



Renaissance Global Limited

## Renaissance Global Limited

### Q4 & FY24 Earnings Conference Call

June 03, 2024

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**Moderator:** Ladies and gentlemen, good day and welcome to Renaissance Global Limited's earnings conference call. 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. Please note that this conference is being recorded.

I now hand the conference over to Ms. Jenny Rose from CDR India. Thank you and over to you, ma'am.

**Jenny Rose:** Good afternoon, everyone and thank you for joining us on Renaissance Global's Q4 and FY24 Earnings Conference Call.

We have with us today, Mr. Sumit Shah, Chairman and Global CEO; Mr. Hitesh Shah, Managing Director of the Company.

We would like to begin the call with brief opening remarks from the management, following which, we will have the forum open for an interactive question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the results presentation shared with you earlier.

I would now like to invite Mr. Sumit Shah to make his opening remarks. Over to you, sir.

**Sumit Shah:** Good morning, everyone. On behalf of Renaissance Global, I extend a warm welcome and thank you all for joining us on our earnings conference call for the quarter and year ended March 31, 2024.

I will initiate the call by taking you through a brief overview of the company's operation and business highlights for the period under review. Post that, Hitesh will give you a rundown of our financial performance.

As we reflect on the fiscal year gone by, our core markets continue to witness demand challenges. Despite that, we have reported a resilient performance, ending the year with optimism driven by notable success of our high-margin direct-to-consumer business and an uptick in demand sentiment in our markets. Ending the year on a positive note, we have registered an improved performance this quarter with better operating margins. Our D2C vertical is showing promising growth and remains a key focus for future expansion.

I would like to highlight that part of our strategic initiatives; we've reorganized our business segments. Our previous structure included divisions such as Branded, Customer Brands and Plain Gold segments. However, we have now realigned our focus to emphasize Licensed Brands, including Disney, Warner Bros., DC, Star Wars, etc, as distinct from our Owned Brands such as Irasva Jewellery, etc. This shift also involves our exit from the plain gold business in the upcoming fiscal. We believe that this decision brings several key advantages. First, it streamlines our operations, enabling a more efficient use of resources and enhancing overall agility. Secondly, it contributes to deleveraging efforts, reducing our debt burden, and strengthening our financial position. More importantly, this shift is anticipated to drive margin expansion and improve the return on capital employed and sustain profitability growth for the company.

Coming to our segmental performance. Our Customer Brands reported 13% revenue growth year-over-year this quarter, signaling a positive turnaround in our legacy segment. EBITDA margin on the segment also improved to 8% in Q4 and 6.2% in FY24. Our Licensed Brands segment remained steady, achieving revenue of INR437 crore in FY24 and INR64 crore in Q4, with a notable EBITDA margins of 15.4% and 16.1%, respectively. Meanwhile, our Direct-to-Consumer segment demonstrated revenue growth of 11% and 25% year-over-year in Q4 and FY24, with EBITDA margins at around 6% for both the quarter and the year. I'd like to highlight here that our Direct-to-Consumer segment have high gross margins, between 55% and 65%. And as we achieve adequate scale, we are confident that the EBITDA margins can be improved to 15% to 20% in the next 2 to 3 years.

To strengthen our foothold in the global branded jewellery industry, we have

expanded our license portfolio through strategic partnerships with Warner Bros., DC alongside our existing agreements with Enchanted Disney Fine Jewellery, Hallmark, NFL and Star Wars and Disney Treasures. These strategic collaborations complement our direct-to-consumer branded business to support future growth.

Also, post the successful debut of Wonder Fine Jewellery last quarter with a major retail partner, we have now introduced this collection successfully with another significant retailer. This expansion not only broadens our market reach but also strengthens our brand presence across multiple retail platforms and increases visibility in the market.

Additionally, the Company was also honored with an award in the jewellery category at the 50th Gems & Jewellery Export Promotion Council Awards ceremony. This accolade highlights our consistent performance and excellence in the jewellery industry, reflecting a commitment to quality, innovation, and customer satisfaction.

