irisclothings.in

Date: 7th February, 2025

To
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
Bandra- Kurla Complex,
Bandra(E),
Mumbai-400051
NSE Symbol - IRISDOREME

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call of the Company– Q3 & 9MFY25

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Group Earnings Conference Call held on 4th February, 2025, at 11:00 a.m. for discussing operational and financial performance for the quarter and nine months ended 31st December, 2024.

The above information is also available on the website of Company at www.irisclothings.in.

We request you to kindly take this on record.

Thanking you,

Yours Faithfully,
For **Iris Clothings Limited**

Santosh Ladha
Digitally signed by Santosh Ladha
Date: 2025.02.07 12:54:14 +05'30'

Santosh Ladha
Managing Director
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"IRIS Clothings Limited Q3 & 9M FY25 Earnings Conference Call"

February 04, 2025

MANAGEMENT: **MR. SANTOSH LADHA – MANAGING DIRECTOR**
MR. HARSHVARDHAN SARDA – BUSINESS HEAD
MR. NIRAJ AGARWAL – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day and welcome to IRIS Clothings Limited Q3 and 9M FY25 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. Should you need assistance during the conference call, please signal an operator by pressing the "*", then "0" on your touchtone phone.

I now hand the conference over to Mr. Abhishek Bhatt from E&Y Investor Relations. Thank you and over to you.

Abhishek Bhatt: Thank you. Good morning, everyone. On behalf of IRIS Clothing Limited, I welcome you all to the Company's Q3 and 9M FY25 Earnings Conference Call. The Results and Investor Presentation are available in our filings with the Exchange.

To discuss the business performance during the quarter and outlook, we have with us today, Mr. Santosh Ladha - Managing Director, Mr. Harshvardhan Sarda - Business Head and Mr. Niraj Agarwal - Chief Financial Officer of IRIS Clothings Limited.

Before we proceed with the call, a disclaimer, please do note that anything said on this call during the course of the interaction and in our collaterals, which reflects the outlook towards the future or which should be interpreted as a certain forward-looking statement must be viewed in conjunction with the risks the Company faces and may not be updated from time to time.

More details are provided at the end of the investor presentation and other filings that can be found on our website www.irisclothings.in. Should you have any queries or need any further information at the end of this call, you can reach out to us at our e-mail addresses mentioned in the Company collaterals.

With that, I would like to hand over the call to Mr. Harsh. Thank you and over to you, sir.

Harshvardhan Sarda: Thank you, Abhishek. Good morning and thank you all for joining us on today's call to discuss our performance for Q3FY25. I am grateful for the opportunity to share with you our performance over the past quarter and share our plans for the coming years.

On the "Operational Performance" during Q3 FY25:

The Company experienced a strong performance relative to the same period in the previous year. Our B2B segment, which is a major contributor to the overall business, has been growing at a good pace. We successfully added 4 new distributors in Q3 FY25, aggregating to a total addition of 13 new distributors during 9M FY25. This has expanded our network to over 177 distributors. Our strategic focus has been on deepening our relationships with distributors rather than merely expanding our network in breadth alone.

On the product portfolio end, we have continued to increase our focus on the infant wear category and expanded our product range to include infant sets, cord sets, nightwear and fresh designs in the Disney apparel line as well. These new offerings have been carefully crafted to meet our customers changing needs and have been positively received in the market. With these updates to the infant wear category, we aim to raise its share from the current 10%. After years of dedicated effort to build our DOREME brand and create a strong brand recall, we are now advancing towards significant growth by focusing on and expanding our direct-to-consumer segment. In our pursuit to strengthen our D2C presence, we have already made progress by opening 5 new exclusive brand outlets during the first 9 months of FY25, taking our total count of stores to 7. This approach is in line with our grasp of market trends and our dedication towards strategic expansion plan.

Looking ahead, IRIS Clothing is starting a clear path for expansion in the D2C segment, along with the distributor segment. We plan to open around 100 stores in the next few years and are making significant investments in assembling a robust team for our retail division, which will play a crucial role in elevating our brand DOREME to new heights. In addition to expanding our retail footprint, we are also continuously updating and diversifying our product portfolio to enhance our merchandise offerings to our consumers. With a solid foundation and a strong brand reputation, we are enthusiastic about the opportunities that lie before us. We are confident in our ability to meet and exceed our aspirational targets. We believe that our efforts will continue to bear fruit as we move forward.

