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Corporate Relationship Dept. - CRD
Bombay Stock Exchange Limited
Regd. Office: Floor 25, PJ Towers
Dalal Street
MUMBAI - 400 001.

Respected Sir/ Madam,

Sub: Transcript of the Investor / Analyst Meet - Valueportal Event.

Ref : Our SCRIP CODE: **532893**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the transcript of the virtual meet held on January 22, 2026, regarding Investor interaction titled "Valueportal Event", organized by Finportal Investments Private Limited.

The above information will also be made available on company's website at www.vtmill.com

Kindly take the same on record and acknowledge the receipt of the same.

Thanking you

Yours truly

For **VTM LIMITED**

K. PREYATHARSHINE
Company Secretary
M.No: A58314

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VALUEPORTAL

INVESTOR-COMPANY CONNECT TRANSCRIPT

VTM LIMITED



22nd January 2026



02:00 to 03:00 PM

SPEAKERS:

Mr. P Senthil Kumar

Chief Financial Officer

Ms. Visalakshi Kannan

Director

Ms. K. Preyatharshine

Company Secretary



VTM LIMITED

LET'S CONNECT ►



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Finportal: Good afternoon, ladies and gentlemen. On behalf of Finportal, I extend a warm welcome to you all for our first-ever Investor Company Connect virtual event, Value Portal, where capital meets business. Our fifth company of the day is VTM Limited. Incorporated in 1946 and headquartered in Tamil Nadu, VTM Limited, part of the Thiagarajar Group, is a well-established textile manufacturer, specializing in woven fabrics and home textiles. The company operates a modern manufacturing setup with over 300-plus looms, including Air-Jet, Rapier, Jacquard, and Sulzer looms, enabling complex and value-added fabric production. VTM follows a strong export-oriented model, with the export contributing over 64% of the FY25 revenue across North America, Europe, Asia, the Middle East, and the Australia. Its focus on the premium fabrics, modernization, and renewable energy has supported strong growth in the revenue and the profitability. So, before we proceed, please note that this call is being recorded. Some of the statements made during this call may be forward-looking and are based on the current assumptions, which involve risk and uncertainties. Actual results may differ. The company assumes no obligation to update this statement unless required by law. We encourage all the participants to consider this factor and avoid placing undue reliance on forward-looking information. From the company side, joining us today on the call is Ms. Visalakshi Kannan, the director, Mr. P. Senthil Kumar, CFO, and the CS Preyatharshine. So, with that, I will now hand over the floor to the management team for their opening remarks. After the presentation and the brief overview of the company, we will move on to the Q&A session. Participants who wish to ask a question may type them in the Q&A box from now onwards. Thank you, and over to you, ma'am.

Ms. Visalakshi Kannan: Good afternoon, everyone. Thank you for being here. It's my pleasure to give you a quick overview of VTM, where we've been, where we are now, and what the future direction is, our performance strategy, etc. As you will know already, VTM is one of the more prominent Indian textile mills. It was established in 1946 by my grandfather, so we have a long history of producing high-quality fabrics. Both gray and made-ups. Over the years, we've consistently evolved our business model to adapt to the changing market, and we've recently started focusing on home textiles. This shift has proven to be successful, with big strides that we have made in international markets. In fiscal year 2025, we reported a turnover of 344.53 crores, which is a growth of 65.66% compared to 207.97 crores the previous year. This growth has been driven primarily by our home textiles division. And, this continues to be one of the most promising parts of our business. Export sales accounted for a substantial 64.11% of our turnover in fiscal year 25. Our key markets have been North America, Europe, Middle East, and Australia. And there's a strong global demand for, premium fabric solutions. Our PAT increased by 149%, rising from 18.29 crores in fiscal year 24 to 45.38 crores in the year 25. This growth and profitability is the result of a combination of factors. Increased in export volumes is one. An improved product mix, and effective cost management strategies as well. Our focus on operational efficiencies led to EBITDA margin expansion to 19.4%, which is up from 12.5% in the previous year. This reflects the operational leverage that we've gained through modernization and growing demand for our premium products. Everyone knows that we're dealing with the US tariffs right now on textile exports, so that has been quite an exogenous shock and a challenge that we've had to navigate, especially for products that we are exporting to the US right now. In Q2 of 2026, the impact of these tariffs were seen and felt. As a result, EBITDA was 6.16 crores, and PAT 2.32 crores. Now, one of the things is, despite this setback that we've had, we are committed to growing and finding new markets. And to mitigate the tariff pressure, we've focused on premiumization by shifting towards higher margin home textile products, specifically top of bed, which means blankets, quilts, coverlets, that sort of thing. And also more premium fibers, like bamboo, tensile, linen, etc. We are also looking to expand into regions like Europe, Australia, South America, Middle East, Far East, etc. and accelerating market diversification efforts, expanding our presence in non-U.S. regions, where the demand for premium textiles is growing. And here, of course, the tariff impact will be far less.

