



UFLEX LIMITED

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UFLEX/SEC/2023/

February 27, 2023

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The BSE Limited
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Scrip Code : UFLEX

Scrip Code : 500148

Subject: Transcript of the earnings conference call conducted on 16th February, 2023

Dear Sir(s),

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call conducted on February 16, 2023. The same is also hosted on the website of the Company at https://www.uflexltd.com/pdf/EarningsConferenceCall/2022-23/UFlex_Q3FY23_Transcript.pdf.

Request you to take on record.

Thanking you,

Yours faithfully,
For UFLEX LIMITED

(Ajay Krishna)
Sr. Vice President (Legal) &
Company Secretary

Encl: As above



“UFlex Limited
Q3 FY’23 Earnings Conference Call”

February 16, 2023



Dolat Capital



**MANAGEMENT: MR. RAJESH BHATIA – GROUP CHIEF FINANCIAL
OFFICER AND PRESIDENT – UFLEX LIMITED**

**MODERATOR: MR. SACHIN BOBADE – DOLAT CAPITAL MARKET
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the UFlex Limited Q3 FY23 Earnings Conference Call, hosted by Dolat Capital Market Private Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note, that this conference is being recorded.

I now hand the conference over to Mr. Sachin Bobade from Dolat Capital Market Private Limited. Thank you and over to you, sir.

Sachin Bobade: Thank you, Lizann. On behalf of Dolat Capital, I welcome you all to the Q3 FY23 earnings conference call of UFlex Limited. Hope you all, and your family numbers are staying safe and healthy. From the management side, we have with us Mr. Rajesh Bhatia, Group CFO and President; Mr. Anantshree Chaturvedi, CEO Flex Films Limited International; Mr. Apoorvshree Chaturvedi, Director EU Operations and Sustainability.

Now, I hand the floor to the management for their opening remarks and then we would have question-and-answer session. Over to you, sir.

Rajesh Bhatia: Good afternoon to all of you and welcome to Q3 conference call for the earnings for the quarter 3. Overall, this quarter I'll split into two parts, one is India, where we have seen a very strong growth momentum and the Offshore business, which is basically Packaging Films business, where we have seen some softening and we'll explain you the reasons for the same. And then it can be followed by Q&A.

So, let's first look at the positive aspects, which is India business, where we've seen a growth of about volume, overall growth of about 13% this quarter, and the Packaging business has seen a growth of about 34%. Of that, the revenue for the business is up about 20%. EBITDA is maintained and so, that's basically sums up the India business, where we see a strong momentum in the Packaging business volume, which comprise of the Flexible Packaging as well as the Aseptic Packaging part of our business.

And if we come to the consolidated number, yes, on a three month basis, on a quarterly basis, while the income, the revenue is almost maintained and is marginally up by about 0.6% to about INR 3,496 crores, but the EBITDA has suffered to about INR 429 crores without any exchange fluctuation, and which we compare with the Y-o-Y basis, it is down by about 28%.

This quarter, we've seen unprecedented foreign-exchange losses both on account of devaluation by Egypt by about 22.3% on 27th of October and also some of the translation and re-statement losses again which are most of which are notional because we report our numbers in the rupee format and translate from all the currency first to dollar and then from dollar to rupee. We've seen a huge impact of about aggregating to about INR 236 crores in this quarter. And that's the prime driver for the reason why this quarter's numbers do not look good.

Again, I say that most of that is notional only, the exchange losses and we've seen some de-growth in the Offshore business, largely because of the two facts. One, we had forgotten during the COVID period that what is the normal. And so, one that realization now that COVID is behind us is back to the reality. And normally pre-COVID, the period of October to December is always soft, as compared to some of the other quarters so, that realization, that reality check is now setting in.

But this reality check was also accentuated by two factors. One is the Russia-Ukraine war, which led to a huge increase in the energy cost for us as well as for the consumers. And obviously, it hit the consumption as the consumer had to choose between eat and heat and particularly this winter, and their disposable income, they had to realign in terms of the higher energy costs, what the household had to pay and also the higher EMI if they have taken any loans for housing or otherwise. So, there has been a redistribution of the income and some other discretionary spends have taken a hit and as a reason thereof, we've seen some de-growth in the volume.

