



“Creative Peripherals and Distribution Limited Q3 and 9 Months FY20 Conference Call”

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Moderator: Ladies and Gentlemen, Good Day and welcome to the Creative Peripherals and Distribution Limited Q3 and 9 months FY20 Earnings Conference Call. This conference may contain forward looking statements about the company which are based on beliefs, opinion and expectation of the company as on date of this call. The statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ketan Patel – Chairman and Managing Director. Thank you and over to you.

Ketan Patel: Good afternoon everyone. Welcome to Creative Peripherals and Distribution Limited Earnings Conference Call for the third quarter and 9 months ended of the financial year 2019-20. I would like to begin by expressing my gratitude to you all for taking the time to join us. On the call with me today is Mr. Abhijit Kanvinde – CFO, Mr. Vijay Advani our Whole Time Director of our company and Bridge IR our Investor Relations team. Before we get into the business and financial performance of last quarter, I would like to share a brief insight into our company. We are market specialist for experiential brands across India, Middle East and South East Asia. Our company specializes into market entry for global brands and work closely with its clients to achieve optimal market penetration and growth. Our network encompasses of all three channels online, retail and general trade. Thereby, giving us a strong leverage to reach out to a wider market base.

Furthermore, our value-added business model covers end-to-end solutions from market research, competition analysis to formulating and executing region specific marketing and presales strategies for brand. Currently, we have a strong long-term association with over 20 global renowned brands which we categorize in three broad divisions IT, imaging and lifestyle and security product. The wide spectrum of products from multiple vendors also has helped our company achieve economies of scale and a single sourcing point to our customer. We have identified four main categories IT, lifestyle, imaging and security. One of the key brands under the IT category is Honeywell. A fortune 50 company with whom we have deep integration in terms of contract manufacturing, distribution and marketing across India and Middle East.

The lifestyle segment has seen tremendous growth as consumer trends are moving from utility oriented to experience oriented products. Our wide product range encompasses TVs, headphones, projectors, personal grooming, product etcetera and we continue to expand our portfolio in the high growth segment. In imaging we offer a range of camera, lenses, backpack, imaging accessories such as tripod, etc. This category is growing aggressively as trends in photography change rapidly. One of the key drivers in the segment is GoPro which has significant growth in user adoption across the urban market in India. In security we strive to cater to the growing needs and demand for retail security product and are expanding in this direction rapidly. We are evolving into a major player in this segment with exclusive agreement

with global giants in this sector such as Inview. Our focus is on offering experiential products and enabling such brands to establish and enter new markets. We continue to aim for higher operational efficiencies and adding higher margins value added products to our portfolio. Associations with Honeywell, BaByliss and GoPro are steps towards that direction.

I would now like to take you through some key recent developments. We recently announced plans to launch an online digital platform for our network of clients. The new platform will enable all our customers to showcase their inventory and trade amongst each other, facilitating in higher volumes and expanding the product portfolio being offered through Creative Peripherals. We expect this platform to fortify our presence as a one stop shop for customer as well as improve our profitability and also their profitability. We will be able to add significant number of customers at a much lower cost.

I am also happy to share that we have entered into distribution agreement with several international brands across subsectors. One of the latest brands we have brought on board is Panasonic which is a global market leader in consumer electronics. We will be distributing their premium range of audio products in India. Our premium and niche brand that we partnered with recently includes Cooler Master, a niche gaming hardware brand, PNY Technologies, a US based specialist in high performance graphic cards and accessories and BaByliss, a premier personal grooming brand with global presence. These associations not only diversify and expand our portfolio, but also enhance and testify of the company's recognition among global brands. We are already witnessing strong demand for such products in the Indian markets both offline and online. So, from an overall business perspective that is all from my side. I will now hand it over to Mr. Abhijit Kanvinde – our CFO who will take you through the financial performance of the company in Quarter 3 and 9 months FY20.

Abhijit Kanvinde:

Thank you sir and a very good afternoon to you all. I will share the highlights of our consolidated financial performance after which we would be glad to respond to your queries. Our financials reported are as per IndAS guidelines.

Q3 FY20 financial results – In the quarter ended 31st December 2019 our company achieved net revenue of Rs. 129.5 crores with a year-on-year growth of 29.53%. This is mainly driven by rise in demand for our new and existing imaging and IT products including GoPro and Cooler Master. EBIDTA stood at 5.95 crores in Q3 FY20, an increase of 61.84% year-on-year. This was on the back of high margin brands and such as Cooler Master and GoPro which offset the higher employee cost we incurred from strengthening of our sales and marketing teams.

