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May 8, 2023

To

The Department of Corporate Services - CRD	The National Stock Exchange of India Limited
BSE Limited	Exchange Plaza, 5th Floor
P.J. Towers, Dalal Street	Bandra-Kurla Complex
Mumbai - 400 001	Bandra (East), Mumbai - 400051
Scrip Code: 500330	**Symbol: RAYMOND**

Dear Sir/Madam,

Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript

Please find enclosed transcript of the conference call held on April 28, 2023, with respect to corporate initiatives of Raymond Limited.

The transcript has also been uploaded on the Company's website (www.raymond.in)

This is for your information and record.

Thanking you.

Yours faithfully,
For Raymond Limited

RAKESH MULJIBHAI DARJI

Digitally signed by RAKESH MULJIBHAI DARJI
Date: 2023.05.08 23:06:35 +05'30'

Rakesh Darji
Director - Secretarial & Company Secretary

Encl.: as above

"Raymond Limited

Corporate Initiative Conference Call"

April 28, 2023

MANAGEMENT:	**MR. S L POKHARNA – DIRECTOR – RAYMOND LIMITED** **MR. AMIT AGARWAL – GROUP CFO** **MR. JATIN KHANNA – HEAD CORPORATE DEVELOPMENT** **MR. J. MUKUND – HEAD INVESTOR RELATIONS**
MODERATOR:	**MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Raymond Limited Corporate Initiative Conference Call hosted by Antique Stock Broking 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhijeet Kundu from Antique Stock Broking. Thank you and over to you, sir.

Abhijeet Kundu: Thank you. On behalf of Antique Stock Broking, I would like to welcome all the participants in the Raymond's Corporate Initiative call. I have with me Mr. J. Mukund, who is the Head of Investor Relations of Raymond Limited. Without taking further time, I would like to hand over the call to Mr. Mukund. Over to you, Mukund.

J Mukund: Thank you, Abhijeet. Good evening, everyone, and thank you for joining us for our Corporate Initiative Call of Raymond. I hope you would have received a copy of our presentation and media release. I would like to urge you to go through this along with the disclaimer slides. We have with us from senior management, Mr. S L Pokharna, Director of Raymond Limited; Mr. Amit Agarwal; Group CFO; Mr. Jatin Khanna, Head of Corporate Development.

Now, I would like to hand over the call to our Group CFO, Amit, who will give you a brief summary of the company's corporate initiative before we open up for Q&A. Over to you, Amit.

Amit Agarwal: Thank you, Mukund. Good evening, everyone. Thank you for joining us today on this call. It gives me an immense pleasure to share that the Raymond Limited yesterday announced major corporate initiatives that will chart out a long-term growth trajectory at the group level with clear roadmap to shareholder value creation. These corporate actions are in line with our stated objective of making Raymond net debt-free and simplifying the group structure. These initiatives are sale of FMCG business to GCPL for a cash consideration of INR2,825 crores.

Next, de-merger of lifestyle business from Raymond Limited into Raymond Consumer Care Limited and making it a pure play lifestyle listed net debt-free business. Achieving zero net debt-free in both lifestyle and real estate entities with healthy liquidity for future growth.

Now, let me give details about each of these initiatives. RCCL, which is Raymond Consumer Care Limited, has sold the FMCG business to Godrej Consumer Products Limited, GCPL, on a slump sale basis for a cash consideration of INR2,825 crores. The shareholding of RCCL is held by promoter with 49.7% share, Raymond Limited with 47.7% share and 2.66% with some of the other shareholders.

Sale of the FMCG business is along with the trademarks of Park Avenue, specifically for FMCG category, KamaSutra, KS and Premium. We take pride in building strong homegrown brands that are amongst the leaders in their categories. Having brought these brands at the forefront of the consumer recall, we believe that GCPL will provide the requisite impetus to further drive the growth of these brands. RCCL will retain its condom manufacturing facility at Aurangabad and will continue to do B2B business for both domestic and international markets, including the contract manufacturing for GCPL for their KamaSutra brand.

