REF: HSL/SEC/2025/17

February 18, 2025

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

Dear Sir/ Madam,

Sub: Transcript of Earnings Call for Analysts and Investors.

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

Pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of transcript of Earnings Call for Analysts and Investors held on Thursday, February 13, 2025.

Please note that the transcript of earnings conference call shall be available on the website of the Company.

Please take the same on record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

Bindu D Digitally signed by Bindu D Date: 2025.02.18 12:53:28 +05'30'

Bindu D.
Company Secretary & Compliance Officer

Himatsingka Seide Limited
Registered Office: No.4/1-2, Crescent Road,
Bangalore – 560001, Karnataka, India
T +91 80 2237 8000, F +91 80 4147 9384
E hslblr@himatsingka.com
CIN L17112KA1985PLC006647
www.himatsingka.com

"Himatsinga Seide Limited
Q3 FY '25 Earnings Conference Call"

February 13, 2025

MANAGEMENT: **MR. SHRIKANT HIMATSINGKA – EXECUTIVE VICE CHAIRMAN AND MANAGING DIRECTOR – HIMATSINGKA SEIDE LIMITED**
MR. SANKARANARAYANAN M. – PRESIDENT (FINANCE) AND GROUP CHIEF FINANCIAL OFFICER – HIMATSINGKA SEIDE LIMITED
MRS. SHILPA SHANBHAG – VICE PRESIDENT, STRATEGIC FINANCE – HIMATSINGKA SEIDE LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of Himatsingka Seide Limited, hosted by Elara Securities India Private Limited. As a reminder, all participants' 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Prerna Jhunjhunwala from Elara Securities India Private Limited. Thank you, and over to you, ma'am.

Prerna Jhunjhunwala: Thank you, Muskan. Good afternoon, everyone. On behalf of Elara Securities India Private Limited, I would like to welcome you all for Q3 and 9 Months FY '25 Post Results Conference Call of Himatsingka Seide Limited. Today, we have with us the senior management of the company, including: Mr. Shrikant Himatsingka, Executive Vice Chairman and Managing Director; Mr. Sankaranarayanan M., President, Finance and Group CFO; Mrs. Shilpa Shanbhag, Vice President, Strategic Finance.

I would now like to hand over the call to Mr. Shrikant Himatsingka for opening remarks, post which we can take the Q&A session. Thank you, and over to you, sir

Shrikant Himatsingka: Thank you, Prerna. Thank you very much everybody for taking the time this afternoon. As always, I presume you've gone through the numbers. I'll take you through a quick update on business, share some thoughts about the market that I see and then I'll be opening the floor to Q&A. So our operating performance for the quarter was largely range bound, saw some margin corrections in total income, in line with our expectations.

And the reasons for this has been shared with stakeholders in the second quarter as well. Our capacity utilizations have also been largely range bound with marginal movements, both negative and positive, in the Sheeting and Terry Towel divisions respectively. The Spinning division continued to clock 99%. The Sheeting division was at 60%, and our Terry Towel division was at 68%.

So we continue to focus on broad basing our market presence. And in line with this strategy we continue to make progress on growing our presence in India across channels, and we remain optimistic on the prospects of growth in the Indian market going forward.

As part of our ESG commitment and our initiatives to optimize our energy costs, we are pleased to share with stakeholders that our green energy portfolio has now been enhanced to 28.7 megawatts from approximately 4.2 megawatts earlier. And this will aid us in optimizing energy costs going forward and also help us in achieving our sustainability goals in times to come.

In addition, as we shared last time, we closed -- successfully closed our INR400 crore QIP during Q3 FY '25 and consequently de-levered our balance sheet by approximately INR325 crores during the quarter.

All-in-all, on the demand front, we are seeing a relatively stable environment. We are seeing buoyant demand for Terry Towel products and more stablish demand for Sheeting products.

