“Rockingdeals Circular Economy Limited

H2 FY '24 Earnings Conference Call”

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MODERATOR: **MR. GANESH NALAWADE – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Rockingdeals Circular Economy Limited H2 FY '24 Earnings Conference Call hosted by Kirin 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ganesh Nalawade from Kirin Advisors. Thank you and over to you, Mr. Nalawade.

Ganesh Nalawade: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Rockingdeals Circular Economy Limited. From management team, we have Mr. Aman Preet, CEO and founder, and Mr. Gaurav Gupta, CFO. Now I hand over the call to Mr. Aman Preet. Over to you, sir.

Aman Preet: Good afternoon and thank you, Ganesh. Dear investors, it's a pleasure to have you all with us today. It's my pleasure to welcome you to our H2 FY '24 Earnings Conference. I'm thrilled to share the remarkable achievements and highlights of our company's performance during this period.

Before we delve into the financial results, I'd like to provide a brief overview of our company's business and share some notable operational highlights for the second half of FY '24. Established in 2002 and commencing full-fledged operations in 2005, Rockingdeals Circular Economy Limited has evolved into a leading force within the e-commerce sector, boasting over 15 years of industry expertise. Our core focus lies in facilitating bulk trading of excess open-box inventory alongside offering refurbished products, all aimed at fostering sustainability and procurement.

Operating through a robust distribution network spanning metros Tier 1, 2, and 3 cities and even remote regions, we prioritize connecting sellers with buyers efficiently. This not only benefits sellers in clearing surplus inventory but also provides buyers access to quality products at reduced prices compared to purchasing new items. Our platform is meticulously curated to ensure unboxed excess inventory and refurbished products find their way to appreciative homes sourced from renowned brands such as Puma, Godrej and many more across categories like small home appliances, apparel, and electronics.

Strategic partnerships have been instrumental in expanding our reach and diversifying our offerings collaborations. With industry giants like Whirlpool of India, Livpure Private Limited, Atlas, Mode, Private Limited, Ajmal Essence, Myntra, Designs, Shiv Naresh, Puma, Sports underscore our commitment to delivering quality products and services while enhancing customer satisfaction.

Our commitment to operational excellence is further evident in our extensive warehousing infrastructure with facilities spanning over 30,000 square feet in Faridabad. Strategically located to meet market demands, moreover, our ongoing investment of about INR2.5 crores to establish a state-of-the-art facility in Guwahati reflects our dedication to growth and service expansion.

Furthermore, Wipro Private Limited authorizes us to act as a non-exclusive channel partner for the clearance of excess air conditioner inventory throughout India. We signed a Memorandum of Understanding with Atlas, Mode, Private Limited to collaborate on distribution and marketing of products under the prestigious Pure Carting brand as well.

We entered into vendor agreements with M/s Ajmal Essence for perfumes and related items. M/s Myntra Designs, Private Limited for a range of fashion and personal care products. Shiv Naresh for sportswear, footwear, equipment.

Puma, Sportswear, Exclusive Bases for three months for their inventory, which is their excess stock. These collaborations have further diversified our product range and strengthened our market presence. In November 2023, we achieved a significant milestone of debuting on the NSE Emerge platform with an IPO size of INR21 crores. This not only demonstrates our financial strength but also positions us for further growth and leadership in the e-commerce sector.

With these insights into our operations and recent achievements, I am excited to delve into the financial highlights of H2 FY '24. In H2 FY '24, we achieved a total income of INR34.21 crores, reflecting a notable half-year over half-year growth of 119%. Our EBITDA stood at INR5.52 crores, marking a half-year over half-year growth of 140%. Despite encountering challenges, our EBITDA margins reach 16.14%, demonstrating resilience with a growth of 144 basis points.

We are particularly proud to report a PAT of INR3.77 crore, exhibiting an impressive half-year over half-year growth of 162%, resulting in a PAT margin of 11.02%, up by 182 basis points. Furthermore, our EPS witnessed significant growth, standing at a 7.29% up to 89% compared to the previous half-year. For the entire FY '24, we recorded a total income of INR49.85 crores, indicating a solid year-over-year growth of 228%.

Our EBITDA for the year amounted to INR7.80 crores, showing robust year-over-year growth of 195%, with an EBITDA of 15.65%. Our PAT surged to INR5.21 crores exhibiting an impressive year-over-year growth of 259% resulting in a PAT margin of 10.45% over up to 90 basis points. Additionally, our EPS for the fiscal year stood at INR11.72, reflecting significant year-over-year growth of 179%.