Now let me talk on the Lifestyle Demerger Initiative. Yesterday, the Board of Directors of Raymond Limited, on recommendation of its Audit Committee, considered and approved the composite scheme of arrangements. The key highlights of the scheme include the demerger of the lifestyle business along with its assets and liabilities and debt into Raymond Consumer Care Limited, which is RCCL.

The lifestyle business consists of Suitings business with its manufacturing plants, B2C shirting and MTM business, branded apparel with its portfolio of brands Raymond Ready to Wear, Park Avenue, ColorPlus, Parx and Ethnix by Raymond and subsidiaries include garmenting business with manufacturing facilities, B2B shirting business with its manufacturing plants will be demerged into Raymond Consumer Care Limited, which will become a pure play lifestyle business on a net debt free listed entity.

Now let me talk about the Deleveraging Initiative. RCCL will receive a cash consideration on account of slump sale and demerger of lifestyle will be done along with all debt and assets and liabilities. The consideration after tax payment will be utilized to repay debt which will result into listed lifestyle business becoming net debt free. Raymond Limited, which will be primarily real estate business with investments in engineering and denim JV will also be a net debt free listed business.

Now let me explain the shareholding structure post demerger of lifestyle business in RCCL. As per the composite scheme of arrangement by virtue of RGCTL being merged into RCCL and lifestyle being dismerged from Raymond Limited into RCCL will enable each Raymond shareholder to get four shares of RCCL for every five shares held of Raymond Limited. This is based on the swap ratio which has been arrived based on the valuation done by independent valuers KPMG and BDO along with a fairness opinion issued by ICICI securities and approved by the board of directors of both the companies.

Currently the shareholding in Raymond Limited stands with 49.1% of the promoter and balance 50.9% by public. Post this demerger initiative the shareholding in Raymond Limited will continue to remain same. Now shareholding in the RCCL which is the demerged lifestyle business would be promoter at 54.87% and public at 45.13%. The increase in the shareholding of promoter in RCCL is due to promoter's holding of 49.8% in the FMCG business which has been sold for INR2,825 crores. The promoter will be allotted 73 lakh shares for their value in the FMCG business post tax estimated at INR1,100 crores which translates into promoter being issued shares at approximately INR1,450 per share in the RCCL which is the demerged lifestyle business.

This also reflects the promoter commitment towards Raymond business by infusing 100% of their share of sale proceeds of FMCG into the RCCL business which is the demerged lifestyle business. With this transaction the promoter shall have invested over INR1400 crores in the business through asset monetization in the last four years. This will enable the utilization of sale proceeds of the FMCG business in repaying debt of demerged lifestyle business leading into lifestyle becoming a net debt free pure play B2C business in RCCL and with surplus cash being available as a growth capital.

Now let me discuss about the businesses in Raymond Ltd. Post demerger of lifestyle business, the real estate business becomes the umbrella business of the company along with investment in engineering business through 100% subsidiary JK Files and Engineering Ltd. and in denim business through Raymond UCO Denim Limited which is a joint venture. Also I would like to highlight that we had earlier initiated 100% subsidiarization of real estate business to capitalize on its strengths as it had become a sustainable independent business.

However, now this is not required with the current scheme of arrangement as Raymond Ltd. is now becoming predominantly a real estate business. Overall to sum up, post completion of sale transaction RCCL with lifestyle business will be a pure play branded consumer listed company with the following segments branded textile, branded apparel, garmenting and high value cotton shirting.

Raymond Ltd. will continue to be listed entity predominantly a real estate company with investment in engineering and denim business. This move will create a clear demarcation of lifestyle and other businesses leading to simplification of the group structure. As mentioned earlier, promoter strongly believes in the business and has demonstrated the same by deploying proceeds from their shareholding in the business. And over the period of 4 years, the promoter company has put in approximately INR1,400 crores in the businesses through the asset monetization that being land sale and current FMCG business divestiture.