We are in the midst of trying to debottleneck some of our Terry Towel operations in order to align ourselves for movements in product mix and to be able to sweat the Terry Towel plant more and to enhance utilization. So that's something that we're working on.

So buoyant demand on Terry Towel front as I see since FY '26 is around the corner. And I think the demand for Sheeting is more stable. India is looking promising. We are in line with our thinking, vis-a-vis growing in the Indian markets, and I think that should come through as well going to the next fiscal.

All-in-all, our areas of focus remain the same, strengthening our balance sheet, de-levering our balance sheet, focus on enhancing capacity utilizations. The worst is behind us. Whatever volatility we had to face on the revenue front has largely been digested. And now we are focused on getting this back on track. Some last bits and pieces of it, which we are currently going through, which I shared with stakeholders even during the last call, is something that we are concluding as soon as we can.

In addition to this, our focus remains broad based in markets. So we'd like to grow in markets outside of North America. We'd like to grow in both the EMEA region and the India, APAC regions, which we are definitely seeing growth in. The macroeconomic factors also continue to play out, the China Plus One, sort of, opportunity/broad movements is something that's still in the air as far as our industry is concerned.

We also see movement because of some of challenges that are being seen in Pakistan. I think that's something that also could potentially or is potentially throwing up opportunities for the industry and for India. And in addition, the strong domestic consumption, sort of, piece also seems to be playing out as we had thought. So the cotton crop for the season seems stable. We don't see any cause of concern on that front.

And as far as volatility on the currency is concerned, I'd like to highlight that the other income in our financial results include the foreign exchange gains, both realized and unrealized, that are incurred in the ordinary course of business and is integral to our operations. This is in line with the accounting standards and is classified accordingly. So I urge investors to read the numbers in tandem with that. The other income does not include anything that is outside the ordinary cost of business.

With this, I would like to conclude my update. I will be happy to take any questions that you might have.

Moderator: The first question is from the line of Aaditya Singh from Multi-Bagger Stocks.

Aaditya Singh: I had 2 questions. First is regarding the capacity utilization on our Sheeting division. Can we get any estimate of around when it might go up from 60%?

Shrikant Himatsingka: Yes. And go ahead with your second as well and then I'll answer both.

Aaditya Singh: And the second question is regarding revenue guidance for this and the next fiscal year, basically FY '25 and FY '26.

Shrikant Himatsingka: Right. So thanks, Aditya. I feel that the capacity utilization in our Sheeting division will see movement as we go into FY '26. And as far as the Towel division is concerned, I definitely think it will be moving up north from here going into FY '26. And sorry, what was your second question?

Aaditya Singh: My second question was regarding the revenue guidance for FY '25 and FY '26.

Shrikant Himatsingka: So as you know, Adityaji, Himatsingka does not offer any revenue guidances per se. We don't give guidances. But the 9-month performance has largely been range bound and stable for FY '25. So I expect that to continue for the rest of the fiscal. And as far as FY '26 is concerned, I definitely, as I said, look forward to clocking improvements on our capacity utilizations in both divisions and consequent to that continue to grow from here.

Moderator: The next question is from the line of Riya Mehta from Equitas Investment.

Riya Mehta: My first question is, what would be the forex gain for this quarter for us?

Shrikant Himatsingka: Riyaji, forex gain is in the region of approximately INR27 crores, INR28 crores, somewhere there.

Riya Mehta: INR27 crores, INR28 crores. Also, we are seeing a lot of purchases happening this quarter, like around INR82 crores worth of purchases, and we have stocked up inventory about INR30 crores. So was there any inventory arbitrage this quarter that we have piled up on inventory?

Shrikant Himatsingka: No. Actually, our inventory movements and the ordinary costs. The purchases reflect some requirements of clients, the specifications of which were not something that we wanted to manufacture internally at this point and so we had to outsource it. We do accommodate such requests from time to time, so it was one of those requirements essentially.

Riya Mehta: And in terms of our contribution from US and Europe, what would be the breakup?

