“Monte Carlo Fashions Q3 FY17 Results Conference Call”

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MANAGEMENT: **MR. SANDEEP JAIN - EXECUTIVE DIRECTOR - MONTE CARLO FASHIONS**
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Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY'17 Results Conference Call of Monte Carlo Fashions, hosted by Emkay Global Financial Services. 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. In case you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Sameep Kasbekar of Emkay Global. Thank you and over to you Mr. Kasbekar!

Sameep Kasbekar: Thank you Aman. Good morning everyone. I would like to welcome the management and thank them for giving us this opportunity. We have with us today Mr. Sandeep Jain - Executive Director, Mr. Dinesh Gogna - Director, Mr. Sharma - CFO, and Mr. Jassar - VP Corporate Finance. I would like to now handover the conference to the management for the opening remarks. Over to you Sir!

Sandeep Jain: Hello everyone and welcome to the conference call of Monte Carlo Fashions Q3 for the financial year 2016-17. This has been a great pleasure to greet you all on behalf of all of our Board of Directors and the senior management. We will begin by thanking all of you for having spared time in joining us here today. As Monte Carlo, we continue with our endeavor to build a strong leading branded apparel company. Over the years, we have successfully expanded our horizon and diversified our business operations. We have created a comprehensive range of woolens, cottons, cotton blended, knitted and woven apparels, and home furnishing through some of our ranges under the umbrella brand Monte Carlo such as Denim, Alpha, Tweens. We believe we have successfully positioned ourselves as a lifestyle brand with a well-diversified product profile. One of our key strengths is a wide and a growing distribution network with diversified presence across India. We are present through 2,300 plus multi-brand outlets, 232 EBOs, and 198 national chain store outlets. Majority of our net revenue comes from MBOs and franchisee EBOs, where we primarily sell on a priority basis. By virtue of this business model, there is no major inventory risk and we remain adequately protected from normal hazards of branded apparel business. As you all know that the last year winter was very bad for us and the impact of bad winter is always felt in the next year as the stocks are piled up in the retail channel, but on account of very good monsoon this year we are very optimistic that this gap will be filled, as historically a good monsoon is followed by a good winter. We were on the course for the same as our sales were picking up in the month of October and November starting, but then we were hit by demonetization and our estimates of filling up the gap were nullified as demonetization curtailed the consumer's discretionary spending during the months of November and December which is the peak period for our kind of business. This is the reason that our results are on the lower side as compared to last year, Q3 financials have been affected primarily due to difficult operating environment. Our Q3 financial 2017 revenues from operations decreased to 288 Crores from 351 Crores. Q3 financial 2017 EBITDA without other income is 53 Crores. Liquidity crunch due to demonetization during the month of November and December led to lower consumer pending leading to lower sales. Also high inventory levels at the stores due to bad winter last year further impacted the off take during the current season. So Q3 financial 2017 PAT was 33 Crores as compared to 44 Crores last year. Early discounting to promote sales during the demonetization period impacted the EBITDA margins. Gradually the environment started improving post December and now it has almost normalized. The strategy is to establish a brand visibility on a pan-India basis along with increased focus on Western and Southern Indian. There is no major Capex plan for the next two years. We plan to diversify our pan-India presence by penetrating further into Southern and Western regions of India. We have already made an encouraging beginning towards this goal. We are strongly focused on optimizing asset utilization, quality, efficiencies, and relationships. We this, we once again thank all of you for sparing your valuable time for joining in this session. We now open the floor for the question and answer session. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone telephone. If you wish to remove yourself from the question queue you may press "*" and "2". Participants are requested to only use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have the first question from the line of Pranoy Kurian from IDBI Capital. Please go ahead.

Pranoy Kurian: Thanks for taking my question. Sir, when I look at your revenue distribution for the quarter, it seems that certain segments and aspects of your distribution were hit more than the others. For example, if I look at it, home furnishings and kids were damaged much more than the woolens and cotton as expected did better. I was just wondering why these segments did poorly, home furnishing and kids? The second part of the question is on your distribution network, why was the growth much more affected there?

