"Indo Count Industries Limited
Q3 & 9M FY2019 Earnings Conference Call"

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MANAGEMENT: MR. K. R. LALPURIA – EXECUTIVE DIRECTOR & CEO – INDO COUNT INDUSTRIES LIMITED
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Moderator: Ladies and gentlemen, good day and welcome to the Indo Count Industries Limited Q3 & 9M FY2019 earnings conference call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 "*" then "0" on your touchtone phone. Please note this conference is being recorded. I now hand the conference over to Mr. K.R. Lalpuria, Executive Director of Indo Count Industries Limited. Thank you and over to you, sir!

Kailash R Lalpuria: Good afternoon and a very warm welcome to everyone. Along with me, I have Mr. K. Muralidharan, our CFO and SGA, our Investor Relations Advisors.

K. Muralidharan: Hello, good afternoon.

Kailash R Lalpuria: I hope everyone have got a chance to go through the presentation by now. On the macro side, our major markets of US and EU are witnessing growth on the back of increased consumer confidence in US and EU as well as higher consumer spending. This we saw apparently on Black Friday and holiday season sales which reported good sales growth. Our approach to value addition through innovative products, modern designs, and functional products is helping us to strengthen our relationship with Marquee global brands. During the quarter, I am pleased to share with you that our company was awarded by Kohl's Corporation a large retailer in USA for "Best Collaboration in Design and Product Development".

This recognition has been given to us for the first time for designing fashion bedding and developing this business. We also received "Platinum Certification Status" for sheets and fashion bedding category from J.C. Penney, which is another large retailer from the US. These efforts are the results of our customer centricity approach in our overall business.

During the quarter, we launched a utility brand by the name of "Whole Comfort", and "Purity Home" a fashion bedding brand in the global markets. In order to further strengthen our sales effort, we have also made our Dubai office functional which will help us to promote our products in the MENA, Mediterranean, and other surrounding countries.

Our domestic business continues to perform well and we are strengthening our brand profile. Our aspirational brand "Boutique Living" is present across more than 500 outlets across the country. The brand expanded its footprint on pan India basis now and is rapidly gaining online presence through website www.boutiquelivingindia.com.

Coming to our business performance starting with the sales volume. The sales volume for the quarter stood at 14.4 million meters. Our sales volume has increased to 44.6 million meters for the nine-month FY2019 versus 40.5 million meters for the nine month FY2018, a growth of 10% on Y-o-Y basis. We are confident to meet our guidance of sales volume of 58 to 60 million meters for FY2019. We are clearly witnessing sales momentum and expect the trajectory to continue going forward in Q4 as well as for FY2020.

Now I would like to mention about the forex and the forex volatility which have impacted us in this quarter. Let me share some details.

During the quarter, due to the volatility in the currency markets, we have seen a forex impact on our financials. Most of our hedges happened at or before the start of current financial year when our average negotiating rate was around USD INR 64 levels. This phenomenon hit our profitability in H1 FY2019; however, it was to the extent of lower forex gains. In Q3, however we have a forex loss. On nine-month basis the total income is Rs.1,421 Crores and a forex loss of Rs.21 Crores. The basis of Rs.21Crores forex loss is as below.

We incurred a forex loss of Rs.33 Crores in Q3 FY2019; however, for H1 FY2019 we incurred a cumulative forex gain of Rs. 12 Crores. After adjusting this forex gain, with Q3 FY2019 loss of Rs. 33 Crores, the cumulative net forex loss was to the tune of Rs. 21 Crores which has been accounted in other expenses in Q3 FY2019, as per accounting standards

Accordingly, now I will share the financial performance for the Quarter and nine months. Net income (excluding forex) for nine months FY2019 stood at Rs. 1,421 Crores as against Rs.1,311 Crores on nine month FY2018 registering a growth of 8%. Similarly, net income for Q3 FY2019 stood at Rs. 490 Crores as against Rs. 452 Crores same time last year, registering a growth of 8%.