Shrikant Himatsingka: The breakup between the geographies, I'll have to get back to you on that. Could we take that offline, please?

Riya Mehta: Sure.

Shrikant Himatsingka: But on that question, I would like to say that our overall movements in the Europe, Middle East and African regions have been encouraging and so on for our India and Asia Pacific presence. It's a core priority for the group to grow in regions outside of North America, while North America remains the largest and most important market.

But I think that a lot of these key markets and other regions offer immense opportunities for us to tap into and we will continue to broad base our revenue streams to bring down the revenue contribution from North America.

Riya Mehta: And in terms of the margin contraction, was there any particular reason for that? Did we have to reduce the pricing?

Shrikant Himatsingka: No. I mean the contraction is really range bound. I would urge you to look at it in tandem with other income. I've always maintained that with stakeholders even in the past, please -- I mean, there could be some quarters where the other income is a little higher. But it's large -- it's something -- if you look at 9 months, it was approximately INR15 crores, INR20 crores for the 9-month period and about close to INR40 crores for this -- so about INR15 crores, INR20 crore movement during the 9-month period.

So I think there's probably a movement of 100 basis points on the operating margin front. Otherwise, please look at it in tandem with the other income as well.

Riya Mehta: So basically, we have to pass on any forex gain or loss. We pass it on to the customer?

Shrikant Himatsingka: No. I mean, it's not necessary. I think some of it will be passed on, some of it will remain. But our operating margins are largely range bound and haven't really been hit as such, maybe 100 basis movements in the ordinary cost, because you have to look at it in tandem with other income. And given the fact that we did see the movements during the quarter, we thought it prudent to calibrate the quarter accordingly.

Riya Mehta: And going forward, what would be our growth guidance for the next year?

Shrikant Himatsingka: Riyaji, we don't give any guidances on growth. But the narrative has really been strengthening our balance sheet, which we took initiatives for de-levering our balance sheet, optimizing our cycles and broad basing our geographical presence and driving capacity utilization. This is really the focus.

And our assets are world-class. Our capacities are world-class. It's probably industry-leading from a standpoint of our technology platforms and capabilities. And our sole focus is to sweat back and deliver the numbers that we have spoken about to stakeholders earlier.

We believe our manufacturing platforms are capable of delivering approximately INR4,000 crores of revenue at full capacity, and that's something we continue to be focused on delivering.

Moderator: The next question is from the line of Prerna Jhunjhunwala from Elara Securities India Private Limited.

Prerna Jhunjhunwala: Just wanted to understand this Terry Towel debottlenecking, is there any capacity enhancement? And how much with this debottlenecking coming in?

Shrikant Himatsingka: Yes. So is this Prerna?

Prerna Jhunjhunwala: Yes, Prerna here.

Shrikant Himatsingka: Prerna, we're working on debottlenecking our capacities because of movements in product mix. So the word Terry Towel in spoken English sounds like tape product and -- but in reality, it's very nuanced. There are all kinds of products and the mathematical equations change as product mix changes. So some of our capacities have taken a hit because of product mix changes, which is why we need to debottleneck some parts of our value chain. And in addition to that, we're also working to look at taking Terry to 40,000 tons per annum from 25,000 tons per annum in due course.

Prerna Jhunjhunwala: Okay. Can we expect that to complete by next year, 40,000?

Shrikant Himatsingka: Yes. We are looking at it somewhere in the next 12 to 14 months. 12 to 14, 16 months, somewhere there.

Prerna Jhunjhunwala: And what is the capex for that sir?

Shrikant Himatsingka: As I shared earlier, whatever it is will be part of our ordinary cost, maintenance and organic capex budgets, which are INR60 crores to INR80 crores per annum.

Prerna Jhunjhunwala: Understood. And sir, I understand that the capacity utilization in bed sheets has come off due to strategic decisions taken earlier. Could we have an understanding on how are we progressing on improving the capacities hence forth? And what could be the levers for us to improve our capacity utilization there?

