



“Creative Peripherals & Distribution Limited Q1 FY-21 Earnings Conference Call”

September 04, 2020



**MANAGEMENT: MR. KETAN PATEL – CHAIRMAN & MD, CREATIVE PERIPHERALS AND DISTRIBUTION LIMITED
MR. ABHIJIT KANVINDE – CFO, CREATIVE PERIPHERALS AND DISTRIBUTION LIMITED
MR. VIJAY ADVANI - WHOLE-TIME DIRECTOR, CREATIVE PERIPHERALS AND DISTRIBUTION LIMITED**



Moderator: Ladies and gentlemen good day and welcome to Creative Peripherals And Distribution Limited Q1 FY21 Earnings Conference Call.

This conference call may contain forward-looking statements about the company which are based on the beliefs and opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ketan Patel – Chairman and MD of Creative Peripherals and Distribution Limited. Thank you and over to you sir.

Ketan Patel: Good afternoon everyone. Welcome to Creative Peripherals and Distribution Limited earnings call for the quarter of the financial year 2021. I would like to begin by expressing my gratitude to all of you for taking the time to join us. On the call with me today is Mr. Abhijit Kanvinde – our CFO, Mr. Vijay Advani – Whole-time Director of our Company and Bridge IR our Investor Relations Team.

Before we get into this business and financial performance of the last quarter, I would like to share a brief insight into our company. We have come a long way and crossed several milestones over the recent past. Today we are a market entry specialist for niche experiential brand across India and international market. Our company specializes in market entry for global brands and work closely with its clients to achieve optimal market penetration and growth.

Our network comprises of all three channels, online, retail and general trade thereby giving us a strong leverage to reach out to a wider market place. Furthermore our value-added business model covers end-to-ends solution from the market research and competitive analysis to formulating and executing region specific marketing and presale strategy for the brands.

We are using a multi-pronged strategy to grow our business based on three pillars strategy. The first key aspect of our business is brand licensing and contract manufacturing. With Honeywell we have a long standing agreement for contract manufacturing and distribution across 29 countries in APAC and the Middle East. We aim to expand this licensing line of business by adding more international clients. Contract manufacturing is an attractive model of business for various global clients where they can leverage local player’s market reach to increase and grow their products market share. We plan to utilize our experience gained with Honeywell for other international brands wishing to follow similar model.

The second pillar is our expertise and strong hold in market entry and penetration for niche brands. Currently we have a strong long-term association with 20 globally renowned brands which are leaders in their field. These are categorized into three broad divisions; IT, Imaging and Lifestyle and Security products. Our value-added services like executing a brand's marketing strategy and post sales service along with this wide spectrum of products has helped our company achieve economies of scale and become a single sourcing point to our customers. We continuously enhance these bouquets of brands with new and high margin products.

The third pillar of our growth strategy is our latest offering Ckart, our very own digital B2B e-commerce platform. Ckart is a game changer in the industry and will play crucial roles in expanding our business with new and existing customers with minimal additional cost. I shall elaborate more on this shortly.

Overall our focus is on these three main growth triggers – offering experiential products and enabling niche global brands to enter an establish in new markets, expand our licensing business, and become an online one-stop-shop for all customers through Ckart. We continue to aim for higher operational efficiencies and adding high margin, value added products to our portfolio. Association with Honeywell, Babyliss, GoPro and Cooler Master etc. are our steps towards that direction.

I would now like to take you through some recent developments; as you all are aware in the last few months we have witnessed an unprecedented and unforeseen adversity in the form of COVID19 virus. The outbreak of this pandemic has got entire economies to a halt. It has impacted every aspect of our life, including personal life and industries across the globe. Like every other business we also faced the impacts of the lockdown and its effects are likely to be seen over the coming months as well. However we took this opportunity to further refine our internal practices and improve our operational efficiencies and skill sets through various online trainings etc. In fact we stepped up during this hour of need and launched a range of personal medical products under our brand B-safe. The products range includes thermal scanners, thermometers, pulse oximeters and face masks.

