



“Welspun Living Limited  
Q4 FY25 Earnings Conference Call”  
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**MODERATOR** **MR. ASHUTOSH SOMANI – JM FINANCIAL LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Welspun Living Limited Q4 FY '25 Earnings Conference Call hosted by JM Financial Institutional Securities 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 the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the call over to Mr. Ashutosh Somani from JM Financial Institutional Securities Limited for opening remarks. Thank you, and over to you.

**Ashutosh Somani:** Thanks, operator and welcome everyone to the call. I will first thank Welspun Living for giving JM Financial the opportunity to host today's call. Without much ado, I'll hand over the call to Mr. Salil Bawa, Head, Investor Relations, Welspun Group to introduce the management. Over to you, Salil.

**Salil Bawa:** Thank you, Ashutosh, and good evening to all of you. On behalf of Welspun Living Limited, I welcome all of you to the company's Q4 and FY '25 earnings call. Along with me, we have with us today Ms. Dipali Goenka, Managing Director and CEO; Mr. Sanjay Gupta, Chief Financial Officer; and my colleague, Bharti, who has joined as Head of Investor Relations for Welspun Living.

We hope you have had a chance to review the investor presentation that we filed with the exchanges today. Apologies, it got a little late in getting uploaded because of some technical issue. It is also uploaded on our website. During today's discussion, we may be making references to the presentation. Hence, we'd request you to kindly review the safe harbor statement in our presentation.

As usual, we will start the forum with the comments from senior leadership team and then we'll open the floor for questions. Once the call gets over, should you have any further queries that remain unanswered, please feel free to reach out to any one of us.

With that, I would now like to hand over the floor to Ms. Dipali Goenka, Managing Director and CEO. Over to you, ma'am.

**Dipali Goenka:** Thank you, Salil. Good evening, and thank you for joining us for the Q4 FY '25 earnings call. We continue to operate in a BANI world, one that is brittle, anxious, nonlinear and incomprehensible, marked by shifting global trade dynamics, tariff uncertainties and fast-evolving consumer sentiments across key markets. In this complex and fragile environment, staying resilient and adaptable is no longer optional. It's essential.

At Welspun Living, we stayed true to our core strength, resilience, agility and forward-looking innovation. The recent developments around reciprocal tariffs, especially from the U.S., have introduced short-term unpredictability into trade flows. While the 90-day pause offers some relief, the U.S.-India bilateral trade agreement remains in progress. We remain cautious and expect near-term volatility to persist. We continue to prioritize agility, cost efficiency and deeper

customer engagement to strengthen our position in key markets. We have weathered disruption before. This time is not different. Our supply chain resilience, serviceability and product innovation are levers to not just manage risk but also unlock new opportunities.

The announcement of the India U.K. free-trade agreement is a pivotal moment for home textile industry in India. While the full contours and the time lines of the agreement are waited, we are optimistic about its potential to provide a strong impetus to India's textile trade. For the first time, India stands on equal footing with Pakistan and Bangladesh in the U.K. textile market. This levels the playing field and India with its scale competitiveness and political stability is well positioned to lead.

At Welspun Living, we see this as a catalytic opportunity with resilient supply chains, strong distributor and customer partnerships and a focused licensed brand strategy, we are well positioned to unlock value in this next wave of global trade realignment. This moment reinforces both India's rising global relevance and Welspun Living's leadership as a trusted future-ready partner in home textiles worldwide.

Highlights of the year gone by. I'm proud to share that we surpassed a significant milestone this year by crossing the INR10,000 crores revenue mark, delivering consolidated revenue of INR10,697 crores, 8.9% year-on-year growth.

Importantly, emerging businesses contribute approximately 30% to our total revenue, reinforcing the strength of our diversified portfolio. Welspun Living remains committed to redefining home solutions sustainably by establishing itself as the FMCG of textiles through strong product and brand play across global and Indian markets and a 360-degree customer-centric approach.

At a strategic level, we have achieved a remarkable milestone in sustainability, securing a total ESG score of 83 in 2024, S&P Global Corporate Sustainability Assessment, CSA. This recognition solidifies WLL's ongoing leadership as the highest ranked textile manufacturing company from India in the textile, apparel and luxury goods category.

The score also places WLL as a fourth position globally in the aforesaid category. We are equally proud to have been certified a Great Place to Work for the second consecutive year with a 96% participation rate, underscoring the trust and engagement of our people.