The net profit for the quarter is at 3.12 crores as compared to Rs. 1.45 crores in Q3 FY19 – this represents a growth of 115.7% year-on-year. Our EPS for the quarter was Rs. 2.69.

Now I turn to 9 months FY20 financial results. In the 9-month ended 31st of December 2019 our company achieved a net revenue of Rs. 330.84 crores with a year-on-year growth of 28.97%.

This is mainly driven by strong demand for imaging and IT products including GoPro and Cooler Master supported by additional new brands in the portfolio. The EBITDA stood at Rs. 13.97 crores in 9 months FY20, an increase of 51.24% year-on-year, on account of higher contribution from higher margin value added brands like Cooler Master and GoPro as well as addition of new product lines.

The net profit during the 9-month period is at Rs. 7.1 crores as compared to Rs. 3.72 crores in 9 months FY19. This represents a growth of 91.12% year-on-year. Our EPS for these 9 months was Rs. 6.12. This is all from our side. Now we can open the floor for question.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Abhay Shah from IIFL Securities. Please go ahead.

Abhay Shah: Congratulations on a good set of numbers. The questions were in from the key development site if you see, want to know more so wherein I was curious about to know more about on the products wherein it is written signed distribution agreement with Panasonic global consumer electronic brand to distribute premium audio products across Madhya Pradesh, Rajasthan and can you elaborate a bit I want to understand more about the products?

Ketan Patel: We have always been distributing audio category product for different brands. We do brands like Sennheiser, and Panasonic now entering the so it was always there, but it is now entering the premium audio headphone category, the headphones which are noise cancellation and you can decide the amount of noise cancellation with hand gestures, it also allows that. And Panasonic is a global giant in many countries and we thought the association with Panasonic starting with the audio category can take us further and then we can get into consumer products also of Panasonic or we can have a good space in terms of Panasonic and have similar kinds of brands which are in similar space. So currently our distribution contract with Panasonic is for headphones exclusively in the Western India region and the ASP of each headphone average headphone would come to around Rs. 12,000 to Rs. 14,000. So we are not looking at lower category headphones we are looking at something which are at an average ASP of 10,000 to 12,000.

Abhay Shah: Sir what would be the margins of the same?

Ketan Patel: Still this comes into the lifestyle category all these are between 12% and 14% margin.

Abhay Shah: And these headphones are used normally or because have not come across such?

Ketan Patel: So these headphones are actually is for normally, but nowadays if you see everybody wants the space and everybody is now moving to co-working spaces like office other places. So there are a lot of people who want that to get their own space they want to use noise cancellation headphones where they can actually adjust the amount of noise cancellation they require. So

demand for this products globally has definitely increased a lot and in India also we are seeing a lot of traction now on this kind of products.

Abhay Shah: Some sort of numbers that this much will be sold off?

Ketan Patel: So Panasonic has just started so this time we added three products we added Panasonic, PNY and BaByliss. All put together we have sold close to Rs. 4.5 crore material in this quarter.

Abhay Shah: And what is the traction that you are looking sir if you can give me some numbers on it, some light on it, going forward what would be traction on this if at all?

Ketan Patel: We consciously feel that next year all these brands put together should be between 80 crores to 100 crores.

Abhay Shah: Sir, but the similar lines products or something else?

Ketan Patel: So for example PNY is not similar kind of product, PNY is more from the gaming industry side and it has high end graphic card and high-end cards for processing the backend. It has also SSD also which are now very popular. So from the gaming side BaByliss is no longer personal grooming side and Panasonic is merged on all the sides. We are thinking that the consumer audio and that category will grow very well. Panasonic as entry that we will learn with Panasonic and that gets relevant brands from US.

Abhijit Kanvinde: But yes there is definitely a good market, media and entertainment market is really a good market for Panasonic as well as PNY.

Abhay Shah: Sir, what would be these all things will come into which of the GST slots if you can?

Ketan Patel: So almost everything is into the 18% category all three are in the 18% category.

Abhay Shah: I have gone through one more thing is one question on digital platform, so can we just elaborate on that how you are seeing the opportunity and how we can evolve the company?