The second reason is also as the Fed aggressive policies, they're trying to combat inflation, we've seen and that has impacted those very aggressive fiscal policies ultimately, effect the consumption at some stage or the other. But more than that, I think couple of countries where we are operating like Nigeria, Egypt and all that. This dollar strength has ultimately led to a huge availability issues with respect to the dollar. And the industries or the businesses which are dependent on the imported raw-material and they sell locally, they were finding it very difficult to procure dollars for the offshore procurement, thereby, ultimately, if their volumes are affected, and it's a whole chain. So, somewhere, it had to affect people like us also, where if the overall economy is not doing so well so, the consumption also gets affected.

Having said that, this is the quarter where we've seen the maximum impact of these losses exchange as well as the, some of the de-growth in the Packaging Film business globally and we foresee that the current quarter will still be better in the Indian operations as compared to the previous quarter, as currently we are operating at about 130% capacity utilization in our Aseptic Packaging business in the month of January and the season has just started. So, we see a very strong momentum in that business, as well as our Flexible Packaging business, which in the month of January has reported, the highest ever volume ever.

And so, these two businesses are quite stable and that's what diversification of the revenues in India has been very well demonstrated in this quarter, whereby the Films business suffered in terms of it's profitability, while the other businesses Aseptic Packaging, Flexible Packaging, Inks, Adhesives, Chemical, Cylinder, they've all made-up for what was the lower contribution by the Films business.

Offshore business is only a pure Packaging Films play and that's where, we see once that business is down for the reasons I already explained so, we were there coupled with the exchange losses, I think, that business has not done so, well during this quarter, as it was doing in the previous six quarters. And but nothing that we are so worried about our market-share everything else. We've taken the opportunity to grow that in the, in some of the difficult time

and surely I think another quarter or two, we'll be back on-track in terms of our Offshore business.

And the India business will continue momentum both in the Flexible Packaging as well as in the Aseptic Packaging and also some of the income giving businesses, especially, the Chemicals and Cylinders. So, that in nutshell is the theme for the quarter 3 performance. And I think what is important to note is that, while the industry, if you see all other players also they've also reported lower number both for their India as well as the Offshore businesses, but that's where UFlex gets differentiated from the rest of the players, as other businesses, related business revenue have compensated for the loss of revenue and the profitability in the Packaging Films business.

No doubt, the Packaging Films business is the largest for us and the other businesses are much smaller as compared to this but wherever we see an opportunity to be better, we'll do that. And we are looking to further debottleneck our existing Aseptic Packaging business to take it close to 12 billion packs a year from the 9 billion packs a year run-rate currently at which we are operating, and the order momentum is sort of pretty strong there, both in the domestic market and as well as in the offshore markets for this business.

And there have been months there when the India season goes down, earlier, there have been situation where your plant capacity utilization drops drastically, especially, in the months of August and September onwards. But this year, we've seen its down even in those non-seasonal matter, because we grew our export markets, and as a result of which, now we expect that in the year 2023 & 2024 we will see not much of seasonality going-forward into this business as we ramp-up our export market.

Even at a 12 billion packs a year market, I would have reasons to believe that we have order book in to serve the customers and the market has been pretty good for both, for the Flexible Packaging as well as for the Aseptic Packaging business. So, that's in a nutshell is the key takeaway from UFlex.

And we're open to any questions on our performance for the quarter. Thank you.

Moderator: The first question is from the line of Saurabh Sharma, an individual investor.

Saurabh Sharma: So, my question was regarding the Aseptic Packaging and why segmented information to that has not been provided, even though Engineering activities has been provided, which is at currently at a much smaller scale than Aseptic Packaging?

Rajesh Bhatia: I think, there what we are doing is there we are guided by the Aka, handles there all the packaging activity and the packaging sales is taken as a packaging activity and Engineering is of course a separate activity as required to be reported under the laws of the land and that's how we distinguish, but we also shy away from giving you a number on these two separately being a bit confidential information, but we are happy to tell you the plants capacity utilization, our levels and we know the capacity. So, in a way there is enough information for you to derive as to what kind of growth and the momentum we have in that business.

Saurabh Sharma: Bhatia ji, profitability becomes a problem, so revenue of course is one can arrive at, but profitability of that 20% EBITDA is something that have been guided earlier, but then there are all kinds of variables that keep changing, considering the fact that Sanand plant is a separate standalone entity and isn't really invest in the other operations of the company. And it having achieved in particular scale right now so, it's just maybe a pointer maybe for the management to sort of consider going ahead.

