

04th March, 2021

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Scrip Code: 532782	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. Scrip Code: SUTLEJTEX
--	---

Dear Sir / Madam,

Subject: Transcript of quarter and nine months ended 31st December, 2020 earnings conference call held on 08th February, 2021

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed a transcript of the earnings conference call for the quarter and nine months ended 31st December, 2020 which was held on Monday, 08th February, 2021. The same is also available on the website of the Company i.e., www.sutlejtextiles.com.

The conference call held on 08th February, 2021, as per the Transcript enclosed incorporates mainly the highlights of financial results upto 31st December, 2020, and other related information which is already in public domain and / or made available / uploaded on the Company's website.

Please take the same on record.

Thanking you

Yours faithfully
For **Sutlej Textiles and Industries Limited**



Manoj Contractor
Company Secretary and Compliance Officer

Encl: a/a





“Sutlej Textiles and Industries Limited Q3 FY-21
Earnings Conference Call”

February 08, 2021



**MANAGEMENT: SHRI S K KHANDELIA – PRESIDENT & CEO.
SHRI UPDEEP SINGH – DEPUTY CEO.
MR. BIPEEN VALAME – WHOLETIME DIRECTOR &
CFO.**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY21 Earnings Conference Call of Sutlej Textiles and Industries hosted by Stellar Advisors. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now had the conference over to Mr. Bipeen Valame, CFO and Whole Time Director, Sutlej Textiles. Thank you and over to you sir.

Bipeen Valame: Thank you and good afternoon, everyone. I welcome you all to the Earnings Conference Call of Sutlej Textiles and Industries for the quarter ended December 2020. I have with me Shri S K Khandelia, President & CEO; Shri Updeep Singh – Deputy CEO of Sutlej Textiles and Stellar IR Advisors, our Investor Relationship team. The result presentation has been uploaded on the exchanges and I hope everyone had an opportunity to look at the same. I will take you through financial performance highlight followed by insight by Shri Khandelia and then we will open the floor for question-and-answers.

Our operations are now operating at optimum level and we are well equipped to capitalize on revival in demand being witnessed in the textile sector. During the quarter ended December 31st, 2020. The company reported a consolidated total income of Rs 512 crore against Rs 586 crore in Q3 FY20 and Rs 473 crore in Q2 FY21. The effective capacity utilization stood at 85% on an average for our yarn business in Q3 FY21 against 68% in Q2 FY21. EBITDA during the quarter was Rs 52 crore as against Rs 62 crores in Q3 FY20 and Rs 25 crore in Q2 FY21. Net profit during the quarter was Rs 12 crore as against Rs 17 crore in Q3 FY20 and loss of Rs 5 crore in Q2 FY21. As far leverage is concerned despite COVID-19 pandemic situation since March 20. We reduce our total debt by Rs 10 crore in nine months ended December 20. With better working capital utilization and without availing any moratorium from RBI.

Currently, the total consolidated debt stood at Rs 862 crore and the debt-to-equity ratio has remained below unity since nearly two years now. We also have sufficient liquidity with unutilized working capital lines of over 50% per sanction limits. We will continue and ensure there is a sufficient liquidity and we are able to meet all our obligation as witnessed, witnessing revival in demand. That is all from me now, I would now request Shri Khandelia ji to share the business outlook and industry scenario and then we can open the floor for question-and-answer sessions. Thank you and over to Shri Khandelia ji.

S K Khandelia: Thank you Bipeen. A very good afternoon to everyone, and I thank you all very much for joining us on this conference call. And it is a matter of pleasure for all of us that year 2021 has started on a very promising note. So that’s a good thing for all of us. As mentioned by Bipeen now we are running our full installed capacity of spinning and capacity utilization in home textile division is also continuously improving. We have recently started cut service which sells to retailers from our home textile division under our ‘Nesterra’ brand, which is yet to be formally launched.

We have also started our 120 TPD green fibre plant and the same is currently under trial run and commercial production is expected to start sometime next month. Details of these developments will be shared with you by our deputy CEO – Shri Updeep Singh once I finish. Overall business environment and consumer sentiment improved much faster than what was expected earlier. The statement of my Chairman in press release after Q3 FY21 results, summarizes the position and I would like to read it out, “The decline in COVID cases, and that gradual lifting of restrictions in India has witnessed a revival of consumer consumption. Prices have recovered lost ground leading to an improvement in margins. Capacity utilization has finally reached optimum levels. With the return of the workers, there is a renewed sense of confidence with the rollout of the aggressive vaccination program throughout the globe. While some portion of the current revival could be attributed to a pent up demand, the growth oriented budget of the government gives me optimism for sustained improvement in the performance of textile sector”.