For 9MFY2019, the normalized EBITDA stood at Rs.161 Crores versus Rs.132 Crores for nine months FY2018 registering a growth of 22%. Adjusting for forex, the normalized EBITDA margin was at 11.3% in 9M FY2019 versus 10.1% in 9M FY2018 registering a growth of 125 bps on Y-o-Y basis. For Q3 FY2019 the normalized EBITDA stood at Rs. 59 Crores versus Rs. 62 Crores for Q3 FY2018. Adjusting for forex, the normalized EBITDA margin stood at 12% in Q3 FY2019 versus 13.7% in Q3 FY2018. The drop in the EBITDA margin was to a certain account contributed by higher raw material cost, higher power cost and change in product mix. We continue to remain confident on the growth prospects for both our industry as well as for our company.

9M FY2019 PAT stood at Rs.57 Crores as against Rs. 104 Crores in 9M FY2018.

Our gross debt stood at Rs.344 Crores as on 31st December 2018 versus Rs.371 Crores as on 31st March 2018. Accordingly, our net debt to equity as on 31st December 2018 was 0.33x.

Capex for 9M FY2019, was Rs.40 Crores. The balance Rs.25 Crores will be spent in Q4 2019. For FY2020 we expect capex of around Rs 25 Crores towards routine maintenance capex.

That is all from my side. I now leave the floor open for questions please.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. We have our first question from the line of HR Gala from Finvest Advisors. Please go ahead.

HR Gala: Hello Mr. Lalpuria. Thank you for very educative presentation where you have given explanation of what has actually happened during the quarter and more important the industry perspective, which you have given picture on the retail sales in US. Sir I just wanted to know you have two items in Q3 2019, one is in the other income we are showing Rs.12 Crores forex loss and then we are again reducing forex loss of Rs. 21 Crores. So the total impact in this quarter is Rs.32 Crores if I am correct? So what are these two different items, Rs.12 Crores and Rs.21 Crores, if you can just tell us?

Kailash R Lalpuria: I will explain this to you step by step, Q1 FY2019 there was a forex gain of Rs. 14 Crores. In Q2 FY2019 there was a forex loss of Rs. 2 Crores. Cumulatively as of H1 FY2019, this resulted in the net forex gain of Rs. 12 Crores. Now in Q3 due to adverse currency movements and volatility, we incurred a total loss of Rs.33 Crores. Now, we have adjusted the forex gain of Rs. 12 crs in H1FY19 with the Q3 Loss of Rs. 33 crs and nullified the forex impact. And the remaining loss of Rs. 21 crs has been recognized in other expenses. This is as per accounting standards.

HR Gala: Now it is clear. So it is a Rs. 32 Crores account which has been split between the two.

Kailash R Lalpuria: Yes, please.

HR Gala: Now Sir as you have said that you are confident to achieve about 58 to 60 million meters in this particular financial year, what is your outlook for next year Sir?

Kailash R Lalpuria: See as I mentioned earlier, our major markets of US & EU are witnessing growth and apart from that we have made our overseas office fully functional and we have also launched two brands, “Whole Comfort” and “Purity Home”. Thus, we are quite optimistic on our growth from the current level. However, we will be able to share the growth guidance with a better clarity only in the next quarter. Since we have to present ourselves in March during the market week, we will get the better estimates for the US market by then and other issues will be straightening out in Europe. So we will have a better picture when we have our results for the Q4. We are optimistic on the growth because we are moving in the right direction and there is a right trend and there is also a momentum.

As you can see from our volume trend, as mentioned earlier, de-stocking is behind us and I think the retailers because of their good sales both on Black Friday as well for the holiday season, we see that the markets are optimistic and I also mentioned about Brexit that will get spaced out and we will have a clear answer in the near future. As for the impact of ongoing US and China trade talks, when we go for March market week, we will get a feedback from all our customers.

HR Gala: Okay. Do you expect any negativity coming from the exposure to US because that happens to be the major market for us as of now?

Kailash R Lalpuria: So far we have not seen any negativity because you see we are in textiles and it is a need-based item, Asia is supplying 85% of the goods to the world and India plays a major role because India is the largest producer of cotton so we do not see anything negative in our sector as well as our product line because it is a need-based item.

HR Gala: . So you do not expect any negativity as such?

Kailash R Lalpuria: We do not expect any negativity as such.

HR Gala: Yeah, absolutely and Sir last question from my side, when are you likely to decide the next round of major capex?