As most of you tracking our industry are aware, a notable trend in the jewellery sector is the growing popularity of lab-grown diamonds. Currently, lab-grown diamonds comprise about 48% of our direct-to-consumer sales, highlighting the increasing demand among end consumers. Additionally, we have started recently expanding the use of lab-grown diamonds in our Licensed Brands, further enhancing their market presence. We also plan to expand the distribution of lab-grown diamonds to our Irasva stores in India. With a presence of four retail stores, it should give us a toehold in the Indian market to sell lab-grown diamonds as well, increasing the contribution in the coming years. A few years ago, we made the strategic decision not to enter the manufacturing of lab-grown diamonds. This decision has proven prudent given the steep fall in prices due to large number of manufacturers worldwide. Instead, we focused on building brands around customer preferences using lab-grown diamonds. Today, we host a marketplace on our website featuring hundreds of manufacturers and suppliers of lab-grown diamonds and the platform allows us to offer a diverse range of high-quality products while benefiting from the expertise of our suppliers. While this approach is harder in the long run, we believe truly that building a brand in the long run will be the correct decision and highly accretive to the margins of the company.

Looking at our upcoming fiscal year, we are observing significant growth in our factory order book, marking a substantial increase of 25% to 30% compared to the previous year. This growth is attributed to our strong performance expectations from

all our verticals. As a result, we anticipate an overall revenue growth between 10% and 15% for our studded business in FY25. And due to leverage from this business, we expect an approximate 25% to 30% in the profit before tax for the year. This strategic outlook position us for sustained growth and enhanced financial performance during the coming years.

To conclude, we are witnessing demand green shoots across our markets, indicating a positive trend for the future and we are confident that our strength in product design, distribution, industry insights and Licensed Brands will help us capture long-term growth opportunities in the global branded jewellery sector. Our strategy for the next 2, 3 years centers on maximizing the benefits of our strong partnerships with the renowned brands, our distribution network, and the direct-to-consumer capabilities to drive revenue growth and improve margins.

On that note, I would like to hand the call over to Hitesh Shah to discuss our financial performance for the quarter and for the year.

**Hitesh Shah:**

Thank you Sumit. Good afternoon everyone.

We have reported a resilient performance during the year gone by, supported by our branded jewellery segment as well as a solid contribution from our Direct-to-Consumer business. In Q4 FY24, our total income grew 7.5% at INR540 crore as compared to INR501 crore in Q4 FY23. For the full year, our total income stood at INR2,117 crore as compared to INR2,243 crore in FY23.

On the profitability front, EBITDA grew 18.5% to INR45.4 crore in Q4 FY24 and for the full year, it came in flat at INR168 crore, translating into margins of 8.4% and 7.9%, respectively. During the period, our margins rebounded, and we expect revenue to trend upward in the coming quarters. In Q4 FY24, profit after tax came in at INR21 crore versus INR19.7 crore in the corresponding quarter last year. While for the full year, profit after tax stood at INR73.6 crore against INR87.3 crore in FY23. Profitability was aided by improved contribution from our high-margin area of branded jewellery, primarily our Direct-to-Consumer business.

As Sumit mentioned earlier, our business has been strategically recategorized into Direct-to-Consumer (Owned Brands). Licensed Brands offer global licenses, designing, manufacturing, and distributing jewellery via our B2B channels as well as our own website. Our Direct-to-Consumer India brand, Irasva, with four stores in Mumbai, Ahmedabad and Hyderabad achieved FY24 revenues of INR22 crore with

a 3-year CAGR of 50%. Our U.S. brands, clocked FY24 revenues of INR165 crore with a 3-year compounded growth of 93%, reflecting our successful strategy and robust market expansion.

In Q4 and for the full year, our Licensed Brand business maintained a stable revenue of INR64.3 crore and INR437 crore, respectively, supported by a steady flow of orders from retail partners as well as our own website, with an improved EBITDA margin of 16.1% and 15.4%, respectively. While our Direct-to-Consumer (Owned Brands business saw revenue increase of 24.5%, reaching INR187 crore in FY24 with an EBITDA margin of 6%. In Q4, revenues grew 10.9% at INR47 crore with an EBITDA margin of 6.3%. Further, strategically leveraging the growing popularity of lab-grown diamonds, in the direct-to-consumer vertical, 48% of our D2C sales now comes from lab-grown diamonds. This underscores their increasing preference among customers, particularly due to the significant price advantage over natural diamonds.

For FY24, our studded jewellery business accounted for 88% of revenue, of which branded jewellery contributed 33%.