Now coming to our performance.

Our consolidated revenue stood at INR10,697 crores for the full year with EBITDA margin at 13.6%. As per the FY '25 guidance laid out earlier, we have slightly departed from our revenue and margin targets due to the cautious order pattern from customers in Q4 ahead of tariff implementation, which impacted core as well as emerging businesses. However, we remain committed to maintaining market leadership and profitability in our core business by scaling up our emerging businesses.

Our Home Textile exports grew 10.8% in FY '25, marking yet another steady year. As global trade realigns, India stands to gain and with our integrated portfolio, play and scalable manufacturing, we are optimistic about growth in emerging categories by reinforcing our core leadership. The pillow, utility and fashion bedding remain high potential segments. Our pillow plant in Ohio is ramping up well with 31% utilization in Q4. Our pillow business achieved revenue of about \$15 million this year, which we expect to nearly double in the coming year.

We continue to invest in these emerging categories to remain the preferred partner of choice in the sleep ecosystem. Our global brands continue to be robust with 12% share of total revenues in FY '25. Christy has been synonymous with luxury and excellence, earning a distinguished reputation worldwide. We have a focused approach to drive profitable growth in U.K., U.S. and Middle East with premium positioning, product differentiation, pricing, architecture and increased collaboration to drive brand visibility.

Furthermore, we are actively working on diversifying into the digital realm to cater to the millennial demographic and expand accessibility. Our licensed brands, Coco Cozy, Disney (Europe), Charisma and Martha Stewart continue to witness robust growth momentum, growing by 38%, helping us expand shelf space with the key retailers.

Next, moving on to our domestic retail business performance. Amidst subdued urban spending, higher food inflation and overall economic pressure we have witnessed in the last more than a year in retail segment, our domestic retail business clocked a modest growth of over 5% in FY '25 to reach INR605 crores for this year.

India's retail inflation slipped to more than 5-year low of 3.34% in March as food prices continue to moderate and hence, consumption is expected to bounce back stronger in next quarters. Our focus on the India market is unwavering. Our domestic brands continue to gain growth ground and strengthen leadership position in the Indian home solutions space. Our global expertise has helped us build differentiated product offerings, especially curated for the consumer in our domestic markets to provide a superior brand experience.

Welspun brand continued to witness strong growth momentum with 10% growth in FY '25 with presence across 500-plus districts and 22,000 outlets. Welspun brand continued to be the most distributed home textile brand in India. E-commerce segment has seen significant traction, grew 100% in FY '25, backed by solid performance in quick commerce, which has scaled 16x. Welspun brand is riding the quick commerce wave and ranks top 2 in towels and top 5 in sheets. Spaces continues strong in its path to offer a complete elevated home experience with leading market share in specialty modern trade.

On the domestic flooring front, we witnessed 12% growth in FY '25, reaching INR162 crores on the back of all-round growth across hospitality, residential and commercial segments and focused engagements with AIDs. As the housing sector scales up, driven by rising GDP, urbanization and a shift towards premiumization, demand for high-quality design-led flooring solutions is only set to grow.

We remain focused on deepening extraction from existing markets through a wider product portfolio and a focused approach on brand building. We are expanding our product portfolio for domestic markets through acquisitions of Drape Story, a company operating in product home furnishings like curtains, clothing or sofa, chairs, et cetera.

We are acquiring 84.3% equity in this company at an investment of INR14.57 crores. Current ARR of the company is INR20 crores, and it is expected to reach a revenue of INR100-plus crores in 3 years' time. This is again a substantial step by the company in strengthening its lead in home solutions space in India.

Moving on to Flooring. The challenges in the business continue to persist with the business recording a revenue of INR727 crores, degrowing by 7% in FY '25. Red Sea challenges till Q3 and lately, the uncertainty due to the U.S. tariffs and an overhang on the business throughout the year, despite these challenges, we remain focused on deepening our presence in U.S. home improvements and OEM channels, forging strategic partnerships across Middle East, Australia and New Zealand and leveraging the U.K. FTA to drive regional diversification and long-term growth.

The Advanced Textiles business clocked a revenue of INR562 crores, growing by 7.8% in FY '25. Spunlace and Needle Punch witnessed a strong growth momentum and good progress in business development activities. We remain optimistic on long-term prospects, leveraging our partnership with focus on offering value-added products for global markets in wet and dry wipes segments. Our ESG journey continues to be a strategic differentiator with focused goals on 100% renewable energy and 100% sustainable cotton by 2030. We continue embedding sustainability into every link of our value chain with industry-leading ESG practices.

