

"Raymond Limited Q1 FY2021 Earnings Conference Call"

September 15, 2020

ANALYST: MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING

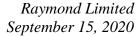
MANAGEMENT: MR. AMIT AGARWAL - GROUP CFO

MR. VIPIN AGARWAL - PRESIDENT, CORPORATE

Mr. Ganesh Kumar – COO, Lifestyle Business

MR. SUMAN SAHA – COO, BRANDED APPAREL MR. K. MUKUND RAJ – CEO, REAL ESTATE

MR. J. MUKUND – HEAD, INVESTOR RELATIONS





Moderator:

Ladies and gentlemen, good day, and welcome to Raymond Limited Q1 FY2021 Earnings Conference Call, hosted by Antique Stock Broking. 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 the operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhijeet Kundu from Antique Stock Broking. Thank you, and over to you, Sir!

Abhijeet Kundu:

Thanks. On behalf of Antique Stockbroking, I would like to welcome all the participants in the earnings call of Raymond Limited. I have with me Mr. J. Mukund, who is the Head of Investor Relations of Raymond Limited. Without taking further time, I would like to hand over the call to Mr. Mukund. Over to you, Mukund!

J. Mukund:

Thank you, Abhijeet. Good evening, everyone, and thank you for joining us for 1Q FY2021 earnings conference call. I hope all of you would have received a copy of our results presentation. I would like to urge you to go through this along with the disclaimer slides.

Today, we have with us Mr. Amit Agarwal, Group CFO; Mr. Vipin Agarwal, President, Corporate; Mr. Ganesh Kumar, Chief Operating Officer, Lifestyle Business; Mr. Suman Saha, Chief Operating Officer, Branded Apparel Business; Mr. K. Mukund Raj, CEO, Real Estate Business.

I will now hand over the call to our Group CFO, Amit, who will give you the summary of results before we open up for Q&A. Over to you, Amit!

Amit Agarwal:

Thank you, Mukund. Good evening, ladies and gentlemen. These are testing times, and I hope you and your near and dear ones are safe. Thank you for joining us today on this earnings call to discuss our results of first quarter of fiscal 2021.

In the first quarter fiscal 2021, COVID-19 pandemic posed unprecedented challenges, which impacted both domestic and global economy. In India, it led to a series of nationwide lockdowns, which resulted in markets being closed, serious restrictions in movement, muted celebrations or limited gatherings and postponement of summer wedding season. We all witnessed and experienced new norms of working while staying at home. However, with the lockdown 3.0 and subsequent unlocks, various cities across various states started taking progressive steps to re-open the economy and normal channels of trade, including retail outlets.

The government also came up with a huge stimulus package under 'Atmanirbhar Bharat Abhiyan', which primarily focused on a self-reliant and self-sufficient India. A slew of



measures under this package, coupled with anticipation of good agricultural harvest, is expected to give an impetus to consumer spending in our sector as well.

Now, let me talk about Raymond, where we undertook various steps and focused on the major points. Firstly, health and safety measures undertaken for all our customers and employees as they are important to us. The well-being of our stakeholders is core to us, and we set up processes to regularly sanitize and disinfect plants and offices, compulsory health checkups at all locations and enabling our people to work from home.

From customers' perspective, utmost priority has been given, and we created safe shopping experience. As of June 30, 2020, our 80% of the stores, that is 1,332 stores, had opened, complying with stringent safety guidelines including contactless payments.

Secondly, active engagements with our channel partners, franchisees, LFS partners and MBO partners. Steps were undertaken, not only for collections, but also extended support, including credit extensions to our channel partners who have been with us for decades and are part of larger Raymond family.

Thirdly, in terms of cost optimization, in spite of the severe impact of pandemic, we took upon ourselves and challenged every single line item of costs and questioned the need for incurrence of such costs. This enabled us to restructure organization and further improve efficiencies and overall productivity on an ongoing basis. We have undertaken cost rationalization through various cost control measures related to sales and marketing, manpower, rental and others.

As far as the store rental goes, we adopted a collaborative approach with landlords, mainly through combination of rent waivers during lockdown as well as realigning the rentals. For the full year, the rental cost savings confirmed so far have been close to Rs. 48 Crores.

In the profit and loss statement of the first quarter of fiscal 2021, savings of Rs, 17 Crores has been reflected in other income, in line with the Ind-AS accounting standards. The manpower cost was also reduced through graded salary cuts and rationalization. In the first quarter of fiscal 2021, the cost was at Rs 171 Crores, lower by 27% over the fourth quarter fiscal 2020.

We have rationalized outsourcing costs, administrative overhead and reduced discretionary spend, including advertisement and sales promotion.

All of the above efforts have led to achieve an operating cost of Rs. 275 Crores, lower by 50% on quarter-on-quarter basis from 551 Crores in the fourth quarter of fiscal 2020 and lower by 44% on a year-on-year basis against Rs. 494 Crores in the first quarter of fiscal



2020. With these cost-reduction initiatives, we expect to reduce full year opex close to 30% to 33% compared to the fiscal FY2020.

In terms of conserving cash and managing liquidity, the company has undertaken various requisite measures to manage liquidity, including cost reduction and working capital management. Also with prudent cash management, we have been able to be positive free cash flow and operating cash flow during the quarter. Our operating cash flow was Rs. 121 Crores and free cash flow was Rs. 63 Crores. Reduction of networking capital by 305 Crores was driven primarily due to collection of our receivables.

Capex reduction as well as deferment of store openings, renovation and technology upgrades has been implemented. With these efforts, we have been able to maintain June end liquidity similar to March levels. Our net debt stood at Rs. 1,827 Crores, lower versus March 2020 net debt of 1,859 Crores. Our gross debt was also a shade lower at Rs. 2,423 Crores vis-à-vis 2430 Crores as of end of March 2020. The average interest cost was marginally higher at 8.68% as compared to 8.57% in March 2020.

Our focus has been also on enhancing our digital capabilities. Let me talk about the Omnichannel, integrating our online and offline offerings, with the entire EBO offering available online, revamped our own website and launched 'MyRaymond.com'.

We have also taken the store to the customer for virtual shopping through 'Raymond Home Assist'. We introduced a slew of digital interventions such as sales pitch through video call, tailoring subscription program, store reopening communications, virtual tools for ease in shopping as well as other facilities.