I understand there is confidentiality involved here, but if you could just give us a sense of the profitability and that being a separate, because from your commentary also, it's being referred to as a separate growth drivers. So, it gives -- if it's a private company, its reflected a private company, is a separate issue, but for shareholders, minority shareholders, it becomes a bit of an added incentive to sort of be invested in the company. So, that was my little thing about the segmented information.

My second question would be, how does the company plan to sort of take care of the debt situation going ahead? This quarter has been particularly harsh profitability point of view -- from the profitability point-of-view. So, how does the company intend to handle the debt situation going ahead, assuming things do not look up for some time, because I'm sure, in addition to the open lines of debt, there are also covenants that are not...

Rajesh Bhatia: Can you concise your question?

Saurabh Sharma: Yes. So, what does the company plan to do about the debt situation going ahead if profitability remains a problem in the near-future, in terms of debt covenants, which are not public right now? So, what and how does the company plan to handle the debt situation, covenants?

Rajesh Bhatia: So, I think the covenants are currently all under control. There are no issues with respect to any covenants. In our European businesses, yes, when we look at the trailing 12 months we still thrive. We may have some issues on a quarterly number isolation basis. And whenever there are such scenarios, I think the bankers do understand that and will be hopeful that we will get waivers from them, because they also understand the situation in the European territory, particularly where the cost of energy has hit us, not only us, but across all the industries and there is an impact on the consumption because of it.

So they are very well-supportive if there are any sort of covenants breach. We don't -- as we said that, we expect that, Q2 onwards, we will have in the positive growth territory in our Offshore business as well, but in case there are situations which prolong for the reasons which are not under our control, I think our entire stakeholders which are debt lenders, I think they fully understand that this may lead to some breach in the local covenants, which they are ready to sort of give us some more time to comply with those.

Moderator: The next question is from the line of Rushabh Shah from Anubhuti Advisors LLP, please go-ahead.

Rushabh Shah: Sir, can you give the exact volume numbers for this quarter?

- Rajesh Bhatia:** Which one?
- Rushabh Shah:** Absolute, our Packaging volumes, I think the last quarter they were 1.5 lakh tons.
- Rajesh Bhatia:** So, this quarter we bid sales volume of close to about 1,40,000.
- Rushabh Shah:** 1,40,000 tons?
- Rajesh Bhatia:** Yes.
- Rushabh Shah:** So, that could be approximately 6%, 7% decline on a sequential basis. That would be correct?
- Rajesh Bhatia:** Yes.
- Rushabh Shah:** And with respect to our Dharwad project, the BOPET addition of 68,000 tons per annum, when can we expect that to come online?
- Rajesh Bhatia:** I think we're doing the trial runs there, we have some situation on account of farther over there. Currently we are on sort of our power which is the self-generating power, but given the mechanical consumption, I told you, have been completed for some time. The power issue is still getting resolved, but by end of March first week of April or so, I think we'll be up and running commercially on that.
- Rushabh Shah:** And just on the finance cost number, I think this quarter sequentially, if we see the finance cost has come higher by 26%. So, can you just divide the mix that how much came in actually from higher finance cost? And if you can share the absolute debt number, which is outstanding as of 31st December?
- Rajesh Bhatia:** So, I think the debt number as around 31st of December what we have is including working capital and long-term it is of net-debt is about INR 4,460 crores.
- Rushabh Shah:** INR 4,460 crores?
- Rajesh Bhatia:** Yes. This includes working capital, this includes long-term, this includes working capital, everything, less of the cash balance is what we see.
- Rushabh Shah:** So, we were planning to reduce debt by approximately INR 500 crores during this fiscal, so would that be done in the fourth-quarter itself or this would go in next fiscal?
- Rajesh Bhatia:** No. So, I think, you got it wrong. What we said that there is amortization of the debt which is as per the agreed amortization should be in the bank. So, that is happening on its own, on a quarter-to-quarter basis.
- So, that's the number. But as we complete our Dharwad project as we sort of spend more money on our Panipat project so, you will see that more or less those additional those will get

added on to the debt, which is already been re-paid. And that's where you can see on a quarter-to-quarter basis, the net increase in the debt is not to much.

Rushabh Shah: So, do we expect debt to further increase from this level, maybe rough guidance if you can give?