Moreover it gives me immense pleasure to share that in August we launched our much awaited digital platform Ckart. As I briefly mentioned earlier Ckart is our online digital B2B e-commerce platform built in-house by a dedicated team. Ckart hosts all our customers in the supply chain and enables them to transact, discover and share products and brands to their buyers in their own company's name. This platform also assists them to showcase their inventory and trade among each other, facilitating higher volumes and expanding the product portfolio being offered through Creative Peripherals. We will also be able to host their white label micro-site on our platform. We even showcased the speed and ease of use of Ckart when we demonstrated the first order online during the launch event. This platform will fortify our presence as a one-stop shop for customers as well as improve our working capital cycle and profitability. One of the key purposes of this platform is to help our customers expand their reach and make it easier for them

do business. On the other aspect we recently renewed our manufacturing agreement with Honeywell for another five years as well as expanded our distribution scope with them to 29 countries across the world now. This gives us access to Middle East and APAC region. Our deep association with Fortune 100 company like Honeywell would serve as a guiding example for other brands wishing to leverage the licensed manufacturing model.

We continually update and expand our brand portfolio to keep it fresh and relevant. Before COVID19 we entered into distribution agreement with several international brands across sectors. One of the latest brands we brought on board is Panasonic which is a global market leader in consumer electronics. We are distributing their premium range of audio products in India. Other premium and niche brands that we partnered with recently including Cooler Master, PNY Technology and BaByliss, a premium personal grooming brand with a global presence.

As industries reopen and businesses regain momentum we look forward to continue expanding our brand portfolio. In fact in August, 2020 we won distribution rights for Honeywell's Wireless audio products also for 20 countries. This association not only diversifies and expands our portfolio but also enhances and testifies the company's recognition among global brands. As the consumer sentiments improve we are expecting strong demand for such products in the Indian market, both online and off-line. And as Ckart gains momentum we foresee a strong growth in customer base without much additional cost which would translate into higher top line and profitability.

So from an overall business perspective this is all from my side. I will now hand it over to Mr. Abhijit Kanvinde, our CFO who will take you through the financial performance of the company in Quarter 1 FY21. Thank you.

Abhijit Kanvinde:

Thank you sir and a very good morning to you all. I will share the highlights of our consolidated financial performance after which we will be glad to respond to your queries.

Our financials are reported as per Ind-AS guidelines. Q1 FY 21 financial results: in the quarter ended 30th June, 2020 our company achieved a net revenue of Rs. 64.53 crores, down 38.42% year-on-year. This is mainly due to the nationwide lockdown during most of this quarter which affected our entire supply chain. This represents sales of less than two months. Since we gradually reopened operations at the end of April and have been operating at around 20% to 30% of our workforce capacity since then. The EBITDA stood at Rs. 1.9 crores as against 4.3 crores in the previous corresponding period. We continue to incur employee and other fixed expenses during the lockdown which offset the impact of high margin brands like Cooler Master and GoPro thereby resulting in margin contraction. The net profit for the quarter is at 0.58 crores as compared to 1.99 crores in Q1 of FY20. Our EPS for the quarter was Rs. 0.45. This is all from our side and we can now open the floor for questions.



Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Chirag Gupta, Individual Investor.

Chirag Gupta: One question is, with respect to the current issues that are going on with China and if you can give the sense for may be for 'Make in India' products is that something that can consider will impact us and is there any plan or anything in mind to look at our procurements channels in the medium and near terms to be ready to place....

Ketan Patel: You want me to answer one by one or you want to answer all the questions or should I answer the China part now?

Chirag Gupta: You can answer the China part.

Ketan Patel: Most of our companies whom we distribute the products are usually American companies and some of them are Taiwanese companies. But unfortunately most of them produce their products in China, so because of the China problem if it aggravates further these companies will have to look at alternate manufacturing base. So most of the Taiwanese companies have started moving their production back to Taiwan and for brands like GoPro they have started moving their production to Mexico because similarly they have a problem in US about the China thing. So we don't foresee that our supply chains would get affected because most of the companies which we deal our multinationals and they have been looking at this problem from last 14 to 15 months because of the US embargo on China and they have started moving the production to Vietnam, to Thailand and to Taiwan, so our supply chains will not get affected. Over a period of time it may happen that the 'Make in India' campaign and government ops may make it lucrative for companies to manufacture products in India and some of the brands may opt to partner with us to get this manufacturing. As of now we intend to be a very asset light company and we don't intend to getting into manufacturing but yes the contract manufacturing for Honeywell and other brands what we get it done, that companies we could help them to come to India and that's the time we may take the consensus of the Board whether we participate in equity with them or we just assist them. So that's our view for the China problem.

Chirag Gupta: Right now our contract manufacturing majorly the companies are outside India which we are working with.