We have now moved from physical trade shows to digital platforms, introduced digital swatch books, catalogues, flip books in Branded Textile and Branded Apparel segments.

We have also leveraged our capabilities and took go-to-market initiatives as we repurpose our garment factory to manufacture PPE product for the government, hospitals and the corporate sectors. Our FMCG team was swift in identifying the need in the market for high-quality products in sanitizing and hygiene categories and developed FMCG products such as hand cleansers, hand wash, high alcohol content, cologne and floor cleaners and utilize our channel of distribution to achieve decent level of sales.

Now, let me talk about the quarterly financial performance. As we all are fully aware that Raymond has seamlessly transitioned to an Ind AS with effect from April 1, 2019. Now for ease of reference and comparison, consolidated and segment numbers for current year as well as previous years have been presented on post Ind-AS 116 basis.



Our consolidated financials for the quarter are revenue stood at Rs 222 Crores with an EBITDA loss of Rs 167 Crores resulting in a net loss of Rs 242 Crores. As per the Ind AS accounting, revenue and EBITDA include Rs 17.4 Crores on account of rent concessions recognized as other income on the basis of the MCA notification dated July 24, 2020.

On Raymond stand-alone financials for the quarter reflected Revenue of Rs 68 Crores with an EBITDA loss of Rs 92 Crores, thereby a net loss of Rs 119 Crores.

Now let me talk about our various segments. In terms of Branded Textile, as we are very well present across 630 cities through the 20,000 point of sales, with adequate inventory available across our channel partners, which caters to practically every segment of the society. However, lockdown and related closure of markets and stores impacted our sales. Both primary and secondary sales were impacted due to these lockdowns, as still large buying in this segment is done through the brick-and-mortar trade. The wholesale channel, which is our key primary channel, was completely closed, as the whole logistics was not operational during the lockdown phase. The retail channel was practically not open, and also with restrictions on wedding and celebrations, sales were severely impacted.

In terms of our Branded Apparel segment, the retail channel i.e. EBO store network, which has more or less equal presence in malls and high street stores, were regulated by local lockdown and most LFS counters, which are mostly present in malls, were not operational as well during the quarter. Our primary sales to trade partners were impacted as they were carrying adequate inventory. Subsequently due to lockdown and related closure of market and point-of-sales i.e. retail outlets, limited secondary sales happened.

Overall, there were limited sales through our EBO network due to lockdowns, supported by sales through online and LFS network. However, the reported sales are net of returns and credit notes, which is in the normal course of business.

In terms of our Garmenting segment, we have reported a net sale of Rs 100 Crores, led by significant contribution of over Rs 50 Crores from PPE, which we have been manufacturing and supplying to various government agencies, hospitals, corporate.

Let me talk about the Engineering business, where our Tools and Hardware segment, the production resumed from May onwards to mainly cater the pending orders. About 50% of the revenue was from exports, mainly to LATAM and Africa.

In Auto Components segment, the production resumed in May to service pending orders mainly to service export orders in Europe.



As far as our Real Estate business is concerned, we were swiftly able to transfer bookings from offline to online through virtual tour launches, received 13 bookings during the quarter, resulting in a total of 963 bookings till June 2020, that is over 60% of our total inventory is booked in the 6 towers launched, having 1,530 units, with a booking value of close to 970 Crores. As per the phased relaxation and the post government allowed construction work, the company-initiated pre-monsoon preparedness activity at the site.

Let me update you about the demerger. Demerger has been an important step towards value creation of the group. We have received approval from stock exchanges and already filed application with NCLT. However, the entire process including regulatory approvals has been delayed due to closure of offices and government departments resulting from COVID-19-related lockdown. As and when we have a meaningful update, we will inform accordingly.

Now let me talk about the current status as we see of our operations. In terms of our retail network, we are happy to note that 95% of our entire store network, ranging from the TRS and EBOs are currently operational, which we are adhering very strict norms in terms of the COVID-19-related guidelines both for our employees as well as customers.

Also, our TRS network, which is very unique channel, spread across 600+ towns and cities, and their sales provide us key insights and is a true consumer pulse barometer for us. The sales are back to 50% of previous year levels in TRS network, driven by better recovery in the Tier III to VI markets. Lower-tier markets i.e. Tier III to Tier VI cities, have shown a better recovery as rural economy indicatively has been doing better than urban economy in the last quarter and in the current quarter as well.

It is a second consecutive year of strong agriculture output driven by good rain, increase in MNREGA enrollments from migrant labor, indicators such as uptick in demand in the Auto sector and lower lockdowns due to lower COVID-19 impact in rural areas.

With the onset of festive season, coupled with winter wedding season, we expect an improvement in the demand for our products in the second half of this fiscal, especially in the Branded Textile segment. With current inventory levels and also our plants have resumed operations, we have been able to meet both domestic and export demand.

In Branded Apparel segment, our homegrown brands have a good mix of formal and casual wear, catering to the large consumer demand. Our EBO network, with 95% of the stores being operational, are currently achieving 30% to 35% sales compared to the previous year level.



We are witnessing a good pickup from our loyalty members, with a base of 8.2 million members coming back and doing higher ticket purchases. There has been an increase in average member spend along with the increase in the average transaction value as well.

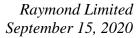
We expect the customer initiative such as tailoring subscription program; garment exchange program -which has witnessed good response from customers post pan-India launch in TRS network and enhanced Omnichannel capabilities to help in driving sales.

We have also recently launched an antiviral technology-based fabric called VIRASAFE, which protects against bacteria and virus and is also anti-odor and sustainable.

Let me talk about the exports, which is also a key driver for us and how the markets are behaving. Global demand is recovering, especially European market has opened up. Also, as the clamor for the global manufacturing supply chain to move away from China is getting louder by the day, this is an opportune moment for India to emerge stronger as it seizes the opportunity to become the preferred manufacturing destination. We have witnessed some of our large B2B customers indicating and evaluating shift in supply chain from China and we are becoming sort of natural choice to them. We see a good development in our Tools and Hardware and Auto Component business from this perspective as well. Our Tools and Hardware business has recovered well both in the domestic and international markets and clocking revenues to the tune of 95% compared to the previous year level. In our Auto Components business, as the auto sector is reviving, the business is also operating around the 90% level compared to the previous year, led primarily by the domestic demand.