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Further, we are focused on operational efficiency by modernizing our factories, and we invest a lot in green energy solutions. So, we have 8.8 megawatts of solar plant power. Which has already begun reducing our energy costs and improving our efficiencies. Our commitment to technological advances also remains strong. This is one of the cornerstones of our strategy. In fiscal year 25, we made a strategic investment of 4.73 crores in plant modernization. This includes installation of new ITMA rapier looms, and these are the looms that will help us in the premiumization top-of-bed categories that we're expanding into. These machines enable us to meet complex... demand for complex and higher quality fabrics. Additionally, we've also invested in solar energy solutions. Sustainability remains very important to us. We do a lot of, ESG work or ESG commitment remains strong. We've implemented green fuel solutions in our boilers, and we've installed heat recovery systems as well. This reduces energy consumption. These efforts have helped us lower fuel costs by about 4%. While simultaneously, we've also been able to reduce greenhouse gas emissions. So, looking ahead, we are strategically positioning VTM for growth. We will continue to expand our presence in emerging and other export markets. While we are focused on the premium home textiles. I think that all of our innovations and through the development of our new products, going and finding new markets, and the ongoing enhancement of our technological capabilities, this will enable us to stay ahead of the market trends and meet the needs of the customers as well. So, even though there have been challenges in the global industry, you know, all the geopolitical tensions, there's been raw material fluctuations as well, I believe that we do remain resilient. We continue to adapt to these changing dynamics. And we believe that we are entering a new phase of growth at VTM. Our strategy is clear, we continue to innovate, we expand into new markets. And we're always striving to maintain operational excellence. So, thank you, everyone, for being here, and on to Drishti for questions.

Finportal: Yeah, thank you, ma'am, for the insightful remarks. So, we have received a lot of questions in the Q&A box, so I'll read it out for you. So, what sets VTM apart from home textile giants like Welspun Living, Trident, Indocount, etc.?

Ms. Visalakshi Kannan: See, I think one of the things is... the, supply chain model is a little different. So, we are trying to simplify the supply chain by offering our customers warehousing, fulfillment, and 3PL services. So, as opposed to a traditional textile company that would make products to order, and then they would put it on a ship, and the ship would sail, you know, 30 days, 60 days, whatever, to the country that it goes to. What we are offering customers is that we completely bypass the traditional supply chain. And we act as a 3PL, so Third Party Logistics, so... the... first mile and last mile is also us, so instead of looking to an outside party for logistics, we produce goods, we warehouse them, and we ship them out as well. And we have trained ourselves to be able to do this very efficiently, so we are basically acting like any of the courier companies, and we have the capability to send out eases, which is individual packages directly to the customer. So, we are the manufacturer, and then we also do the fulfillment of the goods. So, it's sort of a factory direct... manufacture direct model, so we keep the goods, and as and when orders come in, we have technology and systems for that. We ship it out directly, so it's just-in-time fulfillment, and this is something that, customers have appreciated, and this, I believe, sets us apart.

Finportal: Okay, the next question is, how are we dealing with the USA tariffs, and what is the current USA exposure?

Ms. Visalakshi Kannan: Yeah, so the tariffs has affected the industry, as everyone knows. There's approximately, 60% tariffs on, home textile goods, so continuity of business is very important to us, and relates...

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Black Friday sales and the Christmas sales all coming. In order to support them, and also to be able to have continuity of business and moving the stock, we gave a discount to our customers so that we could, continue this fulfillment model and keep going.

Finportal: Okay, and what is the current capacity and utilization level, and what is the optimum revenue potential of existing asset base?

