"Monte Carlo Fashions
Q3 FY2019 Earnings Conference Call"

February 18, 2019

ANALYST: **MR. PREETHKAR R – EMKAY GLOBAL FINANCIAL SERVICES**

MANAGEMENT: **MR. SANDEEP JAIN - EXECUTIVE DIRECTOR – MONTE CARLO FASHIONS LIMITED**
MR. DINESH GOGNA – DIRECTOR – MONTE CARLO FASHIONS LIMITED
MR. R. K. SHARMA – CHIEF FINANCIAL OFFICER – MONTE CARLO FASHIONS LIMITED
MR. SAHIL JAIN – COMPANY SECRETARY - MONTE CARLO FASHIONS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY2019 results call of Monte Carlo Fashions hosted by Emkay Global Financial Services. We have with us today, Mr. Dinesh Gogna, Director, Mr. Sandeep Jain, Executive Director, Mr. R. K. Sharma, CFO, and Mr. Sahil Jain, Company Secretary. As a reminder, all participant lines will be in 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 "*" then "0" on your touchtone phone. Please note this conference is being recorded. I now hand the conference over to Mr. Preethkar R of Emkay Global. Thank you and over to you Sir!

Preethkar R: Good afternoon everyone. I would like to welcome the management and thank them for giving us this opportunity. I would now hand over the call to the management for opening remarks. Over to you gentlemen!

Sandeep Jain: A very good morning dear ladies and gentlemen. It is a great pleasure to greet you all on behalf of our Board of Directors and the senior management.

We begin by thanking you all for sparing your time in joining us here today to discuss our earnings of Q3 and first nine months of financial year 2018-2019. Talking briefly about the Q3 performance, we recorded Rs.375.6 Crores revenues registering 16% year-on-year growth. This is our highest Q3 revenue recorded till date. Our EBITDA also grew by 15% year-on-year to Rs.117.4 Crores. EBITDA margin remained stable on year-on-year basis at 31.3%. Our PAT grew by 21% year-on-year to Rs.75.5 Crores and PAT margin stood at 20.1%. Our Q3 PAT is higher than full year prior to financial 2018. We have stepped to end financial 2018, financial 2019 with an improved financial performance that by its continued sales traction in the Q4.

At Monte Carlo, we continue our endeavour for building a 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 wool and cotton, cotton blended, knitted and woven apparels, and home furnishing to some of our ranges under the umbrella brand Monte Carlo. We have also added up four segments last year under the brand name Rock it.

One of our key strengths has been a wide and growing distribution network with a prolific presence across India. We have a deep presence across India through 2500 plus multi brand outlets and distributors and as on date we have 253 EBOs and national chain stores. Majority of our net revenues comes from the franchise EBOs and MBOs where we primarily sell on pre-order on outright basis. We have also started a sale through shopping shop business model with zero percent store correction. By virtue of this business model, there is no major inventory risk and we remain adequately insulated from the normal hazard of the branded apparel business. I would like to highlight that till date we have experienced almost zero debt in our business, which stands testimony to our strong business model based on a zero credit risk policy for the company.

Also we have enough capacity headroom to see us through the continuous growth in the near future though we do not envisage any major capex for the next two years during which growth will primarily be achieved from the higher capacity utilization and then we once again thank you all for sparing your valuable time and joining us here and we can now open the floor for question and answer session. Thank you very much.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We have the first question from the line of Zaki Abbas, individual investor. Please go ahead.

Zaki Abbas: Good morning and congratulations on the good set of numbers. My first question with you Sir, as the winter for this quarter has extended maybe a month beyond the expected period in the country, do you feel your Q4 numbers will look much better than what they have last quarter and point number two, in the buyback am I right to assume that the promoters would not be tendering the shares and would this buyback entails a change in the dividend policy for the current year?

Sandeep Jain: Thank you very much. First of all we would like to come on the first question, which you raised was the Q4 performance as compared to year-on-year last Q4 performance, we are hopeful that we will have a better Q4 this year as compared to last year, the reason being is that extended winter, which was helping us to liquidating our stocks. At the same time, we are foreseeing increase in commercial source in this quarter as compared to last year and secondly, yes the promoters are not participating as far as buybacks are concerned, it has already been announced earlier also.

Zaki Abbas: Would you have a change in dividend policy for the current year Sir?

