REF: HSL/SEC/2023/16

February 16, 2023

To The Deputy Manager Department of Corporate Services BSE Ltd. PJ Towers, Dalal Street Mumbai 400001 **Scrip Code: 514043**	To The Manager National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai 400051 **Symbol: HIMATSEIDE**

Dear Sir/Madam,

Sub: Transcript of Conference Call.

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we attach herewith a copy of transcript of conference call held on Monday, February 13, 2023.

Please also note that the transcript of conference call will also be available on our website of Company.

Please take the same on record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

SRIDHAR M

Digitally signed by SRIDHAR M
Date: 2023.02.16 18:40:35 +05'30'

M. Sridhar
Company Secretary

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"Himatsingka Seide Limited
Q3 FY2023 Earnings Conference Call"

February 13, 2023

ANALYST: **MS. PRERNA JHUNJHUNWALA – ELARA SECURITIES INDIA PRIVATE LIMITED**

MANAGEMENT: **MR. SHRIKANT HIMATSINGKA – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – HIMATSINGKA SEIDE LIMITED**
MR. K. P. RANGARAJ – PRESIDENT - FINANCE & GROUP CHIEF FINANCIAL OFFICER – HIMATSINGKA SEIDE LIMITED
MR. DILIP PANJWANI – EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER - STRATEGIC FINANCE – HIMATSINGKA SEIDE LIMITED
MS. SHILPA SHANBHAG– VICE PRESIDENT - STRATEGIC FINANCE – HIMATSINGKA SEIDE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Himatsingka Seide's Q3 and nine months FY2023 Results Conference Call hosted by Elara Securities Private Limited. 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Prerna Jhunjhunwala from Elara Securites Private Limied. Thank you and over to you Madam!

Prerna Jhunjhunwala: Thank you Seema. Good evening everyone. On behalf of Elara Securites India Private Limited, I would like to welcome you all for Q3 and nine months FY2023 Post Result Confernce Call of Himatsingka Seide Limited. Today we have with us the senior management of the company including Mr. Shrikant Himatsingka, the Managing Director & CEO, Mr. K. P. Rangaraj – President Finance & Group CFO and Mr. Dilip Panjwani – Executive Vice President & CFO Strategic Finance, Ms. Shilpa Shanbhag – Vice President Strategic Finance. I would now like to hand over the call to the senior management of the company post which we can take Q&A session . Thank you and over to you Sir!

K P Rangaraj: Good afternoon ladies and gentlemen. This is Rangaraj – President Fiance & Group CFO adressing the earnings call. On behalf of Himatsingka we would like to welcome you all to the Q3 FY2023 earnings call. I will first take you through the business update as always and followed by comments on financials and after which the floor will be opened for Q&A session addressed by our Managing Director, Mr. Shrikant Himatsingka.

I will now start off with a business update for Q3 FY2023. Our Q3 FY2023 operating performance has clocked the progressive improvement sequentially on the back of improved capacity utilization, reducing raw material prices, softening energy costs and the continued easing of supply chain network and network costs. As a result of the above capacity utilization across all plants withnessed sequential improvement during the quarter. The capacity utilization levels for our manufacturing facilities during the quarter stood as follows:

Our Terry Towel division recorded 65% capacity utilization in Q3 FY2023 versus 56% in the previous quarter, sheeting division recorded 58% capacity utilization in the current quarter versus 53% in the previous quarter and the spinning division recorded 90% capacity utilization in the current quarter against 75% in the previous quarter. During the quarter revenue streams from brands stood at Rs.448 Crores in the current quarter versus 402 Crores during the previous quarter. Our Q3 operating performance witnessed progressive sequential improvement in line with our expectation. We remain focused on enhancing our capacity utilization levels, price optimization initiatives and enhancing market share across key regions and channels we operate in. In addition deleveraging and improving working capital cycles continued to be central to our operating strategy going forward. Key raw material prices continued to see gradual softening from the previous peak levels witnessed during the first half of the year. In addition we also continued to see marginal softening of energy costs and supply chain costs during the quarter.

