Q1 FY2019 Earnings Call Transcript – July 27, 2018

CORPORATE PARTICIPANTS

- Amit Jatia – Vice Chairman
- Suresh Lakshminarayanan – Chief Financial Officer
- Ankit Arora – Head, Investor Relations

Moderator Good day ladies and gentlemen, good day and welcome to the Westlife Development Limited Q1 FY19 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 this conference call, please signal for an operator by pressing "*" then "0" on your touchtone phone. I now hand the conference over to Mr. Ankit Arora – Head, Investor Relations. Thank you and over to you, sir.

Ankit Arora Thanks, Janis. Welcome everyone, and thank you for joining us on Westlife Development Limited earnings conference call for the first quarter ended June 30th, 2018. We are joined here today by Amit Jatia – Vice Chairman and Suresh Lakshminarayanan – Chief Financial Officer of Westlife Development Limited. Unfortunately, Smita is unwell and therefore, isn't here with us today.

Please note that results, press release and investor presentation had been mailed across to you earlier, and these are also available on our website www.westlife.co.in. I hope you had the opportunity to browse through the highlights of the performance. We shall commence today's call with key thoughts from Amit, who will provide the strategic overview, which shall be followed by Smita to take you through the key business initiatives, and Suresh will cover analysis of the financial performance and highlights during the review period. At the end of the Management discussion, we will have Q&A session.

Before we start, I would like to remind you that some of the statements made or discussed on this call today maybe forward-looking in nature and must be viewed in conjunction with risks and uncertainties we face. A detailed statement and explanation of these risks is available in this quarter's press release and investor presentation and in our annual report which is available on our website. The company does not undertake to update these forward-looking statements publicly.

With that said, I would now turn the call over to Amit to share his views. Thank you.

Amit Jatia Thank you Ankit. Hello, everyone and thank you for joining us on the call today. I request you to please turn to slide 2 on the strategic pillars. The positive consumer trends of FY2018 have carried into Q1 FY19.

Once again, we have delivered very strong performance and expect this momentum to continue moving ahead. All our strategic levers are gaining traction in the market place. We have been increasing comparable restaurant traffic across all our key cities, for 12 consecutive quarters, that is 3 years of sustained positive growth. Our strategy is based on 3 main pillars, that are designed to build on our leadership position for the long term. The strategic pillars are – Our restaurants, Our brand and Our people, build on a strong foundation of financial discipline.

Our strategy completely aligns with McDonald's' global velocity growth plan, which is aimed at unlocking meaningful growth and increasing guest counts. The compounding effect of our 3 years of sustained same store sales growth has led to healthy growth in our average unit volume for comparable restaurants, with this being the highest in the industry. As the average unit volume momentum sustains, it is leading to significant growth in margins. This also reflects the strong unit economics and foundation of our real estate portfolio of over 280 stores. Our consistent results clearly demonstrate that our strategy is based on sound fundamentals and the work we are doing is resonating well with our customers. Our experience of the future stores is notably enhancing the customer experience at the restaurant. This not only boosts our competitive advantage in the short term, but like all our investments, it introduces the tools that will allow us to continue capturing the long-term opportunity of this business.

Our digital initiatives continue to leverage the power and momentum of our brand and this will keep accelerating as we go along. Consumer food habits are changing rapidly, and McDonald's is making noticeable change to its menu to stay ahead of these trends. We recently announced our good food story which received significant appreciation from our over 200 million consumers. Westlife is committed to being a responsible corporate citizen and will lead the industry in its sustainable efforts. We recently announced our initiative of converting used oil from our restaurants into bio diesel and powering our trucks with this eco-friendly fuel. This has been done across our restaurants in Mumbai and we expect to scale this cover all our restaurants over the next 12 to 18 months. This initiative is a first not only in the QSR industry but also in the entire food industry in India. To summarize, we are focused on bringing more customers to our restaurants more often, by offering compelling value through the entire menu and by delivering a great restaurant experience to our customers. This along with re-image restaurants, and the launch of the new EOTF platform is boosting our competitive advantage significantly. I now will hand the call over to Suresh to discuss the specifics of the quarter.

Suresh L Thank you Amit, We are very happy to announce our results for Q1 built on our Vision 2022 principles of growing market share and margins through combination of growing baseline sales and broadening the accessibility of brand McDonald's across our region.