Sandeep Jain: Dividend policy will be decided later, as on date we have not decided anything about the dividend for this financial year, the last financial year dividend has already been declared.

Zaki Abbas: Okay Sir. Great. Thank you.

Moderator: Thank you Sir. We have next question from the line of Deepan Shankar from TrustLine Portfolio Management. Please go ahead.

Deepan Shankar: Thanks a lot for the opportunity and congratulations for good set of numbers. Sir just wanted to understand how have been the inventory levels in the market and also our debtor levels for the current quarter?

Sandeep Jain: One thing, which I would like to confirm right now is that inventory at the retail store is less as compared to last year, the reason being is that extended winter, which is still helping us in Northern India and most of the central and other parts of India and I see that going forward when we finish this quarter we should have less inventory as compared to last year's level.

Deepan Shankar: Okay and what about debtor level for us?

Sandeep Jain: What data you want?

Deepan Shankar: Debtor level Sir, sundry debtors?

Sandeep Jain: Debtor also as a sale has grown around 16%, so debtor also grown around 14-15% that is all.

Deepan Shankar: Okay and is there any update we can provide on our summer sales order book, how has been if it is going now?

Sandeep Jain: Yes. The summer order book has been better as compared to last year and I think that in this summer we should grow in double digit as compared to last year easily.

Deepan Shankar: Okay and can we place even in this cotton contribution during this current Q3 sales how much percentage could be winter related or like cotton jackets or something like that?

Sandeep Jain: Okay, I would give you the comparison of the last quarter of year-on–year of financial 2018 and 2019. If you see the contribution from the woolen segments, it was 35% in Q3 financial 2018, which has come down to 34.9% in this financial year and in cotton segment the contribution was 52.3% in last Q3 financial year 2018, which has come down to 50.8%, but there has been growth in kids and home furnishing segment, the home furnishing segment grew from 7.3% to 8.1% and the kids grew from 5.4% to 6.2%, but overall there has been volume growth in all the categories.

Deepan Shankar: Okay. Sir my question was specifically related to this cotton segment, how much has it contributed for this winter season, so like cotton jackets or specific to that?

Sandeep Jain: Okay. I can give you the breakup of some of the winter items so that you would find it out as far as the total quantities are concerned. In this Q3, I have the figures with me for the nine months ended on December as compared to December 2017, the total volume of woolen sweaters, it was 1220000 pieces in this nine months as compared to 1031000 last financial year and as far as cotton categories are concerned if we talk about the jacket category, jacket portions suit category, which was a winter wear category which happens in this particular quarter, it was 4.14 lakh this year, which was 4.26 lakh last year, and if you talk about other knitted garments, which includes sweat shirts, track suits and lower, which also sells in this quarter. The volume has grown to 2.55 lakh pieces as compared to 2.3 lakhs pieces, and if you see another area, which is the ladies jackets and coat, which also sells in this quarter, it is 1.51 lakh and it is same 1.51 lakh last year also, but there has been growth in track suits, sweat shirts in ladies, which is 1.54 lakh as compared to 1.35 lakhs, so if we see overall there has been growth of around 5-6% in volumes in winter wear category in this quarter as compared to last quarter, but if we see overall cotton categories in last nine months as compared to last nine months, so there has been a considerable growth, which is 5795000 pieces as compared to 4912000 pieces.

Deepan Shankar: Okay Sir. Thanks a lot Sir and all the best.

Moderator: Thank you. We have next question from the line of Venkat Subramaniam from Organic Capital. Please go ahead.

Venkat Subramaniam: Thanks for taking my question Sir. I just wanted some broad indications in terms of trends that you see on online shopping and discount trend. We are seeing some very disturbing trends in terms of most brands offering fairly steep discounts, so we just wanted to understand competitive intensity, and also the broad trend that we are seeing in terms of online shopping because that seems like a clear side now?

Sandeep Jain: We started this online business, we maintained one policy that our prices at all the channels will remain same, whether we sell at EBO or LSS or MBO, we have the same policy if we are selling an MRP in online we are also selling MRP in offline and other channels also, and the discount is also same, when we go for EOSS, end of year sales discount the price remains same in all the channels and the same discount is being offered and recently as we have seen the e-commerce policy announcement by the government, which is actually helping the offline retailers as well as small online websites, we see there the discount has actually come down, and the websites are not offering that much discounts on the branded it was earlier as there **are new policies by** the government also and as far as we are concerned we have grown almost 25% in this year in our online business as compared to last year even though we maintain our policy of not giving much discounts.