I now move on to the next section which is comments on financials. Consolidated financial performance for the quarter. Consolidated total income for the quarter stood at Rs.750.04 Crores versus 792.68 Crores in the previous year this represents a decline of 5.4% year-on-year. Consolidated EBITDA for the quarter was 117.04 Crores versus 131.76 Crores in the previous year. The EBITDA margin for the quarter stood at 15.6%. Consolidated EBIT for the quarter stood at 75.58 Crores versus 91.57 Crores in the previous year. Consolidated PBT for the quarter stood at 3.25 Crores versus 43.83 Crores in the previous year and finally consolidated PAT for the quarter stood at 2.2 Crores versus 27.05 Crores in the previous year.

Comments on debt profile the consolidated gross debt as of December 31, 2022 stood at Rs.2766 Crores compared to Rs.2898 Crores at the end of Q2 FY2023 which is the previous quarter. The total term debt stood at Rs.1652 Crores and the total working capital debt stood at Rs.1114 Crores. The cash and cash equivalence stood at Rs.127 crores as of December 31, 2022. In addition the total amount of unused RoSCTL scripts stood at Rs.103 Crores as of December 31, 2022. Consequently the company's net debt outstanding as of December 31, 2022 stood at Rs.2639 Crores compared to Rs.2773 Crores as of September 30, 2022 which is the previous quarter. With this I would like to complete my update. I would now request our are Managing Director, Shrikant Himatsingka to answer the Q&A session. Thank you once again for your patient listening.

Moderator: Thank you very much. We will now begin with the question and answer session. We have the first question from the line of Kaustubh Pawaskar from Sharekhan. Please go ahead.

Kaustubh Pawaskar: Good evening Sir. Thanks for giving me the opporutnity. Sir my first question is on the capacity utilization we have seen sequential improvement in the capacity utilization for all our three divisions so can you help us what led to this improvement in the utilization level and how confident you are whether we should expect this kind of improvement in the quarters ahead or there was something one off which came into this quarter?

Shrikant Himatsingka: Thank you for your question. We have seen slight uptick on our home textile divisions vis-à-vis capacity utilization levels so the terry division stood at 65% up from 56, the sheeting division moved up marginally to 58 from 53, the spinning moved up to 90 from 75. We did see some encouraging signs on the horizon as far as the demand and offtake appetite is concerned, this is what drove some of these utilizations up. We expect some incremental improvement, stability/improvement on the utilizations going forward is what we currently foresee in line with what we have shared earlier that we will continue to see progressive improvement going into the second half so we have seen some in Q3 and we should see stable if not incremental improvement on the utilization front going forward.

Kaustubh Pawaskar: Sir can you give us some idea about the order booking in your bedsheet and terry towel space what is the current order booking and how these things are panning out in the export market because there was a concern regarding the inventory pile up with the retailers so now how are the things, when do we expect things to normalise in some of your key export markets?

Shrikant Himatsingka: We cannot specifically share with you numbers of our order books that is not something that we usually do but we have seen an uptick in order books in Q3 vis-à-vis Q2 as is visible in our numbers. We are seeing relative stability/some signs of improvement in our order books for Q4 so I think we should see some progressive improvement and as far as normalising our performance is concerned I think with this progressive sort of improvement in operating performance we will head towards normalcy over a few quarters is what we think. It should be driven by a bunch of factors. On the one hand the inflation has to cool down some more on the cotton front, on the energy front and on the supply chain front, all these three areas seem still a little heavy on the inflation side and needs to see some correction and parallelly we are working to get our revenue run rates back on track so both these things need to be happening parallelly for us to look at normalising our performance and that is what we are working on.

Kaustubh Pawaskar: Thank you Sir. Thank you so much.

Moderator: Thank you. We take the next question from the line of Mithun Aswath from Kivah Advisors. Please go ahead.

Mithun Aswath: Just wanted to get some sense on what is the cost of debt because our interest costs have moved up despite the debt coming down so just wanted to understand how you see the trajectory of that over the next couple of quarters as operational performance improves just wanted to understand on that part?

Shrikant Himatsingka: Our cost of debt remains largely rangebound one of the reasons you are seeing this upswing on interest numbers is because some of our subsidies had phased out but some fresh subsidies will phase back in, in due course so to that extent this difference will substantially reduce and the cost of debt per se of course has inched up because of interest rates going up marginally which is visible across sectors and there is nothing unique to us so it is a combination of these two factors. I repeat there were some subsidies which were phased out and stood completed. There is a new pipeline of subsidies which will come back in and therefore to that extent we should not see this movement and the other factor that contributed to this was the increase in interest rates across the board, both of these factors contributed to the increase in interest costs.