Ketan Patel: It is a very good question and so we felt the need because we are a very B2B company and we sell products to our customer who in turn will send to a retailer or an end consumer. So we are building a platform whereby our customer will be able to transact, discover new products and then share this products with their customers. So this digital platform will enable synchronized approach. So whenever we will introduce a new product line the training for that new product, the discovery of that new product, the factsheet of that new product, the customer will get it effectively and our customers in turn will be able to share it to their customers in their own company's format and in their own company's name. So currently we have close to 5,000 customers out of that close to 2,100 customers buy material every month from us. So the pool is totally 5,000 customers to 2,100 customers buy material every month from us. If the introduction

of the digital platform we are seeing that so we will be able to add considerably new customer also plus our current existing customer also the working with them will become more efficient without adding any extra manpower.

Abhay Shah:

But my question on this what would be that different that suppose I am a customer and what is that on the plate that I would like to shift from the traditional way that I am dealing with you vis-à-vis the new platform, what will be that difference?

Ketan Patel:

I will just give an example, so we did a deep study with our customer today our customer has four problems. One is they lack marketing after the online becoming so powerful the traditional customer and you know India still traditional markets are close to 80%, 85% is still traditional market, but this customer has four problems. Number one problem is that they lack in marketing that is the first problem. Second problem is that they also have some statutory compliance issues post GST, post other stuff. Customers have a larger basket of products. So for example if a customer is there say he is buying Samsung from us today, then he has gone through the site to transact for a Samsung it will also the site will automatically tell him that we have introduced BaByliss as a product and it will ask whether you want details for BaByliss if he says yes on that if he ticks on that it will say that okay we have 7 people from your organization with the same email id. So do you want us to send the information to all the 7 people or you want to send it to 2, 3, 4 if you say send to all 7. Now everybody knows that WhatsApp is the most effective use of communication. So the site will say that whether I send you a WhatsApp, an email or both if you select for both the emails will go to them then second time it will ask him that would you like to share this products with your customers. If he says yes then he has to select the Creative there would be 4 marketing Creative available there - he selects A we have got BaByliss and that Creative will automatically become in this name. So for example if he is Ghanshyam Das and Company the Creative will become AVO BaByliss and then down it will down Ghanshyam Das and Company and then they can WhatsApp or email the same Creative to their customer. Post that they can schedule all training of their people on that and the last, but not the least this platform will synchronize with Tally software so they do not have to worry about double data entry and other stuff so that will also help them and last each customer of ours will be able to have a white label website so they can have a Ghanshyam Das and Company website which will be powered by this digital platform and already all the scope, all the wire diagram everything has been written about it the contract has already been awarded. So I think by next quarter the digital platform would be up and running. So we are not going from a B2C site we are trying to empower our customer to reach to his customer in a more effective way. Also the website will provide him insights about what is the current price going on retail sites like Amazon and Flipkart and also it will allow him to create price list effectively. So for example if he selects BaByliss and he says I want to put a 10% margin he has to just say 10% and the price list will be created in his name. So this is a very unique concept – it will help us to first digitize our existing customers and then because of penetration of internet everybody is looking for some form of business they want to do. So it will help us to get a lot of new customers on this that is the stage one. Second stage is then we can have catalogue sale enable also because not all our

customers buy 100% of the stock from us. So for example they are buying 20% of material from us they can put their 80% material also in this website which our 5,000 customers will be able to buy. So it will be a platform which will help our customers to sell their inventory and it will also help us to sell our inventory to all the customers effectively without adding backend, without being more sales people so that is a whole digital platform.

Abhay Shah: So here it will cover up the lifestyle stuff or everything, information technology, imaging and that kinds of products?

Vijay Advani: Yes. So this idea came to us in about a year and half before.

Abhay Shah: Correct me if I am wrong that you are trying to create us some sort of market by itself?

Vijay Advani: So if I elaborate in such a way that this idea came to us about a year and half before when we had the CRM in process and about small team to do you know the treasury sale for the people to whom we distribute the goods so that we have complete control of the markets, but the database of a total B2B partners in India is about 3,50,000 so we cannot sell it to each and everyone. So to enable that we want to make this platform comfortable so when we sell it this our distributors it becomes easy for them to cover those and they are the marketing hands for us.

Abhay Shah: Sir, can you just elaborate more on the imaging on the part of your segment?