Lastly, in terms of our balance sheet, our net debt to equity ratio stands healthy at 0.28 as of March 2024. Our total net debt stands at INR322 crore and our cash & bank balances and current investments stand at a healthy INR188 crore. We have generated a robust free cash flow of INR431 crore over the past 5 years. Current inventory levels are elevated due to a strong order book at the factory level, which should support significant revenue growth in FY25.

In conclusion, we have maintained a consistent performance, despite challenging conditions. With our robust balance sheet, we are well equipped to navigate these adversities and anticipate even stronger outcome in the upcoming fiscal year.

On that note, I would now request the moderator to open the forum for any questions or suggestions that you may have. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Pavan Kumar from RatnaTraya Capital.

**Pavan Kumar:** Could you speak more about lab-grown diamonds? Also my primary questions are regarding post the steep fall in lab-grown diamonds, do we see any kind of threat in lab-grown diamonds themselves being generalized as a product and being used for

something like an art or some stuff like that, instead of just jewellery? And I wanted to understand after this steep fall, wouldn't it have an overall impact on the revenues? how do we plan to compensate for this?

**Sumit Shah:**

There has been significant price correction with lab-grown diamonds. And hence, our decision strategically not to enter the manufacturing or hold inventory on the lab grown side significantly has kind of proven to be prudent. Now in general, I think despite a fall in the prices of lab-grown diamonds, we have not seen an impact in consumption or demand for lab-grown diamonds. As a risk mitigation strategy, for us, as a company, we've always chosen to keep minimum inventory of lab-grown diamonds and, thus, try to sort of do it on an order basis primarily. Currently, we are not seeing too many use cases yet outside of jewellery for lab-grown diamonds. However, after the prices falling, I think that there could be an expansion in use cases of lab-grown diamonds because consumers have clearly demonstrated that there is a demand for it, because most stones are almost close to perfect. And the cost to make stones bigger is not exponentially high as they are in the case of natural diamonds. So, the design sensibility around lab-grown diamonds is shifting as compared to natural diamonds. And I think this calls for a possible newer use cases in the future. We haven't seen anything meaningful yet.

**Pavan Kumar:**

Right. Okay. So, are you saying, whatever sales drop we will see from the decline in value, I'm thinking about it this way, let's say we did INR100 of sales last year and the prices have fallen by INR60 and now we are doing INR40. So, are we seeing that will compensate for INR100 of revenue through higher volumes? Or how are you thinking about that in terms of lab-grown diamonds? Because as I understand our studded jewellery is 88% of the business, right?

**Sumit Shah:**

Yes. So, I think one is, obviously, for us, lab-grown diamond primarily impacts our Direct-to-Consumer segment because in the B2B segment, as of now, it's a lower percentage in terms of total volume. So as the cost of lab-grown diamonds have gone down, we are not seeing decline. Number one, in retail prices to the same magnitude. So, this has led to margin expansion and expansion of gross margins in our Direct-to-Consumer business. And number two, gold is also a significant component of the cost in studded jewellery since we don't sell just the commodity of lab-grown diamonds. So, I would say that on a blended basis, the realization decline has not been meaningful. And in our Direct-to-Consumer businesses, we have not seen any reduction in average order value. In fact, our average order value in our Direct-to-Consumer lab-grown business has remained consistent over the past few

years, which means consumers have upgraded to slightly bigger stones and to better qualities. Most of lab-grown diamonds are sold in engagement rings and consumers come with a budget to spend on an average on our websites around \$3,000 for an engagement ring. And we've not seen that average order value go down. So, it's a combination of multiple factors, where a consumer comes with a budget and they're generally upgrading to higher quality and better stones at the \$3,000 budget.

**Pavan Kumar:** Okay. So basically, our argument right now is we have not seen such steep price drop on the retail side as of now.

**Sumit Shah:** That's right.

**Pavan Kumar:** Okay. On the gold business side, I would have assumed since there the pricing is much more stable. We would have wanted to grow that business, but I understand you were planning for an exit strategy. So, what is the reasoning behind that?