I will now hand over to call to Niraj Agarwal – our Chief Financial Officer, who will walk us through the Q3 and 9M FY25 financial numbers. Thank you and over to you, Niraj.

Niraj Agarwal: Thank you, Harsh. Thank you all for joining us today. I am pleased to share that we have delivered robust performance in Q3 and 9M FY25.

Talking about the key "Financial Highlights" for Q3 FY25:

Our total income witnessed a remarkable increase of 42.1% year-on-year reaching Rs. 33.4 crores up from Rs. 23.5 crores in Q3 FY24.

Consolidated income during 9M FY25 stood at Rs. 106.2 crores, a significant growth of 33% year-on-year against Rs. 79.8 crores reported in 9M FY24. While our EBITDA for the quarter was Rs. 6.1 crores as against Rs. 5.4 crores in Q3 FY24 with an EBITDA margin of 18.1%. EBITDA for 9M FY25 stood at Rs. 20.1 crores as compared to Rs. 19.3 crores in 9M FY24, with an EBITDA margin of 18.9%. Additionally, profit after tax for the quarter was Rs. 2.4 crores as against Rs. 2 crores in Q3 FY24, a substantial growth of 20% year-on-year.

During 9M FY25, net profit was Rs. 8.6 crores compared to Rs. 8.7 crores in 9M FY24 with a PAT margin of 8.1%. To summarize our financial performance, we remained focused in driving operational excellence and capitalize on growth opportunities.

With this, we can now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*", then "1" on your touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Vinadh Sabmit from Sabnis Financials. Please go ahead.

Vinadh Sabmit: Hi, very good morning to the management and congratulations on a great set of results. I have a few queries. So, the first is regarding, since the Q3 we see is a seasonally sort of a weak quarter for us, so is there some strategy to launch any festive wear products or especially dedicated line, because Q3 usually for other retailers or consumer segment is dominated by festivity. So, is there any thought pattern on that matter?

Harshvardhan Sarda: Hi, Sabmit. Thank you for the question. So, I understand what you mean that we should launch the festival wear collection, but one of the major reasons for Q3 being slightly weaker is because of the seasonal change. All the winter wear products which usually sells at a retailer set during the months of November, December, January. Since our major sales are to distributors; our distributors buy it from us by September because that is when they forwarded to retailers. So, as we move towards D2C a little more, Q3 will start becoming stronger for us in the longer term.

Vinadh Sabmit: So, as you are mentioning, we are moving, focusing more on D2C, is there any number or part which has been laid down to strategic target over 3 years, 5 years in to reach a certain number or revenue or profitability in the B2C business?

Harshvardhan Sarda: Absolutely. We are very focused with a very specific plan to grow the entire business as a whole. For D2C specifically, we have set certain targets which you can find in our investor presentation. We are opening to target roughly around 100 stores over the next few years initially and with a larger ambitious plan of over 400 stores in the next 5-6 years.

Vinadh Sabmit: Yes, Harsh, I have been through your presentation. I would like to appreciate the presentation, very in-depth info, just one more query. I want to understand since we are majorly consumer facing business, especially with SKUs who have a very high growth compared to IRIS Clothings, we must be having a very wide range of SKUs, approximately what is the broad range of SKUs we have?

Harshvardhan Sarda: Yes, we have the entire range of SKUs basically to cater to kids from the age of 0-16 with multiple categories inside. So, if I have to give a rough number on the number of SKUs, we would be somewhere around 1000 SKUs for the whole year.

Vinadh Sabmit: And roughly, what is the inventory days or?

Harshvardhan Sarda: Overall working capital days that we will be maintaining by the end of this year would be around 190 days.

Vinadh Sabmit: Great. This is very informational and insightful. Thank you so much. If there are any other queries, I will come back later.

Harshvardhan Sarda: Thank you, pleasure.

Moderator: The next question is from the line of Bharat Sharma from Equirus Capital. Please go ahead.

Bharat Sharma: Hello. Good morning, everyone. So, my question is on the brand outlets as the Company is planning to open new brand outlets in quarter 4, so have you secured any location for these new outlets? And where will be the Company's focus on opening on these outlets, whether in the Eastern region or we looking to expand in Mumbai?

Harshvardhan Sarda: So, the next set of outlets that we are planning is primarily in 4 cities of the South, so primarily Bangalore, Chennai, Hyderabad and Bombay along with Calcutta. These are the 5 cities that we want to open the first few set of outlets for our Company.