In the Garmenting business, despite certain European and U.S. retailers faced bankruptcy, our garmenting orders are not getting much impacted. As our B2B customers' business is operational, and we being as a preferred partner, we expect business continuity with them. The Bulk and MTM orders for U.S., Japan and U.K. markets are gradually increasing. We expect to receive further orders on PPE for our India operation. We are also producing PPE coverall and gown products in Ethiopia to the Ethiopian government and local hospitals.

In terms of the real estate, to address the constraints caused by the lockdown pandemic, Real Estate business was quick to adapt digital enablers, and since June 2020, we have been offering virtual product walk-through to our potential customers. The team has worked on strategies, which include launch of developer bank subvention scheme to improve sales. In terms of construction, the seventh floor slab is in progress for tower A, B and C, while plinth is in the progress for tower D. Construction work is picking up, and will further progress well when the migrant labor is returning back.





In terms of liquidity, with sales expected to improve in 2HFY21 festivity season coupled with winter wedding season, cost optimization measures already undertaken which is expected to reduce our costs by 30-33% on a full year basis, our focused working capital management and lower capex, we expect to maintain adequate liquidity

I reiterate our utmost priority remains health and safety of our customers and employees, liquidity management and cost optimization in the current post-COVID-19 scenario. We are laying a strong foundation in the current year to reap the benefits in the coming years.

It is our passion for excellence that has propelled us to navigate numerous storms in our 95-year-old history. We are once again geared up to maneuver through the tough times with our renewed agility and our core strengths of manufacturing excellence, deep network penetration, strong channel partnerships and strong brand recall.

Thank you very much. Now we will be taking the questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session.

The first question is from the line of Vivek Joshi an investor. Please go ahead.

Vivek Joshi: I have two questions. Can you just give me some color on the Real Estate business? I could

not find much information. Second is, regarding the demerger, there are some AGMs, shareholder meetings to happen on the 18th of September via the court order. So are the

notices for that been sent? Or is the process on schedule? Or has that been delayed?

Amit Agarwal: No. On the demerger first, let me respond. I do not think that there is any plan of the AGM

because we are waiting for certain approvals from the regulatory authority, and upon receipt of such information and approval, only we can progress. So I do not know from where there is confusion. There might be some confusion around the September 18 AGM. As far as real

estate is concerned, my colleague, Mukund Raj is here. So I will ask Mukund. Mukund,

why do not you take up and give a brief synopsis on the Real Estate business?

K. Mukund Raj: The real estate, as you heard Amit in his opening statement, because our experience center

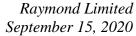
and we were doing a complete walk-through on a virtual mode and having e-meetings with the customers and trying to sell, I mean, quite a lot of developers had migrated to this new

was closed till close to mid-June, we started a digital contact with prospective customers,

way of doing business, and we were very, very quick to adopt, and we did that, and till the

quarter-end, we did about 13 bookings and reached a cumulative figure of about 963 units sale, close to about Rs 970 Crores of sales value, and the total inventory is about 1530, so it

is about 60% of the inventory is already sold out.





Subsequent to the quarter, things are looking better, 2-3 positives, which have happened. One is we were one of the very few developers who have been given a bank subvention scheme. Otherwise, as per RBIs regulation, banks have stopped the subvention scheme for most developers. So we were able to get it from ICICI Bank, which happened towards the first week of August, and we have a two-year subvention scheme, which is going to be a very useful tool during these times when prospective customers have challenges of cash flows, pay cuts and business uncertainties and all that.

Second, the stamp duty reduction, which happened, the 3% reduction in the stamp duty will definitely be used by the serious homebuyers who are actually waiting for an opportunity. I think this is a good one because it saves about 2 lakhs to 3 lakhs.

We are seeing all these serious home buyers coming towards us, and in the last 1.5 months things are looking better. Definitely, our walk-ins to the experience center have increased. People have started coming out of the home, though home is a very discretionary product, we are still seeing some interest coming in both due to the stamp duty, and we have a subvention.

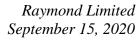
Third, even the bank interest rates are on a low for home loan rates. So, all these three are propelling some amount of demand and interest. Things are looking better, and I think by the time we get into the festive season a month from now, I think things should improve further.

Construction has picked up a good pace. June, we started with just about 40-45 labors because, you are aware, the migrant labor had all gone back to their villages and towns, but they have started coming back. We had to put in a lot of efforts to bring the labor back and from the strength of 40, we have now reached close to 500-labor strength.\ Construction has picked up, and we are at the 7th floor. In fact, we are completing the 7th floor today. So it has picked up pace. I think, next month, we should see the construction moving at a much brisker pace.

On both the fronts, we have done well. Collection, slight challenges because of the customers, again, job losses, pay cuts, but still, I think we have done pretty well with collections. We have been able to collect substantial amount of money from our customers. So that is the position, Vivek. If anything specific beyond this you would like to know, just let us know.

Vivek Joshi:

Just a small follow-up on the demerger. This is the NCLT order of the July 6, 2020?





Amit Agarwal: Yes. So basically, what happens is, in this, there are certain COVID-related issues because

of that, the meeting have been clearly postponed, and there are certain regulatory hurdles to be cleared, and that is why we are saying that once the COVID-19 impact gets solved and regulatory approvals are available, then we will have the meeting and follow through the

process.

Vivek Joshi: So basically, if this order has become contingent on some approvals? That is what I am

saying.

Amit Agarwal: Yes.

Vivek Joshi: So this is with the NCLT or SEBI like which approval are you waiting for right now?

Amit Agarwal: NCLT.

Vivek Joshi: Some further orders are needed, despite these orders?

Amit Agarwal: Yes.

Vivek Joshi: Okay. So is it regarded to COVID? Or like general? Like because this quarter, because there

was nothing contingent in this order?

Amit Agarwal: Because of the COVID there are certain delays, which need to be completed.

Vivek Joshi: Okay. So this order has like been pushed back because of COVID?

Amit Agarwal: Yes.

Vivek Joshi: So basically, you will send a notice. Everything will happen in that order, right?

Amit Agarwal: Yes, we will obviously do the process.

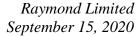
Vivek Joshi: What is the timeline? Any update on like September 18 is now expected when like?

Amit Agarwal: We will come back to you based on the, what is the latest information available.

Vivek Joshi: Thank you so much.