Shrikant Himatsingka: So as far as Terry is concerned, Prerna, we see a clear path on capacity enhancement. There is adequate demand as far as we see. And as far as our strategies are concerned, it's yielding well as far -- which is essentially driven by broad basing our market presence, a broad cross-section of products that we offer and of course, our pursuit of larger client pools in key markets.

So we seem to be seeing a positive response on all those fronts. It's not visible to our investors at this point because some of these challenges on debottlenecking we are going through. But directionally speaking, I see Terry Towel utilizations going north with clarity.

As far as Sheeting is concerned, the environment is more stable, but the same set of strategies is something that we feel will yield results on enhancing utilizations there as well. And I think that should start seeing traction, as I said earlier, in '26 as well.

Prerna Jhunjhunwala: And some update on India business penetration. Where are we currently as compared to what we had targeted?

Shrikant Himatsingka: So India was pretty much non-existent for Himatsingka in terms of absolute values. It was very low. Even if I look at early parts of -- if I look at FY '24, India was close to -- I mean, it was a sub INR25 crore business. FY '25, we saw it grow, as I've shared with stakeholders near the approximately INR100 crore mark, there thereabouts, and are on track to achieve something of that nature. And we continue to see growth going forward into FY '26.

So I think India is proceeding and progressing well. Given its fragmented nature, of course, it has its own challenges. But its sheer size and its sheer requirements are such that we think that we should be in line with achieving or looking at India as a substantial revenue stream in the next 5 years, as I had indicated earlier.

Directionally, we are looking at INR1,000 crores from the nation over the next 5 years is what I've shared with our investors. And I think that directionally, I'd like to maintain that number coming from this jurisdiction during this period.

Prerna Jhunjhunwala: And sir, what about profitability in India business? How is it shaping up? When do we -- what kind of costs we are incurring and when do we achieve breakeven, if at all, we are not making money over there?

Shrikant Himatsingka: So I'd like to share with the investors that as far as Himatsingka is concerned, when we say India, we mean all of our Bedding and Bath businesses and Drapery & Upholstery businesses in the country, across channels, across price points.

And the EBITDA profile question has come earlier as well. We feel that the EBITDA from India should be in the region of approximately 15% or thereabouts. This is what we are projecting at this point. There are some buckets of business in India where the margins are a little higher, some where it's a little lower. But as an average, I think it is in that realm as an integrated model. That's what I think we should be able to clock.

As far as your question on breakeven is concerned, overall, as a jurisdiction, it's already sort of broken even. As we went through FY '25 there was a drag in the first couple of quarters. Now it's largely even-ish. And the reason for that, Prerna, is at least as far as we are concerned, we are a little prudent about how much we spend on brand building. The home textile segment is a little more benign on brand building costs than the fashion segments, if you will.

And of course, different corporates can have different views on this. But as far as the home textile segment is not heavy on that front, the obsolescence is also very controlled. And therefore, the margins should come in, in this region as we go forward.

Prerna Jhunjhunwala: Understood, sir. And my last question on debt. This time I would like to understand how is the debt position today post QIP this quarter?

Shrikant Himatsingka: So our debt has corrected by approximately over INR300 crores. And our net debt has now stands at just over INR2,300 crores.

Prerna Jhunjhunwala: Sir, I couldn't --

Shrikant Himatsingka: Our net debt has corrected by INR324 crores during the quarter and stands at just over INR2,300 crores for the quarter.

Prerna Jhunjhunwala: And sir, this debt reduction --

Shrikant Himatsingka: From INR2,680 crores as net debt in the end of September, we are now down to INR2,350 crores at the end of December. And our focus on de-leveraging will continue going into FY '26.

Prerna Jhunjhunwala: Understood, sir. Any debt number target that you would like to give for '26?

