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BSE Limited **Department of Corporate Services** **P. J. Towers, 25th Floor,** **Dalal Street,** **Mumbai- 400001**	**National Stock Exchange of India Ltd** **Exchange Plaza, C-1, Block-G** **Bandra Kurla Complex,** **Bandra (E)** **Mumbai- 400051**
BSE Security Code: 539400	**NSE Symbol: MALLCOM**

Dear Sir/Madam,

Subject: Transcript of Q1-FY27 Earnings Conference Call

In continuation of our earlier intimation dated July 28, 2026, and pursuant to Regulation 30 read with Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Q1-FY27 Earnings Conference Call held on Friday, July 31, 2026, at 12:30 PM (IST). The transcript is also available on the Company's website at the link provided below:

https://mallcom.in/pages/investor-relations
(**Shareholder Information 2026-2027 - Earning Call - Quarter 1 Tab**)

This is for your information and records.

Thanking you,
Yours faithfully,
For Mallcom (India) Ltd.

Gaurav Raj
Digitally signed by Gaurav Raj
Date: 2026.08.04 18:22:59 +05'30'

Gaurav Raj
Company Secretary & Compliance Officer

Moderator: Ladies and gentlemen, good day and welcome to Mallcom (India) Limited's Q1 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, Ms. Jain.

Purvangi Jain: Thank you. Good afternoon, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Mallcom (India) Limited.

On behalf of the company, I would like to thank you all for participating in today's Earnings Call for the 1st Quarter of the Financial Year 2027.

Before we begin, let me mention a quick cautionary statement:

Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial period under review. Now, let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks.

We have with us, Mr. Rohit Mall – Associate Vice President and Mr. Shyam Agrawal - CFO.

Without any further delay, | request Mr. Rohit Mall to start with his opening remarks. Thank you and over to you, sir.

Rohit Mall: Thank you, Purvangi. Good afternoon, everyone. It's a pleasure to welcome you all to our earnings conference call for the 1st Quarter of the Financial Year 2027.

I would like to begin by extending our sincere thanks to Valorem for hosting today's call. Let me start by sharing a few operational highlights for the quarter under review before handing it over to our CFO – Mr. Shyam Agrawal, who will take you through the financial performance.

Despite the challenging and volatile market environment during the quarter, we delivered a meaningful improvement in profitability supported by lower raw material cost, improved operational efficiency at our Sanand plant, and our continued ability to pass on cost increases to our customers.

On the product innovation front, we expanded our safety solution portfolio with the launch of a new mold for EN812 Certified Bump Caps and commenced its manufacturing at our Sanand plant, further strengthening our manufacturing capabilities. We also introduced European and American certified Flame Retardant workwear, enhancing our product offering and expanding opportunities in developed international markets.

Another key highlight during the quarter was the overwhelming response to our “SMILE” Reseller program, which has helped expand our distribution network to over 1,000 resellers across India, significantly improving our market reach and customer accessibility.

While operational performance remained encouraging, the quarter was not without challenges. Congestions at major seaports resulted in delays in the procurement of certain critical raw materials as well as the customer deliveries, impacting operational timelines. Nevertheless, our teams responded effectively to minimize disruption and ensure continuity of operations.

As we move forward, we remain confident in our growth journey. Despite the operational challenges faced during the quarter, we delivered a strong improvement in profitability, underscoring the resilience of our business and the effectiveness of our execution. Backed by a stronger product portfolio, expanding marketing manufacturing capabilities, a wider distribution network, and a continued focus on operational excellence, we believe we are well positioned to drive sustainable growth and create long-term value for all our stakeholders.

With that, I will now hand over to Mr. Shyam Agrawal – our CFO, who will take us through the financial performance of the company.

Shyam Agrawal Thank you, Rohit. Good afternoon, everyone.

I would like to provide an overview of the financial performance for the 1st Quarter of the Financial Year 2027:

On a consolidated basis for the 1st Quarter of the Financial Year 2027, operating revenue stood at Rs. 110 crores, reflecting a sequential decline of 25%, primarily due to moderation in international revenues and disruptions arising from the West Asia crisis.