Sandeep Jain: The first part, why the home furnishing sales and the kids sales are lower? The obvious reason for home furnishing sales to be lower is that home furnishing is being sold through smaller unorganized segment of the retailers, which do not have the credit card machines. If you see before 9th November, we were actually up 10% in case of home textile sales, but after 9th because there was definitely a cash crunch in the market and the smaller retailers who sell these categories do not have the credit card machines installed in their shops. Even a normal request when they gave it took almost one month for the bank to install the credit card machines on the shops. So, that was the reason why we were badly affected in November and almost middle of December before the sales started picking up. Second part of the question was why the sale of MBOs is lower? Again, the reason is same. There are many smaller MBOs in many parts of our country where the sale happens through cash only. We have credit card machines installed in each and every EBO, but in case of MBOs the reason was again it was the discretion of the owner of the MBOs to install it or not. In many parts in the interiors, the credit card machine was not installed. So, November and December sale was bad because of that.

Pranoy Kurian: About the kid segment, we have been seeing good growth, why did that fall so sharply?

Sandeep Jain: Again, the reason is same. We sell kids garments only in 80 of our EBOs. The balance we do not sell in the rest of our EBOs, but in case of MBOs, the smaller MBOs sell the kids segment, major MBOs actually have the credit card machine, but the smaller MBOs do not have the credit card machine, that is the reason.

Pranoy Kurian: Okay. Speaking again about kids, we have always said that is a very promising segment. Why are not we having that in more of the EBOs?

Sandeep Jain: Any EBO, which is more than 1000 square feet of size, we basically keep the category because we have to give logistics to the category. If the proper space is not allocated, then it does not justify keeping the kids brand over here. So, size is important. All the new showrooms which are opened from the last two years have the required sizes and have the kids category as well, but some of the old stores like around 80 to 90 stores which do not have the required size of 1000 square feet probably have only ladies and mens wear.

Pranoy Kurian: Okay, fine. The second thing that I wanted to ask is more on your financials. If I look at the interest cost, this quarter it fell very sharply and I just wanted to understand why and also in general how does your interest cost work, as a share of debt obviously it is very high and that is because the debt keeps fluctuating within the quarter, so could you just explain to us how to look at interest cost going forward as well as this quarter?

Sandeep Jain: The interest cost is coming down because of two reasons. One is the rates have come down. If you compare the rates of last year and this year, the interest rates have come down. Secondly, there has been lower term loan also. Early, we were having a loan of around 90 Crores, but I think by the end of this financial year we will be having only 33 Crores. So, interest rate has come down because of these two reasons.

Pranoy Kurian: Yes, it has come from 5.3 Crores to 3 Crores.

Sandeep Jain: 2.47 is the additional income of TUF, which we got this year, which we have not received last year.

Pranoy Kurian: Okay. Is that expected to continue?

Sandeep Jain: Yes, this is expected to continue for one loan, which is State Bank of Patiala loan, not for Indian Bank loan. One loan is around 18 Crores, which is going to continue for the next year also.

Pranoy Kurian: Okay, in FY18 also the interest cost will be lower than FY17?

Sandeep Jain: Definitely yes.

Pranoy Kurian: Okay. The second thing I wanted to ask is on depreciation. If I look on your annual basis, the depreciation as a share of your gross block has shifted, it has been quite volatile, now again it has been coming down, it is around 250 Crore level for FY17 approximately. How should we look at this for FY18-19?

Sandeep Jain: Depreciation will keep on falling because there was one-of investment, which was done three years back. It was a heavy investment of around 150 Crores for the building and the machinery. As we stated last year also that we do not have any major Capex plans for the next two years, so the depreciation will keep on coming down every year.

Pranoy Kurian: Okay. You had said in your presentation no major Capex. What is your Capex target for FY18-19? How much do you plan to spend?

Sandeep Jain: I do not think it should be more than 10 to 15 Crores every year. No major Capex.

Pranoy Kurian: Since you had said also that even if you have excess demand, you could always probably increase the shifts and all that, you will not need to implement additional investment on machinery.

Sandeep Jain: You are right.

Pranoy Kurian: Thank you so much. I will come back in the queue.

Moderator: Thank you. We have the next question from the line of Sunil Jain from Aditya Birla. Please go ahead.

