



REF: HSL/SEC/2026/35

June 02, 2026

To The Deputy Manager Department of Corporate Services BSE Limited P.J. 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
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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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the transcript of the Earnings Call for Analysts and Investors held on Friday, May 29, 2026.

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

Kindly take the same on record.

Thanking you,

Yours Sincerely,

For Himatsingka Seide Limited

**Bindu D.
Company Secretary & Compliance Officer**

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“Himatsingka Seide Limited
Q4 & FY26 Earnings Conference Call”

May 29, 2026



ElaraSecurities



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
MR. BANKESH DHINGRA – SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER – OPERATIONS – HIMATSINGKA SEIDE LIMITED
MR. BIMAL AGARWAL – VICE PRESIDENT, CORPORATE FINANCE – HIMATSINGKA SEIDE LIMITED
MR. HARIKRISHNAN BALASUBRAMANIAN – ASSOCIATE VICE PRESIDENT, FINANCE, BANKING AND COMPLIANCE – HIMATSINGKA SEIDE LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Himatsingka Seide Limited Q4 FY26 Earnings Conference Call hosted by Elara Securities. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

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

Perna Jhunjhunwala: Thank you, Farah. Good afternoon, everyone. On behalf of Elara Securities India Private Limited, I would like to welcome you all for Q4 and Full Year FY26 Fourth 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; Mr. Bankesh Dhingra, Senior Vice President and CFO, Operations; Mr. Bimal Agarwal, Vice President, Corporate Finance; and Mr. Harikrishnan Balasubramanian, Associate Vice President, Finance Banking and Compliance.

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

Shrikant Himatsingka: Good evening, everybody, and thanks so much for taking the time this evening to join us for this call. As always, I'd like to start with a quick business update and presuming you've gone through the numbers. And then I'll be happy to take questions that you might have.

On the business update front, despite the continued pressures that we face from the volatile U.S. tariff policies and heightened geopolitical uncertainties that we have seen of late, the company delivered a very strong performance for the Q. The consolidated total income stood at INR721 crores against INR681 crores during the same period last year, registering a moderate growth of approximately 5.8%.

I must say at this point that the fiscal '26 has been a volatile fiscal because of the tariffs that prevailed for most of the year and then during the fourth quarter of the fiscal, we also started witnessing impacts that arose from the war in the Middle East. So it wasn't the easiest of financial years for us.

We saw volatility on the supply chain front, we saw pricing pressure during the fiscal and things of that nature. So obviously, we expected our operating performance to be impacted by these various events that occurred during the year.

The Q4 other income amounting to just INR100 crores was primarily driven by foreign exchange movements of approximately INR95 crores. This was on account of the depreciation of Rupee during the same period. The fourth quarter '26 capacity utilization levels at our manufacturing facilities were mildly impacted on account of some of the reasons I just shared with you most of

the fiscal and as a result, Q4 has not been an exception. We witnessed a delay in some outbound shipments to certain jurisdictions during the quarter.

We expect the Middle East overhang to continue to impact shipments to certain jurisdictions even during Q1 FY27 as we see at this point. And the utilization levels during the quarter stood at 99%, 56% and 63%, respectively, for spinning, sheeting and Terry Towel division.

Over the past year, the evolving tariff situation and the geopolitical uncertainties have continued to impact growth prospects across key markets, but we remain cautiously optimistic to effectively navigate the evolving environment and deliver sustainable long-term performance as we transition into our new model with a more diversified revenue mix and category mix.

As I touched upon earlier during my last call and with stakeholders, Himatsingka is in the middle of a transition of sorts, we are transitioning to have a more diversified revenue mix and category mix, therefore using our existing infrastructure and capabilities, we will not just be in home textile solutions, but we will also be active in the yarn solutions front, the fabric solutions front, advanced fabric solutions front and things of that nature.

We are also exploring initiatives on apparel solutions. We believe these initiatives will position us to basically have larger addressable market pools vis-a-vis just home textiles and therefore, paves the way for us to look at a more diversified revenue base, client base, geography-based category base and ultimately reduce concentration risk across these buckets.

So we are in the middle of these transitions, which we've started a few months ago and it should start panning out in a more material format, say, starting H2 FY27 is what we estimate. We also believe that these initiatives will position us better vis-a-vis in like things like revenue risk as well as pricing power, which sometimes is a little challenged in the home textile space.

