



# “Sheela Foam Limited Q1 FY2023 Earnings Conference Call”

August 03, 2022



**ANALYST: MS. NIHAL MAHESH JHAM - EDELWEISS SECURITIES LIMITED**

**MANAGEMENT: MR. RAHUL GAUTAM - CHAIRMAN & MANAGING DIRECTOR – SHEELA FOAM  
MR. RAKESH CHAHAR - WHOLE TIME DIRECTOR - SHEELA FOAM  
MR. NIKHIL DATYE - GROUP CFO - SHEELA FOAM  
MR. DAVINDER AHUJA - GROUP FINANCE CONTROLLER - SHEELA FOAM**



*Sheela Foam Limited*  
*August 03, 2022*

**Moderator:** Ladies and gentlemen, good day and welcome to the Sheela Foam Q1 FY2023 earnings conference call hosted by Edelweiss Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. I now hand the conference over to Mr. Nihal Mahesh Jham from Edelweiss Securities. Thank you and over to you Sir!

**Nihal Mahesh Jham:** Thank you so much. On behalf of Edelweiss, I would like to welcome you all to the Q1 FY2023 Conference Call for Sheela Foam Limited. From the management, today we have Mr. Rahul Gautam, Chairman and Managing Director, Mr. Rakesh Chahar, Whole Time Director, Mr. Nikhil Datye, Group CFO and Mr. Davinder Ahuja, Group Finance Controller. I would now like to hand over the call to Mr. Rahul Gautam for his opening remarks. Over to you, Sir!

**Rahul Gautam:** Thank you Nihal and thank you for hosting this call on behalf of Edelweiss Securities. This is Rahul Gautam presenting the results of Q1 FY2023 and I must begin by saying that the standalone results and the consolidated results have been pretty encouraging, so we must discount the fact that the pace for last year was extremely low because of the Corona facts that we were all experiencing. Standalone, we have done about close to 58% growth and consolidated 32%. However, I must say that the markets are showing some trends, some upward trends and they are in bits and parts or in pockets. For example, our customers, the auto industry seems to be doing very well, while the furniture industry is not doing so well.

The basics appear good and it should eventually lead to a good performance. As we look into the current situation, the monsoons have been unevenly distributed. By and large, the total quantum of rainfall has been as predicted as forecast wise required. This should lead to a season, which is good and eventually all the other uncertainties should also look good.

As far as Sheela Foam is concerned, our Australian entity is doing reasonably well. The impact for pricing, but though it is a mature market and it has already gone through the opening up, which taken care of the pent-up demand, but still it continues to be strong. The only reason that I see is that what we experience in our country Atmanirman Bharat coming as a direction from our Prime Minister. That seems to be the phenomena that is happening virtually across the globe and so Australian, which were dependent **(inaudible) 3.38** needs to depend on resources and materials within the country, which are kind of a deglobalization that is becoming. Our Spanish entity is a part of European economy, which is full of uncertainties at this point of time and the real picture will emerge after **(inaudible) 4.09** and which would go into using our foams and people making the lives comfortable **(inaudible) 4.21** how much is the impact of the economy.

Raw materials have always been a major part of impact as far as our business is concerned. In all the three geographies, we are experiencing very different kind of impact. Raw materials are very steady. Of course, they always have a longer period of liquidations holding. Spain, the raw material prices are moving downwards. In fact, it has come to a stage where the raw material people have started complaining that because of the increased energy costs they are unable to make any money. However, this content of program, which is users like us, the demand is not there and therefore, cost-based price increases, but demand-based huge push towards the reduction of prices. India continues to fluctuate. Polyol is on a needless sort of downward trend **(inaudible)5.38**. Raw material price has been going up and going down and therefore, there is no clear direction.

On the raw material side, in all the three geographies we are experiencing completely different kind of behavior. Australia seems to be steady. Spain is moving downwards and there is a phenomena that is emerging is that the raw material supplies are not making enough money because of the high energy cost, while the demand is not there and therefore there is a push for prices to fall, so it is the mix that is happening and probably will lead to a couple of plants closing down.

India is still fluctuating as far as the TDI is concerned, a little more as well as Polyol is concerned a little less, and however we have no clear direction as to how it will go in the coming months. Sheela Foam has also been proceeding with a few projects and I am happy to say that the projects are going ahead on track. The extra capacity that we were building in Australia a little bit delayed but otherwise on track. In January and February, it should be in production.