Moderator: Thank you. We will move on to the next question that is from the line of Abhishek Jain

from BP Wealth. Please go ahead.



raymond

Abhishek Jain:

Good afternoon Sir. Actually, I have two questions. First question is on Ethiopia business if you can throw some light on this, how the things are moving on. I have joined late, if you have made any opening statement, I am extremely sorry. Second question, you are talking about job losses, and so are you facing some kind of cancellation because of this?

Amit Agarwal:

As far as the Ethiopia is concerned, as I mentioned, very clearly, we are working well with the Garmenting business, in which we use the Ethiopia facility where we got a decent PPE order, so that we are supplying to the local Ethiopian authorities, the hospitals there. So we are working our way in the Ethiopia facility, mainly at this juncture, to supply to some one-off customer in the U.S. as well as for the PPE supply.

As far as the job losses is concerned, if you look at it, at this juncture, the economy is opening up, and we see very clearly because of the festive demand coming up, we look at that demand recovery is going to happen, and you know the products of Raymond has been widely distributed across the country with over 20,000 point of sale. So people will come back in terms of the festive season and the wedding season to come and pick up our products.

Abhishek Jain:

One, just a follow-up question on the same. Sir, how is the rural sentiment right now when you do the channel checks and especially in the Tier 3 and 4? Second question, when you are talking to your U.S.-based clients, or maybe Europe-based clients, how you see what percentage of utilization you are seeing right now vis-à-vis Y-o-Y basis right now? Is there any pent-up demand you are seeing right now?

Amit Agarwal:

In terms of the rural demand, you see very clearly, because of the good agriculture harvest, which we have seen, and back-to-back good monsoon has helped us to really come back strongly on the rural demand.

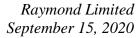
In some of the Tier 4 to Tier 6 cities, even we have seen the demand picking up to the level of 75% to 80% vis-à-vis the pre-COVID scenario, so very good demand picking up in that segment.

Now I will ask Ganesh to respond on the U.S, and the EU markets in terms of how the demand is picking up.

Ganesh Kumar:

As we all know, U.S. market, a lot of retailers have gone through Chapter 11 process, which is whether it is JC Penney, whether it is Tailored Brands, etc. but what we are also seeing is, post the Chapter 11 processes being adapted, there is also demand which is coming up.

In fact, if I may use the example of our Made to Measure, which we exclusively supply to Tailored Brands through their Men's Warehouse retail outlets, we are seeing improvement





in the demand. We are already up to about 350 to 400 suits a day, which is about 40% - 45% of the peak that we have done of our capacity.

Similarly, we are also seeing certain demand, which is coming up from the European suppliers and the Japanese suppliers. In fact, the Japanese customers have also started in raising the demand with every passing week, and we are looking at business coming back.

What has also happened is that we have worked with a couple of the suppliers during this last 8 to 10 months period. We have been selected as one of their preferred strategic partners to supply their garmenting operations. That has enabled us to actually recover from some of the losses that we have seen out of the COVID situation.

But how is the economy going? Everybody is trying to look at the recovery in a phased manner. What you see is, come December, there is also the Christmas and the New Year period, where there could be some pent-up demand, which will push us to operate our plans on increased capacities. Thank you.

Abhishek Jain:

Sir, just lastly a follow-up question. Right now, we have seen second wave of COVID-related wave in Europe. So do you see any like slowdown again coming up after the pickup?

Ganesh Kumar:

See, the second wave of COVID is basically coming across different parts of the world, but I think my view and the way what we are seeing from our customers is the government and the countries are better equipped to handle the second wave as compared to what they were when the first wave came in. So there could be marginal, temporary setbacks, but I think the demand would continue to grow. Anyway, the demand levels have gone down so much that it is only has an upward movement as from here on.

Abhishek Jain:

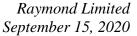
Sir, are you getting benefited from anti-China sentiment from globally right now? Are you talking to, like you have any discussion with Japanese or maybe U.S.-based suppliers? They want to have that second supply.

Ganesh Kumar:

To answer to this question, we have identified about 18 partners around the world, and we are working closely with them. In fact, in the fashion space, there is a process, which follows. Once we agree to partner, we have to work on, build a collection, submit the samples, they go through their own evaluation and then comes the sample order and then the main order. So discussions have already been started with about 18 partners around the world, and we are hopeful that we will grab opportunities with a few of them.

Abhishek Jain:

Thank you Sir.





Moderator:

Thank you. The next question is from the line of Umang Shah from Edelweiss. Please go ahead

Umang Shah:

First of all, kudos to your understanding of the business in such short span of time, but Sir, I have one basic question. So now that things are opening up, we are back to 85% of store levels opening up. What is our strategy going ahead to bring back the customers which are not shopping right now or who have started shopping, but how do we attract them? What are we looking at?

Amit Agarwal:

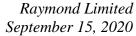
Thanks, Umang. Actually, if you look at it, what I mentioned was 95% of our stores are open, and the fundamentals behind this is that our stores are so uniquely positioned across the country that people who want to buy a product will step up into a store.

I will also give you an example that the kind of brand recall which we enjoy, practically, it has become a household name in the country. If you want to make a wedding wear, it has to be out of Raymond, which you would end up buying. So there we are very clearly, and even if somebody wants to pickup, previously, one would go and pick up four shirts. Today, maybe because of income and everything, maybe he will go out and pick up one shirt or two shirts, and then he will choose to buy a particular branded product, and we are right there. We are a typical India-created homegrown brand. This is very, very phenomenal success with an unparalleled network, which we have created.

Ganesh Kumar:

This is Ganesh here, just to add a few things. Your question is very apt, what do we do to, a, either rebuild the confidence of the customer? Or how do we take the shop to the customer? So we have a series of programs that we operate in terms of, we have something called as virtual shopping, which we offer to our CRM network customers, where we actually enable the customer to go through the shop, the products, etc., through a video call, and then if necessary, the concierge service follows up. We are taking some of garments to the customers and then signing a deal. In fact, we did a deal yesterday in one of the markets where a customer wanted to buy a certain set of formal fabrics collection to be converted into suits, and placed a single order of about Rs 5 lakh.

Second, we are doing something called as a garment exchange program, which is in collaboration with 'Goonj' that we are operating. What we are trying to tell is that as a society, while some of us may be privileged to be able to afford new garments, etc., there is also a section of society in this period of time to whom we can take care of. So that is where the garment exchange program comes. We collect the garments, sterilize it, sanitize it and then we pack it and distribute it through Goonj.