We have made significant progress towards our ESG goals, and we are well on track to achieve our targets by FY '30. We are closely tracking tariff developments and strengthening our agility to navigate change. With integrated operations, strong retail partnerships and a diversified global presence, we are well equipped to manage short-term volatility and scale up as the clarity returns.

With this, I would now like to hand over to Sanjay, who will take you through the financial highlights.

**Sanjay Gupta:**

Thank you, Dipali, and greetings, everyone. Let me take you through the financial performance for the fourth quarter and the full year of financial year '25. During quarter 4 '25, we reported consolidated quarterly revenue of INR2,648 crores, up by 1.2% year-on-year. Our full year '25 revenue are at INR10,697 crores, up by 8.9% versus last year. EBITDA margin for quarter 4 stood at INR318 crores, that is 12%, which is down 20.5% year-on-year. Financial year '25 EBITDA stood at INR1,451 crores, that is 13.6%. The margin compression in quarter 4 is primarily due to overall lower offtake than expected.

Profit after tax after minority interest for the quarter is at INR132 crores vis-a-vis INR146 crores year-on-year. Financial year '25 PAT stood at INR639 crores vis-a-vis INR681 crores year-on-year. Consequently, our consolidated EPS for quarter 4 stood at INR1.40 per share as compared

to INR1.52 per share, down 7.9% year-on-year. Financial year '25 EPS stood at INR6.70 per share as compared to INR7.06 per share, down by 5.1%.

On the forex front, our average exchange realization for the U.S. dollar during quarter 4 was INR85.21 compared to INR83.58 in the corresponding quarter last year. For the full year financial year '25, it was INR84.5 compared to INR83.28 in financial year '24.

Net debt stood at INR1,603 crores versus INR1,658 crores last quarter, down by INR56 crores and versus INR1,354 crores last year, higher by INR248 crores. This increase as compared to last year has been largely due to investment in capex, which has already been informed. Coming to segmental results.

Quarter 4 '25 core business Home Textile revenue stood at INR2,206 crores, up by 1.7% year-on-year. Financial year '25 core revenues stood at INR8,804 crores, up by 10.8% year-on-year. Quarter 4 EBITDA of Home Textile stood at INR278 crores at 12.6% as compared to INR362 crores at 16.7% last year. Financial year '25 Home Textile EBITDA was at INR1,297 crores at 14.7% as compared to INR1,346 crores at 16.9% last year.

Financial year '25 revenues for Flooring was at INR889 crores, down by 4.1% year-on-year and EBITDA of INR74 crores, that is 8.3%. In quarter 4 of financial '25, we spent INR106 crores towards capex majorly towards Towel project at Anjar. For the full year financial year '25, capex stood at INR701 crores versus our guidance for total year capex, which was INR860 crores.

As per our Board approved distribution policy, we continue to distribute minimum 25% of our profits to our shareholders. The Board during this meeting held today on 29th May has proposed 170% dividend distribution for financial year '25 amounting to a distribution of INR163 crores being 25% of PAT for financial year '25, subject to the approval in the Annual General Meeting.

As had been informed earlier, the Board had, in financial year '24 and in financial year '25, approved a total capital outlay of INR1050 crores in Anjar in 2 phases for various expansions through its wholly owned subsidiary, Welspun Home Solutions Limited, to be spent over financial year '25 to financial year '27. The project for additional terry towels capacity of 6,400 metric ton at an outlay of INR341 crores is already nearing its completion in Anjar.

The Board noted a further spend of INR200 crores planned for financial year '26 out of the total outlay already approved in inter alia increasing terry tower loom capacity to produce additional 3,600 metric tons per annum and the consequent increase in Cut & Sew capacity and creating additional storing capacity for bed sheets.

This would increase our terry towel capacity to 1 lakh metric ton per annum. The internal capacity expansion would decrease the variability and in the cost of outsourcing, ensuring better customer service and profitability. In addition, a maintenance capex of about INR100 crores would be spent in debottlenecking, modernizing and for balancing equipment during the year financial year '26, hence, taking the total expected capex at INR300 crores. In view of the prevailing situation, as outlined by Dipali earlier, we are unable to provide a firm guidance for

the current financial year at the moment. As the situation settles down to some extent, we would come back in the ensuing quarters.