Bharat Sharma: Ok, thank you. I will come back in que for the next follow up question.

Moderator: Thank you. Before taking the next question, we would like to remind participants that you may press "*" and "1" to ask a question. The next question is from the line of Navin Kumar, an Individual Investor. Please go ahead.

Navin Kumar: Yes. Thank you for the opportunity. So, my first question is, are there any plans for direct online sales for the customers to align with the other players in the retail industry?

Harshvardhan Sarda: So, if we talk about it, we are already present on marketplace like FirstCry. We have a very strong presence on FirstCry already and we have our own D2C channel which we launched a year ago. We are not really expanding the D2C channel right now by spending aggressively on advertising there, but we are figuring out a stronger strategy to launch the D2C very strongly. So, I think over the next few quarters, you will find some results on that segment, but we have a very strong presence already online on marketplaces like FirstCry.

Navin Kumar: And my second question is how has been the growth in the newer categories which we have launched during H1 FY25?

Harshvardhan Sarda: I think that we have seen decent growth in the infant wear category, specifically, the 0–2-year segment. Since we are adding a few new product categories in that segment every quarter, that is every season actually which is driving a good percentage of growth for us also. I think new product categories overall are being accepted quite well into the markets.

Navin Kumar: Thank you for the answers. I will join the queue.

Moderator: Participants who wish to ask a question may press "*" and "1". The next question is from the line of Riya Mehta from Accendo Capital Markets. Please go ahead.

Riya Mehta: Yes. Hi, team. Thanks for the opportunity. So, I have a couple of questions. My first question is how is the demand situation at our EBOs and whether the first 2 outlets which we opened in Calcutta last year, so have they reached break even?

Harshvardhan Sarda: Hi, Riya, thank you for your question. Yes, so the first two outlets we have definitely reached breakeven at an annual level. And we see the demand in the EBO segment growing, but then again, retail is very dependent on season specifically in the Eastern region because the Durga Puja season is much stronger than the rest of the season. So, we are identifying those demand points and trying to play along that. But we are very confident that the demand overall for this segment, especially for our brand will be very strong as we open more stores and have more presence across the places that we are targeting.

Riya Mehta: Thank you so much. And my second question is in terms of product development, are we looking to broaden our accessories range or will we continue to concentrate on our core kids we are offering considering the high pricing nature of accessory?

Harshvardhan Sarda: We want to continue to focus primarily on the clothing segment, because that is where our forte, that is where the brand has been built on, but having said that, we are very keen on adding new accessories, so we are adding bags and certain other accessory categories as well because at the EBO level we need the entire set for the consumer to have an overall experience at the store with the merchandise. So, correctly pointed out, we are definitely adding accessories, but it will not become a major part of our collection. We still want to remain primarily an apparel brand.

Riya Mehta: Ok.Thank you.

Moderator: Thank you. The next question is from the line of Kruttika from Mirae Asset. Please go ahead.

Kruttika: Good morning, sir. Thank you for the opportunity. The first question would be on the store addition. So, in the previous calls, you had indicated that you will be opening 10 stores in the second half and whereas in this quarter there has been no addition, so what has changed materially in this quarter, so why this change in store additions that is what I want to ask.

Harshvardhan Sarda: So, thank you for your question. Q3, specifically, was a conscious call from our end to not open stores because it is always a change in season in the regions that we are targeting in. So, what we are doing is we will be launching a few stores this quarter. Maybe not the 10 number, but then again, we will be somewhere around close to that number.

Kruttika: So, around 5 in this quarter in Q4?

Harshvardhan Sarda: Yes, I am sure.

Kruttika: And the remaining target that you have mentioned in the PPT for the next few years remains the same? So, there is no change in that?

Harshvardhan Sarda: Yes, that will remain the same.

Kruttika: Alright. And in terms of your capacity utilization for the 9 months, what has been the capacity utilization for the 9 months of this year?

Harshvardhan Sarda: So, capacity utilization, currently, we are somewhere around 84-85% number. So, we have an install capacity of around 33,000 pieces per day and currently we are using around 28,000 pieces per day.

Kruttika: And we had targeted to take it to 37,000 by this year end? So, is it expected to take place in Q4 or will that now go in FY26?

Harshvardhan Sarda: Q4 will slightly enhance it, maybe up to 35,000 pieces per day. But major expansion will come over the next year.

Kruttika: So, by FY26 end what is it that we are targeting?

Harshvardhan Sarda: So, with the current apart from Greenfield expansion that we are planning later, we will take this capacity to around 38,000-48,000 pieces.