Ms. Visalakshi Kannan: existing?

Finportal: asset base.

Ms. Visalakshi Kannan: So, we have a new factory that we have launched, so that effectively doubles our capacity when it comes to home textiles, so we are well poised to be able to meet any future demands. And we're also looking at diversifying outside the US, so we're looking at UK and Australia, Brazil, Colombia, so Canada, so we have the capacity now with this second factory to be able to meet that demand.

Finportal: And what is the expected power cost savings due to the solar?

Ms. Visalakshi Kannan: Maybe CFO can take that? You're on mute.

Mr. P. Senthil Kumar: Good afternoon, all. We have been always, VTM have been always thriving for, non-conventional source of energy. We have our own windmills, and also recently we have invested a huge amount in, solar plant also. Effectively, we are, able to save 10-12% of the cost. The comparison is between the... what is the regular non-conditional power available in the market. Either from government source or some other private party. It is our own generation. So, we are able to target 10-15% of the cost per unit.

Finportal: Okay. The next question is on which products are we able to pass on the tariff increase? And on which product there is no possibility to pass on the tariffs?

Ms. Visalakshi Kannan: See, with tariffs being 60%, you know, you cannot pass on 60%, you know, in this industry. But we have some top-of-bed items that are decorative blankets woven in jacquard, where they're more premium, and they fetch higher margins. So, there we feel the tariff impact less.

Finportal: Okay. Is there any free trade risk on us?

Ms. Visalakshi Kannan: Is there any free trade risk on us?

Finportal: Yeah.

Ms. Visalakshi Kannan: See, free trade agreements are being signed, right, in UK and EU, they've announced, New Zealand as well, so this, I think, is very good news for Indian industry. It really opens up other markets for us, it makes us a lot more competitive compared to neighboring countries like Pakistan, for example, in the textile industry. We were at, the INTEX trade show, which is the largest trade show for our business in the world, it's at

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Frankfurt. We've just returned from that, and we could see that there was interest from Europe and UK and all these, nations with whom free trade is going to come. So, I think that will help us, and that will make India more competitive in the textile world.

Finportal: The next question is, is US tariff... if U.S. tariff sustains, then what is the OPM that we can expect?

Ms. Visalakshi Kannan: Sorry, I didn't hear that. So, is the U.S. tariffs sustain?

Finportal: Then what is the operating profit margin we can expect?

Ms. Visalakshi Kannan: See, it depends on what sort of, you know, discounts the customer is expecting. So, we have given them a discount right now, to partially mitigate the tariffs, so that obviously will, affect our operating margins. But this is, obviously not sustainable in the long term, so which is why we're looking at, premiumization, we're looking at other markets, so I think the way for us to smooth this out is to be able to go into lower tariff markets. And, maybe CFO can add to this?

Mr. P. Senthil Kumar: See, now we are having, operating in the, predominantly in USA market, and Indian within the Indian, domestic thing. Now, management is, looking for, opening the markets, getting into the business in Europe and other, non-US, predominant markets, where there is a huge potential for home prices demand. So, definitely, it is a very risky proposition if the USA tariffs are sustained in the near future. So, yeah, to mitigate the tariff risk, we are, finding out the different markets, so that always we are aiming to get a better operating margin, as well as the path for the company for the fiscal 26 and 27.

Finportal: Okay. The next question is, madam, is there any, written policy for home textile? What is the return policy? Can you please explain that?

Ms. Visalakshi Kannan: There is no return policy, because... we, we are white labeling, right? We are not the brand. So, return policy for all the brands that we supply to is different. So, some, brands who are our customers have aggressive return policies of 365 days. So, in that case, customer can return a product within one year of purchase. Others, there's... there's nothing like that at all, or they have a more, less... a more conservative return policy. So, since we are not the brand itself. That doesn't concern us as much, and there's a big, wide difference, wide variety of, return policies that our customers have.

Finportal: Okay. And what is the home textile premium category market size? Is our strategy to work with the new-age players? Can you also tell some new customers we got in the last 12 months?