So in addition to our focus on enhancing the capacity utilizations from our existing product lines, we've added new product verticals, which I just talked to you about, leveraging our current and existing infrastructure. And we will accelerate utilization levels, diversify revenue stream and tap new opportunities in the wake of emerging new global regulatory frameworks. So that's really our aim to position Himatsingka for a new tomorrow vis-a-vis in textile and apparel space and not just be a single vertical company.

The progress on the India EU, India, U.K. and other FTAs, along with some normalization of U.S. tariff structures is expected to enhance India standing as a preferred textile and apparel sourcing destination and we, therefore, feel that, that should be an impetus for us to consolidate and strengthen our market share in key regions in the medium term.

So we do believe that the policy level movements will act as tailwinds for not just the industry but participants in the industry and will therefore all go well for us in the medium term. As mentioned to stakeholders earlier, we've taken our presence in the Indian market very seriously, and we're working to enhance our position at home.

We currently work on the home textile solutions front. We work with 3 brands, and we're constantly working to enhance the market penetration and presence of these brands is being

reasonably good response and have shown growth during the year. Just to remind stakeholders, these brands have been reaching consumers through various channels, including multi-brand outlets, large-format stores, e-commerce channels, commerce channels, private label clients.

And therefore, we continue to believe India will be an important market. So that's not just now in home textile solutions, but also in some of our emerging verticals like yarn solutions and fabric solutions and the like.

In addition to all of these initiatives, the Board has also, at its meeting held on the 27th of May, approved raising of up to INR850 crores through issuance of senior secured redeemable nonconvertible debentures on a private placement basis.

And basically, these funds will be used to make sure that our debt tenors are balanced going forward in line with our internal policies as to where it should be and we will be net debt neutral largely speaking. And our dividend for the year remains range bound at INR0.25 per equity share with trade-off value of INR5 per equity share for FY26.

So these were some of the points that I wanted to share with you all. Thank you for patient listening. I'll be happy to take questions that you might have.

Moderator: Thank you very much, sir. The first question is from the line of Prerna Jhunjunwala, Elara Securities.

Prerna Jhunjunwala: Thank you for detailed remarks. I just wanted to understand the new business verticals that you are talking about yarn solutions, fabric solutions, apparel solutions, what exactly are your plans in terms of capacity if you're building that or any business plans that you can mention that you are planning to do over here because there is little clarity on what exactly you're planning to do in the new verticals?

Shrikant Himatsingka: Yes. That's a fair question, Prerna. So essentially, as stakeholders might be aware that the group operates 4 manufacturing facilities located across two campuses. All of our facilities are of global scale in their class of products. But in addition to being able to make certain kinds of home textile products, we are also equipped to make various other products which we haven't explored, but will now be entering, and some of which we've entered and some we are entering as we speak.

So essentially, we believe that we wouldn't want to be a company that's solely focused on home textile, it doesn't make strategic sense for us after having witnessed some of the headwinds that we have with the recent times. We feel that the challenges in the home textile space and the pricing power, the margin profiles and things of that nature needs to be adequately balanced by having exposures to other areas as well.

And therefore, we -- after a lot of deliberation and a lot of learning with these challenges that these challenges brought along, we've taken a decision to leverage our facilities to be facing several more product verticals cash adjacency leveraging our existing infrastructure. The key word here is existing infrastructure because we are not on capital expenditure mode.

The yarn solutions business will entail us entering into the yarn space. A quick reminder that Himatsingka operates the world's largest cotton spinning facility under one roof with a capacity of 211,584 spindles. It's very sizable. And therefore, we would like to leverage infrastructure to also look at third-party clients globally and domestically.

In addition, our foray into the fabric solutions space will see us leveraging some of our existing capacities and fully some debottlenecking initiatives there. We are also equipped with meeting capacities, which are sizable and we'll be leveraging those capacities as well.

So we will be a comprehensive player in the fabric solutions space, we're very excited about that. We're very excited about the yarn solutions prospects. I think home textile solutions will obviously be a major portfolio for us but we are betting on growth drivers are coming from other areas.

And the apparel solutions space is, again, an adjacency for us because we already operate infrastructure in the cut and sew space. And we also have talked about going into this area earlier but had to put things on hold because of the tariffs. But we will conservatively explore initiatives on that front as well.

So essentially, we'll have a multi-pronged portfolio and we'll seek to address larger market pools globally rather than just a little home textile market pool and fight for the same share. It's prudent for us to look at broader areas.