These results underscore our unwavering dedication to sustained growth, operational efficiency, and value creation for all our stakeholders. We extend our heartfelt gratitude to our investors for their continued support and trust in Rockingdeals Circular Economy Limited. Your confidence in us serves as a driving force to reach new milestones in the logistics industry. We highly value our partnerships with you in the journey of growth.

As we move forward, Rockingdeals Circular Economy remains steadfast in its commitment to driving sustainable growth and innovation. We are focused on broadening our exclusive sourcing partnerships, venturing into B2B online markets and expanding our e-commerce operations. Also, we are committed in incorporating e-waste operations, enhancing our grading and pricing strategies and investing in technology to drive efficiency and quality.

In conclusion, I am confident that Rockingdeals Circular Economy Limited is well positioned to capitalize on the immense opportunities in the e-commerce sector. With a customer-centric approach, strong brand image, commitment to sustainability, we are poised for continued success and growth in the coming years.

Thank you for your continued support and confidence in Rockingdeals. I am now open to any questions you may have.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Rajesh Garg from Nayantara Wealth Advisors. Please go ahead.

Rajesh Garg: Good afternoon, sir. First of all, Rocking management is really appreciable for such wonderful set of numbers. I have two queries. They have disclosed -- the company has disclosed in their outcome of the Board meeting that they are going to open a subsidiary at Dubai. So if they can throw some more light to what type of companies, what type of business they are planning to do at Dubai, what will be the investment required, how they will fund it and how it will be beneficial to the company, how much it will add in top line, bottom line of the company in future? What company expects from this wholly-owned subsidiary at Dubai?

And my second query is regarding authorization of merger of one of its group companies, Rockingdeals India Private Limited. So what is the purpose of merging this company and how it will be beneficial to the company, sir? If they can throw some more light on these two items they have disclosed in the outcome of the Board meeting. Thank you, sir.

Management: Sure, Rajeshji. Dubai, we are incorporating a subsidiary because we have good inroads from Indian e-comm channels to Dubai partners as well. That's a good market for the e-commerce industry. And we since already have inroads there for the sourcing as well as disposal, we are incorporating this subsidiary and expecting it to be operational by Q2 or Q3 of this financial year. On number side, we expect this year will be a build-up year for Dubai subsidiary and from next year onwards it will start contributing material numbers on a consolidated level.

And second one -- for your second question for the merger of Rockingdeals Private Limited, the primary reason is to complete the value chain. RDCL is a B2B company and RDPL is a retail chain. And in order to complete the entire value chain and to have a better control over the last mile disposal of the inventory, we are consolidating the entire channels of the sale under one umbrella. Second also, this will also help us to eliminate the related party transactions by more than 80%. And the entire chain will be visible and accessible to the investors under one company.

Rajesh Garg: This is really appreciable steps proposed by the company. If you can throw some more light in numbers, if you can give some numbers, how it will be beneficial in top line, bottom line of the company, merger of Rockingdeals India Private Limited?

Management: Merger of Rockingdeals should help us to increase our margins at least by 1% or 2% on a bottom line level. And on a top line level also, once we consolidate, it will help us to increase the top line also by 15% to 20%.

Rajesh Garg: That's great, sir. Thank you, sir. Thanks a lot.

Moderator: Thank you. Next question comes from the line of Tushar Vasuja from Yogya Capital. Please go ahead.

Tushar Vasuja: Okay, sir. So I am a bit new to your company. So can you just throw light on what factors made it possible for us to grow by 200% this year?

Management: Sorry, your voice is very low, Tushar. Can you be a bit loud?

Tushar Vasuja: Okay, sir. So I am a bit new to your company. So forgive me for the basic questions. I just want to know what factors made it possible for us to grow by 200% this year?

Management: Our revenue composition more or less stays the same. We are focusing more on the fashion categories. And you have seen post IPO, we have signed with a lot of new brands as well. Post listing, we are able to add more and more new brands. And more sourcing, getting intact and streamlined, we will be able to do better numbers. And that's how most of the growth is coming.

Tushar Vasuja: Okay, sir. And in your industry, what are the pricing factors? What factors can affect your margins? How do you decide on the price?