Sunil Jain: On this other income, in this quarter you are saying another income of 7.7 Crores. Other income typically has been around 4 to 5 Crores every quarter. Now, this 7.7 Crores is good, but obviously it has got one-of item where order was received for 6.5 Crores. So therefore on a normalized basis, other income is only 1 Crore. My question is that why other income has fallen from 5 Crores in last quarter to 1 Crore this quarter?

Sandeep Jain: Other income in case I think you well understood the point that was because we won the case at the customs where we were paying excise duty which was not to be paid by us, so we fought with the government and we won the case, so that is why the other income was there. The reason why it was falling was because the working capital used is more as compared to last year.

Dinesh Gogna: This year what has happened is as we have promised to our investors, the surplus funds we used to keep it in the bank and against that we used to take OD. Whatever the income used to come that was to be taken as income from other sources. Now what has happened is some portion of it we have directly withdrawn and utilized it for the purpose of working capital, resulting thereof our FD has been reduced. So therefore our income from other sources, which was earlier to be accounted for under the head other income, has been reduced. The other part Mr. Jain has already explained to you that were custom or excise.

Sunil Jain: Working capital already high in the last few quarters and we were told that working capital is likely to come down. Irrespective of the high working capital, even in the last quarter the other income was 5.5 Crores. Why should there be such a significant drop from 5.5 Crores to 1 Crore? What is the total working capital employed now?

Dinesh Gogna: Probably you are not appreciating what I am saying. The reason is this, last year the way of utilization of this fund was we used to deposit by way of FD in the bank and against that FD we used to take OD. What used to happen is including my FD and OD that used to be debited in the business expense. FD interest used to come separately. Now, this year what we have done is since our working capital was also increasing, therefore we thought that we will use this FD fund and we will not take OD on that. We will withdraw from the bank and we will directly use it as working capital. Your question is absolutely correct that our working capital is mounting up. As you know, Mr. Jain has already explained to you, that he was expecting that probably in the month of October or November our stocks and everything will be normalized, but as the last year winter was very bad and secondly this year monsoon and other things were very good and we were expecting that by October or November we would be comfortable, but all of a sudden as luck would have it, the demonetization came, so our stocks have piled up.

Sunil Jain: What is the current position of the stocks now? Have the stocks been liquidated now? Have the realization come in or what is the situation?

Sandeep Jain: If I see this quarter as compared to last quarter and the sales which have started in January post demonetization we are happy to state that my current stock position at my factory and also at EBOs and MBOs is approximately 10% to 15% less as compared to last year, if I compare Y-o-Y. The sales, which were to happen in November and December, actually happened in January, but unfortunately in a discount period, but fortunately it has reduced my stock levels.

Sunil Jain: So, stock levels and realization have also improved?

Sandeep Jain: Realizations actually have gone down because we have to sell that stock in end of season discount sales, but the revenues will increase because most of the sales are happening January.

Sunil Jain: The realization of season winter 2016 and March 2016 would have come now?

Sandeep Jain: But the reason realization will go down because we have to sell it in the discount. Definitely it has come down.

Sunil Jain: Then the working capital position should improve. Working capital had increased by almost 25% if I remember correctly?

Dinesh Gogna: That will be visible in the March balance sheet. You will see the inventory level going down as well as the debtor level going down in March itself, and our stock level also. Debtor level has already gone down.

Sunil Jain: All right, that is the key point and basically you are saying whereas last year you were keeping loan as well as fixed deposits, now you are netting it off.

Sandeep Jain: You are right.

Sunil Jain: But even on a net basis, last quarter if you see your interest cost was 4.3 Crores and income was 5.2, so there was a net income of approximately 1.2 Crores.

Dinesh Gogna: There is another reason in this. This year what we have done is as we have discussed earlier, we want to run the business on the low credit risk. Earlier also we had explained to you. Whatever we supply to MBOs, in case the payment is delayed that is recoverable from the asset, the interest portion and everything. So, we used to account the interest for earlier and pay the commission. But this year we thought why unnecessarily go for this and why unnecessarily pay the other charges also. Suppose if the agent commission comes to say X amount and the interest recoverable from that agent on account of the late payment by the customers is say Y amount, we felt that instead accounting for that interest which we will be getting under the head interest income, we straightaway reduced the commission payable to him. If the commission payable is worked as X amount, we will say this year your commission is not X amount. Because you have delayed the payment, therefore the commission is X-Y; so resulting thereof obviously the other income will fall, because the effect of that to that extent has gone into the standing expenses. So, that is also one of the reasons and secondly utilization of the FD for the purpose of working capital.

