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BSE Limited Department of Corporate Services P. J. Towers, 25th Floor, Dalal Street, Mumbai- 400 001	National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
BSE Security Code: 539400	NSE Symbol: MALLCOM

Dear Sir/Madam,

Subject: Transcript of Q4 FY26 Earnings Conference Call

In continuation of our earlier intimation dated May 25, 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 Q4 FY26 Earnings Conference Call held on Friday, May 29, 2026, at 4:00 PM (IST).

The transcript will also be available on the Company's website at the link mentioned below:

<https://mallcom.in/pages/investor-relations>

(Shareholder Information 2025-2026 - Earning Call - Quarter 4 Tab)

This is for your information and records.

Thanking you,

Yours faithfully,

For Mallcom (India) Ltd.

Gaurav Raj

Company Secretary & Compliance Officer



“Mallcom (India) Limited
Q4 FY26 Earnings Conference Call”

May 29, 2026



MANAGEMENT: **MR. ROHIT MALL – ASSOCIATE VICE PRESIDENT –
MALLCOM (INDIA) LIMITED**
**MR. SHYAM SUNDAR AGRAWAL – CHIEF FINANCIAL
OFFICER – MALLCOM (INDIA) LIMITED**
**VALOREM ADVISORS – INVESTOR RELATIONS
MANAGERS – MALLCOM (INDIA) LIMITED**

MODERATOR: **MR. SAURABH GINODIA – SMIFS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Mallcom (India) Limited Q4 FY26 Earnings Conference Call hosted by SMIFS Limited. As a reminder, all participant lines will be in the lesson-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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Saurabh Ginodia from SMIFS Limited. Thank you, and over to you, sir.

Saurabh Ginodia: Yes. Thank you. Good evening, and a very warm welcome to everyone present on the call. On behalf of SMIFS Limited, I'm pleased to welcome you all on the earnings call of Mallcom India Limited. We are happy to have the management with us today for the question-and-answer session. Management is represented by Mr. Rohit Mall, Associate Vice President; and Mr. Shyam Sunder Agarwal, Chief Financial Officer. We will begin the call with some opening remarks from the management, followed by an interactive Q&A session.

With this, I hand over the call to Mr. Rohit. Over to you, sir.

Rohit Mall: Thank you, Saurabh. Good evening, everyone. It's a pleasure to welcome you all to our earnings conference call for the fourth quarter and financial year 2026. I'd like to begin by extending our sincere thanks to SMIFS 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.

FY26 was a year that tested our resilience even as we simultaneously completed the most ambitious investment phase in the company's history. Despite the challenging external environment, our domestic business continued to be the growth engine, expanding by approximately 20% year-on-year, while exports faced headwinds that we are actively working to overcome.

In FY26, the company experienced lower sales realizations from OEMs due to almost a full year of prohibitive tariffs in the U.S. and bleak demand in the EU. Both our new manufacturing units are now fully commissioned and operational. The Protec unit at Sanand, Gujarat has commenced commercial production. Simultaneously, our setup -- new setup for designing and manufacturing of industrial safety shoe at Chandipur in West Bengal is also now fully operational.

While these facilities are currently ramping up utilization, they are key enablers of volume-led growth in the coming years. On the product portfolio front, we strengthened our offering through the commencement of in-house manufacturing of PU Coated Gloves and PVC Gumboots.

These products serve as important import substitutes, enabling us to offer certified high-quality solutions to the domestic customers while also catering to the growing demand in international markets.

Apart from the successful completion of major capex cycle, making us ready to take the next ride of growth in the near future, the company kept investing in creation of talent pool by fresh

hiring needed to drive growth as well as has continued to participate in both domestic and international fairs, organizing technical seminars, investing in brand promotion, which should help in the long run to achieve its goal of being a major market player across all geographies.

During the year, we also established a dedicated marketing arm in the UAE to specifically address the Middle East and Africa markets, which we believe represent a great opportunity.