Through a combination of free cash flows generated from the business and the promoter group contribution, we will not only be achieving the status of becoming a net debt free much ahead of the stated two years of time as our target. With consolidated net debt of INR932 crores as on 31st of December 2022 and net of tax realization of approximately INR2,200 crores on sale of FMCG business will lead to approx. surplus cash of INR1,300 crores in the Raymond group on a pro forma basis which will be available for growth and expansion plans for the Raymond group.

To conclude, I would like to state that we have been able to achieve this right at the beginning of this current fiscal and we are hopeful that going forward we will be able to deliver value for all of our stakeholders and as we inch towards our centenary year in 2025, the brand Raymond is set to achieve many more milestones. Thank you.

Now we will be opening the line for questions.

Moderator: Thank you very much. The first question is from the line of Himanshu Nayyar from Systematix. Please go ahead.

Himanshu Nayyar: Yes, hi. Good afternoon team and congratulations, many congratulations on the transaction. So first question, if you can give some color on the timelines on two things. Firstly, how much time do you think this separate listing of RCCL will take? And secondly, what is the time period in which you think we can repay our debts and start saving on the interest cost as to by when you think the money will come in and we will be able to become completely debt free?

Amit Agarwal: Yes, thank you, Himanshu. The first one, separate listing, demerger, you know, it is a process through the NCLT and through the regulatory process what we have understood with our various advisors, consultants, that it takes anything between 12 to 14 months. So that's a time frame which will be required in order to become a listed entity for the lifetime.

As far as the money is concerned, as you know, we are targeting in a very short order that the money will come into the RCCL on the cash consideration for the slump sale, which will be quickly used to repay the debt so that we will start getting the benefit of the interest cost right in this quarter itself.

Himanshu Nayyar: Okay. The second bit you said there would be INR1,300 crores approximately of net cash in the group. So any rough idea you can give as to the division between Raymond and RCCL, how much cash would be there in Raymond and how much would go to, would be there in RCCL?

Amit Agarwal: So that, as I said, that INR1,300 crores was based on the pro forma numbers as on 31st of March. You know, we are yet to announce our results for the fourth quarter. So the exact numbers, what will be announced post 31st of March results will let you know that how much money will be in each of these entities.

Himanshu Nayyar: But would it be a fair assumption that predominantly the existing debt would be for the apparel related businesses and the current cash balance that we would have would predominantly lie in the real estate and engineering businesses?

Amit Agarwal: Absolutely. And that's what we have always said that primarily the debt is that the group is for the lifestyle business, which has a large working capital requirement and such things. And the real estate, as we have always mentioned, it is a cash flow, significant cash is sitting because of the sales velocity and the milestones we have achieved very, very quickly, which is two years ahead of RERA we have delivered that has actually helped us to remain a cash flow, net cash flow positive or net debt positive.

Himanshu Nayyar: Got it. And next one would be, I mean, I know it might be too early to ask, but have you decided on the allocation of this cash that you're going to get? Because I believe real estate, we are going in an asset light model and engineering, my business might also not be requiring too much cash. So we do we intend to distribute it to shareholders or have we looked, are we exploring any other plans to utilize this INR1,300 crores that we will get?

Amit Agarwal: So look, at this juncture it is a little too premature, but we have clearly outlined in our other discussion that we have a large growth plan across all of our businesses. And we really want to take this business to a different level and pursue a strong, a higher growth rate.

Himanshu Nayyar: And final question is on this FMCG, I mean, does our existing top leadership in the FMCG business stay or will that be completely going to GCPL?

Amit Agarwal: No, so what we have clearly understood and agreed with GCPL is that the entire team is going along with the business to GCPL.

Himanshu Nayyar: Okay, including the top leadership?

Amit Agarwal: Yes. Yes. The CEO, we are just retaining the CEO of that business with us.