Management: See, it's more like our pricing is decided one by what are the online channels they are selling at. We have to be cheaper than that. Second, what rate brand is selling if brand factory outlets are giving 50-off, 60-off. Generally, we have to discount more than that. So our margins are decided more like underlying pricing factor is at what rate brand new and or online is selling.

Ganesh Nalawade: Okay. And you must have some long term aspirations in terms of top line growth and profitability. So would you like to share them?

Management: Yes. So, in a long term, we want to be a full stack e-commerce company who should be able to buy any kind of inventory, be it an excess inventory, e-commerce inventory, pre-owned inventory, do a QC, refurb or any kind of a repair required on it and then sell it through all possible channels, be it online, be it offline. And if it is non-sellable, we should be able to scrap it off in an environmentally sustainable method. So we want to be a 360 degree circular economy solution.

Ganesh Nalawade: Okay. So any way to quantify it in terms of growth, in terms of absolute revenue numbers or something like that?

Management: See we expect we should continue to grow at this speed, though we will not tie the number to this right now. As we speak yesterday also, we closed an agreement, exclusive agreement with Puma. Pipeline is good. Brands are also coming up for this sector now. And there is a good growth potential. Okay.

Ganesh Nalawade: Fair enough. You've talked a bit about your growth drivers. So can you also share what are the risks? Like what are the factors that can affect your growth? What are the risks?

Management: See, in terms of risks, only two things. Maybe, if -- as I said, the underlying price comes from online and brands. In case brands also do a deep discounting, there can be -- we are also forced to reduce our prices. But ideally, then costing also comes down. And other than that, we don't see any long term such a risk to this industry. This is only growing and globally also it's growing.

Ganesh Nalawade: Okay. So you're talking about the industry. So like, can you name your competitors? Like what is the competitive scenario? What's the market size? What's the market share that you have?

Management: Mostly it's unorganized in India. There is no brand at this level. I will say it's more like there are a lot of unorganized players and slowly this market will get organized. And that is what we are trying to do by setting up the retail stores and all the other channels as well. And internationally also still you may get one or two brands. But for now, it's more like an unorganized market.

Ganesh Nalawade: Okay. And just one last question. So what are the channels through which we offload our inventory? Is it completely proprietary to our websites and our retail stores or do we tie it with other e-commerce platforms also?

Management: Today it is through -- under a pre-merger setup. One, it is through my retail arm, which is through Rockingdeals Private Limited. Second, we have PAN-India, which is our partner, like these unorganized players who buy inventory from us. Third, in Amazon also we can sell under a renewed category. So e-commerce channel is also there.

Ganesh Nalawade: Okay. And so which of these channels gives you the most margins?

Management: Retail?

Ganesh Nalawade: Retail is the most margin. Your own proprietary retail, right?

Management: Yes.

Ganesh Nalawade: Okay, sir. Thank you. Any more questions, I'll get back in the queue.

Management: Sure.

Moderator: Thank you. Next question comes from the line of Akash Singh with Singh Corporation. Please go ahead. This is the operator. Mr. Singh, please go ahead with your question. Mr. Singh, if you have muted your phone, please unmute it and talk. Since there's no reply from the line of Mr. Singh, I will promote the next. The next in line is Kajal Pathak, an Individual Investor. Please go ahead.

Kajal Pathak: Hello, sir. Congratulations, first of all, for your results. So my question was, are there any further arrangement of partnership in pipeline?

Management: Yes, there is a pipeline of brands we are speaking to and there will be more and more brand tie-ups we will be doing in the future as well. We have more than 20 brands in the pipeline.

Kajal Pathak: Okay. And that's great. And what are your future growth strategies?

Management: One, as we are going international as well, this concept is applicable in any country. So we are starting with Dubai. Second, in India also, we are planning to penetrate deeper into tier two and tier three cities from where most of the growth will be coming. It's through own retail stores, it's through commission agents, it's through business partners, and it's through franchise stores as well.

Kajal Pathak: Okay, sir. And who are your competitors?

Management: No, most of the market is unorganized. Okay.

Kajal Pathak: And, sir, since the unorganized market seems to be big, so what is your outlook on it?

Management: Yes, size of the industry is very big. Globally, it's more than $2 trillion and Rockingdeals is very kind of an early mover advantage, but with a very small share. So there is a lot to achieve in the future.