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

Shyam Sundar Agrawal: Thank you, Rohit. Good evening, everyone. I would like to provide an overview of the financial performance for the fourth quarter and year ended 2026. On a consolidated basis, for the fourth quarter of the financial year 2026, our operating revenue stood at INR147 crores, registering a growth of 7% year-on-year.

EBITDA for the quarter decreased by 11% year-on-year to INR14 crores. EBITDA margin came in at 9.34%, reflecting a decline of 185 basis points year-on-year, primarily on account of higher raw material costs during the quarter. Profit after tax for the period stood at INR6 crores, translating into PAT margin of 4.29%.

For the financial year 2026, operating revenue stood at INR540 crores, registering a growth of approximately 11% year-on-year. EBITDA for the year stood at INR61 crores, while EBITDA margin came in at 11.21%, reflecting a contraction of 130 basis points year-on-year. The moderation in EBITDA margin was primarily driven by higher raw material costs, lower sales realization and increased employee expenses as we scale up manpower to support our new manufacturing facilities.

Profit after tax for the year stood at INR30 crores, translating into PAT margin of 5.5% -- it is important to note that the profitability figure for FY26 and FY25 are not directly comparable. FY25 included a one-time capital gain of INR25 crores arising from the sale of land. Thank you.

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

Moderator: Thank you very much, sir. We'll now begin the question and answer session. The First question is from the line of Aditya from Securities Investment Management.

Aditya: Sir, in the opening remarks, you mentioned that one of the reasons for lower margins was lower sales value realization. So, if you could just help us understand which products have seen a contraction in end product pricing? And in such an inflationary environment, why would the end product prices see a decrease?

Rohit Mall: So, this is largely we are talking about the export markets where we are OEM vendors. That's where we are seeing lesser realization than before because as we also mentioned, the demand situation has been very bleak. So, in a lot of cases, even to maintain market share, we have to offer some concessions even in the U.S. market, as you know, this year has not been so great.

So, just to get that market share and not let that customer switch to other countries or other players, this is something that we have to offer. And that's why there's been lesser realization. Further also in the domestic market, see, the price increments happen with a lag. So, it's not that as soon as the input costs start rising, we can pass it on immediately. And in the OEM market, it takes even further time because it's a long lead time business. So, that's where we had lower realization in this year.

Aditya: Understood. And sir, going forward, if you could just talk about the major raw materials for us and what kind of price increases are you seeing?

Rohit Mall: In the raw materials you're saying?

Aditya: Yes, which are the major raw materials for us? And what kind of price increase you are seeing?

Rohit Mall: So, major raw materials for us are largely in 4 different categories. These are textiles, leather, polymers and synthetics like PU, PC, these kind of NBR, these kinds of chemicals. So, we've seen increase in mostly, I think across the board, we've seen an increase due to whatever is happening globally. A lot of these products are petro-based.

So, that's where we've seen increase. Some of these raw materials also have to be imported. So, we have seen increase in the prices increase in the exchange rate difference, which is hurting us, and increasing freight costs. So -- and also now even with the indirect cost of energy, we are seeing increases.

Aditya: So, now for the export markets, what are we doing now? So, are we passing on the price increases or there is pressure on the pricing, as you mentioned previously that the demand is low, and competition is high. So, are we taking a margin hit in the export markets currently?

Rohit Mall: It depends on the market. Some markets have done well. South America has done well for us. Australia, Russia has done well. These are our OEM markets in our own branded markets. Middle East has been okay. I wouldn't say great. Africa has done well. But yes, Europe is not so well. U.S., we all know the situation.

So, in those places, Europe being one of our largest marks, we were not able to immediately pass on the price. It happens with a lag. And in some cases, we haven't been able to because of the weak demand that there is. So -- but given the situation right now, we are hoping that this FTA with Europe gets signed soon.

So, at least we get some respite. And also with U.S., at least if the situation is not what it was until maybe January, February, where it was completely prohibitory. So, that's also something that we are expecting we'll be able to now pass on the prices to the customers. But yes, not in all cases and not immediately. We haven't been able to pass on the price.

Aditya: Understand how are some of your competitors reacting? So, they might also might be seeing higher prices or do you think in such an inflationary scenario, China is better placed compared to us?