With this, I leave the floor open for question and answer. Thank you.

**Moderator:** First question comes from the line of Vishal Mehta from IIFL Securities.

**Vishal Mehta:** Yes, so firstly, on the branded segment on Home Textile, we've seen a sharp degrowth this quarter and resultantly also on a full year basis, probably our revenues are near flat. So what happened here this quarter specifically and especially that this is a growth segment for the company, how do you look at the growth for this segment?

**Dipali Goenka:** So in the branded in India, I can say that we have actually grown annually by 3% because of the challenges that we saw in the economy and the demand. In the quarter 4, we actually saw a 16% growth in the B2C. So that was very, very encouraging. And we are poised towards our 30% growth this year in our domestic market. So that I'm very confident about.

And Welspun, as you know, is our affordable brand that actually we are going to all the towns and cities and Spaces is our aspirational brand. So that is where we are. We are poised towards a journey of a brand going to around INR1,200 crores in the next 2 years.

However, I must also add here that our branded segment totally, which includes our global brands like Christy and our licensed brands and including the Spaces, have grown to INR1,700 crores this year. So that has been very heartening.

**Sanjay Gupta:** So overall, branded business, has remained at the same level because we had certain brand orders last year, which came into the quarter 4 and which has in this year moved to quarter 1. And our entire global branded segment has moved to about INR1,200 crores.

**Vishal Mehta:** Yes, so I was actually specifically asking on the global branded piece that is showing a sharp degrowth in Q4.

**Sanjay Gupta:** So overall, global branded is, as I said, it is at a breakeven level, I mean, same. So we did about INR1,158 crores this year similar to last year. This year, of course, we have done higher, but impact of it will come in quarter 1 because last year, quarter 4, we had some higher orders. And so otherwise, the branded business is continuing to grow.

**Dipali Goenka:** So we are poised towards the growth here. Let me just put it very, very categorically. It is just a matter of orders moving from one quarter to the other in terms of licensed brands, but Christy continues to grow.

**Vishal Mehta:** And on Flooring, that continues to struggle despite probably our supply chain situation easing considerably compared to previous quarter, this quarter. So any color there?

**Dipali Goenka:** Yes. So flooring actually gets the impact very, very fast compared to the others because earlier, it was the Red Sea challenges that we saw in the quarter 3. And now with the whole challenges

of these tariffs, actually in quarter 4, nobody picked up our goods. They actually held it on until there was some clarity on the tariff situation.

However, let me tell you that in our soft flooring, we saw an upside, and we continue to also see an upside in the hard flooring at the moment because of the China Plus One opportunity that we are seeing here.

So one more thing I must say that we are partnering with the home improvement national chains and the OEMs & Hospitality. So that will actually see some upside here. So yes, Flooring has been a little muted, but we are confident in the future that we'll be able to strive towards this. And domestic flooring actually has grown by 12% this year.

**Vishal Mehta:**

Last question on B2B exports. They have grown well this quarter, but they seem to have been coming at lower margins. What has been a major driver of growth firstly for this kind of a growth this quarter? And given the tariff situation, how do you see the growth in margins to play out in this segment?

**Dipali Goenka:**

So first of all, let me tell you why Home Textile exports grew by 2% in quarter 4. But if I look at the entire FY '25, it was at 11%. And that actually in these times is quite encouraging. And while the margins actually are sort of -- it's a matter of one quarter or the other. But this quarter, actually, because the offtake was a little slow, and hence, that got impacted on our Home Textile margins.

So that's where we are. Otherwise, we are poised towards taking on the market leadership in America and also the same in U.K. So that's the opportunity that we see now post the United Kingdom's FTA, that's again a great opportunity for us.

**Vishal Mehta:**

Okay. I think your Home Textile exports actually have grown well this quarter, right? You have said that they grew only 2%, but I think the Slide 10 and 11 of your presentation probably shows a very good growth on your global B2B and Home Textile B2B. So...

**Dipali Goenka:**

Look, in Home Textile, actually, quarter 4 grew by 2% only. I think there might be a confusion. Annually, 11% growth we've had. And we are very bullish about this segment, which will continue to grow and at a single upper-digit number.

**Moderator:**

The next question comes from the line of Prerna Jhunjhunwala from Elara Capital.

**Prerna Jhunjhunwala:**

Ma'am, just wanted to understand the reason for margin pressure that is coming in this quarter. And how is U.S. tariff going to impact our performance in the first half of this year versus the full year?

**Dipali Goenka:**

So the margins actually, as I spoke about it earlier as well, we just grew by 2%. And we couldn't ship some inventory because it was held up due to the tariff uncertainty in the Home Textile. And that's where we could have that challenge. Now when we talk about the tariff, Prerna, and we all know that there's an uncertainty here.

Yes. So while the government -- the U.S. government has put a pause for 90 days, that has been a little relief on this. But we are working very closely with our customers. And I think, Prerna, can I be very candid here. There have been challenges of COVID and there will be challenges earlier as well.

And this is another challenge of tariff. But the relationships that we have with our customers over 2 decades, they remain absolutely stable. There's opportunity here where we are working very closely with their supply chain teams. So that has actually helped us to tide over this. And that's where we feel very confident.

One more thing is that we are working with one of the Big Four firms to guide us on the effective measures to minimize the overall tariff impacts and risks. So again, the challenges are there of tariffs. Welspun is not built for today or tomorrow. It's built for 100 years and over a legacy that we're going to create. So let me be very clear on that as well and our relationships with the retailers are very strong.

**Prerna Jhunjunwala:** Undoubtedly that you -- we are not really bothered on the continuity of the business. What we're just trying to understand the impact that tariffs could bring in given your higher exposure to the U.S. in the near term. And we should be -- I mean, we should not be caught off the hand if there is a sharp dip or a sharp improvement in any of the years or quarters.

**Dipali Goenka:** Yes, I'm sorry, I'm happy to say few years back we usually were 80% America. Now we can say that it has now diversified to 60% to 65% United States. And the rest is the rest of the world. And that has become a great opportunity. And as we spoke earlier, now 10% to 12% also is becoming a brand share of our top line. So this is something pretty healthy as we say, as we go forward.

**Prerna Jhunjunwala:** And the second question on FTA. You have a decent exposure in U.K. as well. How are you progressing on that geography and connecting with clients to increase exposure over there? That would be helpful.

**Dipali Goenka:** So U.K., actually, let me tell you, every 1 in 4 towels in U.K. till today I can say positively that has been Welspun despite we had a disadvantage earlier. But now with the U.K. FTA, this has become a very big potential to expand our footprint, not only in towels, but in sheets. And we are already seeing good healthy conversations happening with a lot of retailers. So this has been very positive, Prerna.

**Prerna Jhunjunwala:** And any opportunity for Flooring over there?

**Dipali Goenka:** Yes, yes. Soft flooring, hard flooring, advanced textiles, both in U.K. and Europe. And as you already know that Europe also, there are a lot of conversations happening on the FTA. And by July, we'll see a visibility there as well. I hope that's also positive. But yes, there are opportunities in textiles, soft flooring, hard flooring and advanced textiles as well.

- Prerna Jhunjhunwala:** Okay. And the last question is on guidance. I missed your initial part. If you have mentioned the guidance for revenue growth this year and margin guidance, if you have given any -- if you're giving anything for this...
- Dipali Goenka:** Prerna, this is very, very -- I mean, I'll say the headwinds, our global headwinds, we can clearly see. And we are in these dynamic times. I don't think so we'll be able to give any kind of a guidance. And we will see how the BTA comes along. However, I will reinstate that our relationships with our customers hold strong in United States.
- And we will definitely be well positioned to have a decent kind of position, let me tell you. And U.K. and Europe and rest of the world will also see some upside here. So I just want to tell you that too.
- Moderator:** The next question comes from the line of Tanishk Khinvasra from Antique Stockbroking Limited.
- Tanishk Khinvasra:** So do we continue to maintain our guidance of INR15,000 crores by FY '27 or there will be any deviation due to the current uncertainty?
- Dipali Goenka:** So I'll tell you our North Star is INR15,000 crores, maybe a little aberration of 6 months here and another year, that side. And with a 15% to 16% EBITDA, that we hold strong. It is just an aberration of this timing that might happen because of these kind of global dynamics, but we hold absolutely on to that number.
- Moderator:** The next question comes from the line of Nitin Shakhder from Green Capital Single Family Office.
- Nitin Shakhder:** This is Nitin Shakhder from the Green Capital Single Family Office. So obviously, my question is not on margins as a typical analyst would ask, I'm asking a question more from an investor's point of view. So Dipali and the management team at Welspun, I mean, obviously, we all know that U.S. revenue is 63%, 65% U.K., EU, 16%, 17% and India is about 13% and rest of the world is about 7%, 8%.
- So can I specifically just ask about some risk hedging strategies that the management is doing to increase the revenue mix from U.K. or EU or India on new markets like Scandinavia, Japan, Switzerland, obviously, because U.K. and Switzerland have signed the FTA. I understand that they have strong relationships with U.S. customers and doesn't the opportunity seem larger in these other geographies and just some risk hedging strategies what the management has as part of their strategy?
- Dipali Goenka:** So as I actually -- I spoke about it earlier, I mean, 5 years ago, we were talking about 80% of the revenue came from United States of America. Now it has been diversified, and it stands at around 60% to 65%. And we are derisking our businesses.