Moderator: Thank you. We have the next question from the line of Sameep Kasbekar from Emkay Global. Please go ahead.

Sameep Kasbekar: Good morning Sir. Thank you for taking my question. I just wanted to understand if not for demonetization what would have been our growth rate? Effectively what I am trying to say is in October and first week of November how were we growing overall?

Sandeep Jain: If we compare our October Y-o-Y and till 9th November Y-o-Y we had grown 18% as compared to last year in our EBOs. That means the season was very good and because of good monsoon there was early pre-onset of winter close to the end of October and the market was actually growing and also the consumer sentiment was very high. So I think if that would have been the situation, we should have easily crossed our revenues by 6% to 7% in the full financial year.

Sameep Kasbekar: Okay. Now we are expecting an overall decline right?

Sandeep Jain: I do not see a major decline from the last year's revenue level, but yes right now if I compare Y-o-Y nine months we are down by around 11%, but by the end of financial year I only think that we should close this year by 3% to 4% decline. We will cover most of the decline in this quarter.

Sameep Kasbekar: Okay. How has January sales been? Is it tracking the same amount, around 18% growth, because if I understand winter has been a little delayed, so that may work in your favour a bit?

Sandeep Jain: The January has grown, but the discount has been there, so margins have actually gone down but the revenue has been up.

Sameep Kasbekar: But the discount would be primarily in our EBOs, because in MBOs there is no discount sharing, so only to that extent we will get impacted?

Sandeep Jain: Yes, only in the EBOs.

Sameep Kasbekar: All right Sir. I just wanted to know what is your gross debt level currently?

Sandeep Jain: The long-term debt by the end of financial March 2017 would be 33 Crores and the working capital I assume should be around 40 Crores by March 31.

Sameep Kasbekar: Okay, similar levels to last year. Any update on the footwear segment that we were planning to enter in December, has that been delayed?

Sandeep Jain: No. This we have dropped actually.

Sameep Kasbekar: Okay, fine. That is all from my side. Thank you.

Moderator: Thank you. We have the next question from the line of Deepan Shankar from Trustline PMS. Please go ahead.

Deepan Shankar: Good morning Sir. Thanks a lot for the opportunity. How are we expecting next year sales, in the sense will it be impacted by the inventory held by the MBOs for the current year?

Sandeep Jain: Thank you for asking this question, which I would like to reply even if this question was not asked. We would like to state to you that actually the retail inventory has gone down in case of winter wear category, which is our prime category. This is a very good sign for us and we expect the booking, which is coming in the next month, should go up because of low stocks at the retailer and also at our own exclusive business outlet. So, I do not see any reason that we should not grow at least 10% to 15% in the next year as compared to last year's turnover.

Deepan Shankar: Okay. We have been seeing the contribution of west has been continuously increasing, but south more or less not increasing extensively, so any reason for that?

Sandeep Jain: The reason of west sale is because of adding of Rajasthan into that. I would state the figure without Rajasthan also. The reason south is grown is as we stated earlier also because both these regions should grow at least 25% to 30% as compared to last year sales by March 2017.

Deepan Shankar: Okay. In south also we are trying to improve MBOs in a higher way?

Sandeep Jain: Yes, that is what I am saying. We should grow at least 35% to 40% in south alone in this financial year.

Deepan Shankar: Okay, thank you Sir.

Moderator: Thank you. We have the next question from the line of Ajay Thakkar from Anand Rathi Securities. Please go ahead.

Ajay Thakkar: Thanks for taking my question. I had this one question about your sales decline actually of 18% odd. Within the industry actually we have seen much better growth rate for many of the retails and a few of the apparel largely benefitting because thrust towards the organized trade. In that context actually I was just wondering what would be the proportion of your MBOs who had facilitating cashless kind of facility, would you have any figure on that front?