Initially, when the demand came during Diwali festival season for dyed yarns particularly, and that is for formal wear we’ve had apprehension that whether it is festival demand only, whether it is likely to continue or not. However, to our great pleasure, it is continuing even after festival season and now, going forward there are many reasons from April, the schools are also likely to open where we have large consumption of dyed polyester viscose yarn, we are the one of the major suppliers of that and similarly there is Eid festival and so many other seasons and other things are going to be there. The consumption yarn is normally taken from 15th February onwards. So that has already started happening, we are already having orders for the full February. So that’s a good sign, so demand situation looks bright in coming months also.

Exports are also doing well. Of course, on raw material front though rates of all raw materials have increased, but we could pass on those to market in view of improved demand. In case of dyed yarns there is always a time lag little bit because in dyed unit to have advance orders to decide about the various shades and other shades. So dyed yarns are always better than the grey yarn but in this period of time, grey yarns are performing better than dyed yarn. But historically dyed yarn always performs better and will continue to do so going forward, the effects of that will be visible, because the orders of high rates and other thing which we have taken will be visible more in the coming quarters.

During this pandemic time of nearly one year, we have worked very hard to optimize our cost and improve efficiencies. And that process is still going on, and should further add to our agility. On the back of our varied and value added product mix for different end use, including non-apparel and for different downstream consumption, like a knitting, weaving or any other purposes, our continuous product innovation, deep market penetration and our presence across geographies. We are fully geared to capitalize on any opportunity which unfolds going forward. Now, I request Updeep Singh ji to add about our Green fibre and Home Textile business. Thank you. Over to Updeep Singh ji.

Updeep Singh:

Thank you very much and good afternoon, ladies and gentlemen. As Shri Khandelia ji has said we have started this year on a good note. Talking about the Green Fibre unit, we have started the

trial run of our backward integration. So we have been under this process of trial run and we have successfully underway and the unit has got the consent to operate from the fruition of board as well. So all our formalities are complete, so we should be commissioning the plant within Q4 of the financial year. So, the plant has come up well, the quality and the first grade what we could wait during this process of pre-trial is going on well. And we are very hopeful that we'll be very soon able to commission the plant. And the team has done a wonderful job in absence of physical presence of Chinese engineers and this has been done online and this is one of its kind in plant, first of its kind which has been done online and which will be commissioned online without the presence of team of supplier engineers.

Coming on the home textile front, this year in this quarter the home textile has also done better than previous quarters. And we have seen a lot of traction from the countries like US, UK and even Middle East. In addition to that, we launched our cut service, we have sent our books on the cut service to 56 retailers in 15 cities so far, and we have got good response from them. So these are basically three collections. But coming in the next quarter, we'll be launching another 13, so home texting as well has seen a good response amongst our customers across both India and abroad. And in this journey, we have added a few more ranges of the products, including sustainable products in home textiles. So, we have a very diversified product portfolio within the category of upholstery and drapery and adjacent categories around it. So, we see a lot of traction now going forward in this business.

In addition to this, we have been able to synergize over this quarter, over the last quarter with our subsidiary American Silk Mills in US, wherein we have shifted some of our manufacturing, which was earlier being done in US, outsourced from US now to Sutlej. So, this sort of synergy will give us a lot of benefit and the very purpose of acquisition is being served. So, this is what we have done so far in home textiles, we have taken a big as I said in my last call digital initiative, which have given us lot of impetus, in increasing our sales. We have developed digital books, digital sample library and also use 3D visualization tools and sales assist apps, which have helped us to stay connected with the customers even during this year of pandemic. In addition we saw innovative products exclusively developed by our in-house yarn, so that is a big advantage when customer look at a vertically integrated company from fibre to fabric or even made ups and we are able to develop such products in our home textile division. So, and some of the collections like global traveler, as you can see in the presentation as well. These have got good traction, what you call impetus from the customers.