Himanshu Nayyar: Okay. Got it, sir. That's it from me and congratulations again and all the best.

Amit Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Priyanka Trivedi from Antique Stock Broking. Please go ahead.

Priyanka Trivedi: Yes, so thank you for the opportunity. So my first question is with regards to, you know, in 2020, we had come up with a restructuring and we had indicated that the B2C business, B2C shirting business had some legal issues due to which we could not demerge that business. So is there any issues with that? Is that continuing?

Amit Agarwal: No, there are no issues around that and we have reviewed that situation. You're right at that point of time, there were certain issues which we have been able to resolve and we see very clear path for doing a demerger of entire B2C, B2B business of shirting as well in this process.

Priyanka Trivedi: Okay. And so my second question would be with regards to, you know, what would be the component of the working capital debt of the total debt that we have in our bookseller right now?

Amit Agarwal: Actually, you look today, the most of the, there has not been a significant capex in the last four, five years. So the capex debt for the project is very small. Primarily, it is mostly related to the working capital of the business.

Priyanka Trivedi: Okay. So, so major chunk of the INR2,000 crores would be for the working capital of the business, right?

Amit Agarwal: Yes.

Priyanka Trivedi: Okay. Yes, that's it from me. I'll come back.

Amit Agarwal: Yes, INR2,000 crores is a gross debt. Our net debt stood at INR930 crores as on 31st of December.

Priyanka Trivedi: And the cash position that we had in the Raymond Limited, would that also be transferred into the RCCL business or would it remain with Raymond Limited?

Amit Agarwal: So as we mentioned that the cash, we will have to do all those allocations, debt transfers, and accordingly, once the 31st December is complete, sorry, 31st March, numbers are completed. And then because this demerger will be effective 1.4.23, based on that balance sheet, we will come out and talk to all of you about the exact split between the cash, debt, and so on so forth, into the two companies between the Raymond Limited and the Raymond Consumer Care Limited.

Priyanka Trivedi: Okay. Yes, that's it from me. Thank you.

Moderator: Thank you. The next question is from the line of Nishant Sharma from Nuvama Wealth. Please go ahead.

Nishant Sharma: Thank you for the opportunity and many congratulations for the deal. My first question is related to the contract manufacturing business, which we will be retaining in the FMCG space. So right now or before this deal, were we doing any contract manufacturing stuff or the entire manufacturing for our own consumption? And going forward, what could be the revenue and EBITDA that we can generate from this business?

Amit Agarwal: You look at it, the condom manufacturing facility which we have at Aurangabad. Primarily supplies almost 50% to 55% for the KamaSutra brand. And the balance 45%-50% is for the B2B businesses in the domestic and in the international markets. So that is the business which we are retaining. And we are not giving the split as we speak today of that between the B2B businesses, what kind of a revenue.

There is a small margin which we make on the B2B business as well.

Nishant Sharma: So, just now earlier 50 to 55, which we are using for KamaSutra, now that is also available for B2B business. Is that okay?

Amit Agarwal: No, no. As I said, whatever is the requirement for KamaSutra brand, we will supply on a contract manufacturing to GCPL. So, that capacity is clearly going to them for the purposes of contract manufacturing. The balance 40-45, which we were doing a B2B business for the third party customer, we will continue to do that. So, effectively, there is no change in terms of the mix between the KamaSutra brand as well as the B2B brand.

Nishant Sharma: Okay, understood. So here, the number of which we were referring on the FY'23 or FY'22 basis for FMCG, that includes this revenue as well. Is that a correct understanding? Revenue from the contract manufacturing piece?

Amit Agarwal: Yes, yes.

Nishant Sharma: So, that number is also included in FY'22 sales. Okay. And right now, it would be difficult to get that number, what is exactly for contract manufacturing. Okay, sir, thank you. Second question is pertaining to the real estate business. There, sir, we have about 60 acre of land, if I'm not wrong, which is to be utilized. What sort of a developable area or a saleable area could be on this land? Will that be possible to share?

