from Parami Finance. So, two questions. The first is, there was a passing remark on a second shift being attempted from a new facility, I think you made.

So, is there a precedence elsewhere also? And have you built in anything when we are talking about our volumes, values into projection, this thing -- this kind of a thing? Or is that it is just an...

Pallab Banerjee: It's more of a trial because we don't have a lot of proof on our hand as of yet. But if you're going into a new state where the workforce is available and if you can train them, so that's something we are trying.

Avinash: But isn't the impediment even people like KPR and who have done community living, they're not able to do it. I mean, I haven't read about precedence and people have been successful in doing second shift. I don't know about Bangladesh and Indonesia. What I've heard is one shift, that's the thing?

Pallab Banerjee: See, what happens is that definitely from the workers' point of view, there are workers who want to do maximum overtime so that they can get a double OT. In India, it's called double OT. You get twice the amount paid per hour or whatever minutes that you are putting in. In other countries, it's 1.5 to 2. So that's one attraction to the workforce.

In a state when we went to Bihar, we found hardly there is any industry, not only our industry, but any other organized industry was definitely is not there. So there, even like, 8-hour shift and if you can discipline them, that could do good both good to us as well as good to the state and the country. So let's see where we reach on that, I would say.

Pulkit Seth: Okay. Number built-out is not...

Pallab Banerjee: Number built-out -- as of now, because all calculations we do on a single shift only.

Avinash: Okay. So, there's one slide, which says 48% of revenue in FY26 came from...

Pallab Banerjee: New customers...

Avinash: New customers acquired.

Pallab Banerjee: In the last 5 years, Yes.

Avinash: So, if we assume that 50 business has grown to 100, in 5 years, the business has doubled. So, those 50, so what I'm trying to understand, is there a customer churn? So what essentially we are saying is, half of our business, 50 business has come from new customers. So, the customers who were sitting there 5 years ago are still in the same spot. So, there is no mining in those customers or is there a customer churn?

Pallab Banerjee: Yes, 5 years ago, about USD180 million to USD200 million. Sorry, I'm talking in dollar terms, INR1,000 crores me whatever. So that has become now almost we are touching \$600 million, let's say. So if you see, that 200 has become 300, which is the original one, and then 300 has come in, which is from the new customer acquisition, which is in the last 5 years. So definitely, some of them have grown.

What happened in the industry, if you talk of the brands and the retailers, they also go through a cycle. Let's say for Gap, I'm talking more confidently of Gap because I've spent 21 years in that company. So we had a phase of growth, then flat, then come down, again we went up, again we come down.

Normally, I've seen a 7-year to 8-year cycle, it happens. So some of these customers like if they're not growing, then we are not focused to grow with them. And if they're losing market share, if they're losing that, what you call, not credibility risk, we're not into near those customers, but maybe in some cases like we have come out of one or two cases, we have come out of them because we felt that...

Pulkit Seth: Hardly any.

Pallab Banerjee: Hardly we have gone into that. But Yes, there is that kind of discussion we do very regularly.

- Pulkit Seth:** We had about 12-14 customers, today we have 32. I don't think we reduced any customer, maybe one or two.
- Pallab Banerjee:** Yes. Maybe one or two, Yes, where we found for example, one or two we have stopped working because we found that they had a credit risk could be possibly, where we're not getting an insurance and all. So those kind of things also we do very, very rigorously.
- Sanjay Gandhi:** But just to clarify to your number part, I think we gave a comparison of FY23, INR3,000 crores to INR5,000 crores. In FY23, the percentage was 25. It has become 48. So you can see the delta between is this for the new customer. The rest is coming from the existing customer. So it's a combination of the two.
- Avinash:** Yes, so I get it.
- Sanjay Gandhi:** Yes, Yes.
- Pallab Banerjee:** Because the '23 also was the last 5 years. '25-'26 also the last 5 years.
- Sanjay Gandhi:** Yes.
- Pallab Banerjee:** So Yes, his question is valid.
- Avinash:** Thanks.
- Harsh:** Yes, thank you. Sir, this is Harsh from Emkay. Just one question, or rather one clarification. You mentioned about the captive unit, the backward integration unit being the fabric being supplied to India as well, right? So will that fabric will be eligible for the import duty? Because India has import duty on fabric imported from foreign countries.
- Pallab Banerjee:** As far as I know, Bangladesh, we don't have that. We have that treaty. Has it been -- so they have not canceled the treaty as of yet.
- Pulkit Seth:** When we import, then we can import duty-free, but then we don't get the drawback.
- Pallab Banerjee:** Because we are doing it for export purpose, we're not using it for Indian consumption. So if we consume it in India, then it could be a problem. But otherwise, like if we are exporting it, then it should not be. I don't know about Bangladesh treaty, what is the...
- Sanjay Gandhi:** We'll check on that part...
- Pallab Banerjee:** I think you are -- but we are talking about all for export purpose. So export purpose, we don't have it will be brought for export.
- Pulkit Seth:** Advance license, and you get advance license and you don't get the drawback.
- Pulkit Seth:** Yes. You can import duty-free on advance license, but you don't get drawback when you export.
- Pallab Banerjee:** Okay, so drawback is around 2%, that that won't get.

- Sanjay Gandhi:** So there are two things RoSCTL and duty drawback, which makes up to 6%, 6.5% normally when you export the product out of the fabric made in India. If you make any garment from imported fabric, you get only 2%.
- Pallab Banerjee:** No, 2% is not gone.
- Pallab Banerjee:** 2.5%. That we don't get. That's a drawback part we don't get, we get the RoSCTL part.
- Sanjay Gandhi:** Whatever. I'm saying 6.5% me 2.5% you get it; you don't have to give away duty, because you're importing an advance license. So there is no duty implication there, but your incentive comes down. Instead of 6.5%, we'll be having a 2.5%.
- Harsh:** Got it. Sir, one last question. Assuming so this is an El Nino year, and we are currently seeing a drought-like situation in many of the states. Given this premise, there could be states giving out giving out doles to farmers also. So in that case, if in that incentive flow goes towards that section, do we see this as a risk to our incentive run rate? And if yes, then in which states?
- Pallab Banerjee:** That's a difficult question to answer. I would say I don't know.
- Sanjay Gandhi:** You mean the state incentive?
- Harsh:** Yes, yes.
- Sanjay Gandhi:** Given on the capital...
- Harsh:** Yes, yes.
- Sanjay Gandhi:** I mean, we are right now have invested only in Bihar from the state incentive perspective. As far as, Bihar state incentive subsidy has a five component. Out of the five, which are the smaller one, we have got it. The other one, they are setting up the mechanism as of now. So they have not mentioned any fund constrained or diversion of fund which not being available to us.
- So I think we are also monitoring that situation and discussing with them. If there is an update, we'll suddenly share with you also. And then take necessary action what we have to take in our end to protect the margin or the revenue scheme what should come from them.
- Harsh:** Sure sir, thank you. Best wishes.
- Shishir Gahoi:** Thank you everyone for joining in today. So we'll have a high tea, now.
- Sanjay Gandhi:** Thank you.
- Pallab Banerjee:** Thank you. We can continue one-on-one discussion if required outside.

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 24th September 2026 will prevail.”

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