The expansion that was happening in Spain, we are on track for that and we will continue to view it a little more critically as we go along maybe resume somewhere in September and October, but otherwise it is on track. Our big projects in India, which we call as M5 or a mattress for every Indian based on production facilities being set up in Jamalpur progressing, but a little delayed because of some special steels etc., which kind of come from Ukraine.

By and large we continue to prepare ourselves for the time that the markets really open up. We feel that they should and we look forward to that part. Thank you very much and I will open to questions now.

**Moderator:**

Thank you so much. We will now begin the question-and-answer session. We take the first question from the line of Ritesh Shah from Investec. Please go ahead.

- Ritesh Shah:** Thank you for the opportunity. I have seven questions. I will put it in two buckets as four plus three. The first bucket; I wanted some updates one export out of India, second is e-commerce sales; what was our expectation and what has turned out and any merger over here that is one and two. Third basically it was pertaining to M5; you indicated that little bit of delay over here; any particular timelines over here that is the third variable and the fourth variable was on the Indian Railways, any incremental updates on approvals scope for renewals for this fiscal, that is the first bucket with four variables. Thank you.
- Rahul Gautam:** I heard the export and the e-commerce part that the second one I had missed out can you just repeat that part.
- Ritesh Shah:** The third variable was mattress for every Indian; you indicated that there is a little bit of debate any particular timeline that we have in mind over here and the scope of revenues or any details on the product launches over here that would be useful that is the third variable. Fourth variable was pertaining to Indian Railways. To my understanding, we have a few zonal approvals; any progress on supplies? Have you booked any incremental revenues over there?
- Rahul Gautam:** Rakesh can you take care of the export part of it, export and e-com?
- Rakesh Chahar:** Yes, even though touch upon M5 and...
- Rahul Gautam:** I will do the M5.
- Rakesh Chahar:** As far as e-com is concerned, we are on course as well as Capex both brands.com and Market Place is concerned, so what we had planned is we are very much on course for that. We have also introduced Sleepwell on Market Place with a new portfolio and a new outlook to play a bigger role in the e-com part, so that was recently being done. That is as far as the e-com is concerned. On the railways, the product has been well accepted and in fact there were some clarifications and due diligence within the railways because of the existing material, so that also has kind of recommended the product and now it is a scale up time where the quarter one has seen some part of it so we have kind of done much better than what we expected in the first quarter and the upcoming quarters are looking very promising from a railways point of view. On the export part, though the potential is still huge and so there has been some hurdles. It all started with the ocean freight, which going to which went up to a level of \$17000 and for a consignment of a \$30000, \$17000 was a absolutely no norm, therefore the importers were kind of not able to import as much from India as they wanted. Though the ocean freights have come down, but currently there is a slowdown in US where the demand is subdued and therefore, it will take some more time for the orders to come in, and recently we also participated in one of the largest shows in Las Vegas. There we has also met existing buyers who are importing from us and also some new

customers, so our persuasion towards that business is still kind of continuing. On M5 I would request if Rahul Ji can update.

**Rahul Gautam:**

Thanks Rakesh. Just to summarize what Rakesh said as far as the export is concerned, freight cost has come down, but the recession in US is now playing out. I mean something on the other is kind of happening, but it just appears that it is ready to take off, but it has not taken. On e-commerce, we have ended by adding people with some new portfolio on the Marketplace. Railways, he has already mentioned that it is a slow steady, rising progress and at the moment what we are doing is well within the forecasted numbers. Mattress For Every Indian, which I said the project is delayed, so the machine supplier thought this is a specialized machine, which was being manufactured in Europe and it has required some special steel, which comes from Ukraine. That has been delayed by a couple of months. We expect the machine to be shipped out by the end of this year and somewhere in the middle of next year in 2023 we should be able to start supplying the products to the market. However in the meantime the seed marketing and the market research and all that is already progressing.

**Ritesh Shah:**

This is very helpful. I have a follow up question over here probably I will come back on that. My other bucket of questions was anything new that you are doing on the distribution side based on our recent checks, we understand that company is approaching MBOs for, I think, by the foam. Is there some change in strategy against probably last three to four years what we have that will be had actually (inaudible) 15.29 growth. So the first question on distribution. Second is basically if one look at the last cash flow statement we do understand the company has a significant ammunition available, if at all we go for anything incrementally on inorganic side, do we have any balance sheet ratios in mind or net debt to equity or if at all any acquisition target will it be EPS accretive or not. Those are the two questions I will come back with the third one.