Kailash R Lalpuria: For 9M FY2019, we have spent Rs.40 Crores in Capex and probably in this last quarter, we would spend around Rs.25 Crores or so. As guided in the beginning of the year, this year we could spend a total Capex of around Rs.65 to Rs.70 Crores, but for the next year, we are still awaiting the policies of the Maharashtra Government and we are also looking expectedly at the elections and once the elections are through, the policies of both the Central Government and State Government will be firmed up and once they are firmed up only then we will go for our capex for the weaving project. Besides that, we will be incurring a routine capital expenditure of around Rs.20 to Rs.25 Crores next year.

HR Gala: On domestic market, how much sales are we getting?

Kailash R Lalpuria: Domestic sales is improving; it is too premature to give any number but with more than 500 outlets pan India, and presence in 23 states, we are trying to spread our brand across India so that the consumers are aware about. So our first objective is to spread our brand across India so that the people get a the feel of our product. Then only we will be able to leverage this to the next level.

HR Gala: Okay, but still some sales must be coming in, is it not, from these 500 outlets?

Kailash R Lalpuria: Yes, it is coming. As we had reported it is around Rs.12 Crores to Rs.15 Crores at present.

HR Gala: In nine months?

Kailash R Lalpuria: Annually.

HR Gala: Okay, thank you very much Sir, wish you all the best.

Moderator: Thank you. The next question is from the line of Nitin Agarwal from JM Financial. Please go ahead.

Nitin Agarwal: Thank you for giving the opportunity. Sir my first question is what led to such a huge increase in other expenses, even if we adjust the forex loss it is still 58% year-on-year?

Kailash R Lalpuria: Basically, the job works charges we show in other expenses have increased so a larger impact on job work came in other expenses and that added up to this Forex loss as well.

Nitin Agarwal: What led to this high increase in job work charges and will this continue in coming quarters?

Kailash R Lalpuria: No. You see the product mix also makes a lot of impact on this other expense when you have a different product mix which you cater to, so the other expenses generally increase. We are working to see how we can control the other expenses in the next year.

Nitin Agarwal: Sir giving a guidance of around Rs.25 Crores in FY2020 so what is the status on the phase 2 capex of Rs.300 Crores; is it fair to assume that has been shifted to FY2021 now?

Kailash R Lalpuria: No, as I mentioned we are just watching in Indian context the election and once the central and state policies are firmed up, the board will decide on how to move ahead with this capex. As on date we are just thinking about spending around Rs.20 to Rs.25 Crores next year, but if the policies are positive then we will take appropriate call.

Nitin Agarwal: Sir for FY2019 you said that hedges in the start of the year was at USD/INR 64 so for FY2020 when we will take the hedges, is it like from April or are we taking it on a rolling basis?

Kailash R Lalpuria: Normally we hedge on a rolling basis and we are covering as per our forex policy around 70% of our exposure. So the pain would be stay till Q1 FY2020 thereafter we see positivity and we are at a better realized rate.

Nitin Agarwal: So for FY2020 what would be the average hedging for us?

Kailash R Lalpuria: We cannot just immediately give that but it should be around USD/INR 71.

Nitin Agarwal: Sir, can you also share the net debt number as on 31st December?

Kailash R Lalpuria: As of 31st December, 2018the total gross debt is Rs. 344 Crores, the cash equivalent if you deduct from the gross debt of around Rs.32 Crores, our net debt is around Rs.312 Crores. And Net Debt to equity stands at a comfortable 0.33x.

Nitin Agarwal: Do you see any pressure in the next few quarters on debt servicing?

Kailash R Lalpuria: No. We do not see any pressures, because we are a debt-free company, our long-term loans are only limited to Rs. 83 Crores, rest is all working capital, so we do not see any pressure on servicing the debt.

Nitin Agarwal: Sir one last question regarding the forex loss, is it only on the hedges or is it some realignment of data and other such line item which are included in the forex loss or is it only related purely to the forex hedges which we do?

Kailash R Lalpuria: As per accounting standard we have to take into consideration everything, the reinstatement of debtor is also included in this.

Nitin Agarwal: Okay, so all of those are included?

Kailash R Lalpuria: But it is on a moving average, so you know quarter to quarter it gets adjusted.

Nitin Agarwal: Yes, thank you so much Sir. That's was it.