Rajesh Bhatia: Yes, it will go up slightly by -- there will be repayments, there will be cash debt added, so, I think based on the current plans that we have, we do not expect any debt number -- any substantial numbers to be added on, so, what gets added on is almost the same numbers, is what we are looking in terms of our amortization payments. So, there is nothing, any alarming on this account which will get added on the debt numbers.

Rushabh Shah: Makes sense, makes sense, because after Dharwad and Panipat, I believe there are no significant capex coming up, except some small recycling plants. Correct, no, sir?

Rajesh Bhatia: Yes, Yes.

Rushabh Shah: Sir, just last one question. So, any guidance on the margin front, maybe going ahead, maybe next one or two quarters are challenging, but any broad long-term margin guidance which you can share with us?

Rajesh Bhatia: Difficult at this stage, I think, we have to see the Q4 especially, in terms of Offshore business. India also, there has been some extra capacity which has come, so it's find its place in the market so, the market is readjusting itself. I think in the next, I will not see any huge impact of some of these on the margins except that some of our exchange losses and all that, may not be to that magnitude.

Having said that, I think the Q4 will set the tone for the FY '24 and that's the better time to give you a guidance for FY '24. The first and the foremost is that we should look to recover the lost volume, while we know that the overall volumes have shrunk. I think, the guidance from the top management is to sort of strengthen the market-share, UFlex is much stronger whether financially or otherwise in terms of gaming and retaining the market shares in whichever markets we are.

So, the whole momentum is that whatever the numbers that have lost in this quarter for the volumes, I think we can make-up for that and then look for as to what should be our margins is, as to how did the margins settle in each of the territories that's been affected. So, currently I'll abstain from giving any guidance but I can tell you that the January month has been -- upto middle of February, it's been much better than the last quarter in terms of the numbers.

Rushabh Shah: So, any colour on current BOPET spreads have that been remained -- have those remained at the same level as of 3Q or there is some improvement?

Rajesh Bhatia: No, its at the same level.

Moderator: The next question is from the line of Kaushik Poddar from KB Capital Markets Private Limited.

Kaushik Poddar: In your BOPP and BOPET, there is a good amount of capacity that has come. So, will that not result in margin reduction even next year also?

Rajesh Bhatia: I don't think so, there is anymore room left to reduce the margin in both of them. I think, whatever is our demand-side is there, people will look to realign their production, because if the market is off size X, you produce 1.3 times. That's not going to get a drop just because, you produce and you sell cheaper and all that, so, I think, that the margins have hit the lowest levels in the Q2 or in the Q3, and there on it's only a positive development that we are expecting. It's not on the margin side, it's not in Q4, definitely it in Q1.

Kaushik Poddar: So, can we take it the 13% margin, if you leave aside this exchange loss, that is the bottom most margin we can expect from you?

Rajesh Bhatia: I think, if we take-out the exchange loss for the nine months period, we are at about 14% for the nine months period. So, I think for the year as a whole also we should be slightly better than this so, but next year, I think, we'll be able to give you any guidance only after what we see what we do in Q4, only then we'll be able to guide but for the nine month period, it's the 14% EBITDA margin excluding any exchange losses. But, if you see EBITDA after the exchange, yes, it about 13.1% for the nine months period.

Kaushik Poddar: So, 14% is the bottom most we can expect in a normal level, I mean, at first, we can expect 14% EBITDA margin?

Rajesh Bhatia: EBITDA for the quarter is lower, EBITDA for this quarter obviously, is lower as compared to the first two quarters. So, hoping that plugging if we were to replicate our performance, what we had in this quarter itself so, we are looking at an EBITDA of about say INR 2,100 crores for the year as a whole. So, 13.8% or so will be that's what it looks like without any exchange negative or positive, whatever it is.

Kaushik Poddar: And when is this expansion of your Aseptic packaging to 12 billion units going to take place?

Rajesh Bhatia: That will take time, so not in this season, definitely in the next season we'll have.

Kaushik Poddar: But currently your run-rate is 9 billion units, is it, on a yearly basis, on an annualized basis?

Rajesh Bhatia: So, that's based on more or less 45 days of operations in the calendar 2023.

Kaushik Poddar: And this straw for this paper-based straw for this tetra packs, have you been able to make it, operationalize it?