Ketan Patel: Yes except Sterlite, for Honeywell Fiber Cables, all the companies are in Taiwan and China.

Chirag Gupta: My next question is based on recent CRISIL report that came in March and given the current situation where lot of people are having a liquidity problem, are we seeing any liquidity concerns among our distributors also? Do we have any plans to support them or have we done anything to support them? I believe some of the businesses would be run on credit, so that if you could share some color on that.



Abhijit Kanvinde: Yeah, I will take this question Ketan. Firstly right now our working capital at the end of March was 74 crores and 33 lakhs which have slightly moved from that to end of June, 74.93 lakhs. That is one part. The second part is that from the perspective of our business, the first month was completely locked down for us. However we opened in the second month and our first aim was to collect our debtors and our second aim was to conserve cash and do cost reduction. So from that perspective we worked relentlessly that we worked very hard on collection of debtors and I am happy to say that from all my March rather all our March debtors were collected by June end, first week of July. So from that angle the collection has become on track. The second point is that yes the collection was slow in this period, so we had to talk to our suppliers and pay them gradually but that position of creditors' payment is also clear now and we are on track. And the third thing what we did was we wanted to conserve cash and reduce our overheads, so we did lot of cost reduction exercises. We renegotiated the rent of our godowns and also took some reduction in our salaries for this quarter and hopefully for the next quarter. So that there is less burden on P&L as well as less burden on cash flow. So, to answer with these measures we haven't taken any more loans and haven't taken any moratoriums and we are on track we feel as far as our future growth and everything is concerned.

Chirag Gupta: Just one related question, are we seeing any liquidity concern amongst the distributors or the resources are kind of exaggerating versus there on the ground.

Ketan Patel: So as of this quarter there is not a problem of liquidity. The liquidity is not on the distributors' part, the liquidity problem is for the reseller and the channel below and luckily for India the funding to the NBFCs from the government and the liquidity to the NBFCs, so the NBFCs are now funding the distributor, the reseller and the retailer and that's really helping larger companies like us to get our payables from them and because the interest rates have reduced overall, it becomes lucrative for a partner to actually use an NBFC to pay us off. So currently barring some fewer smaller shops or smaller retailers we don't see any liquidity issues into the IT and Consumer durables space, there we don't have any.

Abhijit Kanvinde: Also related answer to this, we are happy to say that our wages are not stuck. All the old debtors have been collected, so from that there is no backdate and anything which is there.

Moderator: The next question is from the line of Shivani Bafna, Individual Investor.

Shivani Bafna: In line with COVID I would just like to know till when do we see that our business will be back like before and till when do we see it will impact the business?

Ketan Patel: So Shivani a very good question and I hope I could answer. This is my version, I think till December we will have still the effects of COVID on the business overall and by the first quarter of the next year, we would start seeing some recovery. But a couple of good things are happening. Number one is, COVID has given us 2-3 very-very I can say things which otherwise would have costed a lot of things. First it gave us lot of time which nobody had it and second it



really digitized India completely. So for somebody at age of 55 to do a web call or do a Zoom call it's a different problem, so they could not. For example if Indian Government wanted somebody to do online shopping or do online banking or do other stuff, they would have to spend crores of rupees on that and that's how all businesses also have now looking at products which can be also showcased virtually, kind of. That has really built a lot of efficiency in businesses. Businesses looked at their expenses for a lot. They also looked that which people they required in the office, which people are required outside the office, so that also really helped. The travel which for example if I had to ask one of my key vendors that I don't want to travel to Delhi and can we do a conference call and he would have normally not agreed. But after COVID also I think that will be the norm. So to give a one line answer to you, COVID problem will be there, the business will become efficient in the way that we will be able to mitigate that problem effectively and once COVID goes away these businesses then can really ramp up very fast because they have the right processes.

Shivani Bafna:

Also talking about going online, we have launched Ckart, so can you please brief how is it different from other channels?