Moderator: Thank you. We have the next question is from the line of Vikram Suryavanshi from PhillipCapital India Private Limited. Please go ahead.

Vikram Suryavanshi: Good afternoon Sir. Some of the questions have already answered. Can you give your outlook on the cotton and the pricing?

Kailash R Lalpuria: The Cotton prices today currently are around Rs. 43,000 to 44,000 per candy and our average procurement rate is around Rs.45,000 because in the beginning of the season the rates were higher. So we are covered till the first quarter of next financial year and that will be higher rate but looking at the cotton production, how the rain pans out and the demand from export market as well as the rupee rate, trade relationship between US and China, and the domestic and consumption overseas, all these factors will keep the prices firm but since India is the largest producer, we foresee that the cotton prices will be around Rs 43,000 a candy next year.

Vikram Suryavanshi: Okay, in hedging Sir, basically even next year do we need to pass on some benefit of this currency basically to customers?

Kailash R Lalpuria: No, these are all average moving numbers and like for raw material, if exchange rate goes beyond a certain level only then we will go to the customers. Sometimes it can be passed on but most of the time these are moving like it moves from 64 to 74 then came back to 68, so the volatility cannot be passed on.

Vikram Suryavanshi: Okay Sir, for domestic market obviously we are expanding and almost reached to pan India, do we have any revenue or some other targets for the domestic market over three or five years?

Kailash R Lalpuria: As we mentioned that we have launched 'Boutique Living' brand a couple of years back and today we are selling Pan India across 500 and more outlets. We are trying to bring about value-added products and promote an aspirational brand in the Indian domestic segment and to how we can maximize our offer to the Indian consumers. Indian Home Textiles industry is growing at 11% CAGR and we see that lot of action happening in the domestic areas and we are also quite positive about this domestic market.

Vikram Suryavanshi: Thank you Sir.

Moderator: Thank you. The next question is from the line of Ritesh Poladia from Girik Capital. Please go ahead.

Ritesh Poladia: Sir, my question is related to the notes to accounts number 4. There is an effective portion of your hedge is Rs. 44 Crores and net deferred tax is Rs. 24 Crores so about Rs. 20 Crores you have adjusted into the other expenses. Is my understanding correct?

Kailash R Lalpuria: No. See as I mentioned from step by step that in the Q1 we had a forex gain of Rs. 14 Crores and in Q2 we had a Forex loss of 2 Crores so cumulatively in H1 we had a forex gain of Rs. 12 Crores. In this particular quarter, we had a forex loss of Rs. 32 Crores wherein we neutralized the Rs. 12 Crores gain and showed Rs 21 Crores as other expenses because this as per the accounting standard. Also, I will ask Mr. Muralidharan also to explain on the OCI.

K. Muralidharan: See OCIs are all unrealized hedges.

Ritesh Poladia: Sir, are this related to receivables or is there any forex loan component in that?

K. Muralidharan: No, these are all for the forward contracts

Kailash R Lalpuria: No foreign loan. We do not have any ECBs.

Ritesh Poladia: So where does ineffective portion is booked?

K. Muralidharan: Ineffective portion is booked in P&L

Ritesh Poladia: Where they have been accounted under which head? ineffective portion?

K. Muralidharan: Ineffective portion is reduced partly from the other income and partly shown in other expenses.

Ritesh Poladia: Can you give us what is the amount of that ineffective portion?

Kailash R Lalpuria: We can give you offline as we do not have the figures handy.

Ritesh Poladia: Okay, Sir can you give us what is the outstanding contracts as on date?

Kailash R Lalpuria: We cannot give you the amount but on a rolling basis we always hedge 65% to 70% of our exposure.

Ritesh Poladia: That could be yearly exposure?

Kailash R Lalpuria: Yes.

Ritesh Poladia: Okay. Sir, out of 44 million meters, how much would be the domestic sales?

Kailash R Lalpuria: Domestic sales we cannot define; we are still there at a negligible portion but we can give you number on the meterage basis later on.

Ritesh Poladia: Is it fair to assume that it would be less than 5% as of now?

Kailash R Lalpuria: Yes.

Ritesh Poladia: Okay. That's all from my side. Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Prerna Jhunjhunwala from Batlivala & Karani Securities India Private Limited. Please go ahead.