Rohit Mall: It depends on what -- which competitors, if you're talking about competitors who are exporting, yes, they're also facing similar issues. China, because a lot of the materials, they are able to buy locally. So, they face this pressure lesser, at least for the currency devaluation and the freight, they don't face as much pressure as we do.

But yes, rest of the products, they are also facing the similar pressure in, yes, domestic markets, we know that everybody has increased prices, especially in the last 2, 3 months or people have stopped taking orders. And one part is the increase in price, and the other part is unavailability of that raw material in the middle. That was also the instance where it was difficult to get some of these raw materials or it was being rushed.

So, yes, I think overall, there has been an impact on the prices. I think just people are taking different strategies. Some are doing it immediately, some are taking time in the export market, some are trying to adjust it with the currency inflation. So, they're taking a hit on the margins. So, I think different competitors are using different strategies. But it's still short term. We'll get to know the complete picture maybe in a couple of months.

Aditya: So, just to summarize on the margin front, you expect the margins to remain subdued in the near term unless and until the raw material prices or the decrease or the demand improves. Would that be fair understanding?

Rohit Mall: I think, yes. Currently, we are in uncertain situation with whatever is happening. And the first thing we need is some stability.

Aditya: Got it. And sir, if I look at your LatAm markets, we are seeing quite a good growth over there. So, if you could just help us understand what is leading to such growth? And what is the positioning of Mallcom as compared to your peers in that market?

Rohit Mall: So, I think one big reason is we have been a supplier to that market for a long term. I think it's been more than 15, 20 years that we've been supplying in that market. So, we have a little bit of reputation there. And it's not a very open, easy market. Not everybody does business there, not everybody is aware of how to do business there because it's not like a U.S. or a Europe market. It's a different kind of market.

So, I think that and the fact that we have a decent customer base there, which we are building on, that has helped us. And also Argentinian market opening up, that has also helped us because for the longest period, it was -- it used to be a good market, but then again, they had their own economical issues, and they were not able to remit dollars outside the country. But now with the recent change in government in the last 2, 3 years, that has also opened up. So, that has also helped us.

Aditya: And are these goods sold in Mallcom's brand or these are white label goods? Secondly.

Rohit Mall: White label.

Aditya: White label. Okay. And risk dealing in LatAm markets, so how do we protect ourselves against any kind of bad debt?

Rohit Mall: So, that way, we are very strict with our payment terms. Most of -- either we work on LCs or we work on some advance or we secure our payments. We don't offer any sort of credit to them. Only the credit is offered until the time the goods reach there because that also takes sometimes 100 days to reach. Other than that, before the goods are received by the customer, we ensure that we get our payment.

Aditya: Understood. And sir, with the U.S. tariffs now reduced, are we seeing any increase in inquiries from our U.S. customers because we were looking to increase our share over there with our new capacities coming online?

Rohit Mall: Yes, we were looking and then all this tariff situation happened. So, we are still in touch, but we are -- I think they have some TAA list of countries, some preferred countries with whom they operate. And unless I think we sign a free trade deal or some sort of a deal with the U.S., it's definitely going to be challenging to move the customers.

But we are doing our job, and we are in touch with all the customers, and we are trying to increase as much as possible. We are just happy to not lose a customer. Yes, definitely, the volumes have reduced, but it's not because of our product or quality or price or anything, but because of the situation. So, we are hopeful that once things settle down, we'll be able to get back on our journey of increasing the market share there.

Aditya: But now with the current tariff structure, I believe we are better placed against China and almost in an equal footing against other countries. So, why aren't we being a little more aggressive over there? What is the challenge in scaling?

Rohit Mall: We are not at -- in our -- at least in our product categories, we are not at a better position than other countries. We are almost on an equal position as compared to other countries, if not worse off. So, we don't have any duty advantage or anything like that. So, it's just, let's say, the same.

But also in between, at least for the 9 months of the year that went, we were in a much worse of position, and that allowed a lot of the importers to hunt for suppliers from other places and start their supply chain. So, it's difficult to keep shifting, keep moving supply chains. And once moved, it's difficult to get back. So, it is a journey which will again take a little more effort than what it was, I would say, 1 or 2 years ago.