Mithun Aswath: What could that subsidy amount be Sir?

Shrikant Himatsingka: We cannot specify but it would be the delta that you are seeing between the increase in interest costs in total is largely contributed by that as far as this quarter is concerned so we should get that back either by the next quarter or thereafter.

Mithun Aswath: Just wanted to understand in terms of there has been significant improvement in the margins this quarter is this primary led by the cotton price coming down or have we seen any other movements in the operational side for us to achieve this just wanted to understand?

Shrikant Himatsingka: Confluence of factors it is some improvement on revenues, it is improvement on raw material costs which have started to cool down in the third quarter with the arrival of the new crop. We had some taming down on the energy front in terms of costs and we also had some easing out of supply chain costs, so all of these in tandem contributed to the improvement in operating performance generally speaking and listen we still have a distance to cover we know these are the normal performance metrics so these were the factors that contributed to the extent of improvement that you saw in Q3.

Mithun Aswath: I was just saying that between Q3 and Q4 so far are the metrics that we are working with in terms of cotton, fuel and other items improved for you or are there largely similar to what we saw in Q3 Sir just wanted to get a sense?

Shrikant Himatsingka: As I said to the gentleman earlier we are seeing stability/incremental improvement across these metrics as things stand now so that is the direction we are currently seeing so vis-à-vis orderbooks/revenue streams vis-à-vis raw material costs vis-à-vis other costs we are seeing stability/incremental marginal improvements at this point.

Mithun Aswath: I remember reading on the corporate announcement that you are looking to raise some equity is that via rights issue or some placement or just as an enabling provision that you have taken Sir I just wanted to get a sense?

Shrikant Himatsingka: We plan to raise a small amount of capital through FCCBs which is probably what you read about. We will be happy to take you through details vis-à-vis what we have shared in public domain with you offline.

Mithun Aswath: Sure Sir. Thank you.

Moderator: Thank you. We take the next question from the line of Venkat Subramaniam from Organic Capital. Please go ahead.

Venkat Subramaniam: Thanks for the opportunity. You alluded to a certain hope that things will stabilise going forward out of various levers that you have which are the ones that you think have better chances of resetting, what is the kind of landscape that you are in midst of?

Shrikant Himatsingka: I am not sure I get your question. As I outlined there will be a few factors that contribute to normalising performance so there has to be our revenue streams that need to be normalised, our raw material input costs which still remain high need to soften from their current levels. The energy costs, supply chain costs have to also come down.

Venkat Subramaniam: These are exactly the factors that I am referring to. Out of all these that you are listing where are we in terms of a reset because it has been a while that we have been at this kind of performance level so when you are hoping for a certain revival where are we with respect to each one of these factors?

Shrikant Himatsingka: I will be happy to take you through more specifics offline Venkat because it will be involving.

Venkat Subramaniam: This has been the pattern. Every time we have a question most of the times you are saying we will take it offline because people do not get the answers. This is a straight forward question right?

Shrikant Himatsingka: No it is not actually. I beg to differ because to satisfy your query I need to spend some time with you and explain to you.

Venkat Subramaniam: There are not too many people in the queue Mr. Himatsingka these are questions that I think your investors will need right?

Shrikant Himatsingka: Venkat I am sorry this is all I can share at this point. We need to take our revenue streams back to normal levels. We need to see cotton which is currently at Rs.65000 a candy coming down a little further, energy costs need to correct, supply chain costs need to correct these are the factors that will contribute to normalising our performance. When you asked me where are we vis-à-vis a reset I am unable to understand your question.

Venkat Subramaniam: I think you kind of answered now so cotton need to reset from 65000 down to maybe something like about 3, 4, 5% more?