Ms. Visalakshi Kannan: In the last 12 months, we've on boarded hotel customers, and the hotel business is different from residential, because the reorder and replenishment size is always higher, because, you know, they're washing every month high heat, so there's always reorders, so you're sort of guaranteed that. We've been doing, bedsheets and robes for hospitality, so that has been one of the big developments. In the US, we, last year, we signed on a few online brands. These are higher-end brands that sell online and direct to the customer. We have



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also signed on a couple of, UK brands as well, and Australia as well, so we've on boarded some customers in Australia as well.

Finportal: Okay, what percent of our revenue comes from Quince?

Ms. Visalakshi Kannan: About... 40% is, Senthil, what... is that right?

Mr. P. Senthil Kumar: Yeah, it is ranging between 40 to 45 percentage. Depends. Quarterly basis, it will go for a it.

Finportal: Okay. How much of our revenue is from home textile business, and what is the mix of US and non-US revenue base?

Ms. Visalakshi Kannan: Home Textiles is about... 60%. And we do have significant exposure to the US, so that is also why we are making the effort now to diversify and find other markets.

Finportal: Okay. And how is the warehousing and handling logistic a moat? Like, isn't it better to outsource these things? Also, what kind of margins do these services add?

Ms. Visalakshi Kannan: Because we do it in-house, it's, we're not... paying somebody else's margin, right? We're doing it in-house. So, we find that it does not add significantly to the margins, and by doing it in-house, we're also able to control the quality, we're able to control on-time delivery, so overall, it's been a big positive for us.

Finportal: Okay. Any future plans to de-merger of Pacific Cotton Home Textile Division from VTM Limited? As such, it can enable value unlocking for the shareholders?

Ms. Visalakshi Kannan: No plans as of now.

Finportal: How much of the business is anchored towards our biggest US customer, Quince, and what rate it is expected to grow forward?

Ms. Visalakshi Kannan: So, like I said, Quince is about 40%, and we're expecting that it'll grow about 20-25%.

Finportal: Okay. Rating report had mentions of bedsheet pillow covers, quilts being sold via the US e-commerce customer, Quince. So, how much is the concentrated is the home textile business by customer platform? What happens in a scenario if a platform like Quince materially reduces our orders?

Ms. Visalakshi Kannan: Yeah, so if they did reduce the orders, but in reality, the opposite is true, but if they did... reduce orders for whatever reason. That is why we are gearing up to find other markets, so we have put resources into finding customers in the UK and the EU and the other free trade nations, like I mentioned. We have hired more people that are focused on this, so that they can diversify this, basket of, customers. We're looking at South America as well, Brazil is a big market, there's Colombia, Middle East as well, and we're also looking to diversify our product mix, so that we don't have so much dependency on one customer, or one geography, or one type of product. So we're looking at bath textiles, we're looking at window textiles, window curtains. And we're all... we've done a lot

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of R&D, and we'll be releasing climate-adaptive textiles soon. So these will be textiles that will help you face climate change, and be comfortable in the light of climate change, where it'll cool you when you're hot, or warm you when you're cold, maintain a certain temperature, so that is also something that we're doing a lot of R&D on. So, the focus has been on diversification.

Finportal: Okay, can you give an idea about the brands you have signed in non-USA geographies, if not name, but an idea about their size and growth?

Ms. Visalakshi Kannan: So, we've signed a couple of significant online brands in the UK. And, they are prominent brands, they have a presence in other larger stores, like, say, you know, John Lewis, for example. So, they have potential for growth, and they're venture-funded. Same in Australia, we've signed on a partner in Australia who is a well-known brand, and the sales velocity there has been really encouraging. Quince themselves also are now selling, expanding in Canada, so we've been fulfilling into Canada as well, so... yeah.

Finportal: Okay. So, the next question is, like, are we doing B2C as well? If so, what is the rationale? Because B2B and B2C nature of business and ROCEs are very different in nature.

Ms. Visalakshi Kannan: We don't do B2C in... via a brand or anything like that. So, most of our customers are brands, and we produce for them, and we do the parcel fulfillment for some of them. But we are exploring starting a brand in the Indian market. That's in the initial stages.

Finportal: Okay, and what are what are your thoughts on looking at the domestic market?