Venkat Subramaniam: What portion of our revenue actually comes from online online Sir?

Sandeep Jain: It is approximately 4% of the revenues.

Venkat Subramaniam: My second question is on our broad vision and growth expectation, do you think we should get to Rs.1000 Crores target by about 2021 if we maintain about 20% kind of growth, I think we are almost there?

Sandeep Jain: See, we have always maintained, we will grow double digit and till date we only announced the guidance for the next financial year, so for next financial year again we give our guidance in the month of May when we announce our financial results for the full financial year, so right now I cannot comment on any figure, but one thing I can assure you the company is growing around 17% CAGR from last 10 years and we have never failed in our guidelines except one year where the winter was very bad and even this year the guidance, it was 15% given in the beginning of this year, will definitely be met when we close this year.

Venkat Subramaniam: Sir once we actually get past that 700-800 Crores kind of revenue, you think our PAT margins have scope to actually improve further, we think we can get to almost 24-25% kind of project?

Sandeep Jain: See it is very difficult to comment in the challenging times when the international brands are discounting even this fresh period has just started if we see this year most of the multinational brands, they have started discount in the November itself, even though we started our discount in January 1, 2019, so the time is very difficult as far as discounting is concerned, we are luring the customers by offering more schemes and more discounts, so challenge is to maintain this profit margin going forward and we have been able to successfully maintain this for last so many years, even last year also the margins, which we maintained and we are very hopeful that this year the margin will be maintained or it might be little better as compared to last year.

Venkat Subramaniam: I think it is very commendable Sir, but in spite of all the onslaught by competitors I think we are still hopeful of the kind of growth target that we have and also our margin target Sir?

Sandeep Jain: Yes because when we say the 15% growth, which we gave the guidance that is the profitable growth, we are not increasing our revenues just for the sake of increasing the revenues and reducing our margins. We always make sure that we should maintain our margins also and we should achieve our growth guidance also. So this year again we have said in the beginning of this year that we would like to maintain our margins and will grow 15% and I will think positively achieve it by the end of the financial year.

Venkat Subramaniam: Wonderful Sir. My last question is what is your inventory liquidation cost in the one set we want to liquidate.

Sandeep Jain: What liquidation?

Venkat Subramaniam: The non-moving items when we try and liquidate at what kind of discounts do you do and on a blended basis what can be the cost of that inventory liquidation cost?

Sandeep Jain: See we have factory outlets, whatever returns we get from our EBOs we sell it in our factory outlet and that accounting provision has already been made in the results, so definitely there are some returns from our exclusive stores and some LSS, but those pieces are getting sold in our factory outlets where we give around 40%, 50% discount and the clear of that stocks and that provision is already made in the results.

Venkat Subramaniam: And if in case I can squeeze in a last question, after our buyback gets over what would be our cash position because we will have some accretion of the current year as well?

Sandeep Jain: Yes. The cash position is very good because the capex is not much in the company, we have given a guidance of only 10 to 15 Crores and the company is earning almost 120 Crores of cash profit every year, so the cash position remains healthy as the capex is not much going forward also.

Venkat Subramaniam: Wonderful Sir. I will get back on the queue. Thanks a lot Sir.

Moderator: Thank you Sir. We have next question from the line of Saundarya Venkatesh from iThought Financial. Please go ahead.

Saundarya Venkatesh: You said there will be a muted capex next year and the growth will be there on your capacity utilization, so what is the utilization rate that you are seeing in your plan?

Sandeep Jain: See, I would explain the company has two business models, one is the in-house manufacturing and other is outsourcing. As far as in-house manufacturing is concerned, we have a sweater division where we make 100% of our sweaters in-house and we have still around 15% to 20% extra capacity, which can be utilized at this point of time and secondly we also have around 30% of knitting capacity, T-shirts, thermals and track suits in-house and dress we outsource. So as far as capex is concerned, there can be some spend on the warehousing and some other machines, but that should not be much as the company has already involved in outsourcing of garments and still there is surplus capacity available with us so that is why we are indicating that there would not be much capex going forward.

Saundarya Venkatesh: My next question is that now that we are concentrating more on cotton clothes and our focus is there, what will be our growth strategy for concentrating on south and western India?