Then we also have our online channel, which is 'MyRaymond.com', which I will urge each one of you to visit. It is a very interesting channel, which is curated from the demands of the consumers at this point in time, and we have made it relevant to what we need, whether it is a work-from-home collection or whether it is a Zoom party collection or whether it is a loungewear collection, so that we can remain relevant to them, and we ship it through our partners. We have collaborations with a few partners who help us in the logistics services.

These are a few examples of what we are doing. There are many modes that we continue to operate on.

Umang Shah:

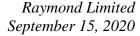
So sir, just to add, a question over here. So in August, I am presuming that our government exchange program had started August 15, if I remember right. Post that what is the traction that you are looking at? So do you, I mean, I am sure that you will be looking at your sales daily. So in August versus last year August, what would have been the difference? And for the upcoming season, that is maybe we can say marriage season or festive season, how are we planning to up our game because we already have lost one season because of lockdown. Would we have an inventory line for that? On top of it, we would be looking at another set of inventories for the upcoming season. So how are we planning to manage this and if you can just give some color over that?

Ganesh Kumar:

If we look at our August performance of the TRS stores and because our TRS Raymond shop basically operates both the fabric and the garment together, we were somewhere at about 45% to 47% on an average of the previous year's August sale, but if we look at our exclusive outlets, which are mostly located in malls, there, we are at about 30% to 35%.

Now after the garment exchange program, what we are also seeing is a big pickup because in exchange of the garment, what we are offering is free tailoring service for a set of garment for them, and we are seeing an uptick, which is happening. An interesting phenomenon, and it is still to be tested post Shradh is that during Shradh, typically, we look at sales numbers going down as compared to August average. That was our expectation. But the daily sales average actually has stood the ground and the test of times, and we are actually continuing with the same pre-Shradh average as well. So the hope is that the moment Shradh gets over, we have festive seasons coming across the country, there should be a positive uptick and the sentiments will help us to improve the sales.

On the inventory side, what we are very clearly looking at is while we have various inventories there is also a portion of inventory which is not exposed to the consumer. Those are the inventories, which are fresh inventories, which will go along with our existing ones, and we will capture the demand.





Umang Shah:

Sir, sorry, one more last thing so we are looking at, I mean, we are talking about Tier 3 to Tier 6 looking good. I mean the revenue structure from there or the sales from that portion of society, is looking good, but historically, what has been the percentage to the overall revenue from Tier III to Tier VI?

Ganesh Kumar:

You are absolutely right. In fact, Tier III to Tier VI, while it is a smaller segment of the business, about 30%, 35% of the overall revenue as compared to Tier I to III. However, in this period, during the COVID times, while Tier I to III were going through challenges of erratic lockdowns and demand not coming up, Tier III to VI were operating at a much better level.

Having said that, the way I am looking at the first 2 weeks of September, we are also seeing demand coming back in the Tier 1 to III towns as well. The rate of recovery is lower. For example, Tier III to VI, it is at 70% to 80%,-85%. The Tier I to III is today clocking at about 40% to 50%, 55%. That is the difference.

Umang Shah:

Just one last follow-up. So for the remaining nine months, we are looking at, on an average, maybe close to 80% of our last year? I mean sales competitively based on just two months, I mean, just two months, August and September data?

Amit Agarwal:

Look, it is very difficult for us at this juncture to predict. As you rightly pointed out that some of the European countries have seen a little bit of a second wave coming in, we do not anticipate that we would get faced any of this, possibly not, but at this juncture, it is little too premature because what we are looking is anticipating a decent festive season, followed by good wedding season.

So I think based on that, we would be more appropriate, maybe end of third quarter, to talk about how we see that the demand recovery is happening in which shape and form.

At this juncture, I think I have to leave with that fully. It would be very difficult for me to put a number to that.

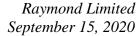
Umang Shah: Sir. I was just trying to look at one particular direction. That is it.

Amit Agarwal: Direction is upward that's for sure you can take it.

Umang Shah: Thank you so much.

Moderator: Thank you. The next question is from the line of A.S. Harish from Genius Investment

Advisors. Please go ahead.



raymond

A.S. Harish:

Yes, I have two questions. First question is, when is the book closure date for issuing Raymond Lifestyle Limited shares to the existing shareholders of Raymond Limited? The second question is, the market cap of Raymond is around just Rs 2000 Crores, and I cannot believe this for a company with a very good brand and with 95 years of existence. So what is your strategy of the management to improve the shareholder value?

Amit Agarwal:

Look, in terms of the shareholder value, we strongly believe in the inherent core value of this business. The kind of asset base which this company has is phenomenal. You have seen the demonstration that the land bank, which this company has, is in the most prominent area in the city of Thane. We already did a 20-acre sale, which fetched us Rs 700 Crores, and we are still sitting with 80 acres clean and a 20-acre development, which is happening as we speak today.

Number two, the main lifestyle core business is a very strong brand, as you rightly pointed out. The effort from our side is to demonstrate the performance on a go-forward basis because at this juncture, we are a typical branded retail textile company. So one has seen the impact of the COVID significantly for the sector. Nobody can deny it. You and I have not gone out for shopping any of the products during the first quarter. That is the reality of life.

Are we going to sit all of our lives sitting at home? Answer is also no. So therefore, it is very clear that we will come out, we will start shopping and we will engage ourselves into buying our products. So therefore, I see very clearly that there is a strong fundamental value of this company. It is our job to reflect upon what we are capable of doing, how we have delivered, and we have been delivering it for so many years. So we will re-demonstrate, and you will know when the demonstration has been there. We have got a good understanding from the investor side as well, and this is what I can tell you from our perspective, that is our very core job to bring the strength of the business clearly and demonstrate with the operating and financial performance.

A.S. Harish:

What about the book closure date for issuing Raymond Lifestyle Limited share?

Amit Agarwal:

As far as the demerger has not happened so far, so there is no book closure date for issuing

the shares under the Raymond Lifestyle Limited.

A.S. Harish:

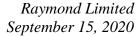
It is yet to be announced?

Amit Agarwal:

Yes.

A.S. Harish:

Thank you.





Moderator:

Thank you. The next question is from the line of Siddharth Mohta from Principal India. Please go ahead.

Siddharth Mohta:

Good afternoon to you Sir. Sir, I joined this call a bit late, so pardon me for my repetition. Sir, first question is on our operating cost, which we have reduced in Q1 versus Q4 as well as the last year same quarter, and it is around 44% and 50%. You have given the three heading in your presentation, employment costs, advertisement and others. So sir, what can be a structural reduction or the permanent reduction that we can build in as far as operation cost reduction in this context. That is my question number one, Sir.