Shrikant Himatsingka: No it needs to go down to around 50 levels. Their challenges are around the MCX on that front so one has to see that but it needs to correct at least another 20% or so broadly speaking which it will meet barriers after 10 to 12% corrections. Energy prices as far as materials like coal are concerned are still up there, they need to correct a fair bit. We have seen some corrections on those fronts happening over the last couple of months but it is still way up from their normal levels. Supply chain has eased from all the various factors. I think supply chain is one that eased quite a bit, freight rates and things of that nature which works well for our clients also and I would say of all the three operating cost supply chains corrected the most and as far as revenue is concerned as I said earlier we have seen some positives as far as demand is concerned we are beginning to see some green shoots there, so hopefully over the coming quarters we should progressively improve vis-à-vis our revenue streams heading back to normalcy and to your other comment that we have been in this level of performance for a very long time is a incorrect statement we have been in this performance level only for two quarters the Q1 and Q2 which was severely hit by inflation and we have subsequently come out of that in Q3 and as far as the previous fiscal is concerned the first half was perfectly normal and the second half was impacted by inflation rather the beginning of the impact start in second half so I am not sure what you mean by we have been in this situation for a long time.

Venkat Subramaniam: To start with a couple of observations. I think you fully answered the question that you said we will take offline I think this really helped and as regards your finance cost you said we are 70 plus Crores for the quarter you said a part of it is because of certain subsidies that probably are getting reset so what kind of impact subsidy had and what can one can possibly pencil in?

Shrikant Himatsingka: I cannot share the specifics of subsidy numbers Venkat.

Venkat Subramaniam: That is right we do not want a specific number but is the working capital intensity decreasing that is really a historic question?

Shrikant Himatsingka: It is a fair question. Our gross debt has corrected from 2977 Crores at the end of June to 2898 Crores at the end of September and we further corrected to 2766 Crores at the end of December so the total movement is close to 210 Crores on the gross depth front from Q1 through Q3. A lot of this has been achieved through working capital cycle rationalisation, so as far as that is concerned we have seen some improvement and we have done some work on that front and as far as the subsidy is concerned certain subsidies with the government phased out and certain other subsidies which were in the queue will phase in and hopefully should be visible starting Q4/Q1 and as far as total interest costs are concerned if you see the movement, the movement is really more visible from Q4 FY2022 starting out Q1 and Q2 as I said these were for two reasons increase in interest costs and the second was this phase out so the phase out part will sort of neutralise but the interest cost increases of course there is nothing one can do about it at this point so I would say that substantial part of the increase in interest cost should be addressed.

Venkat Subramaniam: Lastly Mr. Himatsingka I think a substantial portion of the pain is because of utilization which is really the result of what is the inventory clogging that is currently there and what kind of demand outlook that you foresee is that looking a little more promising just now we are almost halfway into the last quarter in any case now?

Shrikant Himatsingka: It is bear in mind Venkat in FY2022 we clocked record revenues of 3203 Crores so we came out in FY2022 with record revenues, with record capacity utilization and the only challenge at that point was unprecedented levels of inflation vis-a-vis the materials we use and vis-a-vis our input costs so this started hitting. Our revenues were robust through the year FY2022, it started correcting in FY2023 Q1 and Q2 and has started seeing this journey back to normalcy I am saying it is starting to see the journey back to normalcy beginning this quarter it will take some time. What spoilt the last four quarters in terms of operating performance was really the unprecedented levels of inflation so now I think with that softening and all the other factors that I spoke about we should see both the cost and revenues head back but look there is overall sluggishness in the markets there is no doubt in the matter. We are helped by the fact that we have a new terry division, there is market share to be captured there, it has broader market access vis-a-vis our sheeting division, it gives us more categories to play vis-a-vis what we had earlier and so this helps us balance revenue streams when times are challenging so both these divisions put together overall give us more market access, more clients let us just say a larger client pool to feed into and thereby enhances our probabilities to work on normalising our revenue streams going forward.

Venkat Subramaniam: Most helpful Sir and in that context given the current strength that we have with terry towel just now how long do you think our journey could be towards actually getting back to our peak kind of revenue?

Shrikant Himatsingka: Venkat on a lighter note I am the Managing Director not a fortune teller.

Venkat Subramaniam: I am asking your feel Sir I am not talking about the number.

Shrikant Himatsingka: I think we will progressively head to normalise our revenues as I have said repeatedly over the next few quarters subject to broad normalcy prevailing in global markts.

Venkat Subramaniam: Right helpful thanks Sir.