**Ritesh Shah:**

On the distribution side besides our exclusive channel that we have, which is the retail stores for Sleepwell, we have always had Feather Foams as a brand and in fact Feather Foam is the endorsed brand of Sleepwell, but primarily a trade brand and we had people in the market MBOs whom we were supplying the furniture cushion as well as other foam materials under the brand Feather Foam and all that we are doing is a demand that is coming from the market is to say that the people who were MBOs would like to deal exclusively with you and therefore, is there a possibility that we can work on that path. However our general strategy in the market still remains the same. It is just possible with some of the MBOs may tend to become or will become exclusive and that is the fact to the total number.

On the cash flow Nikhil, I would want you to respond to it, but I just want the inorganic part of it. I would say that these opportunities come (inaudible) 1.20 go but the

appropriateness of that has to be there because we really go in for adding an inorganic opportunity. But the cash flows etc., Nikhil can you take care of that please?

**Nikhil Datye:** It is too difficult at this moment to comment on what will be the impact on EPS whether it will be accretive to EPS or not, but the opportunities, which we are looking at obviously will add to the long term and these opportunities are looked at from two point of view. One is filling up the gap to acquire more market share and that obviously adds to the bottom-line in the long run, so in the long run obviously all ratios will get better, but depending upon how the opportunity materializes at what point of time, in the initial period or at this moment it is difficult to comment on that.

**Ritesh Shah:** My last question is a follow up. You indicated a big thing, putting Sleepwell on the e-com platform, is it something which will go fine through the traditional channel that we have, how do we ensure that our existing distribution network; they are very unhappy with the move, I am sure there would have been a lot of thought behind it. Some color over here would be quite useful. Thank you.

**Rakesh Chahar:** Thanks for this question. E-com is also another way of just reaching the same consumer or a similar consumer. I agree with you that it is normal for a friction to exist between the offline and then online. The way that we are fattening it is that we would have a limited portfolio of Sleepwell on e-commerce and for the same range or same portfolio in our offline same or absolutely identical or similar to identical offerings would exist on offline and we have taken a long time to do. Our experience told that if the offer is similar and the offline offer is similar to the online one people tend to buy material from the brick-and-mortar store, and therefore, we are pretty comfortable with that there would be very little friction that would be there.

**Ritesh Shah:** Sure Sir thank you so much I will join back the queue.

**Moderator:** Thank you. We take the next question from the line of Nihal from Edelweiss. Please go ahead.

**Nihal Mahesh Jham:** Thank you so much. Couple of questions on the distribution part. In our presentation, you mentioned currently we have around 5500 outlets where the products are available. Could you give a sense of what this number was last time and how it has improved and how is the distribution for this to Starlite and Feather Foam brand coming along.

**Rahul Gautam:** I have lost you for that 10-15 seconds, so can you please repeat.

**Nihal Mahesh Jham:** My question was that our presentation mentions that currently we are available in 5500 outlets. Could you give a sense of how this number was last year and also for our two other

brands this Starlite and the Feather Foam, what is the current distribution reach in MBOs in total at this point in time?

**Rakesh Chahar:** The number is expanding increasing by the quarter, so we have expansion plan and we are able to kind of meet most of it, so now last year the number would be close to about 5000 and we would have added 500 numbers in quarter one, so that is because we focused on expansion in quarter one both on exclusive dealers and the showrooms coming up. As far as the Feather Foam, Starlite is concerned, we have our MBO network, which we are also kind of creating the new network, which was the earlier question; there we have our furniture cushioning and Feather Foam as we offering and we are calling them as cushioning partner, so it starts with the MBO but eventually we want to also convert them into a EBO network. That process is also on and as far as MBOs are concerned, we have our industrial quarters in Starlite so that we currently sell to more than 3000 dealers and which will continue kind of growing the numbers on the MBO side. On an overall basis if I see we will be more like 9000 to 10000 outlets that we are servicing today.