Aditya: How much time does it generally take from inquiry to validation or to placing an order? And generally, should one expect any material orders coming this year from U.S. or do you think this would slip into next year?

Rohit Mall: See, it can take from 3 months to 2, 2.5 years. We've had such customers across. And like I said, it will depend a lot on the kind of trade deal that we sign with them. I think U.S. has something called a TAA list of countries, Trade Agreements Act, a list of countries where their preferred countries who the -- basically the government tells you, okay, deal with these countries.

And India is one of the countries which is outside this list. India, I think India, Russia, China and Brazil are outside this list. So, I think we have to work extra hard to get the orders from

them. So, it largely depends on how the 2 countries work this out. But yes, it's very difficult to say at this point of how this will pan out this year.

Aditya: Okay. And if I look at your newer products like nitrile and PU Gloves, so how is the pricing as compared to imported products? And at current pricing, do they make company level gross margins or they are lower than that?

Rohit Mall: No. So, with the newer products, we are able to compete with the imports. The big problem with the imports is not just the pricing, it's also not being standardized products. So, I think if we compare standard product to a standard products, then yes, we are able to compete with the pricing. And yes, we are able to hold on to our margins.

Aditya: So, are the margins for these products higher than the company level gross margins or?

Rohit Mall: I think it will be on the similar lines. It will be on similar lines to the company level.

Aditya: Okay. Okay. And sir, this quarter, the growth in domestic market was a little slower. So, any particular reason why? And how is the demand scenario in domestic markets? So, are we seeing lower demand from some of our end user industry segments due to this war?

Rohit Mall: So, last month, like the last month, of the quarter, particularly was a little stunted, I would say, because of the situations and the sentiment getting a little cautious and unexpected. So -- and with situation like having no gas for some industries and workers being asked to go and things like that. So, that definitely impacted what could have been a good quarter. So, that was definitely there.

And even now, we are seeing the impact of the same. So, yes, definitely, this East Asia prices have had an impact and people are definitely wanting to -- they're on a cost conservation mode because of, like I said, unavailability of some of the raw material or the price of raw material, major input raw materials going up. So, they would like to save on costs wherever possible.

Aditya: Sir, in this scenario, how are we compared against unorganized players because they might also be facing this challenge of higher raw materials and unavailability of raw materials. I believe we would be much better placed as compared to the unorganized players. So, wouldn't it be positive for Mallcom in such a scenario to gain market share?

Rohit Mall: Yes. definitely, definitely, this is a scenario that will be positive for us. And if this lasts long, then definitely it will be very positive for organized players because a lot of these unorganized players will not be able to survive in such a scenario, and we are seeing that happening as well. But yes, -- in addition to that, the demand also should be something that -- which keeps on growing, and it should not dampen demand from the other side. But yes, for organized versus unorganized, this is a better off scenario for organized players like us, yes.

Aditya: Okay. And sir...

Moderator: Sorry to interrupt Aditya, maybe please request you to rejoin the queue, sir, for more questions. Next question is from the line of Zaki Nazir from Nazir Investment.