Shrikant Himatsingka: No target as such, but I've shared with investors that directionally, on the one hand, we'll be working to sweat our assets better, considering some of the turbulence we went through. And so on with one hand our assets will sweat better, on the other hand we'll de-lever and improve our leverage ratios from that standpoint and the health of the balance sheet and also position us for growth and opportunities that will definitely come our way.

And in addition to that, from a standpoint of a next bus stop, we'd like to bring it closer to the INR2,000 mark as we go forward, and then we'll take it from there. But over a 2-year time frame, if I look at over the next 18 to 24 months, we should -- we would like to bring debt down to -- in the region of approximately INR1,500 crores to INR1,600 crores.

Moderator: The next question is from the line of Shaurya Punyani from Arjav Partners.

Shaurya Punyani: Sir, one question. So you said at peak capacity you can do around INR4,000 crores of revenue. So does that include the Terry division expansion like from 25,000 to 40,000?

Shrikant Himatsingka: Yes, part of it, yes. And it's strictly -- I mean, it includes a small part of it, not the entire part of it. From what we currently have, we should be able to deliver in that region. The additional capacity is over and above, but there could be a little give and take.

Shaurya Punyani: So we can -- at what expected time we can reach a potential optimum capacity like in 18 months or so?

Shrikant Himatsingka: I'm sorry, could you repeat your question please?

Shaurya Punyani: Sir, by when we can reach optimum capacity utilization in like 18 months or so?

Shrikant Himatsingka: What we've spoken with our stakeholders is 18 to 24 months is what we look.

Shaurya Punyani: 18 to 24 months. Okay, sir.

Moderator: The next question is from the line of Rusmik Oza from 9 Rays EquiResearch.

Rusmik Oza: Sir, as you mentioned that all the realignment which you were trying to do is over, can we expect a decent growth starting from Q4 onwards on a Y-o-Y basis? Because competitors are growing in the last 2 quarters, we have not grown because of that some issues you had and you were trying to deal with it. But if that is over, can there be a 10% plus volume, revenue growth coming from Q4 onwards on a Y-o-Y basis?

Shrikant Himatsingka: As I indicated last quarter, we felt that for a couple of quarters, we're going to have some range-bound movements. So I think we should look at that more coming in from '26.

Rusmik Oza: So does it mean that probably growth could resume from then Q1 of FY '26? Is that a fair assessment, sir?

Shrikant Himatsingka: I think yes, directionally from '26 is when we'd like to see that unfold. That's right.

Rusmik Oza: And you just did mention that maybe it will take around 24 months for the utilization levels to go to around 80%. But just to get a ballpark figure in next fiscal year, can we go to around between 72% to 75% utilization if growth comes back?

Shrikant Himatsingka: Yes. Yes. I mean I wouldn't want to give a guidance. So what I'm saying is not a guidance. But conceptually and from a standpoint of availability of infrastructure and capacities and our alignments to global clients, yes, absolutely, that's very possible.

Rusmik Oza: Sir, one question on the interest cost also. We raised money in end of October -- 30th October. But considering that 2 months were within the last quarter, the interest cost has just come down from INR81 crores to INR78 crores only. So is it that the full impact of the debt reduction will be visible from this quarter onwards? Is it like that?

Shrikant Himatsingka: That's right. This quarter should show more clearly the impact of the debt reduction. But I would like to state here that there are other, let's just say, charges and hits that sit in the interest and finance charge line, including some foreign currency convertible bond translation costs, which in this quarter is actually INR2 crores that's sitting there in that interest cost line.

So corrected for that, it's a INR2 crore lower number. But we have movements like this every quarter. So to answer your question, yes, we should see more clear interest cost reduction in Q4 because we really didn't get the whole quarter for last quarter.

Rusmik Oza: And my last question, sir, is on the margin side. If I add back the INR27 crores of income on account of currency depreciation to the margins, it comes to around 19%. We were operating at 20% for the last previous 2 quarters. And considering that the currency is now in this quarter depreciated very sharply, even if we add back the gain on currency, will we go to 20% EBITDA margins or operating profit margins from Q4 of this fiscal year or Q1 of next fiscal year?