Then we have made, in the process we have made inroads across the globe, we have got approval from companies like IKEA, Crate & Barrel, Ethan Allen, Home Box, Culp Fabrics, Voyage, as you can see in our presentation. So these are the few initiatives which have helped us to do better in the last quarter and going forward, we expect to have better results in the future as well. Thank you very much.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The next question is from the line of the Rishabh Makhija, an Individual Investor. Please go ahead.

- Rishabh Makhija:** So, in our earlier con-calls in Q4 of FY21, Q1 of FY21 we are expected some consolidation up to 30%. So, have we seen any movement on that and if yes so, when can we see the demand situation improving due to the effects of those consolidation?
- S K Khandelia:** So, far consolidation is concerned of course it has happened in retail and in the garment sector to some extent, but since the market improved much better than what was expected on the basis of which we had given the consolidation, but that has not yet exactly happened to that extent. And the textile industry has been doing well now, since last few months and once the moratorium and all this is over, and let us see in the next year, will it make any that process forward because the real test of the financial extent of individual will be known only next year, when the entire working and everything comes forward. But then definitely it is likely to be much less than what we expected earlier. Thank you.
- Rishabh Makhija:** Understood sir, thank you. My next question is about other BTM plant expansion which was delayed earlier, do we have any plans to restart that expansion now that the situation is improving and it's not only the CAPEX there because originally around Rs 215 crores is land?
- Rishabh Makhija:** No, which expansion you are talking about, we have not declared any expansion earlier and the expansion perhaps you are talking is about our green fibre project for that I have already mentioned that we have already started trial run and that is likely to be commercially commissioned in next sometime, next month.
- Rishabh Makhija:** No, I was talking about that specialized yarn expansion which we had planned in FY17 which is delayed in Q4 of FY18, the 2800 spindles, we have said that we will look at it after the green fibre plant expansion is over?
- S K Khandelia:** Maybe, but at the moment there is nothing on the card, we are examining different possibilities, but at the moment there is nothing on the card whatever was there we have already done, one expansion of 31,000 was completed in March 17. That was completed in March 17 and after that, we have taken up this recycled fibre project only. We were exploring many other opportunities, but is since you know, that there has been pandemic there has been the under consumer behavior and preferences have changed. So, we are having a relook on the entire thing and will do so in the due course of time but, as of now there is nothing on the card.
- Rishabh Makhija:** Okay, understood sir, my last question for now is. What would be the expected CAPEX, for this year in addition to the normal maintenance CAPEX which we do of Rs 50-Rs 60 crores?
- S K Khandelia:** Can you reply this Bipeen?
- Bipeen Valame:** Sir the typical normal CAPEX what we assume is around Rs 50 crore, maintenance CAPEX.
- Rishabh Makhija:** Correct sir.

S K Khandelia: This year , Rs 41 crore we have already spend up to Q3, yes we have already done that and that is for the regular modernization, de-bottlenecking, little adjustment here and there. Our project CAPEX is separate, Bipeen I am correct?

Bipeen Valame: Yes, sir.

S K Khandelia: Yes. And next year definitely it is likely to be a little more because the things have improved So, we've never stop normal CAPEX which is required for keeping the plant healthy and up to date. So, that will continue, about Rs 50- Rs 60 crore normally we do every year.

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

Nitin Agarwal: Sir, first I would like to know your views on this whole textile industry, manmade fibre, the policies of the government and with regard to how this China Plus One is going to affect India and the company.

S K Khandelia: There are many questions I will try to reply everyone in short time. So far textile industry is concerned, entire textile industry overall it is doing much better than what was expected. Of course, in case of garments, so we have still not reached to the pre COVID level in the exports particularly, domestic garments have also improved. Otherwise, yarn is doing well fabrics is of course, there is some challenges in fabric because most of the fabric was for formal wear and other thing, but home textile is doing well, yarn is doing well. And overall if we take the entire picture of the textile industry is doing much better than what it was expected to do.