Rushabh Shah: Yes. So, those challenges are taken care of and there is no effect of that on the business.

Moderator: The next question is from the line of Chirag Singhal from First Water Capital.

Chirag Singhal: So first question is on the Asepto. So, you mentioned that you are increasing the capacity from 9 to 12 billion packs come in the next season. But given the growth that you have posted in Asepto, post-commissioning of the second-line, even this new 3 billion packs may run out in

next one to two years. So, are you already considering any expansion plans in terms of brownfield, greenfield for the Asepto division?

Rajesh Bhatia: Nothing on the hanging as of now. So, right now what we are concentrating is on the low-hanging fruits. And the lowest hanging is that if you can do from 9 to 12 without any substantial investment. I think, that's the way to go. Nothing firmed up on any subsequent green or brownfield expansion as of now.

Chirag Singhal: And what about the margins, in the past you have mentioned that Asepto generates roughly about 20% to 25% of EBITDA margin. So, going-forward also we can expect?

Rajesh Bhatia: Roughly at about 20%

Chirag Singhal: So, 20%, is a sustainable margin going-forward?

Rajesh Bhatia: Yes, looks like there will be and ups and downs season versus non-season. But our blended average of 20% will be a good estimate.

Chirag Singhal: Sir, my next question is on the interest costs. So, interest cost, especially if I look at the consol minus standalone, debt has gone up substantially. So, it is INR 40 crores in the previous quarter which has gone to roughly INR 65 crores in the Q3. So, is this because of the higher-cost of debt, or because I think most of your expansions in the overseas have been commissioned. None of the expansion would have been commissioned in Q3. So, is this because of the cost of debt going up?

Rajesh Bhatia: Both factors. one, is the cost of debt has gone up, especially if you look at Nigeria where we had almost doubled, the cost of debt. Then we look at even the dollar-denominated or euro-denominated debt, while we spreads fix, but SOFR and other benchmarks have gone up, so first is that. And second is we commissioned the CPP facility in Dharwad, we commissioned the CPP in Dubai as well.

So, those two extra capacities coming on-stream and wherever there was a capex related those things having come on-stream. So, that debt interest costs has been added, but a very large part of that increase this quarter has been on account of Nigeria increasing its interest rates substantially.

Chirag Singhal: So, on an overall level, if you can give the cost of debt that we can work with for the coming fiscal as in, in the Indian business, as well as in the overall overseas business, what will be the cost of debt?

Rajesh Bhatia: So, if you see, current quarter on a consolidated basis, our debt, it's 133 crores so if we -- consider at consol level its INR 4500 crores so, it is about 12%. India debt rates have also gone up. There also there is some impact, but because we have not added any substantial debt in India so, India numbers is INR 45 crores this quarter, last quarter was INR 41 crores, a year before it was INR 40 crores, so the impact is not much in the India business, because that number there itself is not very substantial.

So, but in India, whatever is the impact of the debt, that may be largely because of the increases we've seen in the last few quarters and the CPP at Dharwad coming into the commercial production and that number adding to the interest costs.

Chirag Singhal: This INR 4,500 crores of debt that you mentioned, this is net debt, not the gross debt?

Rajesh Bhatia: This is the net debt.

Chirag Singhal: And how are you looking at spreads in especially in the overseas operations, because as far as I understand, most of the BOPET capacities that have come up is in China and India, especially. So, are you seeing like strongest spreads in the overseas operations and do you feel that it has bottomed-out and you're already seeing some sort of an improvement in the coming quarters?

Rajesh Bhatia: I think, that's what I said to begin with. Q3 was the worst. A lot of factors came together so, I'll have to use the word, probably the entire universe conspired to reduce the margin. We had the raw-material cost going down. Obviously, you carry some inventory all-the-time. So, there are inventory losses which are built into this. The raw-material prices came down, so did the finished goods prices, the consumption came down that led to the price, still the more pricing pressures.

So, I think, everything that extra capacities came on stream and people everybody buying for the reduced shelf-space. So, all that has happened in the Q3 and probably that's what I said earlier, this seems -- the work seems to be over. And Q4 and Q1, Q2 FY24 onwards we'll look for better volumes as well as the margin, both in India as well as Off-shore.

Chirag Singhal: So, just one last question before I join back-in the queue. This INR 4500 crores of total forex impact which we saw in Q3 so, was this full notional impact or I mean, was this like a non-cash loss?