On Slide 4, our total sales stood at ~342 Crs with strong sales growth of 30.2%. The restaurant operating margins have seen a boost of 500 bps to 15.6% which has resulted in operating EBITDA margins at 10.4%.

For the quarter, we clocked our 12th consecutive positive comparable sales with SSG at 24.1%. This has been over a base of 8.7% for the same quarter last year. This has led to significant increase in building our baseline consistently over 3-years in a row. Further, as this momentum continues on the SSG, it's helping build our Average Unit Volume per restaurant beyond our threshold levels, which is resulting in huge improvement in operating margins. These strong results have been achieved by focus on growing our brand extensions, innovation across our value platform, along with sharper financial discipline resulting in huge gains across our operational profitability parameters.

Moving on to slide 6, during the quarter, we opened 4 restaurants including a Drive-Thru in one of the suburbs in Mumbai, taking our total restaurants count to 281 with presence in 38 cities. We continue to open our restaurant with contemporary & modern designs and continue to adapt lot more international designs. Further, the EOTF rollout continues as per plan to enhance the customer experience.

On Slide 11, moving into levers for growing baseline sales. The focus for this quarter was Value and we launched new value platform 'McSaver Combos' giving variety and value proposition to our customers. This initiative immensely helped in driving additional footfalls across our restaurants. McCafé continues to add sales and be margin accretive through our efforts to leverage digital platform to drive awareness across our customer base. We introduced new offerings as part of summer season 'Fruit Splash' in local flavors of mixed fruit and raw mango. We added 7 cafes in the quarter taking the total count to 156. MDS continues to grow at rapid pace delivering strong growth numbers month-on-month. This is contributed through our own digital channels in the form of website and mobile app as well as through third party aggregators

On Slide 15, Driving business and operations with strong financial discipline is yielding significant results. As a result of all the initiatives highlighted above along with new restaurants, we continued on our robust sales growth trajectory delivering 30.2% Y-o-Y sales growth. Operating leverage has led to strong gains in our operational profitability to deliver double digit EBITDA margins, an improvement of around 440 basis points.

I shall now take you through the financial section. As highlighted earlier it has been a great head start to FY19 across all the parameters of P&L, whether it is sales, margins and bottom-line profitability. On top line growth, on slide 18, we reported yet another strongest comparable sales quarter at 24.1% marking it 3 years of sustainable positive comparable sales. We saw robust sales grow up by 30.2 percent. This is clearly aided by footfalls at the back of our new value platform – McSaver combos and significant growth across our brand extensions like McCafé and MDS, coupled with EOTF continuing to provide enhanced customer experience.

Further, new restaurants opened during the last 12 months continue to show encouraging signs as the macro tailwinds are underway in the consumer sentiment. Talking about gross margins, our continued work around driving product mix led improvement continued and we were able to drive gross margins higher by around 340 basis points to 64% compared to 60.6% in the same period last year.

We have seen a huge restaurant operating margin expansion of 500 basis points, led by operating leverage due to SSG momentum and that has resulted in higher AUV and most importantly the employee and payroll costs remaining in control. Also, we have seen huge operating leverage across the utilities, coupled with efficiencies on account of our ROP2.0 platform.

The margin expansion growth has been slightly offset by the full quarter impact of increase in cost on account of denial of input tax credits. On the operating EBITDA, we have seen a strong improvement in the margins and resultantly double-digit margins for Q1. Margins improved by 440 basis points in Q1 FY19 to 10.4% compared to 6% in Q1 FY18.

The bridge on the next slide shows the operative EBITDA margins improvement in Q1 FY19, driven by the levers which we just discussed. Lastly, it's really heartening to delivery bottom line profitability in the Q1, quite similar to what we achieved in totality of last year. PAT margins in the quarter stood at 3.4% resulting in PAT of Rs. 116.2 million.

Coming over to Slide #22, it is quite remarkable that the sharper focus on managing costs and rising higher comparable sales is resulting in a significant shift in our cash flows. In Q1, we achieved more than 1/3rd of the cash flow we had in FY18 and have more than doubled as compared to the same quarter last year. All the strategies adopted to drive better SSG coupled with cost management has yielded significant cash flow and we expect it to continue at the back of momentum in SSG over FY19.

To summarize, we are very pleased with such robust start to FY19 and we remain excited for the rest of the year to deliver our target of sales and margins. With that set I would now hand over back to Amit who will take you through our look for FY19 and give the closing remarks.