Moderator: Thank you Sir. We take the next question from the line of Jatin from RTL Investments. Please go ahead.

Jatin: Hi good evening Sir. Thanks for the opportunity. Two, three questions. The first one is the three factors that you spoke about in terms of inflation, cotton, energy, and supply chain these would be applicable to our our competitors as well right so why are we as an industry not able to get price hikes and pass these costs on to our customer?

Shrikant Himatsingka: This industry has had this challenge Jatin. I have always shared with investors that in this industry at least this is my opinion and my point of view, pricing power has always been a challenge in this industry if the volatility from the raw material front and other input fronts are extreme in the backdrop of extreme movements this industry is challenged vis-a-vis pricing power because most of our clients are global retailers, fortune 500 retailers and they have challenges in resetting retail price points at the drop of a hat and so therefore this is an industry centric challenge which is how I look at it. Ordinary cost movements on the other hand in this industry are handled as follows. If you have a a 10% hit you have to absorb it, if you have a 8 to 10% credit you get to keep do not hold me to the specific numbers but what this means is that ordinary cost movements are not sort of tampered with either the client side or the supply side as far as who gets to keep it. It is only when it gets extreme that these troubles begin as far as this industry is concerened and that is why it is taking so much time for it to normalise. At the same time I must also tell you that what we have seen as an industry over the last year has been unprecedented in history. There has never been a year of this nature in this industry's corporate history so therefore it is sort of extreme, infrequent, unusual, extraordinary year that has been witnessed over the last 12 months.

Jatin: Understood one more question on the demand normalisation. Reading a few articles where they seem to suggest that the US home textile demand in India first half FY2022 benefited a lot from the fact that there was COVID and people were at home so do you think that the industry will go back to that kind of peak revenue or when you look at full normalisation or do you kind of concur with the view that there was an excess there which is unlikely to come back?

Shrikant Himatsingka: No I absolutely concur with the view that was let us just say a more pointed increase in demand that one witnessed during COVID. It may or may not return in that shape and form but the company has to continue to clock certain run rate from the revenue side given the fact that it has certain capacities so it is not coming out of COVID led demand it will come out of channel expansion, market expansion, and client expansion led demand. It is just a theme that is going to change. It is not like before COVID we did not grow right we continue to grow, that particular year growth was exaggerated for reasons that were driven by work from home and all of the other factors that came with it once that is done it does not mean that the growth of the industry/any company operating in the industry is going to seize. It only means that does not remain the theme of growth anymore other themes takeover and the other themes are included and are not limited to channel expansion, client expansion, market expansion, category expansion, enhancing of product depth in terms of portfolios and so on, so there are bunch of other factors that will continue to lead the way as far as growth prospects are concerned.

Jatin: Understood and a related question in that phase we also saw at least in the data that we see that the market share for Indian players within US home textiles there was a very sharp market share increase which also seems to be kind of normalising now back to kind of pre-COVID levels so is that also the right way to look at it but that is also some excess which is unlikely to come back?

Shrikant Himatsingka: I have not studied the specific data on how the share has been over the last 3-4 months but it has increased it could correct I do not rule that out but look at the other aspects there are also playing out I am talking at 30000 feet it may not translate to quarterly movements but do bear in mind that there is still underlying China plus one movement out there. There is push for FTAs that is playing out. There is also sociopolitical challenges and now sociopolitical and economic challenges being faced by Pakistan. All of these factors will also play out so it is not just COVID. As I said that is done with new themes are going to play out and the new themes not only include the first set of factors that I spoke about which are company centric factors of expanding its channel exposure or market exposure or plan exposure or product exposure or category exposure. It is also about these other macroeconomic factors which are the China plus one and are the issues being faced by Pakistan and the potential advantages that India is set to gain from should we be able to sign FTAs and so on, so these things are also on the horizon.

Jatin: Got it one last question from my side.

Shrikant Himatsingka: The capacity in the industry is what it is. New capacities will not be coming up anytime soon as we see it at this point this is Himatsingka's view and it is not like there is a constraint on capacity there is just enough and more but further additions at this point do not seem to be coming about and the entry barriers to setting up capacities also exist, vertically integrated capacities, so keeping all this in mind I think if I look at a medium term there is a sound argument for India's strength in this industry.