Amit Agarwal:

Look, as I mentioned, very clearly, the opex cost is something, which we went through like a razor-sharp focus and have identified every single line item. We will reduce the cost, whether it is really required and can we do without it. In the first quarter, when you have such lower revenue, some of the direct variable costs, which sit in the opex cost is also not there.

So a portion of this we have already given a clear understanding to all of you. Expect in this year, fiscal 2021 to fiscal 2020, a reduction of 30% to 33% in opex. Very clearly, we see that this 30% to 33% from a year-to-year basis based on a lower volume, which we have seen in the first quarter and a gradual recovery in the second and the third quarter and the fourth quarter, reflects about the direct variable cost sitting in the opex will be lower. So on a go-forward basis, we believe a significant portion of this savings we will be able to sustain as a permanent savings.

Siddharth Mohta:

You are saying that even one has to fast-forward to maybe 2022, 2023 when the situation will become more normal? A large portion of that cost, it would be a structural cost savings?

Amit Agarwal:

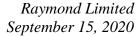
Yes. Major portion would continue to be a structural cost saving because we have come to in depth. There are certain rationalizations, which have been done. So this is going to stay with us for some period of time.

Siddharth Mohta:

I know, Sir, it is still, it can be a bit difficult to answer, Sir, but one can assume that in between like Rs 70 Crores to Rs 80 Crores of a range, which is more of a structural cost reduction, I do understand that this particular range, we can keep on revising as and when it goes, but as of now, that number looks quite reasonable, which is more of a structural reduction in the cost?

Amit Agarwal:

So today, as I mentioned, 30% to 33% is a reduction in this year. Some part of it is variable, which will correct itself based on the volume changes, but some of the structural changes





which we have done in terms of the level of rentals, in terms of advertisement, some of the sales promotions, like we have moved to a digital way of doing a trade show vis-à-vis the physical trade shows, which used to cost money. So some of these fundamental changes are there basically to enable us to continue to have the cost savings continue for a long period of time.

Siddharth Mohta:

Correct. Sir, my second question is on this other segment, this is non-schedule air-lines and your associate company. Sir, year after year for this segment is continuing to show loss. So is there any specific reason why we are holding to those two segments?

Amit Agarwal:

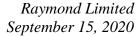
Look, it is a small business, and it is not right to say if some business has not done well, you just exit. You continue to participate, and at the end of the day, you just cannot say I will exit if you say the business is not doing this. So you continue to operate maybe at some point of time in our call, and I will tell you in terms of the Denim business, we know very well that Denim has been an overcapacity, but some of the successful players who have been in the business, we know very well the value of the business, and at some point, of time, it will get corrected in the market. Capacities go up, supplies go up, the demand is weaker, but at some point, the correction happens. So we think that it cannot be taken as a very short-term vision to say that the Denim may be not doing so well, but at some point, of time, we see a recovery back into this business.

Siddharth Mohta:

Sir, my final question is on this MBO. If I have to just step back and see what has happened in Q3 and Q4, where we have taken a large corrective steps and which has impacted our EBITDA, but you have to just see your 2017, 2018, 2019 number, Raymond was growing very fast in the MBO segment, and suddenly, everything has got collapsed in a couple of quarters. So it is very hard to understand that what went wrong, and in terms of write-offs, whether it is revenue or it is EBITDA, it is quite large. In the last 10 years, our Branded Apparel, we are simply struggling every year, we are trying to just say that we are having 3-year goals, 5-year growth, but nothing is happening. It looks like that our auto and the T&H, it is more consistent, and it is delivering healthy EBITDA rather than Branded Apparel. So what are the steps that we are taking to rectify this Branded Apparel? Or whether in short term and in any long term, FY2021? Is there any goal for us or we are still just struggling or finding what to do, what not to do in case of Branded Apparel?

Amit Agarwal:

Look, I will tell you very simple. The businesses which we have, fundamentally, we have created these businesses, these brands, these are our Indian-owned brands, the likes of Park Avenue, ColorPlus, Parx and so on and so forth. We clearly have a strategy, and certain businesses do go up and down, and we have seen there has been a consistent growth in the revenue in the past few years. We have seen a dip because it was also a weaker economy, which had come in the last year.





Now I will also ask Suman to give a brief perspective how we are remodeling this entire business and how do we look forward. Suman, why do not you give your perspective?

Siddharth Mohta:

Sir, meanwhile, if you can also quantify or give us a milestone that what we are looking in a might be in 2022 or might be in 2024, so that it becomes a little easier or some sort of a quantification.

Amit Agarwal:

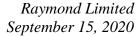
I will tell you one thing very simple. At this juncture, any quantification would not be appropriate from our side because, first of all, you are not considering in a normal situation. You are coming out of a very difficult unprecedented time. Therefore, for us to give any number may not be appropriate at this juncture. It will be a high-level view that we are taking, how to move forward this business, but on a go-forward basis, let us say, in the 6 months from now, we will outline exactly the way we will have with number crunching in terms of saying what are we looking, how are we shaping this business in terms of next two to three year journey. Now Suman will give you a high-level perspective in terms of how we have remodeled the business and how do we look to take it forward.

Suman Saha:

Thanks, Amit. So, one of the things that you need to acknowledge across Branded Apparel industry is that this was running on one kind of model that you sort of anticipate a demand basis that you sort of have a trade show model where your customers come and book and you supply. You hope that the sales forecasts are accurate, and that is pretty much the model that the industry has been living and growing for the last five, six years.

So one of the things that is very clear with the volatility in the economy, with more and more exposure of consumers to newer kinds of products, that estimating consumer demand and estimating consumer taste is going to be one of the key things. Apparel companies and any consumer product facing industry cannot afford to have a large lead time of product reach. So, one of the biggest things that we have sorted out for ourselves is that can we shorten the reaction time of product reach. You must be familiar with that. We had two seasons Summer Spring and another is Autumn Winter. As a starting point, we have actually said we are going to split the first season into two seasons, which is spring and summer, and another is autumn and winter.

What it does is that it forces us to sort of look at the demand in tranches. It gives you a little more time to factor in the change that is happening in the consumer space. Obviously, it is easier said than done in terms of reorganizing the supply chain, looking at how to capture sort of demand signals and other such things. But this has been in operation for some time. However, with the increasing volatility in the economy, this is something that we have to do so that, in essence, one of the big changes.