**Nihal Mahesh Jham:** So 9000 to 10000 is the current for Starlite and Feather Foam combined?

**Rakesh Chahar:** Combined correct.

**Nihal Mahesh Jham:** That is helpful. My second question was that on the mattress volumes, if we compare this to pre-COVID and assuming there is not too much of a mix change between our co-brands which is Sleepwell and Starlite, it is still slightly low and in the past quarter, we are seeing a strong traction, so is it that there is a shift in consumer spend, which is happening more towards other categories outstand whereas home improvement as a category has already seen a lot of the spend happened in the previous quarters and generally what are the kind of trend that we have seen even after the quarters close. Could you just give a sense of that, that would be helpful?

**Rakesh Chahar:** The numbers are slightly lower than FY2019. The general trend that we have seen is the challenges more on the ASP side so there are quarters where especially when the marriage season is there, there is a lower end, which tracks faster and normal time the higher-end customer because of the COVID and experience of staying at home, so it is a mix of both which is happening. On the general volume side, there is see our whole effort on the EBO side is to influence consumers to buy a better and a high-end mattress, so we track more of sales value for the outlet and then we worry more about the attach ratio of the STP products and which is the cross selling, so that is how we are kind of operating in the EBO part. As far as this network that I have just mentioned about that is where we are expecting a huge volume expansion through the network that we are developing for Feather Foam and Furniture Cushioning going forward. The process has already started so we will start seeing volumes coming in from end of quarter two.

**Nihal Mahesh Jham:** Understood. Just one last question from my side. We noticed that there has been an improvement in our average realizations for a mattress, so have we taken a price hike over the last three months, which is now resulting and if you could just quantify the quantum of price hike.

**Rakesh Chahar:** No, we have not taken any price hike recently. So it is just because of the ASP.

**Nihal Mahesh Jham:** You mean the mix maybe more of the Sleepwell mattress that is what I sold this quarter.

**Rakesh Chahar:** Correct.

**Nihal Mahesh Jham:** That is helpful I will come back in queue. Thank you.

**Moderator:** Thank you. We take the next question from the line of Bhavin Rupani from Investec. Please go ahead.

**Bhavin Rupani:** Thank you for the opportunity. My first question is if we see the volumes of mattresses from on a three-year CAGR basis, it has declined and have we lost any market share because of this decline.

**Rahul Gautam:** Rakesh you want to touch it. I mean. During the entire COVID time, there has been general market research that was being done by the association has also not been done, so I guess you will have to rely on more what the inputs on market are and what the feeling is.

**Rakesh Chahar:** The general feeling is that the overall market has not really grown and what has happened is more of pre-distribution where some part of the market has been taken away from online and this was got isolated during the lockdown period and in some also on the unorganized side because of the supply chain disruptions, so that also we see that there has been a little traction on it. Now as things to becoming normal and the brands have also started, because there was also a period where the brands were also skeptical in to doing any development brand building awareness kind of activity, which has started now. Right now this is generally the hearsay that we get to hear and also the environment especially in the quarter one has been subdued, which is reflective because now we have program going on and we track footfalls at our stores. We really track footfall and we also see a reduction in footfalls, which is also reflective of what people have been saying about the market size. Does that answer your question?

**Bhavin Rupani:** Yes.

**Rakesh Chahar:** As far as the research part is concerned what Rahul ji was mentioning that was also waiting for normalcy, so that the people can visit retailers for the research and for the numbers, so



that has been instituted now and we should have the report by maybe in next four months. This will be the first one after the COVID.

**Bhavin Rupani:** That is helpful. My second question is what would be the margins and what we have taken in online and offline sales, will it be same or different?

**Nikhil Datye:** As far as the offline business is concerned, gradually we have moved away from higher inventory in the channel and it is because we have improved and gone back to what we call as F-24, so we try and service the consumer demand at store within 24 hours from our nearest stock point and decentralized manufacturing and distribution helps us in doing that. As far as most of our distributors are concerned, who service the offline trade, they run either on cash on carry or on a 15 days credit basis, so both put together the working capital is managed very effectively. As far as online trade is concerned, there are two ways in which online also gets managed where the fulfillment is taken care by online partners and there the working capital requirement is normally high because they manage 30 days to 60 days inventory and also the repayment terms are around 60 days, but again as we started ramping up our online presence, we have gone away from that model and now we are distributing the product directly from our warehouses, so we have also increased our footprint in terms of warehousing for online channel, so earlier we used to distribute it through Amazon, Flipkart warehouses. Now we have about six to seven warehouses across India dedicated for online, so that has helped us in managing our working capital for online more effectively. With that online working capital will be slightly better than the offline, but both our margins have seen a reduction over a period of time because of these initiatives.