Amit Jatia Thank you Suresh. We laid out our vision 2022 in March 2016 and are well on our way to deliver the vision. Consumer sentiments remain positive and we have the foundation to grow hope the base of our restaurant through new opening and our average volume though our value offerings, brand extensions and menu platforms. We will continue to build on our competitive advantage on the strength of our diversified real estate portfolio, strong supply chain and a differentiated customer experience at our modern and contemporary restaurants.

Putting it all together, we are generating consistently strong results which are consequence of many bold actions taken across our strategic levers over the last many years. I am confident that the business is firmly on track to grow and deliver shareholder value in the medium to long term.

Thank you so much for patiently listening to the presentation. I would now like to open the call to question.

Moderator Thank you very much. Ladies and gentlemen, we will now begin the question answer session. The first question is from the line of Vishal Gutka from Philip Capital. Please go ahead.

Vishal Gutka Hi sir, can you please elaborate what would be quantum of saving on using edible oil into a fuel, that you will be using in your trucks.

Amit Jatia Sure Vishal, basically it's more a sustainable initiative than a cost saving. What it helps in is that it locks our price and if crude goes up or down, we are kind of secure with that. Savings are marginal; it's not that we are losing money. But neither is the gain very large. It's primarily a sustainable initiative.

Vishal Gutka Okay. And one more question. Are you seeing the momentum sustaining in the month of July after seeing a strong Q1 in terms of SSG. Can you please throw some light on it?

Amit Jatia Unfortunately, I cannot, because that will be a projection into the next quarter. But all I can say is that, from brand McDonald's and Westlife point of view, we had 3 consecutive years of consistent sales growth. And the trends are pretty much the way we like it at this point in time. But I cannot specifically talk about July

Moderator Thank you. We take the next question from the line of Aditya Khemka from DSP Blackrock. Please go ahead.

Aditya Khemka Hi, just a couple of questions from me. Firstly, on the royalty side. Has there been any progress on the royalty percentage and what we discussed that there could be any change in the near term. Any ideas on that?

Amit Jatia On the Royalty as we said before, we will come back to you in the next 6 months or so and within FY19, we will surely give you a more long-term plan on royalty.

Aditya Khemka In terms of your vision 2022, correct me if I am wrong it's 3000 crores of top line and a mid-teen EBITDA margin. Is that correct?

Amit Jatia: It's between 2000 to 2500 crores in sales and EBITDA margin we had said, between 13% to 15%.

Aditya Khemka So, in this vision, what is your assumption of the royalty? Would you assume that royalty would go to 8% by 2022?

Amit Jatia I think as I said before, if we have given you an assumption or a sort of vision, that we will get to 13% to 15% EBITDA, we have factored in whatever we have had to factor for all the costs that are linked to that. And Royalty is a part of that. So, I have maintained that before as well, that you can take the fact that whatever royalty assumption are there, they are built into this EBITDA projection.

Aditya Khemka So, your current royalty rate is 4% and the maximum it could go to is 8% correct?

Amit Jatia Correct.

Moderator Thank you. The next question is from the line of Sameer Dalal from Natvarlal and Sons stock broker. Please go ahead

Sameer Dalal Congratulations on great set of numbers. My question is, you have 24% same store sales growth, which is great. But can you give us some sort of bifurcation on mature stores, what is the sales growth and newer ones which has finished may be one or 2 years. Is there a difference in the kind of growth that you are seeing in the mature stores?

Amit Jatia So, it's hard for me to give you this. We don't share such a break up. But you got to understand that of course new stores are sort of 20 or 30 on a base of 280 so the point is that all stores have to do really well for you to deliver an average of 24.1%. We don't share the break up, but that's the best that I can sort of give you. It's not that the new stores are doing extremely well, or the old stores are doing well. All stores are doing well.

Sameer Dalal Okay. But it's good enough for indication. The next question is on the gross margin. One of the things you mentioned is that the focus has been on the McSaver combos, and all of that. Given a focus on the lower ticket product, I just wanted to understand how our gross margins have moved up. Is it that cost also for this value products are lower and hence we are able to get the higher gross margin. Just trying to understand how gross margin jumped so much.