Jatin: Got it just one last question. This fundraise that you are doing from IFC any reason to choose the FCCB route rather than a straight preferential equity or something because that would straightaway improve your debt to equity?

Shrikant Himatsingka: I think we we had some value propositions that we wanted to layout as well so that is what drove our decisions but it is a rather small amount so it is not going to materially change any of our metrics but it will make us stronger and we are onboarding a strong partner.

Jatin: Got it. Thanks a lot for patiently answering my questions.

Moderator: Thank you Sir. We take the next question from the line of Shashi Kant from Brighter Mind. Please go ahead.

Shashi Kant: Congrats Sir for your good set of numbers. So my two questions are the first one is about the demand in US how it is improving or do you see any greenshoot of demand coming back?

Shrikant Himatsingka: As as I said we see some greenshoots. Do not interpredict to be anything more than that at this point please. We are beginning to see some greenshoots and we are working on all the other strategies as I said because there is no doubt in the fact that there is overall slughishess that exists but there has been some opening up. There has also been some movement on the inventory correction initiatives taken up by the key retailers globally during the first half of the fiscal which seems to have eased out a little so I think there are a bunch of factors playing out right, the inventory correction initiatives sort of coming to head, company centric initiatives which are led by market, client, category, product, channel expansion strategies and then there is the other macroeconomic bucket which is the China plus one and all of them paying out so I think it is a confluence of all things which will sort of support element of improvement on the demand front.

Shashi Kant: Sir one more question. Can you elaborate about the competitive intensity in the key market is it decreasing or sort of stabilising at the same level that we saw in Q2, Q1?

Shrikant Himatsingka: The competitive intensity vis-à-vis our competition or what do you mean?

Shashi Kant: Vis-à-vis competition in the categories we are in.

Shrikant Himatsingka: It is only consolidating Shashi so the consolidation theme is on and as we see it so there is nothing new on that front. It is not intensifying further or anything of that nature.

Shashi Kant: That is all from my side. Thank you.

Moderator: Thank you Sir. We take the next question from the line of Rusmik Oza an individual investor. Please go ahead.

Rusmik Oza: Thank you Sir. My question is on the utilization levels and the potential revenue we can generate because last quarter we operated at 58% utilization in the sheeting division and 65% terry towel with 750 Crores revenue which gives annualised number of 3000 Crores I just want to understand what is the optimum utilization levels we can reach in both sheeting division and terry towel and can this take the turnover to between 4000 to 4500 Crores in future?

Shrikant Himatsingka: Yes it can Rusmik. These utilization numbers please differentiate between can and will you ask me a question if that is theoretically possible yes the answer is yes because the math itself is evident right but I have also shared with stakeholders before, that our assets have been positioned to if I look at our sheeting assets our terry assets because spinning is mainly a backward integration so these two assets can clock revenues in that band depending on the product mix point number one, point number two we feel that to your question of utilization numbers you see these are net capacity utilization numbers so in theory it can hit 100.

Rusmik Oza: Sir second related question is if we do this kind of optimum utilization and with economies of scale can the EBITDA margins go to around 19 to 20% because we have done 19 to 20% few years back at optimum utilization?

Shrikant Himatsingka: I think if some of these macroeconomic challenges vis-à-vis inflation and things of that nature which we just spoke about should they be in relatively normal bags. If you look at the company's performance in FY2017, FY2018, FY2019 just before FY2020 when COVID hit in the second-half and annual numbers were disturbed if you look at FY2020 through H1 FY2017, FY2018, FY2019, FY2020 through H1 those kind of EBITDA numbers in terms of consolidated financials were always there so it will be our attempt to try to normalise performance going forward so it is not like 19 to 20% numbers have not been achieved they have been achieved, so it will be our endeavour to sort of regain that sort of performance metric it is only a question of when.

Rusmik Oza: Thanks that is very encouraging Sir. My next question was on the debt repayment schedule if you can just give some colour in the next two years that is FY2024 and FY2025 how much is the debt repayment obligation and against that we have around cash of 100 Crores plus we will be raising 100 Crores will this 200 Crores be sufficient enough to take care of the needs of your cash flow management for the next one to two years?