Ketan Patel: One is that we all know that India is a country of millennial right. Our 75% of population is less than 35, 22% of the world millennial are in India the whole world 22%. And these millennials now have they actually have three to four hobbies which they follow and then couple of hobbies are there which they practice because their Roti Kapda, Makaan requirement is over, their requirement about self-respect according to Maslow's law that is over. Now they are looking at what is the purpose of life, about self-actualization and that is why they follow this couple of hobbies. In this hobby the photography is number one hobby which they follow and photography as an industry is a 200-year-old industry which got consolidated after the mobile phone coming into play. So now there are prosumers they are like professional kind of consumers and people who have hobbies they are not big consumers and this type of professionals they like to number one buy stuff from specialist. Number two they want a community to be there. So for example when we do Olympus camera then we would the Olympus camera guy wants to speak to an expert then he wants wildlife trail, a bird watching trail to be done then he would like to talk to the community, exchange his idea all that stuff. For example you know Waheeda Rehman right. She is a veteran lady, she just took up to photography and she just got Olympus equipment to start doing photography. So imaging as a category is a high growth, high margin product, but you require people who can give experiences, you require partners distributors who can give great experience to the consumer because the consumer is not looking at just buying equipment he is looking at buying a whole experience and that is what is our Speciality and that is what imaging is giving us the highest EBITDA margins in the company right now.

Moderator: Thank you. The next question is from the line of Harsh Shah from Dimensional Securities. Please go ahead.

Harsh Shah: Following up on this digital initiative sir how much money have you already spent on this and what further CAPEX or marketing spends you will be doing to get the customers on board?

Ketan Patel: So for the digital imaging thing number one we know that we do not have deep pockets into that. So currently as of now we have not spent anything to answer your question more elaborately the whole cost of the digital marketing for us on a period of 5 years including having technical team including having backend to upload products and all will be close to 1.5 crore over a period of 5 years that is Rs. 30 lakhs a year. This expense could have been larger say double of it or three times of it, but we have advantage that one of our co-founder Purvi she comes from a software background and understand software coding very well. So we are building this platform very diligently and we know our business very well, so we are just trying to digitize that thing. So overall the expense for over a period of 5 years total cost of ownership for this product would be close to Rs. 1.5 crore and we are not going to spend a lot of money on marketing, we are just trying to get our existing customers and new customers organically because we have a large product portfolio. So anybody who wants to start distributing or offering products to their customers they would be able to have great benefit from this. So we are not looking at any big marketing budget for this.

Harsh Shah: So when you say that you will be listing your customers and they will sell it to their customers?

Ketan Patel: Yes because we are a B2B company.

Harsh Shah: So essentially it would mean that you will be selling your clients product for instance if I take BaByliss as an example you will be selling BaByliss to your customers your B2B customers right?

Ketan Patel: Correct. So there are two things one is we will be definitely selling BaByliss to our... so right now what is a process. For example when we got BaByliss we think out of this 5,000 customers and 2,000 customers who are on an average active every month who will buy BaByliss that just we decide, but when this platform comes into the place this existing customers will come to transact say for he is buying Samsung he will come to transact on Samsung and he will discover that we have BaByliss on that and then it is his choice whether he wants to take a BaByliss further if he wants to take BaByliss further he can then share it with his customers and because we sign all exclusive agreement the whole pipe of the material is with us only. So the more our customers sell the more our products will sell and the amount of flexibility which our customers can offer we cannot offer because you know India is still not a big digital economy in terms of payments, other stuff. So this customer gets an advantage of credit they can get an advantage of paying in 30 days trying the products and all that so that is one big advantage which will happen. Second is we have on an average 3,600 SKUs. Now our customer do not buy all the 3,600 SKUs

but today that whole 3,600 SKUs right now are sitting on our ERP, but they are not exposed to the customer till he gets it. Now he has an option that all that 3,600 SKUs to his 300, 400, 200 customers he can make it available at the click of a button.

Harsh Shah: And sir coming to your overall lifestyle business so if I take it as a bucket the entire bucket provides you margin of 12% to 15%?

Ketan Patel: Yes sir.

Harsh Shah: And currently how much it contributes to your revenue and where do you see that going over the next three years or so?

Ketan Patel: So Abhijit would answer that.

Abhijit Kanvinde: Now as you know for last 9 months if you see the segments what we are running. We have imaging IT and lifestyle plus securities as others clubbed together because IndAS, as per IndAS we have to have individual contribution of revenue more than 10% to be a segment. So in the 9 months period last 9-month period the imaging had contributed to 44%, IT has contributed to 44% of revenue and lifestyle and security has contributed to 12% of revenue. The total revenue was 329.53 crores.

Harsh Shah: How do you see this composite changing over next three years, so lifestyle currently contributes 12% so when do you see that going ahead?