Ms. Visalakshi Kannan: Yeah, that's definitely something we're looking at. I think there's a lot of potential in the domestic market. I view the Indian market as sort of analogous to the US market. I think the Indian market will be what the US is several years from now, so I think now is the right time to enter the Indian market. We've been exploring a lot. We are doing research to find the white space in the Indian market, where to enter, how to enter, with what sort of product mix. So, yeah, that is something that we are definitely working on.

Finportal: Okay. What will be the total revenue potential from both the plants?

Ms. Visalakshi Kannan: CFO?

Ms. Preyatharshine: With the current capacity and the ongoing, capacity addition measures, we will be in a position to cater the need of the... by 25 to 30 percentage of turnover jump, we'll be in a position. So, capacity addition is going on. Once it is completed, we'll be in a position.

Finportal: So, VTM Limited is into gray fabrics. Any plans to enter into the finished fabrics?

Ms. Visalakshi Kannan: Not right now. We, consume all of our finished fabrics. So, the reason that we started the home textiles was so that we can add value to our own gray fabrics. And that's, that's... that's what our goal is right now. So, we take our grey fabrics; dye it, and 100% of it we consume ourselves.



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Finportal: Okay. So, there is a non-binding MOU with Tamil Nadu government for Rs. 50 crores investment over the two years. So, is this 50 crore primarily for new loans and processing capacity, or for backward-forward integration, like spinning, processing, garmenting, etc.?

Ms. Visalakshi Kannan: No, this is for new looms. So, this MOU is between VTM and the Tamil Nadu government. So, this is allocated towards increasing our weaving and home textile capacity. Okay. So... so that is what this will go towards.

Finportal: Okay. And what commitments or incentive... incentives like subsidies, tax breaks, are tied to the MOU with Tamil Nadu, and what execution milestone do you need to meet?

Ms. Visalakshi Kannan: There isn't anything specific like that, but... in terms of governmental assistance, you know, we have, in the light of the tariffs, we have requested the government for, you know several things temporary export support mechanisms. We've requested enhancement of, RODTEP and ROSETL rates for home textiles. We've asked for market diversification support, so customs duty exemption on cotton, we've asked if they can extend. So, the industry has made a lot of requests to the central government. To help here in the light of the tariffs.

Finportal: How does the cost of production compare with the North India-based home textiles giants, who enjoy economies of scale and lower labor costs than South India?

Ms. Visalakshi Kannan: Yeah, you can't compare because the larger mills that sell in bulk, of course, they have economies to scale. They do more the essential bedsheets, so it's, the mass market. Bedsheets around 300 TC, you know, 180 to 300 TC. We are a little different, so we do more top of bed, and we do more premium sheets, and we do more premium fibers, linen, so we... even though we are, smaller than the larger mills up north, we've... We've built capacity in these premium fibers and premium top-of-bed items, so it's not an apples-to-apples comparison.

Finportal: Okay. In the event that tariffs continue, thereby putting India at a disadvantage to other textile exploring nations. So, can we potentially lose business to other nations as well?

Ms. Visalakshi Kannan: Yeah, definitely. That's a very real threat for every textile company. In fact, every industry that exports to the US that's facing tariffs, that's a very real threat. So... yeah, so if the tariffs did not go away, then yes, we will be faced with that issue. And again, that's why I go back to the fact that we are now focusing on geographical diversification.

Finportal: Okay, so after the tariff thing is over, how long it will take you to reach the peak margin?

Ms. Visalakshi Kannan: If the... let's say the tariffs go away tomorrow, then we can be back at our peak margin, basically, with any contract or any PO that we would sign subsequently.

Finportal: The next question is, like, how much, roughly, how much higher are home textile margins versus gray fabric, and how sensitive are they to cotton price cycles?

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Ms. Visalakshi Kannan: Compared to gray fabrics, there's a range, right? Because within home textiles, we have the basic bed sheets, we have other fibers, we have the top of bed, so I would say that the margins compared to gray are anywhere between 5 to about 20% higher.

Finportal: Okay. Can we do a revenue of around 800 to 900 crore post-expansion as we are doubling our capacity?

Ms. Visalakshi Kannan: Yeah, so we've, we have the second factory with the goal of doubling our capacity, so that is the goal, that we would have, enough capacity, and we're sort of primed for any, future orders and everything. So that... that is the plan. And then even in gray, we have new looms, we've... we've ordered new jacquard looms, all that will help us to improve capacity.