Kajal Pathak: And, sir, in which countries are you -- in which countries are you trying to penetrate apart from Dubai?

Management: For now, we are focusing on India and Dubai.

Kajal Pathak: Okay. Thank you so much, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Akash Singh with Singh Corporation. Please go ahead.

Akash Singh: Hi, management. Thank you for the opportunity. So my first question would be, can you explain your strategies behind getting into the exhibition and event businesses?

Management: See, there is a lot of demand and it's a capex-like model. Hence, we are venturing into this and trying to scale it up.

Akash Singh: Okay. And, sir, which typical regional market do we serve? And what are your plans for expansion, if any?

Aman Preet: We didn't get your question. Could you repeat the question?

Akash Singh: Can you sir explain me what are your regional markets and what would be your plan for expansion if any?

Aman Preet: See it's a pan-India. We are through franchise stores we are looking for pan-India, but yes primarily it's Tier 2 and Tier 3. For exhibition first we are targeting the cities in and around our base which is Delhi NCR and then slowly we'll be scaling from there.

Akash Singh: Okay. Great sir. And sir how is our distribution network and plans to enhance the theme?

Aman Preet: We are working on that. We are trying to increase more and more touchpoints directly and or through feet-on-street teams. That's how we are trying to penetrate deeper.

Akash Singh: Okay. So sir I've got to know that our business model is our capital-intensive model. So what are the capex plans for the next 2 years to 3 years?

Aman Preet: Our business model is cash flow intensive not in terms of capex. Capex is only when we set up a new facility, but yes in order to buy more and more inventory it's working capital intensive. Once we digest this leg of growth then we will plan how to fund the next leg of growth.

Akash Singh: Okay. Thank you sir.

Moderator: Thank you. Our next question comes from the line of Vijay Chauhan from NCC Advisory. Please go ahead.

Vijay Chauhan: Good afternoon sir. First of all congratulations for a good set of numbers.

Aman Preet: Thank you.

Vijay Chauhan: Can you elaborate on your business model and how it contributes to your overall strategy and success?

Aman Preet: See our business model for now we are focusing on excess inventory and e-commerce inventory and trying to bring more and more brands on board, make them also aware about this concept. And same is on a customer side as well making more and more customers aware of what excess inventory is or what the circular economy is about. There are a lot of branches or legs to it for now.

We are buying excess inventory and e-commerce and selling it through various channels and in future we will keep on adding more and more branches like we can do pre-owned inventory, we can start refurbing, we can increase the categories as well. Today, we are focusing on two or three categories though we have 18 plus categories and then city level penetration etc.

Vijay Chauhan: Okay sir. So in FY24 the revenues are increased by over 228% and start rising by 259%. So what are the key drivers behind this impressive growth and was it primarily volume-based or value-based growth sir?

Aman Preet: See primarily for now if you see entirely as an ecosystem, it's a volume thing, but value thing needs to be educated which we are doing for a brand, it's a win-win situation, they get money for their inventory, they are able to dispose of the inventory in an environmentally sustainable method. And for customers it's a very good deal and in between we are making money and environmentally it's an eco-friendly way of disposing of either it's electronic waste or it's a fashion waste.

Vijay Chauhan: So considering your current margins are around 16%, do you foresee the ability to sustain these margins or is there potential for future enhancement?

Aman Preet: Our current margins are not 16% they are around 11% and as the volume will grow you can see some pressure on gross profit, but since indirect costs will not increase at that speed we are hopeful we will be able to maintain net profit margins.

Vijay Chauhan: Okay. That's great. So do you incorporate recycling practices within the various products and sectors you operate in?

Aman Preet: Yes.

Moderator: Thank you. Next question comes from the line of Kajal Agarwal an individual investor. Please go ahead.

Kajal Agarwal: Yes, sir. Congratulations on this set of number. Can you explain your engagement with the Eltus Mode Pvt Ltd little bit about that?

Aman Preet: Yes, they are our partners on sale or return basis. They are our SOR partners. They have supplied their inventory to us to be available to sell on our all channels, be it our B2B partners, be it our retail stores etc and on a monthly basis whatever throughput is we deduct our commission and pay them back.

Kajal Agarwal: And can you provide a top-line and bottom-line guidance for the next quarter and the full year?

Aman Preet: I think we will be able to continue to grow at an impressive rate, but more and more brand tie-ups are coming this year. We are consolidating our all operations as well. Having said that, we should be able to grow at a good rate, but we'll not be able to tie a number to it.