Ketan Patel: It depends upon two things it depends upon the product categories what we add also if that product category. So for example consider BaByliss. BaByliss is just new entrant it has got three months' time. Now if BaByliss does well next year the lifestyle category can become between 15% to 18%. BaByliss as a category personal grooming is a category which is owned by online space. So today almost 60%, 70% of all grooming products are sold online. So if we are able to crack Flipkart and Amazon on that probably BaByliss sale will grow very rapidly. So the growth is a component of two things. One is with new brand additions and how your existing brand does that and our whole thought process is that we want to take the lifestyle and security category to close to 20%, 25% over a couple of years.

Moderator: Thank you. The next question is from the line of Nayan Gala from Ertiga Wealth. Please go ahead.

Nayan Gala: So according to you who are your competitors and what is the different thing which Creative does that sets us apart?

Ketan Patel: So two things I will tell you. First I will answer your question about the competition part. We are a very different company in terms of for example our company pillars are two. One is we are

into products which give a great customer experience. So product like GoPro or product like Olympus or product like Cooler Master or ThermalTake all this fall in this category and second pillar is our Honeywell business where we are licensee of the brand Honeywell. So under that we do a contract manufacturing for Honeywell products and we distribute in India and Middle East region. So there is no similar company to us which does customer experiential products and also who does contract manufacturing and have brand licensee.

Now moving to customer experiential product also when you want to do a customer, so you require three, four components to it. First is you require access to partnerships. For example if you want to today sell a GoPro you require partnership with influencers, you require partnership with all retailers, all online people, you will require partnership with the media houses, you will require partnership with photographers, you require partnerships with schools. So and when you require the skillset to sell that product you require skillset to train that product. A lot of companies are there who are city based doing well there is no company like us who can do it Pan India this kind of thing. So in that case we are very different. Now what sets us from so typically lot of people categorize us as a distributor. So what separates us from a different distributor is a distributor will usually import a product, distribute the product and forget it whereas we do import distribute, training, we do marketing, become the brand extensions of the brand then we also do the servicing of the products and we also do the recycling of the product. So all six components we do and we take products which are tough because for example if you want to do photography you will have to speak to at least 120 photographers will have to at least do 10 to 12 shows a year for that particular brand, you will have to go to all photography schools to explain them the product, you will have to engage with students, you will have to have equipment, you will have to do photo trails a lot of stuff to do to build a brand and lot of people do not have that so they do not have division in that organization or that skillset to do that. So that sets us apart one. Second is all the product which we take for our distribution are exclusive to us. So either they are all India exclusive or they are channel exclusive or region exclusive, but in the case of product range which is exclusive then only we take up that product so that also set us apart from other people.

Nayan Gala:

This is one condition like we negotiate with the brand?

Ketan Patel:

Usually the negotiation is never on price, the negotiation happens two ways. First is we have to understand the India strategy and if the Indian strategy is fitting well then we have to negotiate about what is the marketing budget, what their manpower and all. So we have always kept two things that let the brand decide the pricing, let the brand have their own marketing strategy what they have. We will give them all the kinds of inputs we want to give. The only thing we tell them is that we want to be fair to the Indian consumer. So when you sell a product you at least have the same RRP so retail suggested price what is in US you have the same retail suggested price in India that is one thing which we tell the brands.

Nayan Gala:

And sir one more question, sir what will be the working capital cycle currently?

- Abhijit Kanvinde:** Now overall working capital cycle right now is approximately between 55 days and 57 days right. If I say that approximately inventory would be 40 days receivables will be 30 days and around 20 days of creditors cycle. So between 50 to 55 days is the cycle.
- Nayan Gala:** And sir any plans to reduce this or this is the industry standard?
- Ketan Patel:** No, if we go by the industry standard then there would be not much we will do. So we are doing three things to reduce. One is the digital platform will help us in catalogue sales also. When I mean catalogue sale is for example lot of our customers have some product which we do not distribute or sell that becomes enable for our customers. So catalogue sales will definitely get our inventory down that is the first part. Second in the digital platform when we get additional customers at least friction when I say least friction is when we get additional customer without adding additional manpower, without filling up forms ourselves and everything then probably our inventory will start moving well and this additional new customers will not be mainly on credit they will be upfront payments because their quantities maybe smaller. So these two initiatives will definitely have. Our endeavor actually is to get the credit cycle to 36, days, 37 days this year we have to set a benchmark that we will get it to 43, 44 days, but unfortunately we have not been able to better it we are still there at 51, 52 days.
- Nayan Gala:** Sir, one more question last question sir what will be the operating cash flow?
- Abhijit Kanvinde:** You want an annualized answer of the operating cash flow.
- Nayan Gala:** No as on 9 months?
- Abhijit Kanvinde:** For 9 months just give me a second. It will be in the range of 9 crores.
- Nayan Gala:** And sir what do we see it for the full year?
- Abhijit Kanvinde:** It is resultant of my third quarter numbers and my PAT so it will be a very rough benchmark I can give you or a range I can give you.
- Nayan Gala:** Sir, if you can just provide me with the range as well that will help?
- Abhijit Kanvinde:** So approximately between 13.5 to 14 crores should be my range is my estimate.
- Nayan Gala:** Sir, this will be a positive cash flow, right?
- Abhijit Kanvinde:** That is right.
- Moderator:** Thank you. The next question is from the line of Ayushi Sharma an Individual Investor. Please go ahead.