And we see our growth coming in U.K., EU, GCC, ANZ and Japan. They are our focus markets. And actually, this quarter also, while U.S. slowed down for us, but we saw a growth in Europe and rest of the world over around 30%. So definitely, the derisking is going on.

And when we talk about the brand portfolio, which is our global brands, whether it is Christy, our Creative CO/Lab and like Martha Stewart and others, along with our domestic brands like Spaces and Welspun they are around 18% of our top line now. So literally, I mean, we are working towards hedging our risks across our typical portfolio here. Along with this, when we talk about Home Textile, we have other categories to talk about, the soft flooring, hard flooring and advanced textiles as well. So yes, that's where we are.

**Nitin Shakhder:**

And just a follow-up to that is, obviously, as we all run businesses and I do understand that it takes time to create a revenue mix change from geographies and it's a process. But are you seeing higher value and more margins in the, so to say, economically richer countries like U.K. or Switzerland or Scandinavia or Japan and any products which you think will be better there for the clients there?

**Dipali Goenka:**

So one thing, let me tell you, U.S. is our big market for sure, which has those kind of richer margins. But now when I talk about U.K. and the kind of retailers like John Lewis and the others, the margins tend to get better comparatively. Japan, again, is another economy where you see better margins.

And Scandinavia, again, gives you good volumes. And we have a license for Disney in U.K. and Europe. That actually has opened more doors towards East European countries where there are a lot of retailers who have a footprint of more than 2,000 stores. So that again has given us a huge opportunity towards that penetration that side as well.

So I think it's going to be a mix of everything, whether it's going to be a mix of volume, it's going to be a mix of margins, it's going to be a mix of categories. And the advantage that Welspun has is that it has a complete Home Textile portfolio, whether it's towels, bath rugs, bedding, sheets, utility bedding across extra as well, yes.

**Nitin Shakhder:**

Okay, great. Thanks a lot, Deepali, and to the management at Welspun. I always like to think that these are opportunities and shifts will always increase more revenue for us. All the best.

**Moderator:**

The next question comes from the line of Jai Balan from ValueQuest.

**Jai Balan:**

Just had a question. Are there any plans to increase capacity to cater to this new demand?

**Sanjay Gupta:**

So as we had informed earlier and also today that we are putting up towel capacity of 6,400 metric tons, which is going to start very soon and an additional 3,600 metric tons. So we are increasing our towel capacity by 10% internally. So that we will utilize it for the growth that we are expecting from all our markets, including the U.K.

**Jai Balan:**

Okay. And how long does this expansion take in terms of how many months?