**Bhavin Rupani:** That was helpful. Any sense on margins?

**Rakesh Chahar:** As far as margin is concerned, definitely general trade in the picking order is as little higher level than online. Online the space is more competitive the product offerings are more basic and economic in nature, so the product segmentation and consumer segmentation are also very, very different. Apple-to-apple comparison of that segment with general trade, I would say that margins will be at par, but overall when you look at general trade also services premium and luxury segment, which as a proportion of business for online is less. Comparatively, the offline business will be better in terms of margins.

**Bhavin Rupani:** Lastly on our competitors planning to appoint a brand ambassador. Do you have any thoughts on that and what will be our advertisement spends for the year?

**Rakesh Chahar:** Sorry I did not get that question can you repeat it.

**Bhavin Rupani:** Our competitor is planning to appoint a brand ambassador. Have we put on any thought about it and what would be our advertisement spend for the current year.

- Rahul Gautam:** Now the advertising spend you just know that on the other part I will respond.
- Nikhil Datye:** On an average, I would like to split the overall marketing selling spend in two buckets, something which we drive as BPL/selling expenses that on an average has been around 10% year-on-year for us and that is completely or largely variable as far as marketing spend is concerned that will be around 2.5%, 3% that is one area where we are as a intent also we have said that we would step up that expense, but total level selling plus marketing will hover between 13%, 14% range.
- Rahul Gautam:** I hope that takes care of that question. Coming back to this issue of brand ambassador, so our belief is that when you are introducing a brand or introducing either to a new market or the brand is new then the brand ambassador plays an important role, however in the current scenario, the salience of Sleepwell or the recognition of that is reasonably on a good level and therefore having a brand ambassador will not serve the purpose. That is our belief, however tomorrow especially we are going down deeper into the market this issue may change or if we look at areas where we are very weak for example Kerala, or maybe little parts of Tamil Nadu if possible that we may take a regional brand ambassador.
- Bhavin Rupani:** That is helpful Sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Devesh from DS Investments. Please go ahead.
- Devesh:** Thank you for the opportunity. Just quick trend base thought if you can share. If you were to look at our last ten years journey if I am talking about pre-Corona right, which is probably 12, 13 to let us say 19, 20, if we were growing top line by ex our operating margin and profits were proportionately growing higher right; it could be even 1.5x, 2x type or even 3x if you take longer horizon. Now if you were to go a little forward, I am not looking at next couple of quarters, but let us say next five to ten years, how do you see this growth quality that would pan out in the way you are thinking?
- Rakesh Chahar:** It is really a very deep question and so on a short-term, we have this difficulty of getting a clearer picture and uncertainty and haziness kind of existing. On a long-term basis from all aspects, we see that India in general or home improvement sectors per se or Sheela Foam and it is presence in that sector and in all the three I feel positive trends existing. If we go back to the ten years prior to COVID and say that based on that or on similar circumstances, how do you look forward. I honestly, I look at a three-year growth rates of 10% to 15%, which would be there and that is how India should pan out.
- Devesh:** Great that is quite helpful. Could you sort of share your view in terms of what is happening in Europe in the sense that because Spain was also planned to be a major exporter for us as well as the Europe consumption side, do you see, do you see the issues even probably going

to be there till the war season solution or do you see there are different drivers that can sort of change the ecosystem or demand can revive or how do you see any signs that you are reading for next quarter?

**Rakesh Chahar:**

First of all about Europe. Europe has enjoyed a good 8 to 10 years of run where the raw material prices have been steady or slightly kind of increasing and the demand has been good, the business has been okay and has been steady sailing. If you go by the law of cycles, something needed to happen or something would happen, now whether it is triggered by the war or it would have been triggered by something else, it would be difficult to say, but at the moment it is the war, which has increased the energy cost, people are scared of spending money and saving it to see the winter through, the fuel cost has gone up etc., so that is the kind of sentiments that are existing as far as our company in sale is concerned, we are a very small stack of the markets, so even if the market shrinks a little our opportunity to grow still kind of exist and therefore if I would see let us say if I would take a period in the recent past, the European market would have shrunk by about 30%, 34%, 35% however, we would have done half of that as far as the shrinking is concerned and this point will also get corrected because all the clients that we had when we talk about October 2019 those plans put aside because we were battling with Corona, we are looking at raw materials and we are supplying, the business was also on alright; all those things were happening. The newer initiatives which are newer segments, some very close to where the unit is whether it is a shoe industry or the furniture industry that we intent to take, so we are not unduly concerned by what is happening in Europe however we now need to do stuff at our end (inaudible) 41.04 we have just 1% of the market is and therefore we should not have any impact.