Rajesh Bhatia: I think most of it is non-cash loss. So, there are like Egypt devalued its currency twice in the last 12 months. So, that INR 84 crores impact is taken as an exceptional item, but the impact on the currency on account of two reasons, then comes one is the translation losses, when you work-in a particular country in the local-currency and then you convert that into dollar and then from that dollar to rupee to your reporting currency.

So, those kind of things are mostly notional in nature because your effective currency remain the local currency and you have the surpluses there, which you keep on reinvesting there in those markets. A digit kind of a devaluation ultimately helps you also because, any devaluation largely means, while it has an impact of the shorter tenure on your numbers. But it insulates you from any onslaught of imports into that country.

So, I think we not too worried about -- because we work-in all these countries so, and we have to take those currency fluctuations into account, we simply can't work in the dollar. Like in India you can't sell to a customer, based in the dollar value.

And so, is in Egypt, Mexico and Nigeria in some of these territories work. But if you convert those numbers back into the dollars, obviously, the things will look in a -- from a different perspective. But most of this would be a substantial part of this is notional only.

Moderator: We'll move onto the next question that is from the line of Abhimanyu Rathore from KC Advisors.

Abhimanyu Rathore: Yes, thank you for the opportunity. So, my question is on the Aseptic Packaging business. Sir, given the growth that the businesses division is registering and the margin profile. I just wanted to understand that, is there any internal discussion on delisting the business as a separate entity or a subsidiary? Or what are the plans for the division going ahead?

Rajesh Bhatia: I think, given the current size of the business, we don't think that there'll be any opportunity here to separate this business. We will surely look at the markets for the next couple of years. And if there are any capacity expansions that we announced to ensure that we gain the -- we look-forward to strengthening our position in India as well as the kind of impetus we've got in the overseas markets.

So, at that point in time when it becomes the substantial business, yes, there may be thought. But if you ask me at this stage, no, there is no way that you will consider separating this business.

Moderator: The next question is from the line of Rushabh Shah from Anubhuti Advisors LLP.

Rushabh Shah: Yes. So, any update with respect to a listing of our overseas subsidiaries?

Rajesh Bhatia: Okay. So, I think we've been in touch with our bankers and currently, there does not seem to be any opportunity, but going-forward, in Q3, of FY'24 we will again reassess the situation, that remains on cards for us. And with that we've done a lot of work in the past be it audits or other things, we've done enough. And as and when there is an opportunity, we will surely look at those markets, but Q3 is our earliest -- when I say Q3 is '24, FY '24 is what I mean to say.

Rushabh Shah: Quarter 3 of FY '24?

Rajesh Bhatia: Yes, quarter 3 of FY '24.

Moderator: As there are no further questions, I'll now hand the conference over to the management for the closing comments.

Rajesh Bhatia: Thanks everybody for being on the call. And we're really a bit surprised by what happened in Q3 in terms of the Packaging Films business especially overseas. And fortunate that because of the diversified nature of the business, elsewhere, the business was strong. Their exchange losses which are not in our control and their transmission losses, as well as the losses, when you convert, we have the liabilities from certain currency into the reporting currency, which is a rupee, which are again mostly the notional losses.

So, I don't sort of -- I look at this quarter's performance from a positive perspective in the looking at the Packaging business, Flexible Packaging, which has not been doing so well in the few years. Aseptic Packaging business, which is breaking the barriers and as we look at finding opportunities from the existing plant as to how do we increase and utilize this plant more to deliver more to the offshore markets, where our Aseptic business is now making a good strong hold. So, that the non seasonable, when the non-season in India, we'll still able to utilize the plants fully.

So, there have been more positive, there had been negatives, which are more market driven and situation arising out-of-the aggressive US Fed policy as well as Russia-Ukraine conflict. And which we have reasons to believe that on a given another quarter, even those numbers will be back on that track. That's what in nutshell is the Q3 about and the guidance for the Q4.

Beyond that currently, we are not in a position to sort of give you any further insight, we can only say that in terms of the business, the India business, is insulated from the rest of the world currently and we'll continue to do so for the Q4, as well as for the FY '24 as well.

Sachin Bobade:

Thank you, sir. Thank you. Thanks everybody on the call.

Moderator:

Thank you. Ladies and gentlemen on behalf of Dolat Capital Market Private Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.