- Zaki Nazir:** I think we've been through a little tough quarter. But nonetheless, how do you see your volumes or value going forward? Would you be confident of achieving at least a 10%, 12% growth in the current year?
- Rohit Mall:** No, yes, definitely. See, we -- like at least some things which are working in our favor is like we had set out for that our share from our branded or our domestic market should increase. So, that is happening. And we have now more faith in our domestic market and Middle East and Africa.
- So, we are hopeful. And we -- 10%, 12% is the bare minimum we should be hitting, and we are confident of doing that for this year. And yes, if things go well and some things go in favor, maybe more than that as well.
- Zaki Nazir:** But you are pretty confident of doing that much at least -- of course, bearing unforeseen kind of thing.
- Rohit Mall:** Yes, that much is yes, bare minimum.
- Zaki Nazir:** And what would you -- what -- you can't call it aspirational, but what would you see the normalized EBITDA margins to be, Rohit? I mean, we did around 10% this quarter. So, would you think that 14% to 15% is more of a normalized order world order kind of a margin we would expect, sir?
- Rohit Mall:** Yes. I think we would like to go back to the EBITDA margins that we were at before all of this and before our investments and everything. And now that everything has been done, yes, that is the margin profile that we would like to maintain.
- Zaki Nazir:** And what is the management comfort in terms of the debt you would like to carry on books? I think right now, [inaudible 0:26:06], if I'm not mistaken, it's INR120 crores. So, in the next couple of years, where would you want to see that figure, sir?
- Rohit Mall:** So, Shyam ji can comment better on this. But yes, largely please, Shyam ji.
- Shyam Sundar Agrawal:** Yes. So, Rohit, so basically, it is only -- there is no TL. On INR5 crores, we have to -- and that is also because we will be applying for capital subsidy for our Sanand project, and we need to have that funding. And otherwise, you will see that the working capital loan is similar to last year's.
- So, despite fresh investment, we could manage it internally. And it is -- now it is almost maintained. And going forward, definitely, with the lesser capex and more of cash generation, we are thinking of and hopeful that the debt level even for working capital should be going down further.
- Zaki Nazir:** So, in the next 3 years, could we expect the finance cost to be almost close to 0 kinds of stuff, Shyam Ji?
- Shyam Sundar Agrawal:** Yes, that is possible with the current level of operations and current outstanding, which we have, INR110 crores, INR115 crores, that is definitely with most of the major capex happening. And in that situation, we can pay most of the debt in next 4 years.

- Zaki Nazir:** And one last question, sir. See, the past 3 months, we've seen a lot of formalization of the Indian labour sector. I mean, whatever you say, Labour Code or the entire labour scene has been changed in the country. So, would you see it as an advantage for Mallcom?
- Shyam Sundar Agrawal:** Definitely, yes. So, Rohit, you can answer on the industry side. Otherwise, impact on the Mallcom, see, mostly, we are in compliance. And so hardly, there would be impact on the gratuity side also. And regarding the industry, definitely, Mallcom is going to benefit, which Rohit can refer to.
- Zaki Nazir:** Yes, I would want to know your thoughts on the industry-wide impact of the labour changes.
- Rohit Mall:** No, definitely. See, it's good. It's a welcome change. And the more formalization there is in -- with respect to labour, I think it's better for organized players like us. And it will definitely make it into a much bigger market for PPE as well. So, it's definitely a welcome change, and we expect it to bring a lot of returns to us.
- Moderator:** Next question is from the line of Kavach Mehta, who is an Individual Investor.
- Kavach Mehta:** Just a couple of questions. I just want to ask a couple of questions.
- Moderator:** Sorry to interrupt Kavach, your voice is breaking.
- Kavach Mehta:** Can you hear me now?
- Moderator:** Yes, yes, please.
- Kavach Mehta:** Okay. So, I just had a couple of questions. So, the first one is, I just wanted to understand that the export markets and the macro environment are very stringent right now. So, there's a lot of tariffs that have been going on. There's weak demand from EU as well. And still the company has reported 11% growth on a year-on-year basis. So, just wanted to understand what are the key domestic demand drivers? And what -- is this domestic outperformance structurally sustainable?
- Rohit Mall:** To your second part of the question, yes, this is something sustainable. The drivers are basically both external as well as internal. Externally, like we were mentioning the formalization of the wage code, that should help having more of MNCs setup shops in the country, that will also help. The BIS getting more stricter, not just with Indian companies, but even with foreign suppliers, that is also something that aids.
- And finally, the consumer or the worker or the labour is getting more aware. And as and when their wages increase, they would like to keep themselves more protected. So, all of this will help in the growth and is helping in the growth. And internally also, we are trying to penetrate deeper into the country, having more -- expanding our distribution network, putting more effort into marketing and branding and having more fleet on the street.
- So, these kinds of things and also obviously making all the investments to have more of import substitution and provide a basket of products. So, all of this should help. And it is designed in a manner that we can support the ongoing -- the growing domestic needs.