Kajal Agarwal: Okay. Thanks.

Moderator: Thank you. Next question comes from the line of Tushar Vasuja from Yogya Capital. Please go ahead.

Tushar Vasuja: So, thank you for the follow-up opportunity. I have some questions. So you told that retail stores are your most profitable way to offload your inventory. So going forward will this be the major contributor in terms of how you offload your inventory like is there any plans to increase the number of retail stores that you have?

Aman Preet: That's right. We will be. Through company-owned stores as well as franchise stores.

Tushar Vasuja: Okay. And can you give any sort of quantitative answers to how margins are different? Like, how much more margins you are getting on your retail stores?

Management: See, once we will add, for now, it will not be more than 1% or 2%, but in a longer term, it will be, you know, once a sizable number of stores and a sizable number of retail channels are there, then we get operating leverage and get a better, you know, boost to the bottom line. But for now, it will be a 1% or 2% increase in margins.

Ganesh Nalawade: Okay, sir. And, sir, a follow-up question on that is, how do we run our stores? Like, do we own the shops? Do we lease them? How does that work?

Management: We lease them. We don't own the stores.

Ganesh Nalawade: Okay. Okay, sir. Next question is, so can you give a revenue distribution in terms of shoes, apparel, electronics, or any other things that we resell that would be really helpful?

Management: It's very dynamic because our industry is more around sourcing. So, for example, let's say if I get more inventory from Puma for a quarter, I may be selling a lot of Puma, but if in the next quarter, I'm getting Skechers or I'm getting altogether a different category, I will be selling that. So I'm more of a deal store, you know, where whatever I'm selling, it will be a very good deal. That's how the name Rockingdeals is also. But we don't tie our plans to neither a brand nor a category.

Ganesh Nalawade: Okay, so that makes me think that because of the short tenure of the contracts, the business might be really cyclical. In some parts of the year, you might get more resale. So is it true? Like, is the business cyclical like that seasonality?

Management: Not really. That's why a diversified source of supply while, one brand may not have an inventory to supply, the other will have. Over the year, we have so many brand types that we are able to pick and choose in what quarter, which brand we want to do. So for now, that is not a problem. But yes, having said that, a few brands at a given point of time may or may not have inventory to liquidate.

Ganesh Nalawade: Okay, so that's fair enough. I have a next question. So like, do you have any plans to increase the types of inventories that we procure? Like some different types of inventories?

Management: Not really. First, we want to focus on a few categories and increase the number of brands. And then we will go deeper in the categories.

Ganesh Nalawade: Okay, sir. And one last question. I saw that you guys are opening a new warehouse in Guwahati to cater to the Northeast market. So what's the demand scenario like there? And what type of asset turn can we get from this expansion?

Management: See, we already have one, two, three. Three running stores in Northeast which are franchisee store and one in pipeline. Demand is very good there. That's why we decided first two years. You know, the underlying objective of setting up Guwahati is one is to cut down the lead time for those partners so that they can also get a faster inventory. And also Guwahati as a market is also very good. Their scope or discounted inventory is very good.

Ganesh Nalawade: Any type of asset turn that we can generate from this warehouse?

Management: See, we think at least 30% to 35% of my overall turnover in this year should come from Guwahati operations. Guwahati and Guwahati's extended operations.

Ganesh Nalawade: So this includes all the stores that you already have in the vicinity also, right?

Management: That's right.

Ganesh Nalawade: Okay, thank you.

Management: Thank you.

Moderator: Thank you. Next question comes from the line of Keshav with RakSan Investors. Please go ahead.

Keshav: Hi, good evening. So if we remove ourselves from the equation, how is the excess inventory usually taken care of by the brands?

Management: See, today they have multiple people across the country, a small vendor or a mid-sized vendor who buy the inventory from them and then they sell it the way they want to dispose it off. That is the primary reason why a brand looks for a partner like Rockingdeals where one, they have one brand to deal with. Second, they are very sure that inventory will be disposed of in an ethical manner. When I say ethical manner, means will not be disturbing their regular change of supply.

Keshav: So do we also get some visibility on what we are buying or rather do we get a say on what to buy or is it largely given to us?

Management: Different contracts are of a different type but largely no. Brand has a consolidated list. They share the list with us. If I like it, either I buy the entire list or I don't buy.