Amit Jatia Yes. Basically, gross margins have no link to the low prices. You could be selling at Rs. 15 but have a 70% gross margin on that. The important thing is whatever we do, we do sustainably. So, for example, when we did happy price menu at Rs. 20, the reason we were able to maintain it for long, because the portfolio of the happy price menu gave us a gross margin that was sustainable. So essentially, when we develop the mix and the combo options we are able to ensure that we are able to maintain or grow margins. So, we said that in the earnings presentation as well, that with the introduction of certain products that we did, in the last quarter they were all margin-accretive where some of them were part of the McSaver combos as well. Therefore, even though we have done value, we have been able to retain or improve our gross margins. Secondly McCafé particularly helps us with that as well. As McCafé continues to expand across our store base and as it increases the average sale per store, we are able to get a flow through into the gross margin as well. Please note that our pricing also we have kept it very tight, we typically keep it between 3% to 5% and in low inflation periods we keep it in fact on the lower side. So, I think you know, we have sort of managed this pretty well over the last 5 years. Lastly, MDS also of course helps us gross margins, and all of this put together we have been able to sort of get good numbers on that.

Sameer Dalal From sustainability standpoint, can we assume that 64 would be a sustainable number over a slightly longer-term period for Westlife? How do you see the variance of 64 over a period of time?

Amit Jatia We don't look at it that narrowly. We will maintain the range here and believe because its finally about operating EBITDA, so sometimes when we do high-value products, if you are doing a product of say Rs. 150 to maintain a 70% gross margin is a different strategy vs. say Rs 15 product with 70% gross margin. We believe rupee margin as well. So, I don't see much of a trade-off coming in the near future, but I would like to cautiously say that keep a range in your thinking, anywhere between 62% to 65%.

Sameer Dalal Sure. One last question, now the expansion you are doing, not in the big cities but moving into smaller cities. Does that change the cost of setting up of a unit, is the size of the unit the same? I just want to understand the strategy when you all expand and go into smaller cities, how do you all go about? What size do you look at, what is the change in the cost of investment for each of these stores etc.?

Amit Jatia So, firstly, I don't know about other brands, but Westlife has always maintained that 60% to 70% of our openings will be in our key and core cities that we are currently present in and about 30% to 35% will outside these key cities. So, typically in the total base we are opening only 3 to 4 new restaurants in new cities and the model changes not really by cities, it does have its bearings more by portfolio. So, if you do a drive-thru versus a food court versus retail high street that's really where the cost structure changes. So that is sort of the best I can respond to at this point.

Sameer Dalal So just to understand, I mean going forward in the expansion that you will be doing, do you have any vision of the 25 that is going to be setting up in the next year and the current year, and on average what would be the large format and drive-thru, or the smaller food court stores and what would be the cost of each of these if you could just break it up for us?

Amit Jatia We don't share that break up, but we have shared that on a blended basis between 2.3 crores to 2.5 crores is typically the cost of a base store and I maintain that our growth will continue in our key and core cities. So, the 65% to 70% growth will continue in our key and core cities, and 30% to 35% will continue in the smaller cities. I hope that gives you a little better picture.

Sameer Dalal So, the 2.5 is on the average basis or for the larger cities it is 2.5?

Amit Jatia Yes, it's on an average.

Moderator Thank you. We have the next question from the line of Bhavesh Shah from CLSA. Please go ahead.

Bhavesh Shah Sir my first question is on the margins. While I understand the surge on a Y-o-Y basis, but can you explain the 3% rise in the EBITDA margins on sequential basis. That is if you look on from Q4 FY18 levels?

Amit Jatia See I personally feel that, at least I can say for our business if you compare sequentially, it's not the right way to compare, because our business is seasonal and average volume varies quarter-on-quarter. So, I personally feel that the better way to compare is from the previous year same quarter to this quarter because Q4 base is quite different from Q3, Q2 and Q1.

Bhavesh Shah Okay I understand, but, from the gross margin perspective, they are more or less same, in fact they are still up by 50 basis points. But the moment you look at the EBITDA margins they are like really going up by almost 3% points. So just a little curious to know, is there anything specific which has happened in this quarter, anything to call out or is it more of seasonality and its purely driven by operating leverage?

Suresh L What you are seeing very clearly is the operating leverage of the business, as we have also mentioned in the past, the moment you see that surge in the top line, you very clearly notice the operating leverage flow-through and therefore, when you look at the operating EBITDA of say Q4 of FY18 vs. Q1 of FY19, we can very clearly see the leverage kick in.