Ketan Patel:

So Ckart number one is a B2B platform and it's for our partners who are actually trading products with us and buying products from us. So for example Ckart is a discovery platform where you come and transact products, you can discover new products and share new products to your buyers in your name. So for example if you were a creative customer, you could come on Ckart and then transact a Samsung monitor and while you are transacting you will come to know Honeywell has launched a new range of speakers and then you are interested in that, you can download all marketing materials in your name and send that marketing material via WhatsApp or by e-mail to your customers. Now for example a few of your customers like that product and they give you an order, you can place an order on us and you can also opt for drop shipment where we will directly ship the product to your customer with your invoice and with your seller. So you don't have to worry about the shipping part also that and if you don't have to worry on the shipping part in future you may not have to worry about the warehousing and other stuff. Also Ckart provides you the usual credit which it was providing plus the GST input plus also it helps you to schedule training for your people there. So it's kind of a complete integrated model and then anybody who wants to start a new business also could view Ckart very well. Somebody who is already transacting with us will have this automated feature. It has also one more feature where you can have your customized price list, so you can download a price list of product; you decide you want to mark-up by 7%. The prices which you will download will be marked up by 7% which you can directly send to the customer. So in India right now there are not many online platforms like us. Most of the platforms are B2C. This platform is a B2B where it helps our customers to efficiently cater to their customers in a very-very cost effective way.

Shivani Bafna:

What are the costs incurred like financial terms, in terms of development and maintaining it further?



Ketan Patel: We had two options about when we wanted to start coding of the Ckart. Either we could have used somebody else's platform or we could have gone on Magento or something or there is another platform called eComchain we could go on that or we could have developed this platform in-house and it could sit on our ERP. So we chose the second option and the in house team made this product. We got some consultants from IIT and another consultant who had done a similar kind of product but for a financial institution. So net-net the product was developed in house, so we own all the rights and the source code for this platform. We spent close to a crore of rupees for this product. If we would have used somebody else's platform also we would have spent almost double the money for that plus usage charge every year close to depending upon the transaction. But here only the hosting charges on Amazon Web services would be borne by us because we own the platform we don't have to give anybody the transaction cost.

Shivani Bafna: Could you please give us the contribution of BabyLiss, Panasonic and Honeywell in terms of revenue?

Abhijit Kanvinde: Firstly BabyLiss and Panasonic, for example BabyLiss is a personal grooming products and Panasonic is again a luxury product in the range. Honeywell we did a total quarterly turnover of around 2.5 crores and BaByLiss was almost Rs. 20 lakhs and Panasonic was in the range of Rs. 15 lakhs, reason being most of our channels and everything that we were closed. The real response of the customers has not come. It will hopefully slowly come from this quarter

Moderator: The next question is from the line of Nayan Gala from Ertiga Wealth.

Nayan Gala: I have couple of questions; one is related to the Ckart. How do we plan to earn revenue on that, is it like we will charge a percentage to the sales amount or this is on a renewal basis?

Ketan Patel: Nayan bhai we are not going to charge any percentage on sales because Ckart helps us in building efficiency in our sales team, for example right now we have a man power of 200 people who cater to roughly 5000 customers. With Ckart trending that with the similar 200 people we will be able to cater to 10,000 customers. That's the first one. Second advantage of Ckart is that for example any customer of us for example we have 4000 SKUs but a customer for us will not be buying more than 50 or 80 SKUs per customer, right. Once he comes for the Ckart he will be able to see all the 4000 SKUs, second is he will be able to offer all these 4000 SKUs to his customers on a white label website on his name which will be powered by us. So that also helps the customer and the unique point of Ckart is because we have the pipeline of all the 4000 products what we sell, the products are exclusively with us, so we make our margin on the products which we sell to the customer. This is the Phase I. Phase II is for example consider a platform like JioMart or consider Croma online or consider Tata Cliq or for that example consider Flipkart for a while, after a period of time we can just tell them that why don't you enable our complete catalog of 4000 products on a Tata Cliq or JioMart and then JioMart's customers can directly by on Ckart and that's how our sales will increase without adding manpower without adding other stuff. So that's a business model and we are looking at enabling



our partners that they become efficient and they reduce their costs and they buy more from us and then we make our margin. That's the whole...

Nayan Gala:

So the margins of the products will be increased from our end?

Vijay Advani:

Ketan bhai I would add something to this. Mr. Nayan, this is Vijay Advani here. What we're seeing right now since last year we have done this, the organization those who are buying from us all India, the 3000- 3500 partners maybe a 1000 partners in a month are not very large organization. They are a slim and trim organization with 5 people to 17 people and some of them maybe 10% of them with about 40-50 people working. So this slim and trim organization, they only get time in the evening after an office hours or maybe after they are closed with their sales that what we need for tomorrow. So probably instead of taking the time off, our sales executive, sales master there is everything available in the Ckart and what we require is a purchase orders in writing so what they will do, they would just log in and fill-up whatever they want and immediately after one minute we will be able to see what is the requirement and next day we can execute that. So it will help them also to do leisurely this and to see all the products and also save the time of our representatives. So what Ketan bhai is trying to say that it would be optimum use for the partners, for the distributors, for the resellers those who are regularly buying from us as a B2B channel. This is what I wanted to add Mr. Nayan.