Keshav: Sir, I would like to know our history before the company because till last year we had a pretty small scale and it means that we are taking that risk of retailing on us and that means that we have to do the right kind of sourcing. So how do we make sure that we buy the right kind of stuff and not face any inventory risks which the brands themselves face in the first place?

Aman Preet: I'll answer this question. We've been operational for many, many years now and we are the ones who actually signed up with all the first agreements in India. The scale last year was small but that we've also done major turnovers in much higher business since we started. We were the first agreements for majorly all the brands in the country who were selling refurbished online or liquidating their excess inventory or they were liquidating their customer returns.

So we have been a part of majorly all the contracts and the first contracts and the whole gameplay for many years now and the experience that we hold is the experience of the company including the employees is much higher than all the people who are even trying to do that if you add the hours of experience that we hold. So it's not something that we just started.

We have been doing this for many, many years now. We have had contracts with Flipkart, with Amazon, with ShopClues which was an exclusive agreement with many, many players. Xiaomi. So we've done all of that mobile phone business where we were doing major, major quantities even Samsung. Now, gradually because of the market and the industry and the way it is we have gradually moved into new categories. It's not that it's a new category or a new business for us. We have been doing this for a very, very long time.

Keshav: Sure. So if we look at the likes of Amazon who are also selling refurbished products would it be then right to assume that companies like us would be the people selling to them and they would be…

Aman Preet: We were the first sellers in Amazon for refurbished on Amazon. So we were the first sellers for Amazon for refurbished category. We started the certified refurbished category in India. So, that's the one liner that I would like to say. So anybody and everybody who's selling refurbished or has sold to refurbished we were the first sellers and the biggest sellers for them.

Then we were doing business at that time but majorly mobile phones at that time. Even now we are getting into many new contracts with Amazon. So once those contracts are signed then we will update our investors. So we've learned a lot over the years. We're not a new company and we're not just started this.

That's all I'm saying. So the experience that we hold, is I would say even more than what everybody whoever is doing mom and shops around the country. You add their experience with these much higher than that still in the number of years we've been doing this.

Keshav: So just to just one last question then what has been our credit cost for the last year as inventory write-off or rather if you in our experience what kind of write-off policy or average write-off do we expect to experience on our inventory?

Aman Preet: Inventory write-offs are not much it's less than 1% because see my cost of buying is so optimized I can go as deep as 90% discounts as well. We do once in a quarter or once in a six months and event with the name of garden sales where in a one day there will be a walk-in of around 18,000 whatever I have non-moving or category C or category D inventory at a very good rate like 90% of or at flat rates we are able to get rid of it.

Keshav: So that applies to even a scaled-up business say five years from now if this would work equally well?

Aman Preet: Yes that is why these events and exhibitions are also there they will be not only able to help me to liquidate the inventory faster and a category A inventory when I go to tier 2, tier 3 and interior that will help me also to get rid of category C category D or non-moving inventory as well.

Moderator: Thank you. Next question comes to the line of Tara Kaur with C Square. Please go ahead.

Tara Kaur: Thank you. Can you let me know the revenue split for B2B and B2C for this year?

Aman Preet: This year it is entirely B2B. Once our all operations are consolidated then we can look at a split for B2B and B2C.

Tara Kaur: And sir can you explain our engagement with Whirlpool Private Limited?

Aman Preet: We are a partner for them to liquidate their excess inventory of air conditioners.

Tara Kaur: And does our agreement with the Whirlpool India is to sell fresh inventories or leftover inventories? What is it?

Aman Preet: Leftover inventory. Leftover second inventory.

Tara Kaur: And our engagement with Eltus Mode Private Limited?

Aman Preet: This is an inventory they supply on a sale or return basis where they decide what inventory they want to showcase. They supply to us and we pay them on a throughput basis.

Tara Kaur: And what would be our inventory days?

Aman Preet: Currently it is somewhere between 90 days to 120 days. 120 days being worst and 90 days being best.

Tara Kaur: Okay, sir. Thank you so much.

Aman Preet: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question and answer session. I would now like to hand the conference over to Ganesh Nalawade for closing comments.

Ganesh Nalawade: Thank you for joining the conference call of Rockingdeals Circular Economy Limited. If you have any queries, you can write us at info@kirinadvisors.com. Once again, thank you for joining the call.

Moderator: Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines.