



RUPA & COMPANY LIMITED



Date: February 16, 2024

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**Ref: NSE Symbol- RUPA / BSE Scrip Code- 533552**

**Sub: Transcript of the Earning Call held on February 09, 2024**

Dear Sir/ Madam,

In continuation to our letter dated February 05, 2024 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earning Call held on February 09, 2024, to discuss the Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and nine months ended December 31, 2023.

The same will also be made available on the Company's website at <https://rupa.co.in/con-call-transcripts-audio/>.

Kindly take the same on record.

Thanking you.

Yours faithfully,

**For Rupa & Company Limited**

**Manish Agarwal**

***Company Secretary & Compliance Officer***



“Rupa & Company Limited  
Q3 FY24 Earnings Conference Call”

February 09, 2024



**MANAGEMENT:** **MR. VIKASH AGARWAL – WHOLE TIME DIRECTOR –  
RUPA & COMPANY LIMITED**  
**MR. SUMIT KHOWALA – CHIEF FINANCIAL OFFICER –  
RUPA & COMPANY LIMITED**

**MODERATOR:** **MR. SUMEET KHAITAN – ORIENT CAPITAL**



**Moderator:** Ladies and gentlemen, good day, and welcome to the Q3 FY '24 Earnings Conference Call of Rupa & Company Limited, hosted by Orient Capital. 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. Sumeet Khaitan from Orient Capital. Thank you, and over to you, sir.

**Sumeet Khaitan:** Yes. Thank you, Muskan. Good afternoon, everyone. Thank you for joining us on the call today. We are joined by the management of Rupa & Company Limited, represented by Mr. Vikash Agarwal, Whole Time Director and Mr. Sumit Khowala, Chief Financial Officer.

Before we begin, I would like to give a small disclaimer that this conference call may contain certain forward-looking statements, which are based on beliefs and opinions as on date of this call. These statements are not guarantees of the future performance and involve risks, which are unforeseen and difficult to predict. A detailed disclaimer has been added to the reference presentation, which was uploaded on the stock exchange. I hope everyone had a chance to go through it.

With this, I would now like to hand over the call to the management for their opening remarks. Over to you, sir.

**Vikash Agarwal:** Good afternoon, ladies and gentlemen. On behalf of Rupa & Company Limited, I would like to extend a warm welcome to all of you who have joined us for this results concall. We appreciate your time and interest in our Company's performance. I hope that everybody had an opportunity to go through the financial results and investor presentation, which has been uploaded on the stock exchange.

Let me start with our financial highlights. We are delighted to announce that we have achieved a remarkable growth in terms of both revenue and profitability. Revenues in Q3 stood at INR319 crores, representing a growth of 35% on year-on-year basis. EBITDA margin for the quarter stood at 10.3% for the quarter, up by 430 basis points year-on-year. PAT margin for the quarter stood at 6.5% up by 420 basis points year-on-year.

EBITDA margin for the 9 months stood at 9.4%, up by 1 basis point, and PAT margin for 9 months stood at around 5.6%. Our sales performance has been resilient with a notable uptick in demand across various product lines, especially in core innerwear segment and athleisure segment.

Overall, our sales volume continued to achieve robust double-digit growth this quarter to a 45% growth in Q3 and 21% growth in 9 months financial year '24. Economy segment volumes grew at 20%, mid-premium saw growth of 22%, and premium grew by 40% in volume in 9 months financial year '24.



Geographically, East market continues to major contributor to our sales mix, followed by North and export though little sluggish, continue to contribute 3% to the overall revenue in 9 months. Expenditure on marketing and branding activities in 9 months remain in line with our annual allocation.

Going forward, we expect to see sustained customer demand and firm raw material prices around current levels. These factors will provide impetus to growth in coming quarters with a sustainable margin. We are confident to achieve double-digit revenue growth in the coming quarters with EBITDA margin in the range of 10% to 11%.

We are vigilantly monitoring the evolving business -- business landscape and proactively adapting to current and imminent expectations. We are committed to enhancing our product mix, built on optimizing processes controlling expenses and capturing growth opportunities to strengthen shareholder value. We anticipate your continued support as we dedicate the road ahead together.

With that, I would like -- now like to conclude my speech and would like to hand over the proceeding to our CFO, Mr. Khowala. Thank you.

**Sumit Khowala:**

Thank you, sir. And hello, everyone. And thank you for joining us for quarter 3 and 9 months FY '24 earnings call. I will provide a brief overview of our financial performance for the quarter and 9 months FY '24. Coming to the quarterly performance, revenue from operations for quarter 3 FY '24 is INR319 crores, grew by 35% on a year-on-year basis. The EBITDA for the quarter stood at INR33 crores as compared to INR14 crores same period last year, registering a growth of 131% year-on-year.

EBITDA margin for the quarter stood at 10.3% for the quarter, up by 430 basis points year-on-year. The net profit for the quarter stood at INR21 crores against INR6 crores in quarter 3 FY '23, which grew by 276% year-on-year. PAT margins for the quarter stood at 6.5%, up by 420 basis points year-on-year.

Now coming to the 9-month financials, our revenue from operations for 9 months FY '24 stood at INR816 crores against INR736 crores in 9 months FY '23, up by 11% year-on-year. EBITDA stood at INR77 crores, grew by 24% year-on-year and EBITDA margin for 9 months FY '24 stood at 9.4%, up by 100 basis points year-on-year.

Profit after tax stood at INR46 crores against INR35 crores same period last year, registering a growth of 31% year-on-year. PAT margin stood at 5.6%, up by 90 basis points year-on-year. Cash generated from operations stand at INR143 crores positive, which has been majorly utilized in reducing our debt. Our net debt as of December '23 stands at INR13 crores versus INR134 crores in March '23.

In addition, our diligent approach to the working capital management has led to decrease from INR788 crores in March '23 to INR736 crores in December '23, which indicates our commitment to efficient resource management.

With this, I now conclude my speech and open to go for question-answer session. Thank you, everyone.

- Moderator:** First question is from the line of Sonali Shah, an individual investor.
- Sonali Shah:** Sir, our exports continue to remain muted this quarter as well. So when do we expect that to normalize?
- Vikash Agarwal:** We are hopeful from quarter 4, it should pick up. And in coming quarters, it should start growing.
- Sonali Shah:** Okay, sir. And sir, what would be our branding and advertising cost for the rest of the year? And what do we expect our branding cost to be for FY '25?
- Vikash Agarwal:** I could say like year-on-year, we have been moving from year is around 7%, we continue to maintain that 6.5% to 7%.
- Moderator:** The next question is from the line of Rahul Jain, an individual investor.
- Rahul Jain:** Yeah. Can you throw some light on the performance of our subsidiaries, Rupa Bangladesh, Rupa Fashion, Euro fashion, Oban this quarter?
- Sumit Khowala:** We have 5 subsidiaries out of 5 subsidiaries, 3 subsidiaries that is Euro Fashions, Oban Fashions, and Imoogi Fashions, they are both EBITDA and PAT positive. And in Rupa Fashions and Rupa Bangladesh operations are not yet started. So they have negligible losses in terms of EBITDA and PAT.
- Rahul Jain:** Okay. My second question is, can you give us the contribution in terms of numbers or percentage for athleisure and thermal segment?
- Sumit Khowala:** Athleisure contributes approximately 7.5% of the total revenue for 9 months and thermal contributes approximately 8%.
- Moderator:** The next question is from the line of Varun Mishra from Big Four Investment.
- Varun Mishra:** Good set of numbers -- I had a couple of questions. One is like the revenue contribution, could you please share in the segment on the basis of the products which you have like in the economy segment, mid-premium and the premium segment, that would be great Sir in percentage terms.
- Sumit Khowala:** For 9 months, the value growth in economic segment is around 20%. Mid-premium segment is 22% and premium segment is 40%. I'm talking in terms of volume. But value -- economic segment, is 9%, mid-premium 14% and premium is 30%.
- Varun Mishra:** Okay, sir. And sir, like could you give a insight about the sale split between the rural and the urban areas? Like how much comes from rural and urban?
- Sumit Khowala:** Approximately 50% - 50%. We don't have exact data, but it is approximately 50%, 50%.