Sandeep Jain: I did not understand your questions fully. Do you want me to say that other retailers have actually grown and our sale is not that grown?

Ajay Thakkar: What would be the proportion of your sales from the MBOs, which would be coming because of cashless facilities like the card payment and so on and so forth?

Sandeep Jain: MBO percentage right now is 52% on overall sales and balance comes from the EBOs.

Ajay Thakkar: Okay. How many of them would be utilizing more of the cashless facilities like card payment?

Sandeep Jain: Every retailer now has installed, either MBO or EBO, have credit card machines, and PayTM everybody has installed after the November episode and now nobody is taking any risk. I think the cashless component has gone up in EBO. If I just give you an example, before 9th of November we were doing around 52% of our sales in credit card and debit card, and 48% was coming from cash. After November 9th till 15th December, it was around 90% of credit and debit cards, 10% was cash. But now in January it is around 82% to 83% of credit and debit cards, and balance is coming from cash.

Ajay Thakkar: Okay, that is pretty helpful. I also wanted to check on the gross margin. What would you attribute to the large fall in the gross margin, is it because of the rise in the input cost or just to the impact of the demonetization?

Sandeep Jain: There have been some discounts also and there has been rise in the input cost also because of that our gross margins have gone down.

Ajay Thakkar: Okay. What has been the increase in cotton and wool prices in Q3 and if you can share your expectation for next year?

Sandeep Jain: Input cost was almost 3% to 4% up in case of cotton and around 5% up in case of woolen. If I talk about this quarter as well as financial year last March quarter, the input cost has gone up again for 3% to 4% in case of cotton and 4% to 5% in case of woolen.

Ajay Thakkar: Okay. Lastly, because we have seen the inventory actually going down in the trade and one of the reasons why we are having more bullish stance on the sales, do we expect the Q4 also to be benefitting because of the same or we expect that early FY18 onwards we can start seeing the pickup?

Sandeep Jain: I think inventory going down in the channel will benefit the financial 2018 figures because the main season for us is Q3, which is over. This is the period where we sell goods on discount. So, the revenue is going to go up because some of the goods which have not been sold in November and December will get sold in January and February, but the margin will decline because of higher discounts given to clear the inventory, but the good thing is that the stocks which were there at retailers and at our EBOs actually have gone down almost 10% as compared to last year, so that would boost the ordering for the next year and also the revenue for the next year.

Ajay Thakkar: It is pretty helpful. Thank you Sir.

Moderator: Thank you. We have the followup question from the line of Sunil Jain from Aditya Birla. Please go ahead.

Sunil Jain: One question on the summer sales expected. What has been the kind of order booking because now you have been doing the dispatches for summer 2017, so what is the expectation or what has been the kind of orders that you have for that season?

Sandeep Jain: It is approximately 15% up as compared to last year.

Moderator: Thank you. We have the next question from the line of Pranoy Kurian from IDBI Capital. Please go ahead.

Pranoy Kurian: Thanks. I just wanted to again ask you, you just said that short-term debt will be 40 Crores in FY17? Last year short-term borrowing was 30 Crores.

Sandeep Jain: Last year I think it was 27 Crores and I think this year it should be around 27 to 30 Crores only, I think by mistake I would have said 40 Crores. Short-term debts should be around 30 Crores by March 2017 and long-term debts should be around 33 Crores by March 2017?

Pranoy Kurian: How should we look at this long-term borrowing, is it approximately 60 Crore level, is it going to remain that way or will be there some debt repayment on the long-term front?

Sandeep Jain: Long-term debt we are considering for a debt repayment as early as possible in April. I think that next year if we talk about financial 2018 the long-term debt should stand in my books around 12 to 13 Crores maximum.

Pranoy Kurian: Will this continue to go down?

Sandeep Jain: I cannot say it because it is a TUF loan. It has to be paid in installment and then to get the TUF refund.

Pranoy Kurian: Okay, but this year 2017 that number is not going down?

Sandeep Jain: The loan which is of Indian Bank where I have no TUF that would be repaid.

Pranoy Kurian: Okay, maybe by 2018 or 2019 we could see lower interest cost?