Finportal: Okay, how big is the Quince business in Canada, and how much we can realistically tap?

Ms. Visalakshi Kannan: I don't know, I don't have insight towards how big that business there is. But... we do see orders coming in from Canada, and if all goes well, then we expect that the sales velocity there would be... as much as the sales velocity in the US.

Finportal: What about the entry into garment and apparel, as discussed in the annual report in the AGM?

Ms. Visalakshi Kannan: Yeah, that is something also, definitely, we are considering, but it's in the very initial stages of just exploration, because we need to find the white space, and we need to set the strategy to enter that market.

Finportal: Okay, so your annual report mentions that you have 255 looms producing 1.7 million meters per month with with Airjet, and Jacquard machines. What is your current utilization level in the gray fabric and home textile? And what utilization? Do you begin to consider the next kind of capacity expansion?

Ms. Visalakshi Kannan: Senthil, would you like to take that?

Mr. P. Senthil Kumar: Yes, ma'am. My capacity utilization for gray fabric is, in the range of 85 to 90% each. And, for our home textile manufacturing, it is, fully utilized. Fully utilized. That is the reason we are going for the expansion. So, to meet the demand, in fact, we have outsourced some of the processes. So..

Ms. Visalakshi Kannan: Yeah, we have, for home textiles, we have leased out other units now, so that we can meet with the demand.

Finportal: Okay. And what percentage of the shares are being owned by the promoters, and are there any shares that are pledged?

Ms. Visalakshi Kannan: Promoters own 75%. Priya, please, you can add to that.

Ms. Preyatharshine: Promoters hold 75%, and there is no pledge on the holding so far.



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Finportal: Okay. How much does your top 1 and top 5 customer contribute to your revenue?

Ms. Visalakshi Kannan: About 50%.

Finportal: Okay. And... can you provide a more detail on the new facility? Like, what was the CapEx done, and what is the revenue from this plant at maximum possible utilization?

Ms. Visalakshi Kannan: So, the new facility is 1 lakh square foot. It is within the same campus as the old facility, and this will be a AI-equipped modern facility where we will have computer vision for fabric checking, and we will have AI-enabled fabric checking machines that will enable us to check fabric at a much higher speed than we do now, which is manual. And again, we'll be employing computer vision in our sewing machines as well, so it'll be, more modernized, and it's a... the floor layout as well, because it was custom-built for this operation, will be much more efficient, so this... it'll help us find efficiencies as well. We have also included in this a modern washing unit, because a lot of our products are washed either before stitching or after stitching, so the washing capability will also be there. And, CapEx, I will let Senthil speak to that.

Finportal: Okay, so at the July 2025 AGM, you guided Phase 1 of the garment facility to have 150 sewing machines, starting H2FY26. Your Home Textile 2026 brochure shows that 300 machines already operational with 10,000 pieces daily capacity. So, did you receive confirmed customer orders that require doubling Phase 1 before completion? And what is the current utilization rate across these 300 machines?

Ms. Visalakshi Kannan: Yes, we did have orders that is the reason why we went to expansion. The machines, we are using 100%.

Finportal: Okay, and how much, is the Quince business, and what rate it is expected to grow forward?

Ms. Visalakshi Kannan: We are expecting for it to grow at about 20%, 15-20%.

Finportal: Okay, so one investor is asking that if he understands your model correctly, the inventory risk resides with the VTM. So, this probably also leads to lower inventory returns. So, can you please talk about both these aspects, like, that is the risk of inventory obsolescence and the lower inventory turns lowering return on capital employed?

Ms. Visalakshi Kannan: Yes.

Mr. P. Senthil Kumar: See, as already explained we are not only the manufacturers; we are also playing the role of third-party logistics, as explained by our director some time back. See, the key... The success factor lies here. We are handling it on our own, and we are ensuring that the timely delivery, as well as the fulfillment to the end customer. There is a reason we are getting the repeat orders, which is added with the other key aspects, like quality and innovation kind of thing. Now, the point is that when, When we talk about the end-to-end service. We have to assume the responsibility of availability of material. Yes, we do keep the materials to the tune of 1.5 months or 2 months sales, depends on the seasonality, this will change. So we are keeping it under the companies, having the, is prepared to have an investment in working capital. So, it is not an issue for us. And moreover, the fabrics and

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the finished plots, what we are keeping, it is all kind of fast-moving items. So, once we get the order, we'll be able to turn over a... Turn over into the sales. So we don't... we don't have any issue in, stocking up the raw material or the finished fabrics.