- Varun Mishra:** My next question is, like, what are the CapEx plans going forward? Like what are the expansion plans for the EBO going forward as we see.
- Vikash Agarwal:** CapEx is around same around INR15 crores to INR20 crores every year like what we look as of now. And EBOs, we have around 29 EBOs so far and around 4 to 5 further EBOs should be coming up in quarter 4.
- Varun Mishra:** In quarter 4, right, sir?
- Vikash Agarwal:** Yes. A bit slow on the EBO part just because there's a market slowdown, but that's the basic plan.
- Moderator:** The next question is from the line of Rehan from Equitree.
- Rehan:** I had a question on the gross margin. Curious to know why the gross margins have come down on a quarter-on-quarter basis?
- Sumit Khowala:** Main reason is the change in mix, the contribution from a higher margin business is lower than what it has been in the second quarter. And secondly, some extra scheme has been passed on the dealers to incentivize the same.
- Rehan:** Okay. Second is that we've seen pricing to be under pressure for quite some time. Do we see any form of mean reversion to happen in the price like the ASPs that we put.
- Sumit Khowala:** Didn't get you, can you come again?
- Rehan:** The price -- ASPs have been under pressure for quite some time. So do you see any reversion of the same possible, any price hikes possible in the short to medium term.
- Vikash Agarwal:** Not in quarter 4 as of now, but all depends on the raw material prices. If raw material price firm's up further we might. But as of now, there will be nothing.
- Rehan:** Not even in the medium term, right?
- Vikash Agarwal:** Not in the short term, I would say.
- Rehan:** Lastly, could you help me understand that, what would be the key growth drivers? I mean we've seen on your from your PPT also that the X factors, modern-trade all are growing at 13, 3, and degrowth in exports. Curious to know what will be able to take our numbers back to a couple of years back where we saw stellar growth in 2021, 2022, like 17%, 18% kind of EBITDAs? So could you help us understand the same? What would be the next tailwind for your growth? Or how would that growth trajectory go from here?
- Vikash Agarwal:** Like what has been mentioned in our presentation, we are focusing on 6 -7 different focus areas. But being the core line, which is the core of Rupa, definitely, that would be the driver. We are focusing a lot into that, and that should drive the whole growth the core range. And of course, we are focusing into export, we are focusing on modern trade. We are focusing on athleisure. So there are different focus areas, but the core segment should drive the growth.

- Rehan:** Okay. And lastly, the share of -- from your higher margin business, which is the women's wear and the other as a percentage come down, any reason why for the same.
- Vikash Agarwal:** In the women wear?
- Rehan:** Yes. I mean on a 9 monthly basis, I think 10% now versus 12% or 13% last financial year also. Any reason for the same.
- Sumit Khowala:** Generally contributes approximately 10% of our total business. This time, thermals have not performed that much that we have expected, but things are on line.
- Moderator:** The next question is from the line of Raunak from Robo Capital.
- Raunak:** I just want to understand like what is the current industry scenario? And when can we get back to the previous margins level that we are having kind of 20% kind of margin level?
- Vikash Agarwal:** 20% kind of EBITDA margin you mean to say?
- Raunak:** Yes.
- Vikash Agarwal:** 20% of EBITDA margin looks difficult. That was a very unique COVID year where the demand was quite high and supply only coming. But it remains around anywhere between 13% to 15% is achievable, which we are quite hopeful in coming years, we should come to those numbers.
- Raunak:** Got it. And what are in the terms of demand scenario, how you are seeing the macro is going on?
- Vikash Agarwal:** Sorry?
- Raunak:** How do you see the demand scenario in the industry like on the micro specific terms?
- Vikash Agarwal:** Like overall, demand in last quarter was little sluggish what we see in PAN India, especially into rural, but coming quarters, like as you know, yarn prices and raw material are falling from last one and a half years, which is little firm now and should pick up from these levels. And a lot of destocking has been happening in terms of trade.
- So that demand should pick up. So that demand there and consumer demand should also pick up as summers are heading. So we are quite hopeful in coming quarters, things normalize and should do well.
- Moderator:** The next question is from the line of Reshah Mehta from Green Edge Wealth.
- Reshah Mehta:** Thank you for the opportunity. This is Reshah. So the first one is on the channel inventory. So how is the channel inventory there on would be retailers in the distribution chain, basically, if you can give some flavor on that?
- Vikash Agarwal:** Channel inventory like usually previously dealers used to maintain at least a month stock while the prices are falling for the last couple of quarters that a lot of destocking has happened because

of unassurability of the prices -- instability of prices. So once the prices are stable and around the upward mode because of rising raw material prices, it will push figures to stock to the normal level again. That will confidence to them. So that should happen.

**Reshah Mehta:** So you said it used to be 30 days prior to this price correction and currently, what would that be? The 30-day number would have reduced.

**Vikash Agarwal:** Maybe half of it or 10 to 15 days, I'll say. That's not to the normal level for sure.

**Reshah Mehta:** Right. And what has been the price correction that has happened in our portfolio or the realizations coming down in our portfolio in the last 9 months?