Sandeep Jain: Definitely, even next year we will have lower financial cost and subsequent years also we will see the financial cost going down. We are virtually debt-free company because even right now we have more cash than the debt on the books. The total debt in March 2017 short term and long term should be 67 to 68 Crores and the cash available is more than 150 Crores, so we are virtually debt-free company.

Pranoy Kurian: Yes. This short-term debt will obviously remain because that is your working capital loan. That wills the way to look at it is probably it will move in line with sales, right?

Sandeep Jain: Yes, it has to.

Pranoy Kurian: Okay. This could go down to maybe 10 Crores or something by FY19?

Sandeep Jain: Yes, surely.

Moderator: Thank you. We have the next question from the line of Sameep Kasbekar from Emkay Global. Please go ahead.

Sameep Kasbekar: Sir, just a followup. You mentioned that the input costs have gone up anywhere between 3% and 5% in both cotton and wool. I just wanted to know if there is any plan of taking any price hike to negate this cost escalation in the near term?

Sandeep Jain: Yes, definitely there would be increase in price of garment in the next year because of hike in the raw material cost.

Sameep Kasbekar: So, to what tune would this price hike be?

Sandeep Jain: That we need to work it out, taking all the cost into consideration, but yes, there will be a hike in the prices.

Sameep Kasbekar: When was the last time we took a price hike?

Sandeep Jain: Every year we are doing a price hike, it is a nominal 3% to 4%, sometimes it is 7% to 8%, sometimes it was even 12% to 13% also.

Sameep Kasbekar: I meant in which particular quarter or month do we typically do this?

Sandeep Jain: Booking happens in April, so we do it in April only.

Moderator: Thank you. We have a question from the line of Saikiran Pulavarthi from RW Advisors. Please go ahead.

Saikiran Pulavarthi: Thanks a lot for taking the question. Just if you can elaborate how you had reacted after the demonetization, any further discounts you would have given to your distributors or working capital elongations, any customer-specific thing which you can elaborate a little further that would be really helpful?

Sandeep Jain: As you know, we work on preorder basis, so we dispatch the goods from our side, but only thing what we want is that it should be cleared from the retailer side. That did not happen in case of our own EBOs. In that case, more goods will be going on discounts in January and February sales, so that is why actually we have to do some discount sharing in our EBOs, not on the MBOs. That is going to affect some margins in the January to March quarter.

Saikiran Pulavarthi: Do you foresee any reason why you have to hold MBOs in this tough time and shave some of the burden what they would have faced because of demonetization?

Sandeep Jain: Can you please repeat the question?

Saikiran Pulavarthi: Maybe MBOs also had seen some sort of challenges. Do you think there is a reason why you might want to share some burden of the MBOs to improve the relationships and other things?

Sandeep Jain: You are right in that, but that policy we will decide once we have the booking, which is going to happen in the next two to three months, in April. We will discuss with our MBOs and we will discuss the kind of incentives or the discounts or the extra margins they require. Accordingly it will be given to them once the booking started, also extra time for the payment.

Saikiran Pulavarthi: Got it. If you take a three-year view, I do understand you would have taken the new categories and segments to improve the growth and other things, I think in one of the earlier questions you said that you have backed out from the footwear which was one of the segments which you were targeting and the kids segment is slowly scaling up. How do you feel which segment wise is scaling up and how do you see the dependence on Q3 coming down, what are the new thoughts and everything?

Sandeep Jain: Actually you voice was not that clear, but what I understood from the question is you wanted to know from me that what is the growth area for the next two to three years, am I right?

Saikiran Pulavarthi: Absolutely, apart from the winter wear.

Sandeep Jain: There are two to three growth areas. Basically what we see is that one is definitely our existing categories which will keep on growing and strengthening in the economy. Secondly, as the economy is growing these categories will also grow, because right now economy is growing at a slower rate. Once it is growing at a little faster rate, even the existing category will grow. Second growth will come from the Southern and Western regions where we have begun to increase our growth rate as compared to the past, which is touching around 30% to 35% as compared to last year. Thirdly, we would see the growth coming from the accessory segment, which is socks, caps, mufflers, and I think this should become at least 60 to 70 Crore business in the next two to three years. Fourthly, our economy brand, which is Cloak & Decker, which has been growing handsomely for the last two years, should grow at a more faster rate in the coming two to three years.

Saikiran Pulavarthi: I think in one of the earlier questions you suggested excluding sales in Rajasthan, could you just help us with that number?

Sandeep Jain: I think it is already mentioned in the presentation. If you have gone through that you will find it. Otherwise, if you want I can speak out that figure also. It is 30 Crores in west this year as compared to 24 Crores last year.

Saikiran Pulavarthi: Got it, thanks a lot. That is it from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Mr. Sameep Kasbekar from Emkay Global for closing comments. Thank you and over to you Sir!

Sameep Kasbekar: I would like to thank the management once again and I would like to hand the call over to Mr. Gogna for closing comments.

Dinesh Gogna: My dear friends, Mr. Jain had already explained the reason of slight fall actually in our revenue also as well as the profits also. We think that the gap which we had recorded that is approximately 11%, it will be reduced substantially by the time we close down this year. Hopefully, we may not be able to increase the margins, but in any case because of this fall or because of good weather this year and the discounts given by us, next year we are expecting a very good season for the company. Hopefully, we will be able to fulfill our commitments with our investors and also come up to the expectations, which the people have, from us. With this, I would like to say that we will meet again after three months, and with a happy mood, and I wish you to have a nice day and a very, very happy day for today. Thank you.

Moderator: Thank you very much members of the management. Ladies and gentlemen, on behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Conference Name: Monte Carlo Fashions Q3FY17 Earnings Conference Call

Time: February 13 , 2017 11:00 Hrs India Time

Main Speaker(s): Sameep Kasbekar - Emkay Global
Management -Monte Carlo Fashions

Total 42 Participants including the Speakers.

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4	Ajay Modi	9920775221	Agarwal Investment
5	Ajay Thakur	2266266728	Anand Rathi Securities
6	Amit Purohit	2266121340	Emkay Global Financial Services Ltd
7	Amit Sabarwal	9819576873	Dickenson Ltd
8	Amitabh Chakroborty	2261324949	Sera Capital
9	Amritha Karipat	2240632833	Nine Rivers Capital
10	Anand Gupta	15595158881	IBN
11	Anand Gupta	16613804050	UBS Group
12	Ankit Sharma	16617480241	Umax Group
13	Avinash Dolani	2266172214	Stock Axis
14	Ayush jalan	2261146139	Insec Securities
15	Deep Indera	1244545830	ICRA
16	Deepan Shankar	4442130863	Trustline PMS
17	Dharmesh Shah	2266377480	ICICI Securities
18	Druv Agarwal	00917021740558	Creseta Invest
19	Jasprit singh	2226593743	IIFL
20	Kalpesh Parekh	2266322243	Prabhudas Lilladher
21	Kiran Chheda	9821089843	Visaria Securities
22	Mandita Mehta	2267043209	JM Financial
23	Manu Sehgal	9873546205	Individual
24	Navin Jain	9930421211	Private Investor
25	Nidhi Marwaha	1244545337	ICRA Ltd
26	Nilay Pratik	9035700261	Samaira Capital
27	Nirvi Asher	2266965526	KR Choksey
28	Pranoy Kurian	2243221107	IDBI Capital
29	Prasanna Pathak	2230067524	Basil Wealth
30	Rahul Jadhav	16613804436	Delta Group
31	Rakesh Jhadav	16617480241	Cap Solution
32	Ravi Kumar	9731225619	Individual
33	Rupali Zade	2261047510	Research Bytes
34	Sai Kiran	9702133307	RW Advisors
35	Saunak Mayani	00918779238437	Individual
36	Sonam Somani	2917105562	Anand Rathi
37	Sunil Jain	2243567408	Aditya Birla Pvt
38	Supriya Kadam	2226407849	Anmol Sekhri Consultants
39	Tanmay Sharma	2240407586	Edelweiss
40	Vibhor Rastogi	2261291512	MOSL
41	Vipul Shah	2224327290	RippleWave Equity
42	Vismay Agarwal	2243251124	Axis Capital