Then if you talk the China factor definitely it has started improving and it has started improving position in India, because every foreign buyer whether it is brand or whether it is big retailer or whether it's anyone else, they want to have China Plus One supplier definitely and India definitely ranks higher among them. Of course, in case of garments, we have little challenges of a little smaller capacity in other things, but the people in the garment to whom we have been discussing all and the government level also. There is some sort of collaborative approach or many commenters may come together, and they may take the bigger orders and something like that. So, those types of things are happening then there are regional corporations. So far spinning, we are concerned we hope that we are going to get good benefit out of that China Plus One policy, because Bangladesh is a big garment supplier to the world and there they used to get the fabrics and other things from the China. So, now this Chinese so this Bangladesh fabric industry has improved considerably, whatever they have so the demand of yarn there has improved and going forward, we are going to have regional cooperation, regional cooperation with Bangladesh. That means since we don't have free trade agreements with any of the importing countries, but they have, so we will take the benefit of back to Bangladesh, we will be supplying yarn to Bangladesh in more quantity, they will be converting it to garments and we'll be exporting to the countries like European Union or others where they have the free trade agreement. So, that is how China Plus many policy is going to benefit us. Then another issue

when it will come to cotton, I will tell you that Xinjiang produce cotton, which US has banned so it is not only that anything made in China, or Xinjiang province cotton cannot be exported to China. But anywhere, any product made out of that cotton, whether say if it is yarn made out in China but exported garment is exported by Vietnam that is not also allowed technically, but how strong implementation is there but it is definitely impressive. And that is one of the major regions that the demand of yarn from China, cotton yarn particularly I'm talking about and cotton blended yarn have been very strong and that is how the grey cotton yarn rates has gone up very high and there is also similarly other things. But the China Plus policy is definitely going to benefit India, in case of home textiles, we are already seeing the traction, some of the Chinese orders have already moved to the India and going forward, this momentum will continue. So far manmade fibre is concerned government in the budget also has announced we have been working closely with the government from our various associations and the inverted duty structure which is one of the biggest problem for MMF sector is going to be removed, but the call has to be taken by GST council where it is already pending, finance minister as a chief of GST council is already supporting that. But because of this pandemic and state and center, resolution of GST funds was the primitive issues which were taken so far. Now with the GST collection improving and reaching to all-time high, now this issue will be taken up shortly by the GST council and will be resolved. The government as a policy has decided that there will not be any inverted duty structure and that will be pushed to the Indian textile industry particularly MMF based.

Second thing, there is increased realization among the exporters of garments, that so far, they are basically cotton dominated and therefore their factories are not able to work for the full year and for working full year. They need to run this MMF based garments also which are basically winter wear garments and for that government is providing all sorts of help. For example government has removed anti-dumping duty on PTA, government has removed anti-dumping duty on acrylic fibre. So the government is now fully convinced that if we have to achieve a target of \$320 or \$350 billion by 2025 from 160 level, then definitely it is the only MMF best industry since government is interested in creating employment and that is possible only by the textile industry. So, that realization has been very much up to the PM level, up to the finance ministry in the commercial ministry and the textile ministry. So, now, they are pushing another in all the possible ways. So, recently you must have seen that, you must have gone through because production linked incentive scheme in that scheme 40 top traded global item, global traded items of MMF based garments are there and 10 items are of textiles.

Similarly, the mega textile power garment has already announced, in three years they are going to set up seven parks. And that will be for the big investments where joint venture can come, FDI can come, those type of focus government is putting on the textile industry. And it is one of the selected sectors for the growth out of the 13 which finance minister mentioned and in her speech also, textile is one of them. So, the government focus is there. So, I've explained to you about the textile industry MMF based and China, have I missed any question?

Nitin Agarwal: No, sir, I'm very thankful you have given me a detailed answer sir. I have a few small questions not as big as this one sir, now this green fibre plant that is going to go in production in somewhere in March, so what is the kind of margins that this kind of product can enjoy?

S K Khandelia: No, see apart from the margin of course, it is going to add to our margin because we are purchasing recycled polyester staple fibre, green fibre from the market. So, naturally there are variations in each and every supply, because once we will have our own fibre in-house, when our regularity of quality will further improve though we take all possible precautions and that is there, but having our own fibre will add to our quality, our productivity because our fibre can be engineered exactly as per our spinning requirement and downstream requirement. So, that is going to give big advantage in productivity and efficiency number one. Second thing as you all know that it is the time of sustainable product and sustainable manufacturing facilities. And again there is the question of backward integration and traceability. So, since we have our own fibre plant, we have the better traceability of the yarn including the raw material. So, our supplies will be preferred in domestic and international market where such yarn commence premium of course at present the demand for such yarn is increasing, but at present it may be a little low, but going forward there is going to be huge demand and it will be only sustainable products and of course in organized sector. Perhaps we are among only few people in India who are having such type of worker, recycled polyester stable fibre manufacturing plant. So, it may add 1%, 2% it is a rough calculation, but I personally feel that it is going to be a big game changer in the years to come for the surplus. Thank you.