EBITDA for the quarter remained stable on a sequential basis at Rs. 14 crores. EBITDA margins improved to 12.51%, representing an expansion of 317 basis points quarter-on-quarter. This improvement was primarily driven by better price realization, lower raw material cost and improved operational risk efficiency.

However, the margin expansion was partially offset by lower operating cost absorption on account of reduced turnover during the quarter. Profit after tax for the quarter stood at Rs. 7 crores, registering a growth of 5% quarter-on-quarter.

Consequently, PAT margins improved to 6.03%, reflecting an expansion of 174 basis points over the previous quarter. Further, during the quarter, domestic revenue stood at Rs. 64 crores, registering a growth of 10% quarter-on-quarter and achieving the highest ever 1st Quarter domestic revenue for the company.

International revenue stood at Rs. 46 crores. A strong domestic performance was achieved, despite continued pricing volatility, reflecting the company's disciplined market execution.

Thank you. With this, we can now begin the question-and-answer session.

Moderator: Thank you. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Divyansh Jajoo with Trinetra Asset Managers. Please go ahead.

Divyansh Jajoo: Hello. Good afternoon, sir. So, my first question is, as the global customers are continuing to diversify beyond China, are we seeing any particular order pattern? Is there any change? Like, they are giving more multi-year sourcing orders from existing customers only from us, any observation is there in this quarter?

Rohit Mall: Yes, definitely, there is movement and especially with the news of India-Europe Free Trade Agreement and with also India-UK Free Trade now effective, there is definitely more interest and inquiries floating through us, maybe from China or any other countries. Yes, that is something which is happening continuously. But yes, we have to also look into the basic raw material prices, how they are moving and how competitive we will be in the global arena.

Divyansh Jajoo: And the next question is around, like, as too much workplace safety regulations are increasing across the regions, so are we witnessing any demand from new geographies where it was not a meaningful contributor earlier?

Rohit Mall: Yes, that's also something that we are witnessing. we are exploring more countries in the African market. India, I think, in itself is a big geography where we are witnessing this shift due to changes and improvements in the safety requirement. So, I think most of the developing nations will go through this phase and we are seeing this happening in particularly India, Africa, Middle East.

Divyansh Jajoo: And the last question was, like, the contribution from the value-added products which are there, how it has evolved over the last few years and do you expect this premium range product will become a larger part of our portfolio?

Rohit Mall: Yes, that's what our intention has been. We have been trying to push for more value-added products over the last 4-5 years and focus on staying away from very, very commoditized business. So, I think that has already started happening with us and it will continue to happen with us and that's where we do a lot of product innovations and upgradations. So, that's a strategy we have been taking for some time, and we have already seen our product mix changing because of that. Yes.

Divyansh Jajoo: Okay, sir. Thank you for sharing it.

Moderator: Thank you. Next question comes from the line of Aditya with Securities Investment Management. Please go ahead.

Adiya: Hi, sir. Thanks for the opportunity. I just wanted to understand how are the raw material prices trending currently and how should we look at margins moving forward?

Rohit Mall: See, it depends on product to product. So, some products which are very closely related to crude and petroleum are the prices have been at an escalated level. They have not gone to the pre-war levels, let's say.

But other products which are not so directly correlated to the crude or petroleum, it's okay. But then there are other factors into play because we have seen all over transport costs have increased, energy costs have increased. So, overall, there has been an increment in raw material costs.

Obviously, with crude prices correcting a little bit, there's been some respite. But, yes, overall, when we started the calendar year, as compared to that, it's definitely on a higher level.

Adiya: And then compared to Q1, have they, on an overall basis, have they seen a decrease? So, they are still around similar levels. And so, secondly, have you taken any prices in the export markets to compensate for the higher raw material costs?

Rohit Mall: See, as compared to Q1, definitely prices are improving because some of the prices, what they were in March and April it's getting a little more, let's say, streamlined. But it's very, very volatile. it depends on every day, every week basis. And in terms of passing on the cost, yes, we are gradually trying and passing on the cost to our customers.

But with a lot of them we have orders in hand or agreements of not changing price for a long-term period. So, there is a lag between when we experience price increase and when we can pass it on. But, yes, gradually, as and when possible, we are in that process.

Adiya: And for the export sales, which is around 55%, how much would be a spot sales versus a 3-month or a 6-month contract sales?