**Vikash Agarwal:** I won't say price correction, but because of the raw material prices, whatever pricing has fallen and that has been transferred to the market, the benefit of that because of tough competition that has happened in the whole industry. So that benefit has been given to the market here.

**Reshah Mehta:** And as far as our working capital goes, what would be the inventory receivable days for the last 9 months?

**Sumit Khowala:** Yes, it has been come down from March. The current working capital is 225 days, against 272 days in March. The inventory days is around 160 days, debtor days is around 100 days, and creditors days is around 35 days.

**Reshah Mehta:** Understood. And do we expect the inventory and -- the inventory levels to remain at around 160 days? Or is there room to kind of bring it down or it could go up.

**Vikash Agarwal:** Yes, it will for sure go down in quarter 4, and it will further go down. Last year, it's been very unique in terms of demand and all. So the inventory will be high. But in coming quarters, it should go down.

**Reshah Mehta:** And in a steady demand environment, what should be that expectation on inventory days?

**Vikash Agarwal:** Roughly 25 days.

**Reshah Mehta:** Understood. And we had a tie-up with fruit of the loom. So does that still continue or.

**Vikash Agarwal:** No, we are not focusing much on that as of now. It's largely into our EBO's and all but not into general trade. And we are negotiating the agreement also. So agreement tenure is about to finish. So we are renegotiating the terms and condition. Because we have to invest a lot in all so there is some royalty fee and all so we are negotiating into that. And if it comes to our terms, we'll continue, otherwise we might drop it.

**Reshah Mehta:** Right. And lastly, I think a couple of quarters back you were hunting for a CEO. So is that still on? Or what's the update on that?

**Vikash Agarwal:** We are still looking for a CEO, but from our last lending on 2 CEOs, we want somebody who can deliver results in long term, maintaining the hygiene and everything. So once we have a



suitable CEO, the position is still open and mandate is through agency, but we are still due to find a appropriate one.

**Reshah Mehta:** So any time line on by when we plan to close this?

**Vikash Agarwal:** The time line in terms of CEO, we are not focusing much, but in terms of building the team below CEO in what we felt is more important in terms of like IT head. So we have got a very senior IT head. We are building up a very strong sales team, the ability the modern trade head or a EBO head.

So we are focusing more on that action team who can deliver results. And once we have that team, then we'll see, it will be easy for a CEO also to come and perform better. And we think if CEO will actually required by that time or not. So we are building the second level team as of now. The focus is more on that team right now.

**Reshah Mehta:** Right. So the second level team that we are building, so IT head, etcetera, and some positions that you spoke about. So were these positions not there in COVID or whatever. If you can just...you know more detail

**Vikash Agarwal:** It was always there. Surely. Position was always there and while the CEO was there, we also tried to fill in the positions and all but we did not get the right people, we had to replace few people and all. So ultimately, the level -- second level team has to perform. So focus on that. So we are building the right team. -- so even CEO is there, you need to build a good team.

**Reshah Mehta:** Right. And how was the winter gone by in terms of thermal sales?

**Sumit Khowala:** Winter contributes -- thermal sales contributes almost 8% of the total sales. So it means it's not that we had expected -- we expect that the thermal sales will cross more than INR100 crores, but currently it's around INR68 crores.

**Reshah Mehta:** Right. So the season has not been good, right?

**Vikash Agarwal:** Yes, December was bad for us, winter actually started from January, so that doesn't end. So initial quarter -- we remember September, October was quite good. But it didn't continue November and December, winter was flat. So maybe that was the reason for it.

**Reshah Mehta:** Right. And what -- any guidance that you all are giving for the next year, next financial year.

**Vikash Agarwal:** Next financial year, we're not very sure, but we won't be really aggressive on thermal. So, yeah, maybe 20%, 25% growth from these levels for sure, but not very aggressive.

**Reshah Mehta:** No, no, I'm talking about the overall company revenue and margin?

**Vikash Agarwal:** Company revenue, of course, we are looking for a 15% growth with EBITDA margin of anywhere between 10% to 12%.