- Sanjay Gupta:** Expansion?
- Jai Balan:** Yes, like to set up a new plant.
- Sanjay Gupta:** As I said, 6,400 metric tons in the next month or hardly 2 months. And the balance would come by third quarter to fourth quarter.
- Moderator:** The next question comes from the line of Raj S. Vyas from TM Investment Technologies Private Limited.
- Raj S. Vyas:** I just wanted to understand, like you have mentioned that the demand scenario was not that great in Q4 because of this tariff implications, right? But we have also seen that we have got a 90-day pause that itself speaks that 90 days reflect 1 quarter. So how are things panning right now at the moment? Is the demand improving or it's a little bit the same that you have discussed that it's not as per the mark?
- Dipali Goenka:** So in quarter 1, we are seeing some decline in orders due to the cautious order patterns from customers because everybody is wary about what's going to happen next. But we have also adopted a kind of a proper approach and planned shipments only basis the confirmed orders and written confirmations from customers to avoid any inventory risk.
- So there are ongoing discussions that are happening and the clarity is emerging on the approach to different customers and everything is very, very different. So every customer is reacting different and specifically. So that's where it is. However, let me just tell you, these are interim blips that come in and they'll also pass off like COVID did.
- Raj S. Vyas:** And if in case as many -- as we are expecting that in the coming few days, we will see India U.S. free trade deal also happening, right? So if it happens, then where do we see like the numbers going ahead? Because you have already mentioned, I guess, INR15,000 crores in the north and 15% to 16% of EBITDA, right? So this was like for which period that you spoke about?
- Dipali Goenka:** So this is for a period of '27, '28, that's what we spoke about. And I clearly said that this could have kind of a little blip because of the aberrations that are there in the global environment. So that's what it is. But we hold this as a North Star, and we are working towards that only. So the challenges will be there, but our focus and our strategy is working towards this.
- Raj S. Vyas:** Okay. But any ballpark number that you have set internally for this year, this financial year?
- Dipali Goenka:** No, we did not set any -- see, I'll tell you one thing, even if I give you any number today, it will not hold tomorrow because these are such dynamic times, and I think we all understand that because today, there's something on social media and you will understand there's something tomorrow. So we are waiting to see how this pans out, and we'll take a call. But quarter 1, as I said, is going to be a little slow because everybody is very cautious about how are they going to take off goods, right?
- Moderator:** The next question comes from the line of Monish Ghodke from HDFC Mutual Fund.

- Monish Ghodke:** So as U.S. has put 10% baseline tariff on all imports, are customers asking us to bear some part of it? Are renegotiations happening in terms of pricing?
- Dipali Goenka:** So this is a conversation that we all are having closely with our customers. And somewhere there are opportunities here where we are working with one of the Big Fours to see how we can mitigate these tariffs as well. So that is something that we're doing.
- Certain retailers, we are looking at different things, different opportunities. So yes, every retailer has a very different way of looking at this. But let me just tell you that Welspun has a very strong relationship with all the key retailers. It is a strategic relationship running over 2 decades. And so it's a very -- it's kind of a partnership conversation that is going on right now.
- Monish Ghodke:** Okay. And second question, you said that U.S. share is 65% and non-U.S. is 35%. So could you give a granular breakup as to which regions or countries this 35% constitute?
- Dipali Goenka:** They are U.K., Europe, GCC, Japan, Australia, New Zealand, these are the countries. And also, I want to say in this, we also have our global brands that are like Christy, Creative CO/Lab and our licensed brands that contribute around 10% to 12% of our top line.
- Monish Ghodke:** Okay. So how much growth has happened in non-U.S. exports? And what kind of growth are you expecting in this over, let's say, next maybe 2, 3 years?
- Dipali Goenka:** So in this quarter, I think I'll give you a perspective of this quarter. Quarter 4 itself, we had a growth of around 30%, 35% in the non-U.S. And that's what we have seen that very encouraging. And now with the FTA is happening, with the U.K.
- FTA that has just happened, that again will become a great opportunity for opening more doors and more competitive with Pakistan and Bangladesh. And secondly, also with Europe. So I think I actually see it as a very positive way forward for Welspun and for India towards taking on the market share in rest of the world.
- Moderator:** The next question comes from the line of Viren Deshpande from Alphapeak Investment.
- Viren Deshpande:** Regarding the margins, we have been facing pressure, but what is the raw material cost scenario that is cotton in raw material?
- Dipali Goenka:** So the raw material cost till yesterday was around INR55,000 to INR56,000. And now with the MSP that the government has imposed, I mean, it is looking like around 7% to 8% increase on cotton, which will actually go to around INR62,000 per candy. So that's where we see the raw material cost right now. But we have a coverage till September. So we actually always take on a forward cover on this. So that's where we are.
- Viren Deshpande:** In this quarter, what was the average cost for us?
- Sanjay Gupta:** About INR55,000 to INR56,000.