Kavach Mehta: Yes, sure, sir. Got it. And I think you mentioned about this previously as well but just wanted to understand it a little more deeper. So, with the volatility in the margins across the year and every quarter, so I just wanted to understand how much pricing power does the company really have on ground on the front of the, let's say, raw material changes that are happening?

Rohit Mall: So, as I mentioned earlier, there are 2 factors. One is our white label business, and one is our branded business. Branded business, obviously, because of our brand, which has been established in the last 20 years, we command a better pricing power in the market. In the OEM, yes, the competition is tough and ever growing and especially with a weak demand, you cannot command a lot of pricing power.

But hopefully, going ahead with some of the markets, like I said, South America is a market where we've been able to do well. Once we are able to sign some good FTAs with Europe or even maybe U.S., we should be in a better position to command the price. But yes, that's largely a very competitive market and not in all the products.

In yes, some value-added products, yes, that's where we are trying to enter, and that's why we are trying to have our own pricing power and define margins, but not in all regular commoditized products. That's where we are unable to hold prices.

Kavach Mehta: Sure, totally. And just a follow-up on that. So, what are you looking at? What is the outlook for the revenue and margin for the FY27 and across exports and domestic?

Rohit Mall: See, we are trying to get back to our margin profile of where we were when we started last year and how we have been earlier. But yes, there are a lot of ifs and buts in it at this moment. And in terms of revenue growth, we are expecting more from the domestic market than from the export market. But hoping that everything is behind us, we expect to outperform this year in terms of revenue growth as well.

Moderator: Next follow-up question is from the line of Aditya from Securities Investment Management.

Aditya: Sir, if you could just talk about some -- the marketing development activities, which Mallcom is doing in the export markets to grow in U.S., Middle East, Africa. So, what is the company doing to crack new customers?

Rohit Mall: So, in the Middle East, we now have a team that is working to grow the Middle East and the Africa market. And obviously, we have all these salespersons who's every 1, 2 months who are on the field in all of our exporting countries, including South America, U.S., Europe, Russia, Australia, Middle East, Africa.

We regularly participate in fairs and exhibitions to promote our products there. And regularly, we invite our customers and potential customers to visit our facilities so that they can understand about the capacity and capabilities that we have built.

And now also, obviously, with the digital age, it's more easier to be connected with everybody across the globe. So, that's what -- that's the regular marketing effort that we have been doing.

And in addition to that, we are -- whenever we are launching a new product, we are sending out samples, giving them promotions on it so that we are able to pitch that product to them.

Aditya: And how big is the sales team for the export markets? And do we have any permanent establishment in any of our export geographies?

Rohit Mall: No permanent establishment anywhere. Mostly it is being serviced from the head office. And in the export team, if you talk about traveling salespeople, there are about 8 of them who are traveling to all these export markets.

Aditya: Understood. Understood. And sir, I understand that the pricing in export markets takes a lag and it is dependent on competition. But in the domestic markets, have we taken price hikes? And how is the competition also doing in the domestic markets?

Rohit Mall: Yes, we have. In fact, in the last quarter, we've revised our price list twice to be able to pass on the prices. But still, you have to respect some of the previous prices, some long-term rate contracts that you have because at the same time, you cannot afford to lose a customer or your channel partner cannot afford to lose a customer as well.

So still, it takes a little -- there's a little bit of lag that you have a pending order, which we have to fulfill. So, you have to ensure that also before you can just implement the price rise or at least that's what we follow. So yes, -- and the customers have -- the competitors have done similar or maybe other kinds of things mostly, I think everybody has increased prices.

A lot of people stopped taking orders and the price rise started happening. A lot of people canceled the open orders that they had. So, there are a lot of things our competitors are also doing to ensure that they are able to pass on the prices.

Aditya: Understood. Understood. And sir, how much inventory does a domestic distributor keep with himself? And do they stock higher than the increased prices?