Shrikant Himatsingka: So we have including unsold scripts and all of that over 200 Crores in cash and we have debt obligations which are reasonable. We do not foresee any issue on that front but if you need any further details although Mr. Venkat may not like to hear this but I will have to take it offline.

Rusmik Oza: No problem Sir. Sir there was one more commentary from one of your competitors that they have also tied up with Disney for bedding in the Europe region which we also had earlier so was there any exclusivity which we had or Disney can tie up with any other players?

Shrikant Himatsingka: That was not exclusive.

Rusmik Oza: Right. That is it. I will come in the queue Sir. Thank you.

Moderator: Thank you. We take the next question from the line of Ms. Prerna Jhunjhunwala from Elara Securities. Please go ahead.

Prerna Jhunjhunwala: Hello Sir wanted to understand this global landscape on supplier base Pakistan and Turkey they are larger suppliers to Europe and USA apart from India and China, so these two countries are facing issues with respect to cotton availability or their own currency being unstable do you think India in this entire situation can gain market share going forward or how are we seeing our suppliers our customers talking on this angle?

Shrikant Himatsingka: Prerna I think the theory around all this points to India gaining market share has it happened as yet it has not, is there talks and discussions around it all the time there is. I think in the next couple of months we will see how this pans out vis-à-vis the challenges, jurisdiction like Pakistan facing at this point for example with not just their currency and cotton but their issues with movements at port and various other issues, so as I said clients seem to be on alert but how will it pan out in terms of movement of market share we will see over the next few months. It will take that much time and that is my view on Pakistan and as far as China plus one is concerned I think that theme seems to be playing out slowly and steadily. It is going to be in one way country centric, one way company centric obviously.

Prerna Jhunjhunwala: In the US also we see many retailers closing stores and stuff so how is that we have seen from your customer base because we see Wal Mart, we see BBB they are all closing stores so some colour on the customers how they are managing within brands in mass segment and how are they planning their inventory, some colour on that would help us to understand the landscape?

Shrikant Himatsingka: They are planning their inventories lean. I do not think anyone out there wants to be heavy on inventories that is pretty certain and chains like BBB are going through the turbulence that they are vis-à-vis Himatsingka our exposures to BBB has been substantially reduced it is in low single digits and I do not see any change on that front. They will rationalise so the

the issues let us say challenges like BBB there will be larger quantum of store rationalisation but other retailers it is ordinary cost movements in terms of them wanting to shutdown some less effective stores and less productive stores it should do not disturb the number as far as their offtake from us is concerned materially. I think what sort of the inventory correction piece is still playing out a little although it is advanced quite a bit but it still has some time left to play out completely and there is generally sort of air of caution around with all that is being seen across industry as we all see everyday so with that overall caution they want to be lean on inventories, they want to make sure at least in most cases that unproductive stores, etc., are rationalised to your comment. Given all this at the same time we are seeing some greenshoots somewhere in some buckets for some demand to come come back when I say come back it is vis-à-vis what was lost right so over the last two quarters, three quarters as you all have observed there was demand lost so when I say we are seeing some greenshoots so of that total loss we are seeing some of it gradually claw back tha is what we are seeing on the horizon, but as I said it is not going to be led by same store sales it is going to be led by a confluence of initiatives which include all these things of companies like us pushing for market/client/channel/category expansion. It is going to be led by the macroeconomic themes like the China plus one or issues that Pakistan is facing, etc., and the FTAs as and when it plays out and it is also going to be led by some encouragement that the retailers are going to face once the costs come down a little and their margins also normalise a little and that is going to be encourageing for them as well. I think all of these things will play out in tandem in different proportions and ratios depending on the quarter, depending on the product, depending on the brand. There is no one size fits all. We can be different from competition and vice versa in terms of specific quarter's performance but directionally speaking this is what we are seeing.

Prerna Jhunjhunwala: Thank you so much Sir that gives lot of clarity. I am done thank you.

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

Shrikant Himatsingka: Thank you everyone for taking the time this evening to join us on this call. I do hope I have answered your questions to our best possible levels. If there is anything else that you guys want to know about and are brainstorm about just get in touch and we will be happy to take you through. Thank you again.

Moderator: Thank you. Ladies and gentlemen on behalf of Elara Securities Private Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.