Prerna Jhunjhunwala Thank you for the opportunity. Sir I would like to understand the average realization impact in our numbers how much of it would be from foreign currency impact and how much could be on account of product mix change?

Kailash R Lalpuria: We cannot clearly give that Prerna.

Prerna Jhunjhunwala I just want qualitative information?

Kailash R Lalpuria: Our volumes grew by 10% and we have grown our sales in value terms by 8%. So there is always you should see from an annual standpoint what the total revenue is and what the total meterage is that will give you a clear idea on this factor. Now I can just tell you that our business is intact and we have grown with the existing customers. We have added a couple of new customers. When we sell more in Europe and UK they are at a lower thread count than US, but the US market and both UK and European markets growth are on a good momentum. So we do not expect any lower realization.

Prerna Jhunjhunwala Okay Sir in dollar denomination our realization would almost be intact because our geographical mix has also not changed much in the quarter, is this is the right way to understand?

Kailash R Lalpuria: To some extent yes, but you should also consider the impact of duty drawback on the realization. So if you factor in that you will see our realization has gone up.

Prerna Jhunjhunwala Okay. Sir my next question is on capex. Could you just brief on what all things you have spent this year, this Rs.40 Crores and Rs.25 Crores remaining will be spent on what?

Kailash R Lalpuria: See in the beginning of the year we mentioned about modernization of our spinning unit as well as adding up on the stitching unit because when we expanded our capacity, we mentioned that we will be adding up more automation on the stitching side, and our digital printing on the processing side. We have spent around Rs. 25 Crores to Rs.30 Crores on routine capital expenditure. So that is what we normally do. So far we have spent Rs.40 Crores on the modernization spinning and as I mentioned about the digital printing machine and around Rs.20 to Rs.25 Crores we will spent on further adding up automation on the stitching side. This is what we plan to do this year around about Rs.65 Crores to Rs.70 Crores.

In the next year, the plan was to add up the weaving capex as well as the routine capital expenditure but as I mentioned we are waiting for the central and state policy to get clarified and firm up and then only the board will decide when they review it and we will report it as and when the board takes a decision. So the routine maintenance capital expenditure for FY2020 should be around Rs.20 Crores to Rs.25 Crores.

Prerna Jhunjhunwala Okay. Sir my third question would be on job work as you mentioned in your comment that job work has also increased this quarter, will it be continuing like this because the rates per se structurally have increased or it is increasing just because the product mix change as a percentage is changing?

Kailash R Lalpuria: From quarter to quarter there is an increase in job work expense because as the product mix changes, we have to get job work done right from the yarn stage sometimes. So the job work charges goes up and also the power cost has gone up. So to some extent that has factored in as well in the market place and in between the cotton prices went up, the yarn prices went up, so there are many factors to this.

Prerna Jhunjhunwala Okay. But now that cotton prices have corrected to some extent from November end, are the job work charges coming down or they stay where they are?

Kailash R Lalpuria: That we cannot define because the product mix keeps on changing and we are always trying to bring down the job work charges and we do job work only when it is competitive to go through the job work route rather than the buying directly the fabric. So sometimes it goes up and sometimes it gets controlled.

Prerna Jhunjhunwala Okay. Understood Sir, I will come back for any further questions.

Kailash R Lalpuria: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Resham Jain from DSP Mutual Fund. Please go ahead.

Resham Jain: Would it be possible to share the consolidated EBITDA for the nine months and same for the last year nine months?

Kailash R Lalpuria: We have not consolidated so far.

Resham Jain: Okay. Any plans to report consolidated numbers because a good part of business is now happening outside India, in subsidiaries?

Kailash R Lalpuria: Of course, we always report our consolidated number at the end of the year, so definitely by next quarter we will have all the numbers.

Resham Jain: Would it possible to share qualitatively any major divergence in terms of the ex-standalone numbers on a nine-month basis, is it substantially divergent from what you reported last year first nine months, qualitatively if you can explain that part?

Kailash R Lalpuria: I didn't get you clearly what you mean by qualitative but what I understand is there is no such major deviation from what we reported and I do not think so, there is any material deviation from what we reported, we keep on doing business, adding value to our business on the fashion bedding, utility, institutional side, we do develop different markets, we add up new customers, and there is no such major deviation happening in our businesses.