Nitin Agarwal: Sir, I fully agree with you sir, do we have any plans to set up a large production capacity in the production linked incentive scheme or in the textile park?

S K Khandelia: We are examining, we are open to all, we have the resources, you have seen our financial position. So, strong our debt equity ratio is constantly going down so, we have ample scope to take all these opportunity we are examining that government has yet to announce the details, the exact details, though that has announced the basic framework about Rs 11,000 crore is allocated for this, but the exact details have yet to come, but we are definitely examining all the possibilities and all the opportunities we keep on examining and hopefully let us see how does it work out.

Nitin Agarwal: Sir do you foresee with the revival in demand, in exports and in domestic, there will be a margin expansion for the next two, three quarter?

Management: I think there should be, but in textile there are so many variables as you know whether it is raw material, whether it is the exchange rate, whether is so many other things like at present ocean freight is a big issue. So, container shortage is a big issue in exports, so many things keep on coming but overall, I personally feel that the margins are definitely going to be better going forward.

Nitin Agarwal: Sir, how big will be our home textile in our overall scheme of business say three?

S K Khandelia: We are very bullish on our home textile business, it's just a beginning, we have the in-house, we are working on different plans, but I hope it is going to be a sector segment to be reckoned with within our overall revenues. So, that is the plan otherwise you would not have wasted so much time and resources on it. But we had placed our home textile business in a different segments now, I said that we have recently started this cut service that is directly to retailers where we have developed warehousing facility in our plant. So there are big plans and that is likely to be a significant contributor to our revenues as well as to our bottom line going forward.

Moderator: Thank you. The next question is from the line of Anik Mitra from Finartha Research. Please go ahead.

Anik Mitra: Sir, I have a question regarding the new green fibre plant. Will the new fibre plant replace entire requirement of the raw materials, what you were sourcing at this point of time or what would be the contribution?

S K Khandelia: No, you see our consumption is much higher overall, you see we are not only a manmade fibre, we are in various products and our total daily consumption of raw material maybe about 100, total 300 tonnes per day about that depends upon market condition count so many production pattern or all those things. So, out of 300 tonne this plant is on 120 tonne because we use lot of cotton also. So, our capacity one third capacity is in cotton and cotton blended specialty yarns like mélange yarn, polyester cotton solid and such other value-added yarns which mostly are going to either to in domestic market to garment exporters or the yarn itself is being exported.

So, out of other two third capacity of synthetic which we have there also be use, this will be a part this you will take care of our requirement of this type of fibre to at least 80%, 90% of this type of fibre. Virgin fibre requirement will continue to because we viscose also, we buy acrylic also, we buy virgin polyester also. So, total requirement of raw material is 300 tonnes and it is 120 tonnes per day and out of that perhaps we are going forward we have in-house plant we may export certain thing after branding but those are the loud thinking at this point of time because there is a much more better realization by blended recycle polyester staple fibre because of this sustainable issue, which is people and consumers are getting very much aware about that. So that may be an additional advantage, so that is there.

Analyst: Okay, thank you for this for your answer. Sir, one another question like what sort of margin expansion we can expect from this particular plant?

S K Khandelia: 1% to 2% that is what I have said, we are not able, we have not that way considered it like that. But 1% to 2% is likely to be there.

Analyst: 1% to 2% okay, and sir can you throw a little bit of light.

: S K Khandelia: But it cannot be overnight, it will take a year or two, before we are able to achieve that.

Analyst: Okay, obviously yes, sir. And sir can you throw a little light on the PLI scheme of the government, I actually missed out I'm a bit late to join probably there was some discussion?

S K Khandelia: No, I have already mentioned about this production linked incentive scheme. You see the details are yet to be announced, government as in principle announced it and as a deputy chairman of CITI have been discussing with the various ministries and the scheme has been drawn, but it is still to be finalized and has yet to get the cabinet approval in principle that has been announced. So, as of now what they have included, they don't want to include each and everything, the one the areas where we are weak, in India we are basically cotton dominated. So, it is basically best for 40 selected globally traded top 40 items of MMF based textiles that is basically the winter garments basically sportswear such type of thing and 10 items of globally top technical textile item so, it is not open to each and every item. So, these are the items of the futures which India is with. So, that scheme is director to our incentives are very high. So, it is for the five years as of now, so every year you have to increase the production by 25%, 50% as they have given the different, but it is yet to be announced, details are yet to be announced it is within the government on this, as of now.