Rohit Mall: It depends. There are all kinds of distributors. Some do stock -- most do stock. Some of them don't stock. They place back-to-back orders with us. But yes and they work on rotation. But yes, they do stock and especially when they know prices are going to rise, a lot of them do try to stock in whatever manner they can to have -- to at least take time to pass on the prices to their customers.

Aditya: Okay. Understood. And what would be the capex which the company will be incurring in the next 1 or 2 years?

Shyam Sundar Agrawal: So, this year, we did around INR34 crores. And for the current year, we have a budget of around INR10 crores to INR15 crores. So, going forward, we hope that the year-wise capex should be in the range of INR10 crores to INR15 crores as of now. This is what we plan.

Aditya: And this INR10 crores to INR15 crores are majorly maintenance capex or you are also going to incur for some additional lines at Sanand?

- Shyam Sundar Agrawal:** No, no. We will be adding another new machineries at Sanand as well as in -- maybe in Kolkata also Chandipur also. So, depending upon the demand. But including maintenance as well as additional capex, as of now, we think of should be in this range only.
- Aditya:** Okay. And if I look at your cash flow, so there is this capital subsidy of INR5 crores, which we received last year and we reversed that INR5 crores this year. So, what is that pertaining to?
- Shyam Sundar Agrawal:** Yes. So, this is for the Chandipur project, where we have set up this SU unit and the unit was capitalized this year only. And the cost -- the subsidy is adjusted to the machinery cost. So, we received additional INR2 crores this year and total amount is INR7 crores we received a subsidy against INR14 crores of machinery cost, and that is adjusted with the machine.
- Aditya:** So, why have we -- why is there a negative this year of INR5 crores?
- Shyam Sundar Agrawal:** Because it was earlier last year, it was shown in the capital subsidy, but it should be because it was not capitalized last year and only capitalized this year. So, the amount is adjusted with the machinery cost this year only.
- Aditya:** Okay. Understood. And any subsidy which we are expected to receive for Sanand?
- Shyam Sundar Agrawal:** Yes, yes. So yes, definitely, we are going -- we are eligible for that. And this year, we'll be applying for this. So, as per tax side policy there in the range of INR10 crores, we should be getting.
- Moderator:** Next question is from the line of Suhag Gami, an Individual Investor.
- Suhag Gami:** My question regarding Sanand work wear operations. So, they are like it's now commencing commercial production. What utilization levels are currently being achieved? And what revenue potential does the facility hold over next 2 to 3 years?
- Shyam Sundar Agrawal:** So Sanand, we have just -- it was more of capex into infrastructure building, and we have started with a small SME there. And with this setup, as of now, we are running at around 50% capacity, and we are trying to improve it gradually. And for the year, we target in the range of anything with the existing capacity should be in the range of INR40 crores minimum, INR40 crores on annual basis, yes.
- Suhag Gami:** Okay. And my other question is regarding that the company has recently operationalized its new manufacturing line for PU Coated Gloves and PVC Gumboots, in import substitution. What is the addressable market size for this category in India? And how does the Mallcom intend to differentiate itself against low-cost Chinese imports?
- Rohit Mall:** So, PVC -- sorry, PU gloves in India, yes, at least would like the import figure, if it is to be trusted, probably India imports roughly around anywhere between INR80 crores to INR90 crores of these gloves or maybe more. And that is something that can be addressed, and it's a growing market, especially because the gloves have been introduced in the market only in the last 5, 7 years, probably post COVID.

And for PVC Gumboots, it's also a growing market. We don't have the exact figure or how big the market is, but these boots essentially are used during monsoon season during the rain and in outdoors, especially a lot in infrastructure and construction projects. So, we are trying to target that market with it.

And also for both of these product categories, we expect to get some export revenue from it as well because these are much more established product categories outside India than in India. So, that's what the aim is.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Rohit Mall: Sure. Thank you all for participating in the earnings conference call. I hope we were able to answer your questions satisfactorily and at the same time, offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations managers at Valorem Advisors. Thank you and wishing you all a great day ahead.

Moderator: Thank you so much, sir.

Rohit Mall: Thank you sir.

Moderator: On behalf of SMIFS Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.