- Viren Deshpande:** So we hope to maintain the price at the same -- the cost at the similar level for the first half?
- Sanjay Gupta:** Correct.
- Viren Deshpande:** In the second half, the prices may go up?
- Dipali Goenka:** Yes, that is for us to see how we -- how that pans out.
- Viren Deshpande:** It will depend on the crop and monsoon and everything.
- Dipali Goenka:** Yes, yes. And as we said, we are covered until September already.
- Viren Deshpande:** And overall, the tariff scenario, et cetera, has a lot of uncertainties prevail. But this export-linked incentives, which we used to get, what is the current status of those incentives?
- Sanjay Gupta:** So all the incentives we have like RoSCTL, there's is no change in that.
- Viren Deshpande:** No change in that. And PLI benefits, are we eligible?
- Sanjay Gupta:** No, we didn't go for PLI benefit. PLI basically more towards small-scale manufacturers. So we didn't go.
- Viren Deshpande:** Currently, what is our exports to U.K. because the treaty which has been signed, maybe after 1 year, the benefits of that could come. So currently, out of the rest of the world about 35%, how much is the export to U.K.?
- Sanjay Gupta:** 9%. So out of 35%, 9% is our U.K. business. And so as Dipali said earlier, so U.K. FTA if gets effective will definitely benefit the business because we are already present there through our own subsidiary. We are selling to all the big retailers there in the better and best category. So we will take more market share.
- Moderator:** The next question comes from the line of Jayesh Gandhi from Harshad H. Gandhi Securities Private Limited.
- Jayesh Gandhi:** My question is again relating to U.K. FTA. Sir, in U.K., I think we are mainly selling towels. So post this U.K. FTA and possibly Europe, is selling bedsheet and maybe other products is going to be a fast ramp-up of sales since we will not have the 9% and 10% disadvantage that Bangladesh, Pakistan and Turkey used to enjoy? Or is it going to be a tougher affair?
- And in continuation to that, if that is the case, then where do you see the geographical sales mix in next 3 years? I mean, for U.K. and Europe, do we think we can cross 30% there?
- Dipali Goenka:** We already actually have crossed that actually. U.K., Europe and rest of the world, actually, we are now like 30% to 35% is this share that we have already have, and we will continue now. This will become an added advantage with the U.K. FTA that is coming in, not only because we used to be actually -- we are #1 in -- from India and U.K. towel imports. So that's something that...

- Jayesh Gandhi:** Sorry to cut you in between, madam. I was just talking about U.K. and Europe. I think we are some 16% or 17% of total sales. I'm just talking about Europe and U.K., can it be 30%?
- Dipali Goenka:** Yes. So U.K. itself is 9% right now, and Europe will be around 12%. So this is where we are already there. And with the category mix that we can have and an opportunity because it's not just towels now, bedsheets, that becomes a good market share to take on. Bath rugs is again an opportunity, soft floorings, hard floorings and advanced textile, again, will be a great opportunity for us.
- Jayesh Gandhi:** Got it. And this 9% or 10% of disadvantage that we had against Pakistan and Bangladesh, can it flow into the bottom line easily? Or how would -- how can we see?
- Sanjay Gupta:** No, no. So our imports will become cheaper. We will have the same selling price, but imports in U.K. and U.K. will become cheaper. So we will have more salability in U.K. It will not impact any of the pricing or margins.
- Dipali Goenka:** Because you're already competing with the Pakistan and Bangladesh. It's a good opportunity. It will actually become a level playing field for us.
- Jayesh Gandhi:** Got it. And one last question on our tax rate. What is the tax rate that we should work with? I think we are closer to like 30%. Is that the way we should work?
- Sanjay Gupta:** Our ETR for financial year '25 is 25%, and we should be able to maintain it in the future.
- Moderator:** As there are no further questions, I would now hand the conference over to the management for their closing comments.
- Dipali Goenka:** So thank you for your time today. And as we look ahead to FY '26 and beyond, we are mindful of the evolving macro and trade landscape. The recent tariff implementation is one such development we are watching closely. While the situation remains dynamic, it underscores the need for agility and foresight. This year is shaping up to be both challenging and dynamic, calling for a strategic repivoting of our products and go-to-market approach. Within the current uncertainty, we find a certain clarity, an opportunity to innovate, sharpen operational excellence and double down on the India opportunity.
- In many ways, the chaos around us also presents structure, revealing pathways for value creation and leadership. We see this as a pivotal moment for India in the global textile space, and Welspun is well positioned to seize the opportunity ahead through our diversified global strategy, continued investments and established leadership. At this stage, given the evolving external environment, it is difficult to provide definitive guidance for FY '26.
- However, we are actively assessing developments and we will share a clearer outlook once we have better visibility. We remain committed to creating sustainable value for all our stakeholders through responsible growth, ESG leadership and a sharp focus on execution. Thank you.



*Welspun Living Limited*  
*May 29, 2025*

**Moderator:** Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.