**Sumit Shah:** Yes. The gold business is a plain gold manufacturing business. This was an acquisition that the company did in 2016. The gross margins on this business are very low because of transparent pricing in the gold business. It's an internationally traded commodity. And we've experienced between 10% and 13% return on capital employed on that business. Our strategic goal as a company is really to grow around building brands. And the end of the gold business that we are in, we are essentially a contract manufacturer to large retailers. I think we want to evolve the company into businesses where we've got some pricing ability and pricing power. And we did not feel strategically as a company we would be able to make a greater than cost of capital in the plain gold business selling to large retailers with limited pricing power.

**Pavan Kumar:** Okay, okay. So far, do you sell these lab-grown diamonds, even in Irasva or we don't do that?

**Sumit Shah:** We are planning on launching lab-grown diamonds in all our Irasva stores on July 1st.

**Pavan Kumar:** Okay, okay. Got it. And can you just comment on the working capital side also, since they have gone up from around 170 to 220 days?

**Sumit Shah:** There is a temporary elevation in inventory because we have a very strong order

book at the moment. It is a little bit elevated. The working capital will reduce during the course of the year as, number one, as we exit the gold business. So, there should be around INR75 crore reduction in working capital due to the exit from the gold business in the next 2 quarters. And I think just in regard to the general order book being high has led to a temporary increase in the working capital, which I think will course correct during the course of this year.

**Pavan Kumar:** Okay. And on your both D2C and Licensed Brands, what are the kind of margins we are looking at over the medium to long term?

**Sumit Shah:** So currently, the Licensed Brands is in the 15% to 17% range. Direct-to-Consumer, as we scale, our goal would be to be in the same margin range. But I think that journey would take 2 to 3 years as Irasva is kind of still loss-making at the moment, so it's dragging down margins. And U.S. Direct-to-Consumer brands are also in the phase of growing. So, as they mature, we'll experience operating leverage. The good news is that the gross margin on Direct-to-Consumer is between 55% and 65%. So, with scale, it is relatively easy to actually get to the 15% to 17% kind of EBITDA margins. So, our goal would be that over the next 2, 3 years, in a calibrated manner to increase the margins for the Direct-to-Consumer, our brand segment to that 15% to 17% margins as well.

**Moderator:** The next question is from the line of Rishikesh Oza from RoboCapital.

**Rishikesh Oza:** My question is with respect to the plain gold business. So, what is our networth of this business? And what value do you expect from the exit of this business?

**Sumit Shah:** Currently, we are evaluating alternatives when we're talking to a few players who would be interested in making an acquisition. I think that we will know in the next quarter or 2 exactly the process of exit from this business. The working capital involved in the plain gold business is around INR65 crore to INR70 crore. And in addition to that, there'll be fixed assets of INR15 crore to INR20 crore in the business. I think the price at which we can sell, I think, we'll know only closer to time as negotiation sort of reach the final stages. So, I think that there is around INR75 crore invested in the business in terms of capital, which, over the next 6 months, we expect to be able to fully exit.

**Rishikesh Oza:** Okay. And post the exit of plain gold business, what will be the ROE profile for our company for the remaining businesses?



**Sumit Shah:** So, I think that the ROE profile in the last couple of years as we've experienced sales declines has worsened. However, our expectation would be that in the next 2 years, we'd like to be in the 15% to 20% kind of return on equity rate. And we will keep sort of defining our business strategy to get to that 17% to 18% over that time period. And I think a couple of areas where increased profitability will help is, one, is exit from the plain gold business. And number two would be the improved profitability of our direct-to-consumer brands as over the last few years, we've made significant investments in our Owned Brands and the business has only become profitable as you see in the current year and marginally in the previous year. So as those businesses reach scale, we expect to get to our return on equity targets.

**Rishikesh Oza:** Okay. And so, for FY25 and FY26, what's the revenue growth guidance and EBITDA margin guidance, if you could share, please?