Rohit Mall: Again, depends on the product category. Roughly, I would say 60% or 70% is something which are planned and the rest is something that are based on spot sales.

But in each spot sales, also, it's not like for each product we have to always negotiate on the price and the best L1 wins. Some of them are planned and the prices don't change. It's just that their buying cycle is such.

In some commoditized items, definitely L1 prices are considered every time. So, yes, I would say roughly 30% of the export is on that.

Aditya: Understood. And this exports degrowth which we have seen this quarter, is it primarily due to only logistics or the underlying demand is also weak? And how much yield have we lost in Q1 because of this freight issue?

Rohit Mall: Both, I would say. There has been a bleak demand also from the West because of their own crisis and their own economic situation. It's not a good situation. And other than that, because of logistics also we have lost because there's some port congestion and we are unable to ship out goods even when they are ready and sitting in our warehouse for a long time. So, both and roughly we were definitely targeting a better growth, at least some double-digit growth from last year. So, that is what I would say the opportunity which has been missed in this Q1.

Aditya: And how is the market in Europe currently behaving? So, we were witnessing some degrowth over there last quarter as well. So, how is the Europe market doing currently? And overall, how do you expect the Europe market to grow this year?

Rohit Mall: I think it's getting better. It was in a pretty bad shape earlier. I think that part is probably gone and we are getting better. There are more orders which are flowing and there's more positivity around the India-EU trade deal. So, and a lot of inquiries flowing.

But the effectiveness of the trade deal only, I think, comes next year. So, we are definitely hopeful that as compared to last year, we will do better in Europe this year.

Aditya: But, sir, if I look at last year, we did around Rs. 170 crores. And now if I look at Q1-to-Q1, we have already lost Rs. 20 crores in sales in Europe. So, do you expect to recover all of that going forward in the next three quarters?

Rohit Mall: That's what we are targeting, yes.

Aditya: Understood. And how are the LATAM and North American markets doing because we have seen a regrowth over there as well.

Rohit Mall: For Latin America, market actually last year was pretty good for us. So, a lot of our customers are still holding on some stocks. But we are still marketing well there and order flow is there.

So, that market also we are expecting to recover and add some new customers to our portfolio as well. So, that's what the expectation is. With the U.S. market, again, very volatile. Things keep changing. the different news which keeps coming. We are a little uncertain. Still don't know how to look into that market. But, yes, we are keeping our marketing efforts on and we are trying to get new customers or even the existing customers increase our market share. So, hoping that we can beat the last year's number from the North American market as well.

Aditya: But, sir one thing we used to talk about when we undertook this CAPEX was that with the help of these larger facilities we could get bigger customers in LATAM and have we bagged any decent-sized contracts because from your commentary, it doesn't seem that we have backed any contracts. So, if you just help us understand where are we in this process and what is delaying this process.

Rohit Mall: So, for some of the investments that we did, we already have some last-term contracts, be it workwear or footwear. For the newer investments in Gujarat, we have always mentioned that largely it was done for the domestic market and our branded market and then obviously some for the export market as well. So, we don't expect that very quickly we will have a large contract but there also we are in the process of securing some contracts. We also have to see the business environment. when costs are rising everywhere, people are uncertain and they don't place orders or don't change supplies at that point.

So, but seeing how we have progressed for our footwear and even in workwear, we are hopeful that in other product categories also where we have made investments, we will be able to secure some larger, bigger contracts in the export market.

Aditya: Got it. And sir how much turnover are you expected to do from Sanand this year?

And we had two lines and we are looking to order more lines. So, when are the new lines coming?

Rohit Mall: So, the turnover, Shyam Ji can explain. And now with two lines, we have made it into three lines which are operating already. And our helmet production and foam cap production and nasal cap production is already underway. And we are looking to further increase capacity there.

And Shyam Ji can comment on that.

Shyam Agrawal: So, for the Sanand unit, we have the yearly target of Rs. 40 CRs, which is the minimum we want to do. And looking at the performance which we could achieve in the 1st Quarter, I think we are on track. So, that is possible.

Aditya: And how much did we do from Sanand last year?

Shyam Agrawal: It was a very small figure, around Rs. 5 CRs, because only in the 4th Quarter we are working here.

Aditya: Got it. Understood. And also in the presentation, you mentioned that we have launched this Flame Retardant workwear. So, if you could just talk about what kind of opportunity size it opens for us. And was this our own initiative or it was more of a push from customers?

Rohit Mall: So, in terms of market size, it's pretty big in the international market and now also gaining momentum in the Indian market. Also, very big in the Middle East market. So, anywhere where there's oil and gas, iron and steel, anything to do with higher temperatures, molten splashes, and even arc flashes, these kind of garments are used. And this is something that we were already doing for our white-label customers, obviously their brand and their certification. And now we have decided to step into it with our own brand and certification, specifically in our own branded market, and also for easy access to our white-label customers who can piggyback on our certification. So, that's what the expectation is and that's how we decided to get into this.

Also, with the rise of Indian mills manufacturing these fabrics, now it's making us more cost competitive in the international market because earlier most of the fabric was imported from China or other countries. But now with this changing environment, we believe it's a good time to enter into this product category.

Aditya: Understood. And how big of a market would this have in India?

Rohit Mall: In India it's very difficult to estimate these markets. There's no formal study done for this.

Aditya: Got it. Understood. And also, if I look at your product profile, they are generally multi-use products in the sense that our product can be used in multiple industries. But as a company, are we looking to get into more niches where we manufacture products which are specific to a particular industry where there is higher specialization and the margins are also better?

Rohit Mall: PPE essentially is not restrictive to an industry. It's not something that only works for a certain industry. It works based on the hazard and the risk. So, if that hazard or risk is prevalent in any industry anywhere, you would have to use that PPE. So, when we plan to add something to our product portfolio, we don't look at the industry per se. We definitely look at the risk and hazard associated and how closely it is to our current operations and how quickly we can get the product commercially viable. If an industry with that particular hazard or risk is growing in the market, then it makes it a compelling argument to get into that product category sooner or later. So, that's how we look into it and that's how we will approach adding products to our portfolio.

Aditya: Understood. And lastly, sir, on Middle East, have you started supplying there or there is still some disruption?

Rohit Mall: We are supplying. We are supplying. In the Middle East, we couldn't supply anything. There were containers at the sea which were not getting delivered. But now, again, this month or so, we have supplied some.

Moderator: Thank you. Mr. Aditya, please rejoin the queue for more questions. Next question comes on the line of Rishabh Shah with Google Rock PMS. Please go ahead.

Rishabh Shah: Hello. Thanks for the opportunity, sir. My question is, we have seen an increase in the prices of raw material and we are facing pricing pressures, so we cannot pass on to the customers in the export market. So, my question is, what are the difficulties we are facing in passing on the prices to the customers? Are they preferring higher brands like 3M, Honeywell, as compared to Mallcom?

Rohit Mall: So, see, we operate in two different verticals. One is in our own brand and one is White Label. So, in our own brand, we can pass on the prices much faster than when we are a White Label manufacturer. And we have done that as well. It's just that there will always be a lag when we face the price pressure and when we pass it on. Just that the lag is smaller in case of our own brand and market, and we have been able to do it from the beginning of this crisis. We have been able to pass on the prices.

But there are long-term contracts, which even our dealers have with the end users, and they don't want to change it very often. And there's always a risk of having other brands entering the customer. But also, mind you, the price rise has been for everybody almost equally, right?

So, it's not that it's just us who have had to increase prices or face price pressure. Everybody, even including 3M and other players, have to do it. Having said that, in white label, it's not that we cannot pass on the price, it takes time, because, again, there are long-term contracts, and our customers have contracts with their customers, so it takes time before this price increment can be completely passed on. So, we do pass it on. It's just a matter of time.

Rishabh Shah: Okay. Next question is, what you have done in the domestic market is a commendable job, but in export market, we have not been able to get that fraction yet. So, what kind of challenges are we facing? Because in a couple of calls back, you have said that we have done everything to increase our share in the export market. We participate in fairs, exhibitions. We send out samples for our newer products. Till here, it is difficult to crack the export market. So, what challenges are we facing?