**Moderator:** The next question is from the line of Parikshit Kabra from Pkeday Advisors.



- Parikshit Kabra:** My first question was about the growth. Congratulations on the great number that you have shown for this quarter. I was just wondering what you would attribute this quarter's growth to because your competitors haven't grown as well. So you guys have an outlier here.
- Vikash Agarwal:** I think our growth was due from last few quarters and all. So it's in line. And we continue to deliver results in quarter 4, hopefully, so we achieve our yearly targets and all. So quarter 3 was important, and that was due for a long time.
- Parikshit Kabra:** Okay. No, the reason I ask is because, as I said, you're an outlier in this regard. But so -- but there is no particular initiative or particular lever that has worked for you. It has been a general across the board -- general operations and operational excellence that has brought this growth? Is that how...
- Vikash Agarwal:** Yes, absolutely. Yes.
- Parikshit Kabra:** Okay. Secondly, building on some of the questions that were previously asked, I'm just going to ask you openly how -- what is the path to a better ROE, which lever do you -- are you expecting to improve your return on equity? And in what kind of time frame?
- Vikash Agarwal:** Like what areas is like higher than our change in product mix and determine equity is at least 20% is what we target.
- Parikshit Kabra:** But how do you plan to get there?
- Vikash Agarwal:** Sorry?
- Parikshit Kabra:** How do you plan to get to 20%? Like what are you going to do to get there?
- Vikash Agarwal:** Basically, if you have a right top line, you have the right inventory, circle, cycle and everything, it will lead to the kind of return on equity.
- Parikshit Kabra:** Got it. And how do you plan to decrease your inventory?
- Vikash Agarwal:** By achieving the right top line
- Parikshit Kabra:** Okay. So you're saying that by increasing top line, your inventory base will automatically go down.
- Vikash Agarwal:** Yes, absolutely.
- Parikshit Kabra:** In terms of operational changes about how you manage your inventory or how you do your distribution, are you expecting any initiatives there to deliver any results in inventory days?
- Vikash Agarwal:** Yes, we are doing a lot of retail as of nowadays. We have actually launched the program to do a retail tie up where we have more clarity of secondary to what we are doing. So far, we have a visibility of primary what we do. So as and when we have a better visibility of secondary that should help us to regularize our inventory and our delay inventory as well. So that should as to control overall inventory in the system.

- Parikshit Kabra:** That makes a lot of sense, sir. Can you elaborate on this retail tie up? Are you doing this via your distributors? Or is this a direct tie up with the retailers?
- Vikash Agarwal:** Through distributors. We're launching program specific zones in special pockets to take it gradually.
- Parikshit Kabra:** And so how many of your overall retail coverage, what percentage of that has already moved to this new way of -- this new digital tie up you have?
- Vikash Agarwal:** Just started, it's quite small now. So in coming quarters, we'll be able to share some better numbers.
- Parikshit Kabra:** Understood, sir. And sir, can you give a number on what is the contribution -- revenue contribution of your EBOs right now? Because you already have a reasonable number of stores. So just wondering how they are taking off.
- Vikash Agarwal:** Quite negligible as of now with 25 EBOs
- Parikshit Kabra:** Okay. But are we still planning on expanding our store footprint at that...
- Vikash Agarwal:** Yes, absolutely, absolutely yes.
- Parikshit Kabra:** Okay. So you feel that the formula and the format has been cracked. It's just a matter of time.
- Vikash Agarwal:** Yes. It's a lot of spending, and that's why we've got separate EBO head, because we thought like it's a time where we can invest further. And one formula we are able to crack. And if we expand, I think, in coming quarters, coming years, we'll be able to do well in EBOs as well.
- Moderator:** The next question is from the line of Yash Sonthaliya from Buoyant Capital.
- Yash Sonthaliya:** So I have one question. Like in past few quarters, our margin declined a lot due to raw material concerns and demand concerns, correct? .
- Vikash Agarwal:** Yes.
- Yash Sonthaliya:** So the raw material prices have already corrected. So what is your outlook on demand perspective right now?
- Vikash Agarwal:** Demand, as I said, should pick up from quarter 4 because summer is also heading and export demand should also do well. So coming quarters, things should do well and we have lot of festive season also ahead. So demand should pick up from now. So March, April, May is a peak time, peak season for the hosiery. So demand is going to pick up.
- Yash Sonthaliya:** Okay. And sir, if demand is coming back from Q4 and raw materials prices like came down then why we are not able to come back to margins of 16%, 18% from FY '25 and we are focusing on FY '26 for that?
- Vikash Agarwal:** Sorry, come again?