Second, big change is this entire adoption to digital. When I say digital, I do not mean ecommerce alone. I mean how to sort of connect with consumers digitally. Amit just spoke about digital booking. Now traditionally, we will have all our customers coming in, sitting in one place, booking, and then we will take a long time in collating orders and producing. How do you quickly sort of use digital medium A) to reach out to your stakeholders? B) Reach out to consumers digitally. One thing is certain, some of the habits that are getting changed during COVID are going to permanently remain changed and getting a higher digital influence in the purchase journey is given. So therefore, we are building up strong digital assets through our brands, with the following changes, 1) changing the business model; 2) adopting digital methods of reaching out to customers and consumers. Obviously, the foundation of how do you create more winning products, how do you sort of respond to changing trends, how do you sort of play for more relevant categories obviously remain, but at the backbone of it is the changing of the business model.

Siddharth Mohta:

Sir that was helpful but might be after a quarter or two or so when some clarity it emerges. If you can just give us some of the milestones in terms of margin, in terms of what we are looking on in terms of working capital so that I can have a clearer picture. These are the strategic initiatives that you have taken. We appreciate that, but ultimately, it should be quantifiable for us actually to make it more meaningful, Sir.

Amit Agarwal:

Absolutely. No, we are clear about it. See, we also have to run this business. So we know we have to work with metrics, KPIs, and we strongly believe in performance management. So we have a clear identified way, but at this juncture to say, it is not appropriate. In a quarter or two, you are right that we will talk about it.

Siddharth Mohta:

That is very helpful. Wish you all the best for upcoming quarters.

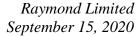
Moderator:

Thank you. The next question is from the line of Vaishnavi Mandhaniya from Anand Rathi. Please go ahead.

Vaishnavi Mandhaniya: Thanks for the opportunity. I have two questions. The first question is, so if I look at the rents that we had of pre-Ind-AS, so it is around Rs 47 Crores per quarter, ballpark number. So on this, have you gotten Rs 17 Crores of savings for this quarter, so that means like a 35% to 40% reduction? Is that right?

Amit Agarwal:

Yes. So clearly, the way this whole thing works is that as per Ind AS, you have to record your rental savings or concessions, which you got into the other income level. So that is what it is there totally, and Rs the 47 Crores is an incidence of the rent, which you have incurred in this quarter. So overall, as I understand, we are talking close to Rs 55 Crores to





Rs 60 Crores of our rental savings, which we have targeted, and we are on top of achieving

Vaishnavi Mandhaniya: For the full year?

Amit Agarwal: For the full year.

Vaishnavi Mandhaniya: So on the Rs 180 Crores, Rs 190 Crores, you will have around Rs 50 Crores of savings for

the full year, right?

Amit Agarwal: That is what we have achieved so far. As we say, we do not hold our breath on saying just

that it is done. We want to continue to negotiate with the people, and as and when we get

more, we will keep informing you more.

Vaishnavi Mandhaniya: My second question is basically on the gross margin level. Have we taken any inventory

provisioning or anything like that because we have a dip of around 7% or 700 bps on a year-on-year basis? So is there any inventory provisioning that we have taken or any reason

for such EBITDA, I mean, gross margin decline?

Amit Agarwal: I think you are absolutely spot on. In terms of this, and we have done a reduction in net

working capital by over Rs 300 Crores vs Mar'20 led by collections from our customers.

However, in certain cases, you had to go out and give certain cash discounts to your customers, which is a normal part of the process, and that discounts gets netted-off from

your revenue line item. So that has reduced your revenue by Rs 10 Crores. With a smaller

revenue, this Rs 10 Crores also makes a lot of difference in terms of a gross margin calculation. Similarly, as you rightly pointed out, there is a certain stock provisioning,

which we do as a policy. Again, considering that because of the low numbers, whatever

provisioning you do as per the normal policy, that sits in the cost of goods sold, which,

again, based on the smaller numbers, adds up. So therefore, these are the two reasons,

which impacts your gross margin by 7%.

Vaishnavi Mandhaniya: Thank you.

Moderator: Thank you. The next question is from the line of Kunal P., an investor. As there is no

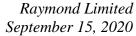
response from the current participant, we will move onto the next. That is from the line of

Ronak Mantri, an individual investor. Please go ahead.

Ronak Mantri: Sir I wanted to know, what are the aspirations, like when can Raymond become a debt-free

company, even the biggest company in India, which is Reliance Industries has become debt-free. Raymond is a well-known brand every Indian knows it. I think we are spending

too much on interest cost, but if we can sell, as you rightly told that we sold 20 acres of land



raymond

for Rs 700 Crores. If we sell the remaining, we can be debt-free. So what are the aspirations? When we can become a debt-free company?

Amit Agarwal:

I think it is a very good target to have. No doubt about it, but Ronak, you know and I know, can I sell in today's market 80 acres of land, how many people, I do not know, maybe I have to really count on finger, one or two I will get who would have the ability to pay Rs 3,000 Crores for this kind of a land?

So look, the intent is very clear. As we have stated and demonstrated that by the sale of the land in the month of October last year, we have been able to reduce the debt, and very clear focus for us, if you see in our demonstration as well during the first quarter June, that we maintained our net debt level very similar to March levels. We have maintained our liquidity as well and rather improved the liquidity by end of June. So, our clear focus has been to reduce the debt and keep the liquidity level strong. In these times, if you are able to maintain almost 10% of your revenue as liquidity, which is a very strong proposition to have, and that is what Raymond has delivered very clearly.

But cash flow generation, and we are not shying away from monetization of assets. It is very, very well reflected in the history of Raymond, and I am very new to this. I am sure you guys may be tracking it far longer than I have. I have been told that in the year 1999, at one block we sold off of our cement business, our chemicals business and one of the synthetic business, and at that point of time, we made our company nearly a debt-free company. So I think the journey is on. We have demonstrated it, and we are very much there and committed to demonstrate it once again.

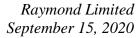
Ronak Mantri:

So, whatever the cash flow we will be generating in the coming years, will it be used for repaying the debt? Because 2 to 3 years ago, you had set up a linen plant in Amravati, which had cost like Rs. 250 Crores to Rs. 300 Crores as we are even thinking of spending maybe like Rs. 500 Crores to Rs. 1000 Crores? So is the capex cycle over and cash flow can be used for repaying the debt and making the balance sheet cleaner, or thinner?