Moderator: Thank you. The next question is from the line of Dipen Vora an Individual Investor. Please go ahead.

Dipen Vora: Sir we just had to two, three queries. One, is I believe the MEIS scheme had been discontinued by the government in the middle, and they were talking about getting in remission of duties on taxes or some road trip or something of that sort. So, I just wanted to get your views on how does that impact the company, and where do you see that coming in, in the future?

S K Khandelia: So you were telling two, three questions, it is only one.

Dipen Vora: No, sir this is one. The next question I had was on Nesterra, and what is the plan of the company in terms of taking it to the next level because we have already invested quite a bit and we have made some good progress. Your presentation talks a lot about where you are. So, I just wanted to get a sense on what is the future prospects for Nesterra?

S K Khandelia: Okay, any other question?

Dipen Vora: No, sir this is it for now.

S K Khandelia: So now, first of all, let me reply about your MEIS, it is still going on, it has not yet been replaced government had earlier given that, but government could not come out with the details of RoDTEP scheme and that is still being worked out. And it will be rolled out in stages, it will not be possible for the government to roll out for all the products at a time, but some of the textile items have already been included for early rollout, but till it is not rolled out MEIS scheme will remain in force. So as around up to 31st March that is there and let us see then how it works out, but whatever MEIS is there that is going to be included in our RoDTEP still that is our

understanding as of now. Regarding Nesterra, I will be request Updeep Singh ji to give reply to your question, Updeep Singh ji you are online?

Updeep Singh: Yes. So, thanks for this question on Nesterra, so we have just started the journey with the cut service so we have a long way to go and we are determined to grow in a big way not in just as a sort of a add on, but this would be expanded in the coming years. But it is a little slow process they are not manufacturing oriented I would say business. So, in next two to three years we see a lot of future in this cut service business. So that is why we are investing our efforts and money in those, because we need a differentiated product that the market needs a differentiated product and service levels for this service business.

Dipen Vora: All right, so thank you that answers the question and on the new plants, any numbers that you can share in terms of saving that it will accrue?

S K Khandelia: No, I've already mentioned that we are likely to get 1% to 2% additional EBITDA level but it will take one to two year time.

Dipen Vora: Okay. And this will be at current utilization rates or will that only flow in when your utilization reaches a certain level?

S K Khandelia: No, our utilization is already full capacity is being utilized and the plant will run at full capacity from the day one when we start commercial production. It is already trial run is on full production.

Moderator: Thank you. The next question is from the line of Rishab Makhija an Individual Investor. Please go ahead.

Rishab Makhija: Just one follow up question, Updeep Singh sir mentioned in his address that we have got some business with big box stores as well as other stores, just wanted to know if you can throw some light on this opportunity and how do you see it going in the next couple of years and whether is it a part of service business only?

Updeep Singh: Yes, let me put the thing in perspective, I said, we have got into IKEA. So, IKEA when we get this we are being approved as a supplier for a particular category of product. So, this business is going through a big business when it comes in, it will take us another at least one quarter to get the first business in. So, it was a long process of almost one year to get the approval at the company level and then at the product level. So, that is our concern, as far as other parts I mentioned as far as Ethan Allen yes, there we have got the business through our subsidiary Americans Silk Mills. So that is also going to be a good business because that company is a big retailer and a big converter in US. So, similarly in the case with **Crate Barrel** Home Box. So these all businesses are to, **Crate & Barrel** is through American Silk Mills and Home Box is directly with us. So there we will be getting the business and in the next two, three years all these companies are going to be one of our major customers going-forward.

Moderator: Thank you. The next question is from the line of Ravi Jain an Individual Investor. Please go ahead. As there is no response from the line of Mr. Jain has muted his line. As there are no further questions, I would now like to hand the conference over to Mr. S K Khandelia for closing comments.

S K Khandelia: Thank you all, once again for joining us on this conference call. And to conclude, I will simply say that we are very much optimistic about future demand and margins. And there's hope to have improved performance going forward and I wish you all a very bright future ahead after this. 2020. Thank you so much.

Moderator: Thank you. On behalf of Sutlej Textiles and Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.