Rohit Mall: See, historically, we have been an export market player. We have more than 40 years' history of exporting our products, and it is only in the last 4-5 years that the domestic market has started growing at a much, much faster pace. And that's where we feel that the market is a little insulated to everything which is happening outside of the country. In the last 5-7 years, the export market has faced all kinds of tumultuous situations, from COVID to wars, multiple wars, economic crisis, things like that, logistical issues. So, that's definitely and even tariff issues. These are the things which dampen the interest from the international buyers. And also, this works in cycles. So, we are still confident. We will still keep on putting our effort. There will be some wins and some losses, but we are still confident about the export market, and once with these free trade agreements, we have seen it with Australia, we have seen it with UAE, that it has helped our cause. So, we are hopeful with the UK and European Union as well. And then finally, hopefully, when the USA agreement also comes in, we will hope that it works also in our benefit. So, we are being patient with our export market, and we know we have the right kind of products, right kind of pricing, so we will be able to get more market share in the export market.

Rishabh Shah: So, sir, as you say, that majority of our exports come from Europe region, and you have also said that the industry situation was not good. So, my question was there might be some players in our competition who started lowering their prices and selling the products. So, in that market, did we think of acquiring any small player to increase our market share, because the industry situation was not up to the mark in Europe? So, have we thought on anything on those lines?

Rohit Mall: Sorry, I didn't understand your question. So, is your question, have we thought of acquiring some players, or have we thought of reducing our prices?

Rishabh Shah: No, no. Acquiring players in the European market.

Rohit Mall: Not as of right now, because it's traditionally been a market where our customers are present, and we run the risk of cannibalizing our market if we go and acquire some company and start our own distribution there. So, we have been a little skeptical of this idea, and plus our thinking is that the developing markets for our product categories. So, I think if we have to do some of the inorganic growth, it should be in these territories.

Rishabh Shah: Okay. So, my next question is that we have spoken about the key differentiation starts as compared to the competition is the value-added products and the complicated products. So, the question is what is the share of revenue of the value-added products, and what are we doing to increase that?

Rohit Mall: So, at this point, I think almost 60% or 70% of what we would be selling is more value added products than the regular products, and the idea is to get into more product development, do more market research, learn from the developed countries, and quickly adapt it, have the supply chain set for more value added products, and keep on launching newer products every year. That's what we are trying to do to keep ourselves updated and to increase the share of value-added products.

Rishabh Shah: So, my last question is in the previous call, you have mentioned that you will be focusing on fire-redundant products in the government section, and you needed the whole supply chain in India. So, what is the progress on those lines? And we were participating in tenders and exploring areas for product development for Army. So, what is the progress on those lines?

Rohit Mall: So, as mentioned earlier in this call, we have already launched our American and European certified range of flame-retardant garments, and that's something that we have started supplying already, and with regards to tenders, yes, we are regularly participating in tenders for our entire product basket, and specifically with regards to Army or something, we are yet to develop specific products for the Army or Defense. But yes, that's also something in the cards, and maybe in the future we will get into that as well.

Rishabh Shah: Okay, fine. Thank you, sir.

Moderator: Thank you. Next question comes from the line of Sagar Parekh with Renaissance Asset Managers. Please go ahead.

Sagar Parekh: So, guys, my first question is three years back we had come out with this Rs. 1000 crore kind of guidance, right, that we wanted to achieve, but we are nowhere close to that right now. I understand there were a lot of issues during this period, but now how should we think of ourselves like two years out now, FY28, would you like to revise your guidance or you think that still Rs. 1000 crores is kind of achievable?

Rohit Mall: See, we know it's a stretch now to go it, but we would not like to revise the guidance as of right now. we'd like to because if we lower it we are not even then striving for it. So, we would still like to strive for it and hoping that we are still able to make it happen through some measures. So, I won't say that we would like to revise it at this moment.

Sagar Parekh: But then what would be the levers to go to Rs. 1000 crores then from here? Like, let's say you are at Rs. 100 crores this year because Q1 we have lost out on some kind of revenue. So, then from here to go to Rs. 1000 crores in the next two years there has to be some levers.

Rohit Mall: Yes, see, as everything else mentioned, the manufacturing capability increasing the distribution network within the country, opening up new geographies and hoping that we have more free trade agreements and more bigger contracts with our customers. So, from our end, whatever ground work, whatever development, whatever investment needs to be done, we are going through it without even if some headwinds are there, we are still going with it. So, it's also about timing. So, if we are hoping that if the global situation improves, this is something that still can be worked on, and we have seen how quickly it can change for the better or for the worse. So, from our end, we are ready with all these preparations and, yes, let's hope.