Ms. Visalakshi Kannan: See and the inventory is kept against POs. Right? So, for all inventory that we have, we do have POs to back it, and like Senthil said, you know, these are fast-moving items, so the maximum age of inventory is about 90 days.

Finportal: Okay. How is the competitive scenario in your industry and ease of switching to competitors by customers?

Ms. Visalakshi Kannan: They... it's a competitive industry. There are definitely, many other players, like us. But when it comes to ease of switching, I don't think that it... I think it's a little more, sticky. I don't think customers can so easily switch, because the product lifecycle itself is about a year, you know? So, if we either bring on a new customer or even a new product for an old customer. It's a process because we have to do sampling, we have to do, you know, color dipping, and there's approvals, there's back and forth. Then there's the... the lead times for our weaving... weaving, and then there's dyeing, there's lead times for stitching. So that product lifecycle in this industry is quite long, so it's not... so easy for a customer to just instantly flip and change. So I think there is a little bit of stickiness there, but that said, there is no moat, you know, that prevents a customer from shopping around and going and finding somebody else, either in India, say, or Sri Lanka, or China. Yep.

Finportal: Okay, are you looking to raise any further capital?

Ms. Visalakshi Kannan: No, no, we, does, Senthil, do you want to take this?

Mr. P. Senthil Kumar: Yes ma'am. As of now, for the next two years, growth plans, we have... we don't need any long-term capital requirements. Only, we need working capital requirements. As per the business plans, currently what we are operating. We have sufficient short-term limits also from the banks.

Finportal: Okay. So, like, if tariff continues even at 25% or 50%, we will not be competitive at all. What is our discussion with the US customer regarding this? Like, given they don't want to increase the prices, can we lose a large part of our business from them? Even if the business continues, how we will make any margins? And we will... when we will take the call if the situation persists.

Ms. Visalakshi Kannan: So, I just want to clarify that we don't pay the tariffs, okay? So, a tariff is... is put on the U.S. buyer that is importing our goods. So, they are the ones that the tariff is put on. And whether they pass the tariff on to their customer or not is an internal business decision that they make. There are some premium US customers who have told us, listen, we have enough margins that we are not going to ask you to share the tariff or give us a discount at all. We have enough margins, we will be able to absorb this, we will do it. Or we can pass on a portion of this tariff to our customer, because this is a premium product, and the customer is not so price sensitive. And then we have, on the other end of the spectrum, we have customers who have made the business decision not to pass tariffs on, because that particular customer will... will not buy if the tariffs were passed on to their end customer. So, we don't pay the tariffs. We have given discounts to some of our customers in order to support them

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through the Black Friday sales and the Christmas sales, which is our peak season, and we wanted to protect that relationship, and protect the continuity of the business, and keep the stock moving.

Finportal: Okay, so the... can we talk about the cotton we source? Like, is it entirely Egyptian? Is it possible for us to get into alternate supply chains and anything indigenous that we are looking at?

Ms. Visalakshi Kannan: We buy a lot of Indian cotton. It is not, all Egyptian at all. We are a big player in the Egyptian cotton market. But for... but we buy a lot of, local Indian cotton, and we also use other fibers, like tensil, which is a man-made fiber, we use bamboo, we use European-certified flax linen, so there's a mix of fibers there.

Finportal: Okay, so can you provide guidance, like, what mar... what kind of margins we can expect in the current scenario, and what is the growth guidance for the next 1 to 3 years?

Ms. Visalakshi Kannan: Senthil?

Mr. P. Senthil Kumar: Given in that, very uncertain, tariff scenarios. And, with the hope that we'll be exploring, alternate markets, in European and other South American continent. Our growth plans are that, top line is 25%-ish. Compared annual growth rate for the next 2 to 3 financial year is 25%-ish. And, bottom line, at a very conservative estimate level, if the tariff levels continue, we are expecting somewhere between, 5-7%-ish.

Finportal: Okay, so Quince is expanding to UK EU. Whether we may get any preferential treatment there.