Shrikant Himatsingka: Rusmik, the EBITDA margin of Himatsingka, the EBITDA profile of the company, as I've shared with stakeholders before, will be between 18% and 22%. That's what we have ordinarily clocked. If you see our operating performance, that's what you will see in recent times. And going forward, it's something that we feel that we continue to clock.

This quarter's aberration is largely optical because of the other income piece. Please read it in tandem. It's broadly in the same range, plus/minus 100 bps. So our EBITDA profile going forward should be in the same region, as I said, 18% to 22%.

Rusmik Oza: Sir, but I was coming from the background that last year, INR was around INR83.5. Now it's almost INR87.5. So there's a 5% currency depreciation. Assuming you pass on half of it also, you get a realization benefit of 2% to 3%. And cotton -- mostly cotton procurement is more or less domestic and you said cotton prices are stable. So in that background, then probably logically, we should hit 20% plus EBITDA margin going forward. Is this assessment correct? Or am I missing something?

Shrikant Himatsingka: No. To the best of my knowledge and in our experience in this industry, while what you say is mathematically and theoretically correct. I feel that a lot of these gains are essentially erode away in some form and shape, either in the form of costs or in the form of prices or a combination of the 2.

So just taking a prudent view, I feel that despite some of the currency movements, I think the margins will remain between 18% and 22%. There could be movements between quarters here and there. This quarter is also largely range bound. And I think going forward, we should be safely in that realm.

Because if I were to look at it from your standpoint, let's say -- let's argue for a second that the rupee was INR60 at some point, and now it's INR87 and so now that's a 45% movement. And so if we give half of it away, the rest should be within the ecosystem. But if you really look at it in a span of time, it erodes away and it sort of comes back to reasonable frameworks. So that's what I feel will happen this time as well.

Moderator: The next question is from the line of Nirav Savai from Abakkus.

Nirav Savai: Yes, sir, I just wanted to understand this captive power, which we have ramped up from about 4 gigawatt to 28 gigawatt, what can be the cost saving on the power side, which we see FY '26 onwards?

Shrikant Himatsingka: Nirav, we think that we should save approximately around INR3 a kilowatt hour.

Nirav Savai: And in absolute terms, what would be the amount?

Shrikant Himatsingka: We'll have to just work that out because this is a 28.7 megawatt of green energy. So we will just work out what the units would mean in terms of converted units and then we can take that offline in terms of what's the absolute benefit.

Nirav Savai: And what would be this as a part of overall requirement, so let's say, 28 megawatt is what we have captive now. But what percentage of this would be for the overall power requirement?

Shrikant Himatsingka: So this is approximately 20%.

Nirav Savai: 20%, we will have captive now. And our current rate would be what, about 6% or something? Or what is that?

Shrikant Himatsingka: Our current rates are in the region of over INR9 per kilowatt hour.

Nirav Savai: So this INR9 will come down to INR3. So at least on 20%, we have about --

Shrikant Himatsingka: Not to INR3, it will come down by INR3.

Nirav Savai: Come down by INR3. Okay. So it will be INR6. So basically, when we see there can be a substantial amount of savings on the power side. Is it right to assume for '26, at least on the 20%, which is captive now?

Shrikant Himatsingka: The savings will be to the tune of what this converted numbers would be, which we'll share with you once we calculate it. Yes, to that degree, we should see savings. That's right.

Nirav Savai: Another thing is on the forex side, how much would be mark-to-market and how much is realized, the forex gain of INR28 crores, which you had alluded?

Shrikant Himatsingka: We'll have to look at the breakup. Could we take that offline, please? But it does include both.

Moderator: The next question is from the line of Rishikesh from RoboCapital.

Rishikesh: Sir, my first question is regarding debt. I think to a previous participant, if I'm not wrong, you mentioned around INR1,500 crores to INR1,600 crores debt that you are targeting. This is by when?