So this, we believe, will be a more balanced growth strategy, and we'll position ourselves for a new tomorrow. Quite honestly, it's a little boring and stagnant, if you will, just staying in one segment, and it's not something which I think works well for investors because they are really looking at growth.

And clearly, we are not delivering the growth that we need to. And that's really happening for one reason or the other. And therefore, we feel that we need to change gears and the definition of that would also mean leveraging our infrastructure from new category adjacency.

Prerna Jhunjunwala: Okay. So which means, sir, you will be selling these yarns and fabric manufactured in your existing infrastructure? You're already at 99% utilization in yarn today, so you will divert some of the capacity to these newer verticals then use them in home textile is the right way to think?

Shrikant Himatsingka: Yes. And we also have some capacities, which are not part of our capacity metrics because it wasn't relevant for investors. But like, for example, our shipping capacities and our knitting capacities, they are not on the table that we have that as well.

And we feel that our yarn solutions will be much better off serving third-party clients as well than used in home textiles. We feel that there could be some market share pressure or pricing pressure in the textile space as we go along. And therefore, we'd like to play in areas which are larger and more promising as we see it.

Prerna Jhunjhunwala: Understood. Next question is on India revenues. You had highlighted earlier that you've reached INR150-odd crores in India market. What would be the current number for FY26 and how has it fared this year?

Shrikant Himatsingka: Yes. It was just over INR100 crores actually. We expect that to improve further this year. We are seeing a lot of optimism in India, but India will not now just be limited to home textile solutions. It will be across our categories that we deal with. And I think we are really looking forward to building India to be a very integral part of our revenue mix going forward.

As far as margins are concerned, I don't think there will be -- if I put everything together, I don't think there'll be any material movements, but even if it is, it will be range bound and I think it should emerge to be a stronger model for us. Because our concentration on the U.S. and North America has to undoubtedly come down and that's what we're working on.

Prerna Jhunjhunwala: Understood. And on margins this quarter, we saw a sharp decline. We have been able to maintain 15%, 16% this Q3. And the sharp decline that came in this quarter, excluding other income, I'm talking, how should we see that going forward? And how is the input cost inflation, which is an increase in cotton prices in fact going to impact you going forward?

Shrikant Himatsingka: Yes. So I mean, I've always urge investors to look at our numbers, including other income. I do agree that it could distort numbers sometimes depending on the quarter. But it's not all of it is not unrealized gain. A lot of it is realized gains as well. So to that extent, the picture will change. medium-term view on margin profile remains between 18% and 22%.

But I think that in the near-term, there could be some pressure arising out of this war and it's the inflationary impacts that it had. We have seen some of that in Q4 because that was more the tariff overhang and some of the things that was had to share with customers and things of that nature.

But I think maybe short-term movements on the inflationary front could be a little -- let's just say, damping on the margins by a small percentage. But I don't think our medium-term or regular outlook on margins has changed. It will largely remain range bound. If there are some movements, it will be marginal at this point, Prerna, or we will see -- we'll take it as it comes.

Moderator: The next question is from the line of Rajiv Maheshwari from Praj Industries.

Rajiv Maheshwari: Good afternoon, everyone. I had a couple of questions. The interest cost has come slightly down if you compare Y-o-Y as well as Q-on-Q. So what is the target which we are looking at going ahead in terms of the reduction in the coming quarters or coming years?

Shrikant Himatsingka: I think directionally, our next bus stop is we would like to bring our net debt down to approximately levels of INR2,000 crores. That's where our next bus stop is. It could take us a little bit of time, but we are also working on our next initiatives to be able to delever further.

We do think that our leverage levels need to be corrected a little bit in order to position us optimally for future growth, as you say, opportunities. So we had done a QIP of about INR400 crores in FY25 and we think that we will continue to take some delevering initiatives to bring

our debt down, both in the ordinary cost and through some capital market initiatives at an appropriate time in the near future.