Resham Jain: Sir I was actually trying to understand is there any consolidated and standalone EBITDA what you had done last year and what you have done this year, has there been any substantial difference between the two that is what I am trying to understand?

Kailash R Lalpuria: No. There is no substantial difference between Standalone and Consolidated. However, going ahead, from Q1 FY20 onwards we shall report the consolidated numbers as well, as may be stipulated by SEBI.

Resham Jain: Just want to understand cotton prices what was it two quarters back and what is it now and also the currency movement which is positive. So what kind of margin you are expecting let us say going into the next two to three quarters because we have substantial erosion in margins because of multiple factors in the last two years. What is the normalized margins one should expect given some of the tailwinds coming back?

Kailash R Lalpuria: As we mentioned, this has been a year of difference from forex standpoint. There was a large volatility and right from 64 the Dollar went up to 74, it came back to 68 so this adverse volatility impacted our business this year which we hope that in the next year, it will stabilize, as the government also stabilizes, and lot of other factors globally also would stabilize. So we think there will not be many such factors in the next year like in forex as well as cotton prices. Because in cotton what we have seen is the future contracts are getting priced lower. So the prices which were ruling at around more than Rs. 45,000 have come down to Rs. 43,000 per candy. So on the cotton side, if you expect a good crop in India I think the supply would meet the demand and the prices would be around the similar levels. Further we are also covered till Q1 FY 20. So all these factors will help us to improve the margins and as we are always working and making efforts to add value to our business through our new channel of businesses that is fashion, institutional and utility, which is giving results to us and we expect better results from the same in the future. So the margin should improve. Now as you asked for normalized margins, they may tend to improve from here more by 300 to 400 bps may be in the next two to three years. So those are the kind of margins which we are looking at over and above the forex part because normally forex is also an integral part of our business, we being in export business and that always adds up to our earnings. So all these factors I think will get stabilized in the next year we hope so and that will definitely through product mix and through better efforts will add up to our margins in the future.

Resham Jain: So this 300 or 400 basis point is on the normalized margin?

Kailash R Lalpuria: Yes.

Resham Jain: Not reported margin.

Kailash R Lalpuria: Yes.

Resham Jain: Okay, perfect Sir. Thankyou.

Moderator: Thank you. The next question is from the line of HR Gala from Finvest Advisors. Please go ahead.

HR Gala: Sir just one clarification regarding this note #4 in our results. Is it correct that we had the gross forex loss of Rs.68.5 Crores and what we have taken loss in OCI is Rs.44.65 Crores. After netting off the before tax liability.

Kailash R Lalpuria: The realized losses are shown in the P&L which is about Rs.32 Crores., The unrealized hedges are shown in the OCI.

HR Gala: Correct Sir, that is Rs. 68.5 Crores?

Kailash R Lalpuria: Yes.

HR Gala: Correct?

Kailash R Lalpuria: Yes.

HR Gala: Okay, okay, I just wanted to know that, thank you Sir.

Moderator: Thank you. The next question is from the line of Prerna Jhunjhunwala from Batlivala & Karani Securities India Private Limited. Please go ahead.

Prerna Jhunjhunwala: Thank you for the opportunity. Sir I wanted to just have some clarity on working capital, is there any increase in debtor days or in inventories as retailers in US ask for more just in time inventories?

K. Muralidharan: The working capital cycle has not changed, actually it is more or less the same, the same as previous years. Inventory holding and debtors being largely under control.

Prerna Jhunjhunwala: Okay Sir. Thank you. That helps.

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

Kailash R Lalpuria: At Indo Count, we are witnessing volume uptake in our core markets. We are also expanding our footprint to newer geographies and penetrating deeper within existing ones. Our focus going forward continues towards increasing utilization levels of our capacities and increasing the share of value-added business in our revenue. We believe our approach to doing business and strong relationship with client will help us to maintain an edge in global market. With this, I would like to thank everyone for joining on the call. I hope we have been able to address all your queries. For any further information kindly get in touch with me, or Strategic Growth Advisors, our investor relations advisors. Thank you very much.

Moderator: Thank you very much Sir. Ladies and gentlemen, on behalf of Indo Count Industries that concludes this conference call. Thank you for joining us. You may now disconnect your lines.