Kruttika: 48,000 by we can say FY26 end?

Harshvardhan Sarda: Yes, March 26 is what I am talking about.

Kruttika: Yes, right. And the next year for FY27, you are further adding I feel some capacity, right, so by FY27 end what would be our capacity?

Harshvardhan Sarda: Before FY27, we are planning a Greenfield expansion at the factory level as well. So, I think that will enhance the capacity quite a bit. But then again, that is something which is still in the words. We will let you know as we have more information.

Kruttika: Alright. And you know, just one verification, which are the five cities that you mentioned for EBO expansion currently?

Harshvardhan Sarda: Also, primarily Bangalore, Hyderabad, Chennai, Bombay and Calcutta in and around.

Kruttika: These are the questions from my side. Thank you.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question to the management, you may press "*" and "1". The next question is a follow up question. It is from the line of Vinadh Sabmit from Sabnis financial. Please go ahead.

Vinadh Sabmit: Hi. Thanks for the opportunity for this follow up. The answers forn the previous question was also very insightful. I would like to ask a few broad-based questions to the management. So, as we are about to roll out massive expansion set, which involves a lot of storefronts both on the Company owned and franchise EBO owned, so what is our major strategy on this brand, because I heard you mention a few cities, but are we keeping in mind what are the population growth metrics in those cities and what is the competitive intensity in those cities? Which brands are already strong in commerce? And what is the right to win in this situation?

Harshvardhan Sarda: Absolutely. We are very focused on that strategy. We have built multiple models on those by doing a competitor analysis in terms of which city. Apart from that, since we have been in the industry for almost 20 years now, we have a lot of insights. We are present in over 1000 retailers in a city like Bombay. In Bangalore, we are present in over 700 retailers, similarly for Chennai. So, since we already have a very strong presence in the retail sectors in these cities, we have insight on what the products are, what the competitors are. So, diving all of that, that is how we have come to these 5 cities. But then again, it is a strategy which will enhance, and it will evolve overtime because it cannot be a fixed-fixed strategy. However, being said that this is what the overall strategy that we have defined from our experiences, along with market research that our teams did that we did ourselves. It is a very well thought out strategy.

Vinadh Sabmit: Yes, of course, we have a very rich legacy and successful track record, so we are all excited by what comes next and one more question if I may, we have recently seen a macro change in the industry given by political circumstances in one of our neighboring countries, lot of players in the industry have made various commentaries on it and majorly it has been advantages to India? So, is there any tailwind from that front?

Harshvardhan Sarda: So, since we are not doing a lot of white label manufacturing currently, it is not entirely an advantage that we are seeing past our Company at particular, but we are very keenly looking at opportunities as something comes along. We are definitely eager to grab onto those opportunities as well.

Vinadh Sabmit: Just one last question from my end. Like I understand, our margins are usually a mix of product pricing and product mix as well and our EBITDA margins have been in a broad range of say 17%-23%. If you could just give some guidance or target range as to what is the aspiration to? I understand this is all based on some circumstances not in your control.

Harshvardhan Sarda: Absolutely, because it is a varied product mix that we deal with. But then again, having said that, we aspire to be in the range of 19%-20% for this year, specifically for EBITDA.

Vinadh Sabmit: Of course, could you give further broader range for say next financial year?

Harshvardhan Sarda: It can be enhanced by a couple basis points, but not beyond that. I think 22 kind of EBITDA would be a good aspirational number for us currently.

Vinadh Sabmit: So, I am saying over a 3-year period, can we envisage the 20% range, that is?

Harshvardhan Sarda: Yes, for sure.

Vinadh Sabmit: This was very helpful. Thanks for the time and all the best.

Harshvardhan Sarda: Thank you so much.

Moderator: Thank you. Participants who wish to ask a question may press "*" and "1". The next question is from the line of Resha Mehta from Green Edge wealth. Please go ahead.

Resha Mehta: Yes. Thank you for the opportunity. Firstly, I just wanted to understand, so currently who is our customer segment? Is it the kids like in the 0–5-year age group or beyond, if you could specify the age group?

Harshvardhan Sarda: So, currently, the age group for the kids from 2-8 years caters to around 60% of our overall revenue. That is the major segment. Infant is around 10% currently, which we are enhancing to around 13%-15% over the years.

Resha Mehta: But I believe we have just launched infant wear, right? And that is already 10% of our revenues?