- Yash Sonthaliya:** So if the demand is coming back in from FY '25 and raw material prices are already stabilized, then can we do 16%, 18% margin again in FY '25?
- Vikash Agarwal:** 16%, 18% is not so easy, but there is competition also. So that looks far fetched as of now. But yes, what we aspire to achieve around 14%, 15% in coming quarters and years.
- Moderator:** The next question is from the line of Raju from JM Baxi & Company.
- Raju:** Sir, my question is that regarding region-wise sales, you are primarily focused more on Eastern markets and to some extent on north markets. Any plans of expanding in western and southern markets?
- Vikash Agarwal:** So it's not like we have focused just in East. We started from East, so we are quite strong in East, but we are equally strong in North, West and south as well. So in South also, Karnataka, we are one of the leading player -- one of the leading market player in the South.
- Raju:** Because your presentation shows that the South is only 7% and West and Central is 13%, whereas East is 47%. And now we are quite an old company, we have a good brand name also. So why don't you plan to expand it more on other regions and rather than focusing only on East.
- Vikash Agarwal:** We are focusing in those areas also, but South few states are difficult to crack, but we are working on that -- in those areas. Our team is working. So we are hopefully in coming years, the percentage should further increase. In the last 5, 10 years, percentage increase in favor of West and South. In coming year also, we are also want to make West and South region more stronger so that we can grow overall, but the focus is on primary area. The efforts are made everywhere.
- Raju:** Okay. And another question is that regarding gender wise also, you have 85% of men wear, whereas women is only 10% and kids is 5%, so I think more value addition is there in women and kids.
- Vikash Agarwal:** We can focus on those areas and we are focusing on those areas. It takes a little time to hire the right kind of volume and maintain women and kids, so it's a little tough segment, but we are working on that.
- Raju:** Okay. So because I think the company needs to regear itself to get the margin back of the years of '19 and '20.
- Vikash Agarwal:** We are working on that. We are working on it. Hopefully, number should show in coming time.
- Raju:** Because, sir, year-on-year, when you say there is a growth seen. But if you consider quarter-on-quarter, there is no growth whatsoever.
- Vikash Agarwal:** Yes, we agree to a great extent, but in terms of -- if you see value in terms of volume, we have done a good job.
- Raju:** Sure, sir. We are expecting the best from the company. And we expect that at least 14% to 15% EBITDA will be possible in coming quarters.

- Vikash Agarwal:** 14% to 15% EBITDA, like it's not impossible. Of course, we have all planned, but in the coming quarters and the coming quarters, we will be unable to comment as of now. Of course, we are working in that direction only, so we can achieve those numbers and it's not impossible.
- Moderator:** The next question is from the line of Foram from Abakkus.
- Foram:** So just two questions from my end. So currently, what would be our retail reach since like as per PPT we have remain constant in last 8 quarters, around 150,000 outlets.
- Sumit Khowala:** I didn't get you, ma'am.
- Foram:** What would be current retail outlook reach?
- Vikash Agarwal:** Current retail outlook is around 1.25 lakhs or 1.25 lakhs to 1.35 lakhs. We don't have a clear mapping, but we are putting up the SAP system and all the systems so we can map better. So we are working in that regard. And we have a strong team to add on more and more retailers every day. So work is happening in that direction. So we tend to have at least 10,000 -- 5,000 to 10,000 retailers every year.
- Foram:** Okay. And our X factor areas have shown a rate of 29% year-on-year. So what is driving the growth here?
- Sumit Khowala:** Yes, we are seeing good traction in this area. So we have started making some big distributors in that area and also building our strong sales team there. So we expect a good result from that area.
- Foram:** Got it, sir. And sir, have you gain any market share in quarter 3 since the performance has been much better compared to peers?
- Sumit Khowala:** Ma'am didn't get you. Your voice is not audible.
- Vikash Agarwal:** Your voice is breaking a bit.
- Foram:** Yes.
- Vikash Agarwal:** Yes.
- Foram:** Sir. I am just asking like, have you gained any market share in quarter 3 since our performance has been very strong compared to our peers.
- Sumit Khowala:** Yes, in terms of volume numbers show that we have gained some market share compared to our peers, and we expect this to continue.
- Foram:** Got it, sir. And sir, what will be our gross debt as of December 2023.
- Sumit Khowala:** Yes. Our gross debt for 9 months '22 -- December '23 is INR222 crores. And cash and cash equivalents is around INR208 crores. So net debt is at INR13 crores.
- Vikash Agarwal:** It's almost negligible.



**Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Sumeet Khaitan for closing comments.

**Sumeet Khaitan:** Thank you, everyone, for joining the call. I would also like to thank the management for sparing the time and answering all the queries today. We are Orient Capital, Investor Relations Advisors to Rupa & Company Limited. For any queries, please feel free to reach out to us. Thank you, everyone, and have a nice day.

**Vikash Agarwal:** Thank you so much.

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