Sandeep Jain: See south and west actually we see it is not an easy market, there is a lot of price pressure and there are lot of brands, which are already established, still we are trying our best to grow in those markets, but we have not been frankly speaking that much successful in the past. So now we have changed our strategy this year, we have started shopping shop in two, three large stores like RS Brothers and two more stores like Pothys, so I think going forward this strategy might work for the company and we should see that the growth comes from the shopping shop format, which was earlier not there with Monte Carlo in the last financial year.

Saundarya Venkatesh: Thank you Sir.

Moderator: Thank you Sir. We have next question from the line of Venkat Subramaniam from Organic Capital. Please go ahead.

Venkat Subramaniam: Thanks for taking my followup. I just wanted your thoughts in terms of what the rest of the competitors are doing and how our strategy is differentiated, we have some players who are very focussed, who have very sharp product offering, who just want to be in power dressing for men or weekend dressing or casual dressing, etc., who in the past sometimes had large growth quarters and sometimes actually had very anemic quarters, while our growth has been pretty steady, how do you differentiate both the models and where do you think our spend comes from?

Sandeep Jain: Can you please repeat the one or two points, which you want to address by me?

Venkat Subramaniam: No, I just want you to highlight how our strategy and our offering is superior to that of competitors because our growth as you have been highlighting, has been quite steady, some competitors sometimes have had very high growth quarters, but relatively our growth has been more steady, so how would you differentiate and what do you think our strengths are?

Sandeep Jain: See I think there are two reasons for those kinds of things to happen in case of competitors because our business model is basically more on outright basis. In case of most of our competitors, they follow the business of consignments, so sometimes the returns are more and sometimes the returns are less so the growth becomes variable. Sometimes it appears, it is more growth in one quarter and the returns comes it becomes less in other quarter, so that might be the reason in variation and as far as product offerings are concerned, innovation is concerned, I think we keep ahead ourselves as far as technology is concerned. We introduced the fabrics and we introduced the yarn much earlier than our competitors and that is helping us to grow or make more profits as far as our EBITDA is concerned, which is one of the best in the industry if we compare our competitors. We also get advantages from our sister concern companies who are in exports of fabrics and garments and yarns, so they also keep on updating us of the latest developments, which comes to us first before it goes to somebody else, so some of the advantages the company has and enjoying from your sister companies also. At the same time we have strong 256 retail stores across India, which keeps on giving us continuous customer feedback where the company goes for a thorough analysis and all these things are I think helping us to keep us ahead to the competition at the same time, our main objective is to beat our last year's performance and grow around 15% to 20% every year and which we are doing.

Venkat Subramaniam: Nice to hear Sir. Some senior management members are already here, can you guide on a consistent basis what our dividend policy will be, will it be upwards of 40% the way we have had currently?

Sandeep Jain: See dividend policy is decided by the board, so I might not be able right now in a position to reply anything on the dividend, but we would see that in the last three years since the company got listed, we have never missed any dividend and even though we increased last year to 120% as compared to 100%. So dividend policy has not been framed by the board till date, but yes the company always there to invest the new stores here or address the new to the shareholders, and give the dividend as and when the company have good profits.

Venkat Subramaniam: No, Mr. Jain we are talking about reality.

RK Sharma: Yes Sir, it is just for one minute interruption, Jain Sir has correctly replied you, but let me just tell you so far the company's policy of distributing and profits are concerned, it is very evident like if you see the buyback we are not participating, and the management is already holding 65%, so in case you calculate the pay off to the existing shareholders it comes to more than 700%. So you can understand what is the policy of the company, so far distribution of profits are concerned with the shareholders.

Venkat Subramaniam: No, Sir we completely accept your point.

RK Sharma: I am not participating and most of the clients you must have seen the promoters also participating whereas I am holding 65% and I am not participating only because I wanted to reward my balance shareholder. In case they calculate then it will be roughly around more than 700% in their hands, the distribution of profits of the company.

Venkat Subramaniam: I am not able to get that number, but the point is not that.

RK Sharma: Let me just tell you because 35 is the remaining percentage of shareholders, and now I will be giving Rs. 55 Crores to those people and if you spread that then it will be more than 700%.

Venkat Subramaniam: No, the limited point I am asking Sir is whether on ongoing basis what portion of the earnings of the company will get distributed to all shareholders at large.