Amit Agarwal: So, look, very clearly, we have 60 acres of land, which is completely developable. Now, you know, it depends on the way we construct it. So, the FSIs are available. I think what we had calculated last time when we did this math, a year back or so, I think it was 7 million to 8 million square feet, which is still we can construct on that. But you know, it is always dependent which mix use, whether you do a retail, whether you do office complex, whether you do residential. So, all these have a different degrees or varies in terms of developable and a saleable space. So that's what we're talking about 7 million to 8 million square feet was based on a residential number.

Nishant Sharma: Okay, and the existing piece where we have like in 10x, we have another 0.74 million of saleable area. And in case of Address By GS, we have another 0.3 million square feet of area. So, in what phase, I mean, what is the construction cost remaining for these area? And what has been the historical construction cost for us?

Amit Agarwal: No, no, listen, in terms of this detail, you see today, the call will be focused primarily on this transaction. So, we would not like to get into that what is remaining because I will talk about remaining only with a 31st March call, because things have changed from a 31st December to 31st March. We have constructed, we have sold. So, I think it is appropriate these operational quarterly numbers and such things should be done in the financial results call for the fourth quarter.

Nishant Sharma: Okay, now, so just wanted to understand the breakup, how the new businesses will pan out going forward. That's the whole idea to understand. Thank you. I appreciate and I'll have a same clarity during the quarterly call. Thank you. I'll fall back in queue, sir. Thank you.

Amit Agarwal: Yes, in any case, just to give you the perspective, in our numbers, which we give the segment numbers, very clearly it is outlined, what is the revenue generated out of the reality business that can tell you exactly that what these two projects are delivering the revenues.

Nishant Sharma: Sure, thank you.

Amit Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Chaitanya Rao, individual investor. Please go ahead.

Chaitanya Rao: Just two short questions, sir. First of all, thank you for the opportunity and congratulations on the sales. My question was regarding, actually, I am a new investor in your company. And just looking at the previous years of your listing, I came to know about the, that you were also eyeing for the sale of ColorPlus and your engineering business. So, but that didn't materialize. So, are you still looking for that or they will be housed in the new listed entity?

Amit Agarwal: So, I think, I can't comment on the speculation which has been done in the past. Absolutely very clear. We are very focused on the brands to build and create. And as we have earlier outlined also, we are having a very large retail expansion plan, which also include our marquee brand of ColorPlus. So, we will be opening more EVOs for the ColorPlus and expanding that retail expansion. Similar is the case with the Park Avenue apparel, which we are going to expand.

Chaitanya Rao: Okay. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Priyanka Trivedi from Antique Stock Broking. Please go ahead.

Priyanka Trivedi: Sir, my question was with regards to what is the value at which the shares in RCCL would be valued at?

Amit Agarwal: No, so what I explained earlier that, the promoter has got or will be allotted to share at INR1,450 per share in the RCCL demerged Lifestyle business.

Priyanka Trivedi: Okay, and for the public, public also would be at INR1,450?

Amit Agarwal: Yes, exactly same. There is no difference. So, there is a very little number for the public because as far as the shareholding which, so if you look at it in the RCCL, first the shareholders of Raymond Limited because of the demerger will get four shares of RCCL for every five shares held into Raymond Limited. So, that is number one. Post that that the promoter and small number of public shareholders in the FMCG business will also get shares at INR1,450 rupees in RCCL. That would make that the shareholding, resultant shareholding in RCCL is 54.87% for the promoter and 45.13% for the public.

Priyanka Trivedi: Okay, got it. Thank you.

Amit Agarwal: Thank you.

Moderator: As there are no further questions, I hand the conference over to Mr. Amit Agarwal for closing comments.

Amit Agarwal: Okay, thank you very much. Look forward talking to all of you in next few days when we announce our fourth quarter results.

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