- Ayushi Sharma:** Sir how do we trade with China because of the latest news of coronavirus is it anyhow going to impact us?
- Ketan Patel:** So my answer to this is if the coronavirus thing does not extend for more than another 10, 20 days then it will positively impact us because our inventory levels will go to the lowest because none of the inventories coming from there plus the customers will be keen to take a lot of inventory because of this fear that they may not get inventory. If it extends a longer period of time then it may not affect our quarter this March. It will affect our next quarter growth. Number two is only 30% of our inventory comes from China that also from Shenzhen rest of the inventory comes from Taiwan, Korea, Italy and other places. So if it extends then we will have a kind of negative impact for the growth of the numbers in the next year. This quarter we will be okay with it.
- Ayushi Sharma:** Sir, what is the total debt as in for long term and working capital?
- Abhijit Kanvinde:** The long-term debt is approx. 8 crores and short-term debt is around 35. So around 43 crores is the total debt in the company and today position as on December the debt equity ratio is 1:1.06 and that is not much 1:1 almost.
- Ayushi Sharma:** And apart from the existing clients do we have anymore that we are going to sign anytime soon?
- Ketan Patel:** So in a year usually we sign 2 to 3 brands so this year we already signed 3 brands for the next year also you can expect the same you would have 2 to 3 brands. The customers in terms of them we grow our customers every year by 8% to 10%. Next year because of the digital platform we think that the number will be huge, but I will be able to tell you only after the launch of the digital platform and the success of it.
- Moderator:** We move to the next question from the line of Sainath Ausare an Individual Investor. Please go ahead.
- Sainath Ausare:** Sir, my first question is basically can you provide me more information on the Creative connect event?
- Ketan Patel:** So as I told you we are B2B company and our whole endeavor is that how do we increase our customers bottom line and also the rate. So last year we thought that let us showcase our product and let us call our customers and our customers can call their customers and they can see all the products. So we had a Six City Creative connect an average of 80 to 90 people came into each event and if you see overall the cost of the event was less than a lakh of rupees. So at Rs. 1,200 we could showcase all the products to each customers and so for example you have say 18 products being showcased if a customer is interested in say four products then he can spend a lot of time there. The brand representatives are also there, the distributors are also there so the customer at one go can get the complete idea of that plus we can also see the whole basket of

Creative what products we carry. So this initiatives have really worked for us very well and this year also we are seeking to expand it to say 15 cities and conduct the same.

Sainath Ausare: So it is going to be a regular activity right?

Ketan Patel: Yes sir as of now it will be a regular activity.

Sainath Ausare: Sir, my second question is basically is there any new loan taken during this period that cause interest?

Ketan Patel: For the loan you are saying I will ask Abhijit to answer.

Abhijit Kanvinde: Right now this year numbers are topline is concern and the profits we are likely to plough back I do not think we will add any loan in this year.

Ketan Patel: For the last quarter we took.

Abhijit Kanvinde: So for the coming years yes we would need this an addition of approx. 10 to 12 crores in working capital to service our future turnover.

Sainath Ausare: Sir, my third question is can you provide me the ROCE for individual segment?

Abhijit Kanvinde: My overall ROCE is in the range of 16% to 18% individual I am afraid I will not be able to provide you segment wise.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Ketan Patel for closing comments.

Ketan Patel: I thank the entire team of Creative for their untiring efforts and hard work, sincerity and dedication also appreciate all of you for participating into our conference call. Please do get in touch with our investor relations thing for any further queries. Thank you.

Moderator: Thank you. Ladies and Gentlemen, on behalf of Creative Peripherals and Distribution Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.