Nayan Gala:

In comments also you had mentioned that you have renewed contract manufacturing agreement with Honeywell and now we will distribute 29 countries. So before this in the previous agreement how many countries we were distributing? Is there any an addition to that or it is the same?

Ketan Patel:

Definitely Nayan. So whenever agreement got renewed before that we had Middle East and in Middle East we had 8 countries there and India was there. So we had totally 9 countries. Now in this current agreement they gave us completely Southeast Asia and in Middle East they have also given us Egypt, so now Thailand, Singapore, Myanmar, Malaysia all becomes a part of us. As you already know we have a subsidiary in Hong Kong, so we can cater to all these countries from Hong Kong and this agreement is for another 5 years. So imagine with the same manpower if we can and the same kind of products, so besides India when you sell to Middle East or you sell to other countries almost the specifications everywhere is the same. So it will give us a lot of operational leverage plus it will give us a lot of advantage when we design a product that we will be able to spend some good amount of money on the dyes because with 30 countries the whole volume of that product would be higher. Plus with that Honeywell also told us to complete the portfolio, they give us wireless audio and in that we can have headphones to sound-bars and other stuff, so that's really going to help us now. And we think that this year Honeywell business should be close to upwards of 40 crores. Last year we had done 13 crores for Honeywell and Honeywell is a high margin product for us. The GIM on Honeywell is close to 42%-43%, so that will really help the balance sheet very well.



Nayan Gala: The funding requirement for that will be through internal accruals or do we need to borrow some additional funds for working capital?

Abhijit Kanvinde: Mainly it will be internal accrual because we are poised to do a turnover of around 600 crores. We can take care of that kind of turnover with our existing funding management. Maybe little working capital or channel financing would be needed but that would be in the range of 8 to 9 crores additional possibly.

Nayan Gala: And targets for this year like full year revenue and PAT target if any, if you can guide us through that?

Ketan Patel: So last year we did close to 457 crores and this year we think if the COVID situation is as aggravated as it is now, still we will be able to surpass that target and with the measures what we have taken we think that the PAT from the second quarter would start improving and we would also be able to achieve a better PAT than the last year. That is what it looks like now. If COVID starts tapering from say post December then we would have a better PAT and better turnover. That's what I can say currently.

Nayan Gala: And also just Ckart will help us to grow?

Ketan Patel: Yeah definitely Ckart too help us to grow. So we have not still started promoting Ckart very heavily but we have still seen 10 or 14 customers whom we never knew came and bought material worth Rs. 15 lakh without any intervention with us. So that's a kind of a huge – that our belief in this concept that lot of new guys will come in to buy products, I think that's the testimony of people these 10-12 people who have come in, in a time of 3 weeks to buy without knowing us, that's the thing.

Moderator: The next question is from the line of Chirag Gupta, Individual Investor.

Chirag Gupta: So few more questions. The first question is around the brand that we have launched our brand B-Safe. So any color on the strategy around B-Safe? Right now it's probably COVID related products but are we also looking to expand into other categories and any targets if you can share that you want to do with B-Safe probably in a year or two?

Ketan Patel: Chirag a very good question and first I will like to answer you why we went into our own brand because all these years we have never went into our own brand. When it was a question of whether taking Honeywell licensing or probably getting our own brand post we said, let's take Honeywell because it's a much more recognized category. When the COVID thing happened and the only thing which were selling were thermometers and oximeters we found that there is no brand which is very famous at least in a wall mounted thermometer or in a IR thermometer and that's when we discussed that it's a good place for us to have our own brand and so we started with B-Safe and B-Safe we had never before this also we had a couple of opportunities



in personal healthcare product licensing but we had not taken because we didn't have the pharma channel. But because for the first couple of months of COVID only pharma products were selling, we were able to rope-in around 40 pharma distributors for the B-Safe brand. And that's how B-Safe was started and then we also found out that we have a Croma and Reliance similarly you have around 3 to 4 prominent chains of pharmaceutical companies like Netmed, like Noble and all and where there is buying happening at one place. So that also helps us in taking this and we are not just going to have it as a COVID related product and slowly we would get into personal healthcare products like glucometers and then blood-pressure monitors and then self-testing first-aid kits and all, that is the case and currently as of last quarter, monthly we are doing close to 50-55 lakhs of this brand in B-Safe and we think that over a period of time we should easily be able to do close to 15 to 20 crores if we have the right product range.