Sagar Parekh: So, this brings me to my second question, basically. So, recently there was this one company got listed, which is called Kusumgar. They are also manufacturing these textile garments for ~~difference~~ defense as well as Flame Retardant or what you are doing. They are trading at 30-35x EV to EBITDA. There's a company called Arvind trading at like 20-25x EV to EBITDA. We are also into similar business, but we are nowhere close to that. They are also facing similar kind of issues that we are facing, right? But still they are kind of growing. So, where is the execution, which is lacking for us, which is why the market is not giving that kind of multiple to you all? Because from where I see it, I think you guys can easily scale up your operations and can sort of command that kind of premium valuation. But something is missing here.

Rohit Mall: See two parts. I will not comment on what market does, what market valuation gives us. I am not good at valuations or knowing what market does and how they do it. So, honestly, I don't know and I would not like to comment what market is seeing. On Kusumgar and what they are doing. So, we are not comparable to Kusumgar. They are into a different product category and into completely different thing. They are a mill and they are into technical textiles. They are not into garmenting. Hardly they make garments. In fact, they are supplying things like parachutes and things like that to the defense. And they manufacture technical textiles and, in fact, they are also supplier to us. So, it's completely not comparable. So, I am not sure if we can see that if they have grown and they have the multiples, why should we have it? So, I think the comparison needs to be apples-to-apples.

Sagar Parekh: But they are entering to the products, we are also now making those products?

Rohit Mall: So, there's a difference. We are making FR workwear garments. They are maybe making FR fabrics and which they still don't have at least for workwear category because we are in regular touch. They don't have the certified fabrics for FR and for workwear. And they are not a garmenter. We are a garmenter if I may say. And also garments is one part of our business, not the whole part of our business. Mill is in what they are and they are making of technical textiles only the fabric part.

Sagar Parekh: Garments is even further downstream, right? So, it's even better for us to command that kind of multiple. But we are nowhere close to them in terms of valuation. So, that's where my question was. And they are at reasonable size scale, Rs. 500 crores to Rs. 600 crores top line. Even for Arvind, they are with this acquisition, they are at around Rs. 2,500 crores kind of size for the technical textile, I am saying. So, we can also eventually think of moving into that direction. Maybe it's just a food for thought for you all that maybe since you all are doing PPE and other kind of garments, maybe you all can scale that business up, you will probably get better valuation. This is my feedback to you all.

Rohit Mall: Thank you. I am still not sure how Kusumgar and we are comparable but if you say so, thank you so much. We look into it.

Moderator: Thank you. Next question comes from the line of Umesh Madkar with Sushil Financial Services. Please go ahead.

Umesh Madkar: Now, listening to your comments that you mentioned initially that you are seeing that you are now passing on the increasing cost to your customers. So, can we make an assumption that Q1 numbers have formed a base in terms of sales as well as margins?

Rohit Mall: Yes, that would be kind of correct to say that we are only looking to increase from here. Both our top line as well as the bottom line. If you even see from the last couple of quarters, we have been able to improve our profitability and we are hoping now that the top line is also growing and especially from the export market that is where we need to do more.

Umesh Madkar: And I just want to know about the US market. How are we looking into it? I missed your comments that you mentioned earlier. So, how is the market right now? And there are talks of US, India trade deal as well. But have you started receiving enquiries from the customers and what are your plans in US going forward?

Rohit Mall: See, the short answer is skeptical because we have been working on it for last 2-3 years and we have been able to get some wins also. But then, as we all know the global situation and the tariff situation keeps on changing. there are new news coming every week, even this week. There was news about more tariffs on some countries which included India because of some Labor Laws and things like that. So, it's very uncertain. We are putting all the efforts. We are making regular visits. We are in touch with our existing customers and potential customers also. But the importers there are skeptic because even they don't know how it's going to pan out and what is the situation to be like. So, yes, we are currently keeping our fingers crossed. But the idea is to keep on marketing, keep on developing products for their needs and try to win smaller accounts and start small and then scale it up.