Harshvardhan Sarda: Yes, absolutely. That is where the very good growth. We have launched infant wear. It has been a couple years since we launched, and we have seen significant growth in that.

Resha Mehta: Sorry, when have we launched infant wear?

Harshvardhan Sarda: It has been almost 2 years back since we launched.

Resha Mehta: Alright. And would you say that the competition is higher in infant wear versus the kids wear or would it be the other way around?

Harshvardhan Sarda: So, it is very varied since our competition is very regional currently because the markets that we operate in, there are not a lot of national players who are there across all the geographies that we cater to. So, it is slightly different for a city like Delhi or slightly different for Bombay. So, it depends on where I am competing in. That is where so specific competition would not be very advisable from us.

Resha Mehta: I think somewhere it is mentioned that infant wear has higher margins versus kids wear. So, what would be the margin gap between infant wear and kids wear?

Harshvardhan Sarda: I think it would be around 3%-4% at the EBITDA level for infant and kids wear. Well, but then again it depends a lot on the product mix, how the infant wear product mix comes up.

Resha Mehta: You said at the EBITDA level, right?

Harshvardhan Sarda: Yes.

Resha Mehta: And at the gross margin level, what would that difference be? Similar?

Harshvardhan Sarda: Yes, somewhere along the similar line.

Resha Mehta: Right. And your gross margins have been very volatile. So, in the last 4 quarters, if I just see, change from anywhere between 41% and 50%, so how do we read this volatility in the gross margins? Are there any elements of seasonality or product mix, etc., which happened quarter-on-quarter?

Harshvardhan Sarda: That is definitely a seasonality from summers to winter wear. We have three major seasons that we operate in. We have one big summer season; we have pre-winter season and the main winter season. So, I think seasonality is one reason why the gross margins primarily vary because the raw materials change quite a bit for especially the fabric changes for a winter wear instead of a summer wear. So, that is where raw material fabric is, where majority of the gross margin changes happen.

Resha Mehta: So, typically, ideally, from a full year basis, what would be your target gross margin?

Harshvardhan Sarda: Our target gross margin would be somewhere around in the 45% range.

Resha Mehta: And EBITDA margins, like you mentioned to the previous participant would be around 20%, right? Hello.

Harshvardhan Sarda: Yes, absolutely.

Resha Mehta: And I think we were planning a preferential of Rs. 100 crores. So, is that fundraise complete or?

Harshvardhan Sarda: It is in the process. It is still in conversation.

Resha Mehta: Right. And what would be the operating cash flow generated for the last 9 months?

Harshvardhan Sarda: I will have to check that number. I will get back to you on that.

Resha Mehta: Sure. And do you think that you know there is scope for this EBITDA margin to go beyond 20% considering that now from a premiumization standpoint, we have this Disney collaboration, then also the infant wear mix is expected to increase which is higher margin like you said, it has 3%-4% points higher margins versus the rest of your portfolio? So, what do you say there is a scope for 20% to go up or would you say that you would instead like to reinvest in your business since we are growing at a very rapid scale.

Harshvardhan Sarda: Exactly. So, I think the 20% number is something that we would want to be at or maybe enhance it by a couple basis points, but that is about it. We don't want to improve the margins drastically as well because you would rather reinvest in the business. We are planning a major expansion going ahead so I think it make sense for us.

Resha Mehta: So, when you say major expansion, this would be basically the capacity expansion that you are talking about since we are at around 80-85 utilization levels, right?

Harshvardhan Sarda: Yes.

Resha Mehta: And what kind of capacity expansion are we looking at or would that be subject to the fundraise that we are able to kind of pull off?

Harshvardhan Sarda: We are planning the capacity expansion like irrespective of the fundraise, but then we are planning a Greenfield expansion which would take the capacity to almost double of what the current is and with it over a period of next 4 years, we will grow up to almost 3x of the current capacity.

Resha Mehta: And why would you say that we would want to retain the manufacturing also at our end. Currently, all of our products are manufactured in-house or is there an element of outsourcing too?

Harshvardhan Sarda: Almost all our products are manufactured in-house.

Resha Mehta: And why would we have this philosophy of doing everything in-house and not kind of outsourcing it because if you look at?

Harshvardhan Sarda: So, manufacturing is where our USP of the brand has been built on. Our primary USP of the brand has been product. Just like product excellence is what has driven our brand for the last 15 years. We work on a very small sales team, majority of our sales is through word-of-mouth marketing from our distributors, from our retailers and all of that is primarily because of the product excellence that we have. So, retaining that is where the USP of the Company eventually lies. We would want to definitely maintain that at our end.