Ms. Visalakshi Kannan: I wish we did, but I don't know. That's, that's a question for them. Not me, but we remain one of the largest suppliers in the world for Quince, and since we have the capacity and the systems and everything in place. We would hope that we would be the choice for their expansion, but, that's... that's something that, you know, the... That's something that, you know, only Quince can decide on, not us.

Finportal: How much land is available at our existing facility for the further capacity addition?

Ms. Visalakshi Kannan: Do you have that data, Senthil?

Mr. P. Senthil Kumar: We have sufficient land banks in the... under our group's thing, not under... exactly under VTM but it is available. For a... we have sufficient land banks for the near future expansion, it is available with us.

Ms. Visalakshi Kannan: So at home textiles, we'll actually map this out, and at home textiles, I think if we built one more factory, we could, easily do a factory of, 1.5 lakh square feet. And then if we made that G plus 1, then we can keep expanding, above as well.

Finportal: And what is the process of product design when a new customer approaches VTM?

Ms. Visalakshi Kannan: There's, many ways that we can do this. So, sometimes... We have our own design process, I'm... I'm quite, knowledgeable on what the... consumer wants and consumer insights. So, we have this constant engine of product development going on internally. We have a team. They liaise with, weaving and home

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textiles. We're watching trends all the time. We go to other trade shows, so, you know, when it comes to colors and patterns and, utility. We always have a collection of our own designs and we take these to trade shows. Customers will see these in the trade shows, and will say, I like this, I will buy it, or I like this, can we make some changes? And then we have other customers that have a very set idea of what they want, and they come to us with a tech pack and say, this is what I would like to have made, let me know if it's possible. If it's feasible, then we will just go and, make that for them.

Finportal: Okay, so non-US business, how do we see it in coming 2 years?

Ms. Visalakshi Kannan: We expect that the non-US business will grow by about 25 to 30%, because we're putting all the effort and resources there to expand that.

Finportal: Okay. So, have we so far cracked down on any opportunity in the UK post the trade deal?

Ms. Visalakshi Kannan: No, not yet, but we've hired a team, and we're working on that.

Finportal: Okay. So can you mention what are the EBITDA margins in the Quince businesses?

Ms. Visalakshi Kannan: Senthil?

Mr. P. Senthil Kumar: See, it typically varies between, kind of A to dollar percentage. Depends on product mix. And the contract, what is based on which we are exhibiting the goods.

Ms. Visalakshi Kannan: And there's seasonality to it as well. With the product mix changes based on the season, winter, summer, it's different, so it'll change.

Finportal: Okay. How long does it take from product design selection and manufacturing of first batch for approval?

Ms. Visalakshi Kannan: It really depends on the product. On average, 60 days.

Finportal: Okay, so an investor would like to understand, like, if the tariff is not shared by us, why the profit CAGR is lower than the revenue CAGR?

Mr. P. Senthil Kumar: Can you please repeat?

Finportal: If the tariff is not shared by us, why the profit CAGR is lower than the revenue CAGR?

Mr. P. Senthil Kumar: There are other elements to the cost, right? Not only tariffs, other elements are there. Like, raw material increases there, cotton prices increases there, stability, and also one more, another key raw material, which is getting imported, there is a dollar effect is there. So all of them together, there is an erosion in the margin.

Ms. Visalakshi Kannan: Yeah, and linen prices have, increased greatly. That's a contributing factor as well.

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Finportal: Okay, so we have taken as many questions we could take. So, with that, I would like Sala mam to give the closing remarks. We have received a lot of questions for this call. Yeah, over to you Salam.

Ms. Visalakshi Kannan: Thank you, everyone, for your time here, and your interest in VTM, and for all the questions. Thanks to Priya and Senthil and, Drishti as well. Have a good day.

Finportal: Okay, so on behalf of Finportal Investment, I would like to express our gratitude to Sala mam and the entire team at VTM for taking the time to join us and provide such detailed responses to the questions. We also appreciate all the participants for their engagement. If your questions have remained unanswered, please feel to reach out to us at your... we have put the email ID in the chat box. So, with that, you may disconnect now. Thank you, everyone.

For **VTM LIMITED**

K. PREYATHARSHINE
Company Secretary
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