Amit Jatia We can have a more detailed conversation offline, but I feel sequential comparison for our business is not the right way to look at it. Because average volume is different in each of the quarters and the dynamics are very seasonal. Also, as Suresh rightly pointed out, the average volume is quite different, and the top-line also is quite different in these 2 quarters.

Bhavesh Shah Coming back to royalty, do you anticipate any increase in FY19 this particular year or 4% is the rate for FY19. Any thought on that?

Amit Jatia FY 19 as we have shared with the street and as we have shared with BSE, it is fixed for all of FY19. Our royalty is fixed for the year.

Bhavesh Shah Thirdly, on your network of 281 stores, how many stores now have ROP 2.0 platform? Do you share those details?

Amit Jatia No, we don't. But all stores that have opened from 2016 are on ROP2.0 and as we are going back and reimaging our older stores, we are plugging in components of ROP 2.0 as much as we can.

Bhavesh Shah Sure. That's helpful. Coming back to your sustainability initiative, it is a great initiative. But curious to know, are you incurring any capex for this, and any because saving is not something you are looking at, but any capex?

Amit Jatia No capex.

Bhavesh Shah So, in a way, from the long-term perspective, it's more like securing your cost and it should be viewed from that perspective and apart from the sustainability angle, is it a fairway to look at it?

Amit Jatia Obviously, it's a wonderful thing because, restaurants are also more encouraged to give it to our own supply chain because we give them credits for it and that motivates them a bit more. So, instead of wastage, it is something that will eventually give us more revenue. But of course, the primary driver was the environment. We feel that being a good corporate citizen, it completes the whole 360-degree circle. And we have done a lot in the recent past around it. And this is just a beginning from our point of view. We are going to come back to you with a lot more. I personally feel it puts us on a very strong pedestal 5 years from now and for a business that can be more predictable, more sustainable.

Moderator Thank you. We take the next question from the line of Avi Mehta from IIFL. Please go ahead.

Avi Mehta Would it be fair to say that, now that you have moved to a higher AUV, your margins at the store level essentially should logically remain to the current levels? And any variations would be dependent on the inflation and SSS growth, as essentially it is capacity utilization that the store is improving upon?

Amit Jatia As I explained earlier and I think this is a very good question. We are a seasonal business and quarter on quarter, there are nuances that are slightly different, while the baseline is absolutely there, but if you give it another year, the base line keeps going up higher on account of SSG which brings more predictability. So, remember that our business is seasonal and quarter-on-quarter the variation is there. But wherever you see the added volumes remaining at current levels, the flow-through is coming and we can see that.

Avi Mehta Correct. I didn't mean the quarter-on-quarter; I meant on the year-on-year basis, when we go into FY20 and FY21.

Amit Jatia If you take out quarter-on-quarter variations, you will see it on a Y-o-Y basis.

Avi Mehta Secondly, I wanted to understand how competitive the environment is especially after the reduction in the GST rate, has there been any moderation or increase? If you could through some light especially from an eating out place given that you know the differential between organized and unorganized or AC and non-AC has changed, etc.?

Amit Jatia I mean, at a very high level I can tell you that, obviously for the very organized players, denial of input tax credit has been a big impact. However, if you look at an Udipi Restaurant, obviously, because their supply chain is more unorganized, so we are seeing pressure on hawkers and that is converting into organized trade. That little bit movement we are able to see in our market research and market study. I think in long-term, it will definitely help organized players.

Avi Mehta The digital revenues highlighted in your presentation as well for McDelivery, what would be the flow through from own channels for the orders vs. digital, what would be a rough split, if you could give any color on that?

Amit Jatia We don't share such break ups, I am sorry.

Avi Mehta But will it be fair to say, majority of orders would be through our own app, rather than through a 3rd party?

Amit Jatia No. It's a pretty good blend. But third-party aggregators are growing very rapidly, and we are doing our best to keep pace with that. So, there is a good healthy battle between the internal team to ensure that business from our own app continues to grow and that's good pressure, because that helps us continuously improve the app which improves the customer experience. But the aggregators are more aggressive with more dollars that they have available for spending, but our relationships are not transactional. We have built more strategic long-term relationship.

Avi Mehta You know there was some noise about GST, one of your peers was given some notice. Is there any update over there for us that we should be aware of?