Amit Agarwal:

There is no doubt that the cash flow generation from the business will go towards debt repayment. Now take an example of Amravati plant - You as a strong brand company with a significant channel of distribution available to you, why would you miss out on an opportunity of a linen production? And I will give you, for your context that very recently, linen yarn used to be having a duty element, but the linen fabric does not have any duty element when being imported out of China.

In the last, I think, a month or so back, we have heard that the Government of India has imposed a duty to the tune of \$2.40 on duty per meter on the linen fabric. Overnight, that





changes the economics of this business. So therefore, it is very clear that our vision has been, to grow, and to play on the strength, which the company has in the Raymond brand. Obviously, it helps us to grow the business. So therefore, long story short, very clearly, our focus is all the cash flow generation will be primarily used for debt repayment.

Ronak Mantri: Thanks a lot for the words of wisdom.

Moderator: Thank you. The next question is from the line of Siddharth Mohta from Principal India.

Please go ahead.

Siddharth Mohta: Sir, in the last four to five years in case of Branded Apparels, we have been chasing growth,

and it was neither reflected in the quality of growth, it was not that great in the sense that it was neither reflected in the margin, nor in the working capital, and we ended up in a big inventory, which we have written off in Q3 and Q4. So going forward, will we continue to follow the same strategy, looking for the growth by compromising on the margin or

working capital? Or this time, it will be more to do with the working capital margin and

then the revenue? So what would be the hierarchy of the importance?

Ganesh Kumar: Thank you for the question. It is very pertinent at this point in time. What we are looking at

is how do we make this business sustainable? Because we have also been seeing that, over the last five to eight years, we have been going through a roller coaster. There have been a lot of learnings, but today, we are focusing on sustainable profitability of the business, and

growth will be driven by sustainable profitability.

Siddharth Mohta: I assume Sir, not only on sustainability profit as well as the focus on the working capital, so

that both the things have been taken.

Ganesh Kumar: Of course that goes without saying that working capital is one of the hygiene factors of the

business now.

Amit Agarwal: We are very focused, very clearly how to look at every business in terms of cost as well as

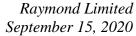
working capital management and liquidity. Very, very clear focus, and that is very well demonstrated. If you see that the company has been able to reduce the operating cost by 50% compared to the fourth quarter that shows that there is the way where you can do and achieve this. Similar focus has been on the working capital. So I think that our focus as an

overall, as a Raymond Group, will continue to be on these core areas.

Siddharth Mohta: Sir, you are answering this, or you are saying this particular thing because external scenario

is a bit tough, and we assume that might be in FY2022, 2023 when things had become a bit normal. So we will again relax our working capital condition, we will again compromise on

the margin. Now we have to do because the things are a bit tough, but when the things it





will improve, so we will compromise on those two aspects, which, today, we are not compromising, whether it is cost, working capital or on the margin?

Amit Agarwal:

I do not think so because I would think that it is a very sweeping statement, so to speak, that one has made in terms of saying that we would go back to a situation where we would compromise. You see you have to understand these businesses, I will give you a simple answer on my fabric business, a fabric inventory at our TRS store really appreciates, and the people are happy enough to keep that inventory because they know that these inventory is going to appreciate, and it is also the range. It is a fashion business. It is not a commodity business where you can manage with a very low inventory level because you and me, if you have to go to a store to pickup a fabric, we would like to see 10, 20, 30, 50 fabrics and then make or decide whether I want to purchase or I do not want to purchase, and the likings of every individual is different. So therefore, it is very important to find the right balance between working capital management as well as cost efficiency. So we are very clear that we have charted out a program that this is the way to move forward with a tight control on the cost as well as all the working capital management.

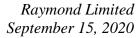
Siddharth Mohta:

So that was very helpful. Sir a couple of more questions in case of Ethiopia, where we are ramping up our operations, but at the same time, we are making loss. So if you can just tell us the trajectory where we should be looking Ethiopia might be 2021 and 2022 and similarly, for Denim, where, again, we are having a loss of like Rs 30 Crores to Rs 35 Crores. So how we should be looking both these divisions?

Amit Agarwal:

Look, as far as the Ethiopia is concerned, as I mentioned to you, our clear desire is to improve the utilization of these facilities to cater to the market, especially in the Europe and North America, with the kind of relationships which we have built upon. Second thing, we should also see that, today, there is a bit of anti-China sentiment, developing across the globe, where people are trying to shift some of the buys, which used to be traditionally from China to other countries, and obviously, We are going to be one of the large beneficiaries. Very clear, no doubt about it.

As far as Denim is concerned, today, it is sitting on a little bit of an excess capacity. But is it going to be the case, going forward? Answer is that whoever is an efficient player overtime, will continue to operate and run the business. Some of the people who are not most efficient and organized players may have to take a little bit of a consequence. So we are in that game. We know that we have built certain efficiencies and rather more efficiencies now more so. So based on this, I think we will have to wait a little bit more and as demand pickup in the denim business then this business also get corrected.





I will give you one example. Again, the history speaks to itself, that we had the engineering business and the auto business till a few years back, which was not doing well. Now we have put huge amount of effort and focus, and that has turned around itself and it is doing phenomenally well. One of your colleagues did comment upon that this business is doing very well. So clearly, you see businesses go through ups and downs. There are cycles. One has to go through the cycle but does not mean that 1 business in one year or two years does not do well, means this is a bad business.

Siddharth Mohta: That was helpful. Sir, the only other thing is that do understand that, but whenever cycle it

turns, we should be prepared very well to make the best of those opportunities.

Amit Agarwal: Absolutely. I appreciate and I agree that we should be right there first on the row.

Siddharth Mohta: Thank you Sir and thanks for answering all the questions.

Amit Agarwal: Thank you. Really appreciated you participating.

Moderator: Thank you. Ladies and gentlemen, that is the last question. I now hand the conference over

to the management for their closing comments.

Amit Agarwal: Thank you very much, all of you for taking interest in Raymond, and we look forward

talking to you in the next quarter as well. Thank you. Stay safe.

Moderator: Thank you. Ladies and gentlemen, on behalf of Antique Stock Broking that concludes this

conference. Thank you for joining us. You may now disconnect your lines. Thank you.