RK Sharma: We are following the dividend policy continuously, but unfortunately the company has not declared so far any dividend policy to follow from here to here like they have not spelt out anything, but in the back of their mind, yes, they are investor friendly and as and when the time would come we will decide about it.

Venkat Subramaniam: We can see that point, you are right, but if you can kind of guide us I think it will be very useful.

RK Sharma: Dividend is such a thing, individual director cannot give any guidance, it is the board.

Venkat Subramaniam: Fair enough. Thanks a lot.

Moderator: Thank you Sir. We have the next question from the line of Kushal Rughani from HDFC Securities. Please go ahead.

Kushal Rughani: Thank you for taking my call. We have been reading that there are some talks of coming out with India size for the apparel, will it affect our company in anyway?

Sandeep Jain: Can you repeat that?

Kushal Rughani: I have been reading in newspapers that there are some talks of coming out with the India size garments.

Sandeep Jain: Ethnic wear garments?

Kushal Rughani: Instead of the current sizes, which are available in the market.

Sandeep Jain: No, the dealer association of India has taken the data of the India sizes from everyone and then they are like coming out with a specific Indian size which like the UK size, Italian size and US size, that is actually beneficial for the Indian manufacturers because we are already following their size models only. Every companies have almost similar as far as sizing is concerned in India.

Kushal Rughani: So this project will not hurt and we do not have to do any other capex just to comply with the rules?

Sandeep Jain: Not at all.

Kushal Rughani: Alright. Thank you.

Moderator: Thank you Sir. We have next question from the line of Zaki Abbas, an individual investor. Please go ahead.

Zaki Abbas: My next question would be on line with your brand extension Sir. The company has embarked on a mission of brand expansion whereby you can iron out your deficiencies in the summer months, so how is it going in your views and is it on a satisfactory trajectory or you need to put in some more work on that front Sir?

Sandeep Jain: I am not able to understand the full question. Can you please repeat it slowly?

Zaki Abbas: This is about brand extension Sir. The first has come out with things like cotton T-shirts and jogging tracks and stuff like that, which sell more in the summer months also, so has this gone according to your expectation and what is your view about the future of this segment Sir?

Sandeep Jain: Yes, definitely I think if you see, if you compare our contribution from the woolen like I would talk about five years back it used to be at one point of time around 60 is woolen and 40 is cotton, now the contribution has almost reached almost 65% as far as full year guidance is concerned, more than 65%, so that nearly shows that the cotton segment is growing faster than woolen and it is growing in double digit from last almost I think 10 years while the woolen had been sometime single digit, sometime double digit, so that shows that the cotton acceptability, cotton garment acceptability is increasing every passing year, and we are very hopeful that it is the cotton, which will take us forward in the next two to three years as far as our revenue varies are concerned.

Zaki Abbas: Okay Sir. Thank you. And the margins in that business are equally good Sir?

Sandeep Jain: Margins are better in cotton now as compared to woolen as of now.

Zaki Abbas: Okay Sir. Thank you Sir.

Moderator: Thank you. We have next question from the line of Sameep Kasbekar from Greenfield Advisory Services. Please go ahead.

Sameep Kasbekar: Hi. Good afternoon. Thank you for taking my questions. Sir could you give some update on our institutional business, so I think couple of years back we have started some institutional sales and also if you give an update on your sports wear brand?

Sandeep Jain: Yes. Thank you. You asked this question because I would have even replied it if somebody have asked it earlier. Institutional business is growing very fast as compared to RX fluctuation it is growing almost 30-40% per annum. We have just started this three to four years back, this year we closed at 32 Crores. We will be closing out 30 to 33 Crores and we hope that it should touch another 40 to 45 Crores next year, so this is one business, which is definitely increasing every year and now actually most of the companies they want their workers and staff to have the branded apparels as compared to the normal, any shirt, trousers or any T-shirt or sweaters, so that is helping the company to grow in this area and as far as Rock it or sportswear brand is concerned, we are hopeful that this year we will be closing around at 3.5 Crores and we are targeting a turnover of 7-8 Crores for next financial year.

Sameep Kasbekar: Okay Sir. My second question was while we have moved our product portfolio more towards cotton sales, you are still having seen a seasonality go down from winter wear and I understand that winter wear ASP is higher and we too tend to sale more cotton jackets as well, but when do you see maybe in the foreseeable future that seasonality trend will sort of neutralize and you can see more of a stable revenues across the cottons?

Sandeep Jain: I think we are more or less stable as far as last five years is concerned, we are growing at high double digit in cotton segment and I do not see an issue that why should not we grow in double digit in the next financial year also, in the next to next financial year also because we are getting very good response of our cotton garments across all the channels whether it is EBOs, MBOs or large format stores, everywhere it is seeing more than double digit growth.

Sameep Kasbekar: Yes. I understand that we are growing double digit in cotton wear, but we still have heavy third quarter right, when our winter sales take place and this probably has risk involved in terms of winter,if it’s weak most of our full year numbers go for a toss, so I do want to appreciate that we are moving more towards cotton, but when can we see a significant revenue coming from summer quarters?

Sandeep Jain: No. I think there is some misconception here. First of all I would like to clarify that. The winter wear is only jackets and track suits, which is the sale, which happens in this quarter otherwise the shirt, trouser, denims happens throughout the year. So that is increasing every year more than 20%, yes there is a jacket category, which comes in this quarter and if there is a track suit category, which comes in this quarter otherwise all other categories, which we are selling T-shirts, shirts, denims, trousers that is selling throughout the year. But if you see in the last 10 years it was only one year, which was we have delayed winter and we got affected also, but seasonality affects everyone, if there is no rain for one year all the FMCG company, all the auto companies got affected. So seasonality is same for everyone, so sometime yes one in 10 years it happens that there are less winter so there is a note less winter, so I do not think that should be impacting our company because otherwise our jackets and track suits all other categories are actually summer category, which sells in winter months also.

Sameep Kasbekar: Okay Sir. Thank you so much for your time and all the best.

Moderator: Thank you Sir. We have next question from line of Zaki Abbas, individual investor. Please go ahead.

Zaki Abbas: Sir, this one last question, I would like to know the percentage of our own manufacturing versus sourcing from outside?

Sandeep Jain: I would explain it, basically there are two plants, which we have, where we have inhouse manufacturing, one is a sweater manufacturing plant where we do everything in house, so we do not outsource any sweaters and second plant we have is for T-shirts and thermals. So thermal we completely make in house, there is no outsourcing. In T-shirts in whole year that is 30% to 40% capacity is in house and balance is outsource and kept these all jackets, shirts, trouser, we are completely outsourced.

Zaki Abbas: So it would be around let us say 80:20 Sir?

Sandeep Jain: It should be around 30:70 I would say.

Zaki Abbas: Okay Sir. Thank you Sir.

Moderator: Thank you Sir. We have question come up from the line of Sailesh Kumar from Sunidhi Securities. Please go ahead.

Sailesh Kumar: Thanks for the opportunity. If you could provide me with the volumes that would really be helpful, what are your volumes in nine months volume?

Sandeep Jain: You would like me to speak about the nine months volume of this financial year as compared to last year?

Sailesh Kumar: Yes.

Sandeep Jain: So as far as woolen sweaters are concerned, it was 12.2 lakhs as compared to 10.31 lakhs for nine months and as far as cotton garments are concerned, it was 57.9 lakhs this year as compared to 49 lakh last year.

Sailesh Kumar: Home furnishing segment, kid segment, accessories.

Sandeep Jain: Home furnishing it was 4.43 lakhs this year as compared to 3.13 lakh last year.

Sailesh Kumar: Okay.

Sandeep Jain: Yes. For the quantities.

Sailesh Kumar: Great. Thank you.

Sandeep Jain: Any other volume you required?

Sailesh Kumar: Sir I was only asking for volumes for all the segments?

Sandeep Jain: So you want value also?

Sailesh Kumar: Fine.

Sandeep Jain: The value in case of woolen category it was 145 Crores as compared to 142 Crores and in case of cotton garments the value was 348.3 Crores as compared to 305 Crores.

Sailesh Kumar: 348.3 versus?

Sandeep Jain: 348.3 Crores in nine months as compared to 305 Crores.

Sailesh Kumar: Okay.

Moderator: Thank you Sir. As there are no further questions, I now hand the conference to the management for closing comments. Sir over to you!

Sandeep Jain: First of all thank you very much for participating in the conference and there were many questions I think, which we were able to answer it, but there might be some queries, which you still have you in your mind or you can please e-mail us and we are happy to reply it. Thank you very much.

Preethkar R: Thank you very much.

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