Amit Jatia It's a work-in-progress. We are working with the authorities on it and it is at a mixed stage. There is not finality in terms of its conclusion at this point in time. A soon as there is, we will definitely come back and make a statement.

Moderator Thank you very much. We take the next question from the line of Aditya Khemka from DSP Blackrock. Please go ahead.

Aditya Khemka Just one clarity. I am not aware of what this input tax credit issue is with us. I see that your presentation says that we were not allowed input tax credit. Can you give me some background on this please?

Amit Jatia Yes, so basically on November 15th, the government reduced the GST on restaurants from 18% to 5%, but in turn they took away input tax credit benefit that restaurants where enjoying when it was 18%. So, what that meant is that when we are buying from our suppliers, we are paying let's say 12% tax, earlier that was set off, while now it has become a cost for us in our P&L. I can share with you the best example, previously, our royalty was 4%, but with this change, our royalty now is 4.7%. So, it's not that the royalty has changed, but the 18% tax on the royalty has now become a cost. Therefore, percentages in our P&L, pre or post are slightly realigned and that's where we put the asterisk on the slide in the presentation and explain that it is an input tax credit.

Aditya Khemka Understood sir, and this 4.7% is basically your current royalty rate and this can go to 8 and not that 4 will go to 8, right?

Amit Jatia No, it's 4 that goes to 8 and the 18% GST is on top of that. So, who knows tomorrow the law changes or does not change, input tax credit becomes an option or does not become an option. So those are things we don't know but its 4 to 8 basically.

Aditya Khemka First of all, this impact of 18% to 5%, it was there for the full quarter of Q1 FY19 correct?

Amit Jatia Correct.

Aditya Khemka So, while you were paying lower GST and you were not getting input tax credit, did you also have to change your sales price, modify it in some ways to accommodate for this change in taxation, or you kept your sales price as is?

Amit Jatia No. Our prices where inclusive of GST. So, for example, McAloo Tikki say if it was Rs. 40, we kept it at Rs. 40, but basically since tax went to 5%, in theory our realization went up. But we discounted more than 20 products at the same time. So, it's a hard math to explain on the call and we can take it offline if you need further clarity.

Aditya Khemka That's fair enough sir. Just one last question, you made a point earlier while answering participant on the McSaver Combo. You said that the McSaver Combo actually gives you better gross margins, and you have designed the combos in a fashion that even though it is a low-ticket item, it is giving you better gross margins than your legacy items?

Amit Jatia I will explain you. It does give us good gross margins. The important thing is that when the combos are put together, they are not hurting our gross margins. And the way we keep designing and playing with it, it keeps on an even keel and we ensure that it is something that is sustainable for us over long term. And you can look at the trend of 3 to 5 years. I think if you see the way we have dealt with our gross margins, I feel is quite impressive.

Moderator Thank you. We take out next question from the line of Vishal Gutka from Philip Capital. Please go ahead.

Vishal Gutka I just want to know regarding McDelivery. Have their contribution increased in the quarter significantly given that the online food aggregators like Swiggy and Zomato have been receiving massive funding. So, they have been giving lot of discounts etc. So, has the contribution for McDelivery increased significantly, can you just state something qualitatively?

Amit Jatia We don't share this data unfortunately. We do that once in 2 years in our investor day which we did in July. But Q-o-Q and Y-o-Y we don't share that, I am sorry about that.

Moderator Thank you. We take the next question from the line of Kunal Shah from IIFL. Please go ahead.

Kunal Shah Some media report suggests that there has been a very sharp increase in salaries paid by these aggregators to delivery executives especially in certain cities over the last 3-4 months and you have also highlighted that they have been aggressive. So are you seeing some pressures on your employee cost especially for your delivery executives, let's say in the last 6 months on this account?

Amit Jatia We have outsourced our riders as well.

Suresh L We work with the partners, we have a long-term contract. So, there is no impact for us.

Moderator Thank you. Ladies and gentlemen, that seems to be the last question for today. I would now like to hand the conference back to the management for their closing comments.

Amit Jatia Thank you everybody for joining us on the call today, appreciate it. I hope we have been able to address all your questions for now but if you have any more questions, please feel free to reach out to Ankit and his details are available on the website as well. Thank you and have a lovely weekend.

Moderator Thank you very much. Ladies and gentlemen, on behalf of Westlife Development Limited, we conclude today's conference. Thank you for joining us. You may disconnect your lines now.