Umesh Madkar: And how are we placed in Europe right now? Of course, there would be a trade deal with them in next year. And in UK also, is our competitive positioning much more better now?

Rohit Mall: Yes, definitely. we are definitely much more competitive in these markets. Especially because some of our neighboring countries were enjoying duty-free entry into Europe. So, at least now we have a level playing field. And now UK has traditionally sourced from Pakistan or China. So, we have to still to convince them that, okay, India has something that they can consider. And with Europe definitely there's a lot of interest. And because we have a decent customer base, so we are known better in Europe. And that's where we are expecting more. And we are receiving more inquiries and hoping that from next year it will boost our sales.

Moderator: Thank you. Next question comes from the line of Zakir Nasser, an Individual Investor. Please go ahead.

Zakir Nasser: Rohit ji, I think congratulations on a decent set of numbers in difficult times. But I was pleasantly surprised to see your India revenue increase, sir. And last time you had given us guidance of a growth of around 10%-12%. So, do you think that overall, during the year, you could achieve that 10% kind of a growth on top line year-over-year, sir or at least we will touch that Rs. 600 crore psychological figure.

Rohit Mall: Yes. Thank you, sir. Yes, we are hopeful that we will be able to still go there. Yes, we everyday keep our fingers crossed that at least domestic and India numbers we are much more confident and the export numbers, yes, depends on our situation, but we are hoping for the best. But still, we will maintain that kind of top line guidance.

Zakir Nasser: So, what do you feel that India and export will become 50-50 by the end of this year, sir?

Rohit Mall: That looks very realistic now.

Zakir Nasser: And I was seeing you have introduced some new products, the PPE, gumboot. So, are these our own manufactured things, sir or do we design it and get it made outside?

Rohit Mall: So, these are our own manufactured. Now whatever we are looking into largely is something that is our own manufactured. Gumboots, the bum caps we mentioned, the FR garments, all of it our own manufactured.

Zakir Nasser: And how is our headgear panning out, sir? I think that also we were planning to get into our own manufactured.

Rohit Mall: We have already started doing it in our Sanand plant and we have already started seeing increased revenue from it whereas exporting it now regularly to the European market as well. And it's definitely helping us have a good presence in a new product category and helping us with the revenue as well.

Zakir Nasser: Rohit Ji, do you find a better traction in the Indian market this year compared to last year and partly is it because of the Labor Law changes and stuff like that?

Rohit Mall: Yes, I think the Indian market overall is evolving year on year. Labor law definitely is one of the tailwinds. But in general, the more manufacturing is coming into the country, the more export-oriented the country is becoming. And even foreign companies are setting up shops here. And just the awareness about safety is increasing. The cost of life is increasing. And just the fact that non-compliance can lead to a very heavy price to be paid. I think all of these are helping every year. Every year they are helping us to get a better foothold in the country. And whatever brand we have built in the last 15-20 years, now the recall value is showing, and we are able to pitch faster, get an entry faster into these organizations.

Zakir Nasser: Sir, I think best wishes for the balance of the year and the last bookkeeping question to Shyam Ji Sir, what do you foresee your de~~ck~~ debt to be by the end of this year both working capital and long term?

Shyam Agrawal: So, in case of working capital, it should be same, because we are still continuing to do some investment, not now in building or land, but into increasing our capacity, so in machinery. So, that CAPEX plan is already there. So, working capital borrowing should be at the same level. But in case of, during the year, we have borrowed some term loans, and again refinance against our CAPEX in Sanand, and mostly because of some incentives we need to claim in Sanand.

Moderator: Thank you. Next question comes from the line of Viraj Kacharia with Simple. Please go ahead

Viraj Kacharia: Yes, first of all, congratulations for decent set of numbers in such a volatile and challenging environment. I just have one question on the margin piece. So, if you can probably, kind of give some perspective again in terms of what contributed to a decent margin in Q1, despite the volatility which we have seen. And then going forward, when we look at the rest of the year, what are the drivers to an improvement in margin, both in domestic and export?