- Rajiv Maheshwari:** What is the current standing loan right now, the figure...
- Shrikant Himatsingka:** The net debt is approximately 2,550.
- Rajiv Maheshwari:** So we plan to reduce it by another INR500 crores. And any specific time frame within which we are looking at this?
- Shrikant Himatsingka:** Yes, we're looking at it within the next year. Within the next 12 months.
- Rajiv Maheshwari:** Okay. The second part of the question is coming into the new verticals of yarn, fabrics and apparels. In the opening remark, if I heard correctly, the revenue generation would be visible from H2.
- Shrikant Himatsingka:** That's correct.
- Rajiv Maheshwari:** That's correct. Basically from Q3 onwards, we'll see the revenue getting added to the current home textile revenue. So any ballpark figure or expected figure which we are planning to get in the Q3 and Q4 from these new verticals?
- Shrikant Himatsingka:** Rajivji, I can't give you figures as we don't share guidance. But our infrastructure should be able to deliver around INR4,000-odd crores in top line and approximately INR700 crores to INR800 crores in bottom line in EBITDA, and which I have shared with stakeholders earlier, if we were to run at optimal capacity utilization levels. And I maintain that outlook.
- And the initiatives we're taking on adding on new adjacencies should basically position us to be able to tap into these utilization levels faster. I estimate this approximately hitting those run rates in approximately 18 to 24 months.
- Rajiv Maheshwari:** Okay. Fair enough. If you can give me the rough idea in terms of what is the ratio we are looking ahead in terms of the planning, which we have made if you just give a ballpark figure on what's the ratio we are looking at in terms of home textiles, yarns, fabrics and apparels going forward. And the home textiles would grow accordingly along with these two additions would definitely give us a better...
- Shrikant Himatsingka:** Ultimately home textiles will become approximately half our portfolio.
- Rajiv Maheshwari:** Okay, okay. And the balance 50% would be taken by these two...
- Shrikant Himatsingka:** I mean I'm talking about approximately because we have to make sure that the margin profiles are appropriate. Just garnering revenues is not something that's of interest to us.
- Rajiv Maheshwari:** Okay. So margin profile wise, will the yarn, fabrics and apparels be more profitable compared to the home textiles or how is it like?

Shrikant Himatsingka: I think it will be comparable. So therefore, as I was answering the previous question. Our margin, I've always said that our EBITDA margin should be in the region of 18% to 22%, which for the most part, it has and I don't think our model is going to fiddle with that band in any materials, form or shape.

But listen, I must qualify my statement saying that we do live in times of uncertainties and volatility. If there are changes to my band of 18% to 22% on account of externalities and things which are more structural in nature, that, of course, I'd have to revisit that band. But for the time being, we are comfortable with it.

Rajiv Maheshwari: Okay. Fair enough. Good, good. We are looking into these new verticals because it's been a quite long time from the shareholder point of view and we have been...

Shrikant Himatsingka: It absolutely has. And thanks to shareholders for their patience. It's one of those phases that Himatsingka is going through where for one reason or the other, performance has been hit and our operating performance has, let's just say, fallen short of expectations.

And we've had a lot of introspection to do given the challenges over the last couple of years. And we've now come up with what we believe would be the right direction to pursue in order to deliver sustainable growth for our investors.

Rajiv Maheshwari: Sir, are we incurring any additional capex for these new verticals? Or how is it like?

Shrikant Himatsingka: No, Rajivji. Actually, it's a good question. I've said that for the most part, we will be within our maintenance capex budget. I wouldn't want to take on more capex at this point until I'm delivering reasonably well on the operating performance for our investors. And I honestly don't need anything more than that of any consequence.

We do operate South India's largest textile complex and the integrated textile complex. It's a 400-acre complex. It's very well equipped. It's very flexible, it's state-of-the-art and capable of delivering on many fronts. So I'll be happy with sticking to our band of maintenance capex for the here and now. I could be off by a few crores, of course, that I won't be able to predict. But conceptually, that's where we stand.

Rajiv Maheshwari: Okay, right. So it's a good news that we will be getting this new revenue without any additional capex. I do have full faith in the organization and wishing you all the best, and let's hope that things take turn for the good -- for the coming quarters and years. Thank you.

Shrikant Himatsingka: Thank you so much, Rajivji, for your positivity and for your remarks. Thank you.

Moderator: Thank you. As there are no further questions, I would like to hand the floor over to Mr. Shrikant Himatsingka for closing remarks.

Shrikant Himatsingka: Thank you, Prerna. Thank you everybody for taking this time today. I do hope I've answered your questions. If you have any other questions, queries observations, etcetera, please do reach out to us. We'll be happy to answer them for you. Thank you again. Bye-bye.

Moderator:

Thank you very much, sir. On behalf of Elara Securities India Private Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.