Chirag Gupta: Would it be a right assumption that the margins in B-Safe products would be higher, much higher ...

Ketan Patel: Yeah, so there are couple of advantages. Pharma distribution is a much-much older profession than IT distribution. So the partners there are much mature. The terms of trade are almost fixed, the credit is also not very high and the biggest advantage is there are not larger—so there are city-based, taluka-based distributors—but there are not across India. How you have in IT one distributor across India or one company taking the products across India; that kind of distributors are not there. So there is a lot of leverage there and of course pharmaceutical products have higher margin than consumer durable than IT plus our own brand so the margins would be much higher there.

Chirag Gupta: The next question Ketan Bhai I have is around, so we have the target of 1000 crores turnover by 2023. Any targets around the margins also because our margins are you know the current business that we have which is understandable the kind of margins that we have but say any targets that we have around margins by 2023, how much can we roughly plan?

Ketan Patel: Chirag a very good question. Couple of things, the top line of 1000 crores if you take mobile distribution can happen this year also kind of, you know how much of Samsung or Apple sell but our whole idea is to be in the niche product segments and also to push Honeywell. So we think that when we are at the 1000 crores benchmark and if we have to PAT ourselves very well, current our margin is close to 2% on the total sale is the PAT. We want at least it to be more than double at 1000 crores and three things are going to really help us into that. One is Honeywell sale currently is just 2% to 3% of our sales. By the time we reach 1000 crores we are sure that Honeywell should be 25% to 30% of our sale. So that will add that, second is with the advantage of Ckart, our, we will get a lot of operational leverage and Ckart will itself add close to 1%-1.5% to the PAT. So safely you can say that at 1000 crores we should be at double the PAT what we have right now.



- Chirag Gupta:** And the last question I have is around Ckart Ketan Bhai. So Ckart is very exciting and in a way we hear a lot about Udaan, IndianMART and these players have become very big. So what are our plans on Ckart let's say on a 4 to 5 years horizon, will you still invest a lot on Ckart probably build a brief team or a lot of investment there or there is something that probably we'll evaluate for some time and then we go slowly after this?
- Ketan Patel:** I think to actually make a great business. If you get a lot of funding you can't really, you will spend a lot of money to do that and that might be case at a couple of B2B platforms that's the case. Abhijit our CFO is very conservative and he wants a proof of everything, proof of the concept before investing. So Ckart will become the biggest pillar of our business but our investment needed on that would not be much. That's what we feel because the platform is completely owned by us, the tech team is sitting in house which is doing that and we are going to organically grow this business and I think once we get a certain number of customers, our customers also will be our brand ambassadors because for anybody wanting to open up a new business where does he gets a catalogue of 4000-5000 CDIP products on that space. So we will not be spending a lot of insane amount of money on the tech part. Tech part we are now completely sure that we will be able to make the tech very well with a lower cost. Marketing with what Abhijit's view are there that we will spend certain amount of money what we earn. So net-net we will not be spending an insane amount but Ckart will surely become successful. From the early fillers what we see I think we have a good product in place.
- Abhijit Kanvinde:** And also marketing channels would be mostly digital and social media so that, that would help conserving cost and not above the line.
- Moderator:** The next question is from the line of Nayan Gala from Ertiga Wealth.
- Nayan Gala:** Just wanted to ask one more question. We have two online platforms, right. One is Ckart and one is B-Safe. So are there any plans to merge both the platforms going forward?
- Ketan Patel:** Nayan bhai Ckart is an online platform and B-safe is our own private label brand for thermometers, oximeters and other stuff. We don't have a B-Safe, we have a website for that but we don't have an online platform for that. So B-Safe also would be sold on Ckart.
- Nayan Gala:** Acha it will also be sold on Ckart.
- Ketan Patel:** Sold on Ckart, yeah B-Safe is not a separate platform.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Ketan Patel for closing comments.



Ketan Patel: I thank the entire team of Creative for their untiring efforts, hard work, sincerity and dedication. Also I appreciate all of you for participating in our conference call. Please do get in touch with our Investor Relations team for any further questions. Thank you so much.

Management: Thank you so much.

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