Rohit Mall: I think 1st Quarter, we started this exercise in March itself, where we were trying to, pass on the, increase in the cost to our customers. That was one. The second was the normal cost, stabilizing a bit, especially after what we saw in March. And for us, it was important that, at least, for the product categories which were highly volatile, that the prices stabilized so that at least we have a better idea on it. So, I think largely this helped, anything beyond this, Shyam Ji will be able to provide an input. And going ahead, I think our aim is to go back to what our regular margin profile used to be. Also, another thing to mention is, the Sanand plant. So, we were able to ramp up the capacity. We were able to get more efficiency from that plant. So, that is also helping in absorbing the cost. Obviously, if there was better revenue, the realization would have been even better. So, that's going to be our focus going ahead.

Viraj Kacharia: I think Rohit, percentage price increase taken and what is the, still under recovery on the RM cost?

Rohit Mall: Yes, Shyam Ji can take this.

Shyam Agrawal: I think Rohit, you have replied in detail, so nothing to add. And in case of under recovery, definitely we need to increase the turnover. And so that the margin also goes up from here. So, whatever we could bring.

Viraj Kacharia: Yes, sorry to interrupt. What I meant is in Q1, how much price increase we have taken and how much is still the under recovery on the raw material? That is one. And second is, was there any element of FOREX gain which helped us report the margin we had in Q1?

Shyam Agrawal: So, whatever cost increase was there, we have been able to pass on this to the customer, and we took this exercise at the beginning of the quarter itself. Right? So, there is no under recovery there.

Rohit Mall: Yes. And largely, like I said, for our own branded market, we have been able to do it better. And for white label, I think in the next quarter or maybe after that, till within this year is when we still have to continue to do it depending on the contract terms and the volumes that we have with them. And regarding FOREX again Shyam Ji, you can comment.

Shyam Agrawal: So, there is no FOREX gain because in our case, mostly we are hedged. So, whatever cost we have we are hedging. So, no FOREX gain there.

Viraj Kacharia: Okay. And so in terms of growth in Europe, what will drive that, can you give some more granularity?

Rohit Mall: See, one is the European economy itself, last, six months have been pretty bad for them and the demand itself was not there. So, I think that recovery is happening there. Second is us gaining market share from other competitors. It will definitely help with the trade agreement when we have. So, that part we are marketing it to the potential customers as well. Also, because of all these logistical reasons and non-container liquidity and prices and things like that, we are losing on some purchase cycles. So, we are hoping once this gets streamlined, customers who were purchasing regularly and able to manage their inventory levels well, they will again be able to do that. And obviously with our added focus on manufacturing different product categories that should also help in us, increasing our revenue share from Europe. So, and now in UK traditionally, which has not been a very big market for us we are very aggressively trying to push in that market as well.

Viraj Kacharia: But any color you can give in terms of new customer wins? Have you bagged any new customers in Europe? The order size may be small initially, but any color you can give in terms of new customer wins and pipeline because I think, see, one or two quarters when you give a color on the, cost structure and then the tariff differential between, say, suppliers from India and then you have from Bangladesh and Pakistan and all. And it was not that favorable to players like us. So, that still doesn't change, at least until the time when the FTA is signed. But in the UK, any color you can give in terms of new customer wins and pipeline?

Rohit Mall: So, yes, definitely in UK, existing customers have increased their purchasing from us. They are adding new product categories. We have been able to win one new customer in UK as well. In South of Europe, Portugal, Spain, even Turkey, Italy, we have been able to get some new customers. Germany has been responding well to us. Now, target is to focus more on France, Benelux markets, and even the Nordics. East Europe is not a big territory for us. That is also something that we are targeting. We have been able to win some small orders there, not so much. And even Russia we have been able to get some new customers and new product categories also. So yes, a lot of things in the pipeline. A lot of people are also waiting for the

FTA to happen so that they can start placing orders or we are expecting it to happen in the second half of the year so that by the time the goods reach them it gets in duty-free. So, a lot of people are waiting for that as well. But yes, there are a lot of discussions ongoing in a lot of different countries.

Viraj Kacharia: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to Management from Mallcom (India) Limited for closing comments.

Rohit Mall: Thank you all for participating in this Earnings Conference Call. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to the investor relations managers at Valorem Advisor. Thank you all and wishing you all a great day ahead.

Moderator: Thank you. On behalf of Mallcom (India) Limited, that concludes this conference. Thank you for joining us.