Resha Mehta: Understood. Great. Thanks, and best wishes.

Harshvardhan Sarda: Thank you.

Moderator: The next question is from the line of Avinash from Parami Financial Services. Please go ahead.

Avinash: Yes, gentlemen, am I audible?

Harshvardhan Sarda: Yes, Avinash. Thank you.

Avinash: So, first thing is, what we sell is, we sell 100% you said under our brand DOREME, do we manufacture out of this 27,000-28,000 pieces per day for somebody else also?

Harshvardhan Sarda: No, primarily it is our own brand.

Avinash: When you say primarily, 95%, it is yours?

Harshvardhan Sarda: Yes, somewhere around those.

Avinash: And is it possible to get in terms of number of pieces, how much we manufactured in the 9 months period?

Harshvardhan Sarda: The overall number, I don't have the data readily available for the number of pieces for 9 months with me, but we can definitely take this conversation outside and do this.

Avinash: I will take it offline then. Thanks a lot.

Moderator: Thank you. A reminder to all participants that you may press "*" and "1" to ask a question. The next question is from the line of Akansha Parab, an Individual Investor. Please go ahead.

Akansha Parab: Thanks for the opportunity. So, I have two questions. May I know what is the distributor target for FY25 and what is the contribution of top 10 cities?

Harshvardhan Sarda: So, the overall distributor target would be somewhere around 185 for this year. And if I had to say in terms of states, so Gujarat, Maharashtra and Punjab, Rajasthan contribute around 30% of our overall revenue.

Akansha Parab: And do we plan to have an Omnichannel presence by FY26, I mean direct online sales to our customers to align with other players in the retail industry?

Harshvardhan Sarda: So, as I said, we already are selling online through FirstCry. We have a very strong presence on FirstCry. We are already Omnichannel per se. Along with that we also have our own website where we are doing some business, not aggressively advertising that website yet, but we already have a very strong presence. We have almost 8% of our revenue coming in from online from FirstCry.

Aakansha Parab: Thanks.

Moderator: Thank you. Participants who wish to ask a question may press "*" and "1" at this time. The next question is from the line of Manoj Agrawal, an Individual Investor. Please go ahead.

Manoj Agrawal: Hi, good morning. I just want to ask a question that what is your business outlook and strategy on the B2B segment you have holding going forward? Thanks.

Harshvardhan Sarda: We are very confident on growing the B2B distributor segment where we are expanding our presence, deepening our presence in Maharashtra where we are already strong at. Along with that, we have targeted UP for this year and next year where we want to improve our distributor presence across cities in Uttar Pradesh, Uttarakhand, Himachal Pradesh, that region particularly as well. So, I think B2B segment is something that we have built the Company on and we want to strongly grow it as well going forward.

Manoj Agrawal: Thank you. That was helpful. Thank you so much. All the best.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask a question to the management, you may press "*" and "1" at this time. The next question is from the line of Resha Mehta from Green Edge Wealth. Please go ahead.

Resha Mehta: Yes, thanks for the follow up. Just the last one on the exports bit. Are we exporting currently? If yes, what are the margins in the export market and are all of those white label or are they under our own brand?

Harshvardhan Sarda: Primarily, all our exports are under our own brand. We have around 3% coming in from exports this year as of now. And most of it is in our own brands with margins remaining slight similar to the domestic market margin there.

Resha Mehta: And would the working capital kind of be a little bit worse off than our domestic market?

Harshvardhan Sarda: No, it remains similar. It is almost a similar margin, not a very different. So, far exports is just a different distributor for us. That is about it. That is how they operate.

Resha Mehta: And we are exporting to how many countries?

Harshvardhan Sarda: We are exporting to around seven countries as of now.

Resha Mehta: Got it. So, you said working capital margins are broadly similar to our Company averages, right?

Harshvardhan Sarda: Yes.

Resha Mehta: Alright. Thank you.

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

Harshvardhan Sarda: Thank you once again for your trust in us and for being a part of our journey. We look forward to sharing our successes with you in the next earnings call. In case, you have any other queries post this call or anything remains unanswered, you may please connect to our IR team at Ernst & Young. Thank you. Thank you, everyone.

Moderator: On behalf of IRIS Clothings, that concludes this conference. Thank you for joining us and you may now disconnect your lines.