Shrikant Himatsingka: I would like to say by tomorrow morning, but I'm kidding. No, I said we would be like -- we would like to achieve those kinds of number of INR1,500 crores to INR1,700 crores over the next 2 years is what we would like to ideally aim.

Rishikesh: And secondly, we are also expanding into Middle East and Africa and Asia Pacific, can you share revenue targets that you have? I think you had shared that in India, you will be targeting around INR300 crores to INR400 crores in next 2 years. Can you share for the other regions as well?

Shrikant Himatsingka: We can't give you region-wise revenue targets, Rishikesh, that will be a little difficult. But our current capacities should be able to throw up revenues in the region of INR4,000 crores at full capacity. That's one thing I've shared with stakeholders earlier as well.

And the other thing I've shared with stakeholders is, I feel or rather we feel that India is an important destination in terms of market. The strong domestic consumption and the growing urbanization, obviously, will throw up opportunities for us to capture. And in light of that, we think India should be a INR1,000 crore market for us in the next 5 years.

We started out a little late, but we now operate in India with 4 brands. We operate in India with the Himatsingka brand, Himeya, Liv and Atmosphere brands. And we are present across channels. We are present in India through multi-brand outlets, through large format stores, through quick commerce platform, through e-commerce platforms, through private label channels and other channels.

So we have a comprehensive presence. We also operate not just in the Bedding and Bath segments in the country, but we also operate in the Drapery & Upholstery segments in the country. And our current brand offering, Atmosphere, which is a luxury brand offering, is something that we are going to bring down in price points and go much broader in terms of audiences and reach as far as drapery and upholstery is concerned as well.

So we will be looking at our India presence holistically, not just across channels, but across price points and product categories that span Bedding, Bath, Drapery & Upholstery and accessories.

Rishikesh: Lastly, again, on debt for FY '25, what debt levels are we going to have for FY '25 end?

Shrikant Himatsingka: Well, I wish I knew. What I do know, Rishikesh, is at this point, at the end of December, we are at INR2,350 crores in terms of net debt, which is a reduction of over INR300 crores from September. And I think we are tracking March to be net debt stable, yes, from here.

Moderator: The next question is from the line of Shrikanth from Yellowcopper LLP.

Shrikanth: There's a new thing as I heard from your conversation with the past participant, this purchase thing, which is new thing in like few quarters, whether this is a recurring thing or like is it going to affect the revenue going forward? Or can you throw some light on this?

Shrikant Himatsingka: Yes, good question. The requirements were such that, I mean, it was -- we needed some tweaks in our operations, and so we chose to outsource it. So it could last a few quarters, but eventually will come back in-house.

Shrikanth: Is it the thing affecting your EBITDA margin?

Shrikant Himatsingka: Yes, of course, because we're not manufacturing it, so it could -- a little bit of that 100 bps impact that I spoke about was also probably because of this reason. But these are certain things that pop in and out. You see it once in a while, some requirements which are not necessarily suited for current configurations. So and so -- but we are attending to that. So we might see some of this for a few quarters. It's an opportunity that we are tapping into or that we are servicing at this point, but eventually will come back in-house into our manufacturing metrics.

Shrikanth: Can you guide like till when this could last or if it's possible?

Shrikant Himatsingka: Sorry, Shrikanth?

Shrikanth: So can you guide me like till when and how many quarters this could last?

Shrikant Himatsingka: Maybe at this point, 2, 3 quarters, nothing more than that.

Moderator: As that was the last question for the day, I now hand the conference over to the management for closing comments. Over to you, sir.

Shrikant Himatsingka: As always, an absolute pleasure to interact with everyone. Thank you all for your questions. I hope I've given you clarity on your queries. And in some cases, where we've request you to reach out to us offline, please do so, and then we will be more than glad to get you aligned as far as your queries are concerned. Thank you very much, and have a nice evening.

Moderator: Thank you. On behalf of Elara Securities India Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.