**Sumit Shah:** In our current outlook, we've guided for, ex of the plain gold jewellery business, between 10% and 15% growth in revenue and 25% to 30% increase in profit before tax for the current year. I think it's a little bit soon to talk about FY26. But we are seeing a lot of demand and green shoots in our business in terms of recovery in the U.S. markets, with inflation now moderating and lab-grown diamonds gaining increasing popularity. So, we're focusing on these growth areas of lab-grown diamonds. We see a lot of potential in our India business as well. So, I think that over the course of the next 2 to 3 years, our aspiration would be to get to double-digit EBITDA margins. I think it's going to be a journey to get there. And we've presented sort of the matrix within the three businesses in terms of what's dragging down our EBITDA margins and where we need to focus on, in order to get the sum of the parts margins to double-digit numbers. We have the Licensed Brand segment, which is already at a 15%, 16% margin. And we believe that the Direct-to-Consumer businesses should also get to those kinds of margins in the years to come. And we're looking at sort of cost optimizations within the Customer Brands segment to improve margins there as well. So, I think with the scale that we've reached, I think that it's possible now to optimize cost to get to significantly higher margins from where we are today.

**Rishikesh:** Just one last question on the tax rate. Tax rate for this quarter is very less. So, what tax rate would it be in FY25 and FY26?

**Sumit Shah:** So, I think, our annual tax rate ends up being in the 15% to 20% range. I think that there are quarterly variances. But I would say on an average, the tax rate would be

in that 15% to 20% range going forward.

**Moderator:** The next question is from the line of Ashish Shah from Centrum PMS.

**Ashish Shah:** What implications do you see with the signing off the gold business, have you seen any write-offs, some capital provisions you might have to do because of that?

**Sumit Shah:** No. Currently, at the moment, we don't anticipate any write-downs on anticipation of exit from the gold business. Our current expectation would be that we should be able to recover capital invested from the business. Yes, currently, we are in early stages of discussions with potential buyers, so I don't have too much further information to share. But our current expectation is the primary investments are working capital, which is primarily gold on which there should not be any write-downs. And the other investments are only INR15 crore, which is also primarily in real estate. So currently, based on our expectations, we don't expect any write-downs due the exit from the gold business.

**Ashish Shah:** Okay. That's helpful. Can you talk a little bit about Irasva? For the year ahead or couple of years, what plans have you now formed up in terms of new store openings?

**Sumit Shah:** Sure. So currently, we are opening our fifth store on June 18 in Mumbai. And I think that the current plan with Irasva involves introduction of lab-grown diamonds into all the stores, which will help the blended margin of the Irasva business to increase meaningfully. We're going to monitor and turn to profitability for Irasva in the current year and then plan any further store expansions. Currently, we have no further store expansions planned. And we believe that the current five stores and we plan to shut down the store in South Mumbai, Hughes Road, simultaneously with the opening of the Bandra store. So, the network for Irasva will be four stores and we believe that the business should be at least 50% higher than what it is in the current year. Our expectation would be to get as close to profitability as possible before expanding the network base. So, I think with the introduction of lab-grown diamonds and the weighted average margins going up, the current business plan is for a 50% increase in revenues this year with expectation of close to breakeven or slight profitability based on which we will increase the store network in the following year.

**Ashish Shah:** Okay. And in our traditional B2B business, you spoke about some green shoots. As you go back in time, typically, when the U.S. economy stages a recovery, is it too early to say that we are on a growth path now? Has there been any guess that in 2,

3 years growth is looking out?

**Sumit Shah:** Yes. So, I would say that in July of 2022, as inflation hit that 8%, 9% number in the U.S., most discretionary products in the U.S. saw a drop in demand. I think with inflation coming down, we are seeing strong green shoots of demand recovery in the U.S. which is indicated by our factory order book, as of April 1 was about 25% higher than what it was 1 year ago. So, we're currently cautiously optimistic about the recovery in demand. And sort of this shift to lab-grown diamonds is also helping increase overall consumption. So, we are quite hopeful that we should see sort of growth in the coming years and some demand stabilization now. I think after an 18-month period where the economy went through, especially discretionary categories went through subdued demand patterns.

**Ashish Shah:** And a couple questions on your U.S. brands. The way we now report that under our new disclosure norms, you see them reverting to high double-digit growth, right?

**Sumit Shah:** Absolutely, right. I think that what we've done on the U.S. brands front, we've increased gross margins significantly due to which in Q4 and we are in the middle of transitioning our digital marketing agency, growth moderate a bit. But our expectations would be that we would continue with high double-digit growth for the U.S. brand segment for the coming year.

**Ashish Shah:** Okay. And just a bit on the margin profile of U.S. brand. I think you did mention last quarter that you took meaningful price hikes, right, I think, yet in terms of the EBITDA margin doesn't seem like it has gone up for the U.S. brand.