**Devesh:**

Thank you for the detailed long-term perceptiveness. Just diving into see if you were to sort of do it quick next couple of quarters view, is it fair to assume that B2C will take some time to build up the momentum wherein B2B we are seeing better traction be it railways or the new launches we talked about, so the B2B part will do some heavy listing in near future. Is that a right way to look at next few quarters?

**Rakesh Chahar:**

That is exactly what is happening right now, but for us to believe in the coming quarters, it will remain like this is not okay. The B2C reviving will only need a little bit of a trigger because the intrinsic demand or the inherent demand is there. People need the home improvement products; people need all those things. It is just a question of one small trigger. It could be a good monsoon, to a good season, to something like that to happen and it will however forecasting for the next three to four quarters, I would not hazard a guess, but that is the belief that this is what could be happening.

**Devesh:** Do you see any correlation of the home sales and number of consumer sales that we do. Do you see any correlation with a lag or something the way real estate is sort of giving the data?

**Rakesh Chahar:** Yes, this is absolutely not for the consumer sales to happen with a lag after the real estate or the homes sales increase. When I see that they are in the last at least a month or so, there has been a pickup on that. Eventually those will need to be furnished and need to be taken care of, therefore that should happen. Generally, the lag to my mind is also averaging about three to four months between home sale and consumer sale for us.

**Devesh:** Sure. Sounds good thanks a lot for detailed answer. All the best.

**Moderator:** Thank you. We take the next question from the line of Simranjeet Singh an individual investor. Please go ahead.

**Simranjeet Singh:** Thank you for taking my questions. I have certain questions in my mind. First of all, can you provide some EBITDA margin guidance for the next nine months of FY2023 and second question is that I was going through your Q4 FY2022 con call transcript call, where you have mentioned that you are looking for some inorganic opportunity. My question is relating to the part that are you looking for the inorganic opportunity where you do not have any presence or where you have a less presence in the sense that, that will be more fruitful to your company. Can you brief me something on this?

**Rakesh Chahar:** As far as the EBITDA margin guidance is concerned, we would refrain from that, it could be healthy, it should be double digits and that is our expectations that it should be like that. Coming to the issue of growth and the organic growth that you are talking about. I would look at it in three ways. One is the clear-cut segment as well as the geography that we are present in, would we do that? No. There is no need for that to happen. There are geographies where we are very weak. The segment remaining the same. If an opportunity comes up, we would definitely consider it. However balances with saying that how good is our brands opportunity to really expand into that area. The third one; obviously it is a completely new segment. We would again refrain from going there. This is the kind of segment that we do not know, so if there are newer ways of reaching the consumer, if there is a distribution channel that is kind of comes through, we would definitely look at that.

Q4 I remember that, we said that this is primary businesses one is the manufacturing foam and the other is the consumer business that we have. Manufacturing foam can be virtually anywhere in the world. It has not bothered us because the rules of that game or what will pick there is your raw material purchasing capacities, your formulations, machinery, technology and then the geography does not matter so much. So that we would be open to as I said globally, although at this particular time the globe is also going through problems,



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which are very uncertain but in the Indian market, we said that it will be consumer facing it will be ways to reach the consumer and etc. that at Q4.

**Simranjeet Singh:** Sure done thank you and all the best for the upcoming quarters.

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

**Rahul Gautam:** Thank you Diksha. Thank you for moderating this and Nihal thank you and thanks Edelweiss for holding this conference. I want to also thank all the participation and the questions there may have been a fewer and normal people questioning, but the questions were as impressive and as sharper as ever. I know that in the shorter-term that there is a lot of laziness and lot of uncertainty which is existing and therefore some of our answers would also have been in similar manner with very little sharpness and very little (inaudible) 48.44 specifics because that is how the picture is at the moment. But on a long-term basis as mentioned a little earlier from an India perspective, from the segment perspective, and from Sheela Foam perspective, we are extremely buoyant we are extremely positive about it and we feel that there is no other way except for everybody's to do well with it. All these three India segment and the company. Thank you very much and thanks again for participation.

**Moderator:** Thank you. On behalf of Edelweiss Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.