**Sumit Shah:** Yes. So, I think that it will show up in the coming years. I think that this quarter, we've sort of changed our digital marketing agency due to which there were some marketing inefficiencies. So, a large part of cost is customer acquisition costs. And despite higher gross margins, there were some inefficiencies that crept in due to lower return on investment on the digital marketing front, which you see now is a very substantial number. So, I think that for a 12-month period, you should see a substantial increase in margins because, currently, we are investing almost 35% of sales on customer acquisitions. Any small inefficiency there can have an impact in margins. But over time, as we see a higher customer repeat rate, the plan would be to reduce spend on customer acquisition costs and thus improve margins.

**Ashish Shah:** Okay. And the way you thought about restructuring a business, is essentially what drove winding up of the gold business seems like ROCE was a prime consideration.

Any other thoughts which could improve this ROCE over the next 12 months, 18 months, which could be low-hanging fruit that you can think of?

**Sumit Shah:** Yes. So, I think that if we were to look at the three remaining segments, Customer Brands, Licensed Brands, and our Owned Brands. On the Customer Brands segment, I think ROCE will improve with operating leverage. And we've seen that for the last 2 years, our EBITDA margins have gone from 7.5% to 6% over the course of 2 years due to operating deleverage. And then we expect with recovery in demand, those margins could go up. On the Licensed Brands front, I think it will be business as usual. I think that the ROCE is already very healthy on the Licensed Brands front. And on the Direct-to-Consumer Brands, I think that with scale, there's going to be significant operating leverage on the U.S. brands. And on the India front, I think we think that with the introduction of lab-grown diamonds whose gross margins are significantly higher than natural diamonds will help improve profitability and thus ROE, ROCE profiles. So, I think, in general, increase in profitability in each of the segments has different vectors, which will impact it. And I think that we're working on all three fronts, Customer Brands, U.S. brands as well as Irasva, to help improve the profitability and the return on capital employed.

**Ashish Shah:** Okay. So, one last question. On your License Brand business, anything else in the pipeline that you would want to share with us.

**Sumit Shah:** So, we recently are in the process of testing the Barbie collection with one of our large retail partners. We've seen some test results from Mother's Day. We are yet to fully evaluate how meaningful that will be. But currently, that's sort of the new license that we've launched and working on after Wonder Fine Jewellery. So, I think that depending on the success of that, we should see some healthy growth. We're also in the process of introducing lab-grown diamonds in all our Licensed Brands as well. So that should be kind of another growth driver for the Licensed Brand business.

**Ashish Shah:** So currently, the entire Licensed Brand, the B2B portion is all non-LGD.

**Sumit Shah:** Yes, that's right.

**Moderator:** The next question is from the line of Chirag Vekaria from Budhrani Finance.

**Chirag Vekaria:** Sir, post the selling of your plain gold business, where do you think the inventory and the working capital days will be?

**Sumit Shah:** So, I think the direct impact of this business, obviously, there will be puts and takes, and depending on the working capital in the plain gold business. But net-net, there is around INR70 crore of working capital invested in the plain gold business, which should get released in the next 6 months as we exit that business.

**Moderator:** The next question is a follow up from the line of Rishikesh Oza from RoboCapital.

**Rishikesh Oza:** Sir, I think in our presentation we have bifurcated our B2B business in our Owned Brands and Licensed Brands as well. Can you bifurcate within only D2C what would be our revenues? And only for the B2B business, what would be our revenues?

**Sumit Shah:** On the Licensed Brands?

**Rishikesh Oza:** No, no. Both including both, Licensed as well as our Owned Brands .

**Sumit Shah:** So, in our brands, we've already disclosed that INR187 crore is direct-to-consumer. So, this INR187 crore revenue for the year is all our brands sold direct to consumer. In the Licensed Brands segment, the breakup is about 75:25 between B2B and D2C. So about 75% of the Licensed Brands are sold through retail partners and 25% of the sales is Direct to Consumer.

**Moderator:** As we have no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

**Sumit Shah:** Thank you. Hopefully, we've been able to answer all your questions. Should you need any further clarifications, please feel to contact our Investor Relations team or CDR India. And thank you very much.

**Hitesh Shah:** Thank you.

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