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BSE Limited

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The National Stock Exchange of India Limited

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Symbol: GRASIM

Dear Sirs,

Sub: Transcript of Q1 FY-23 Earnings Conference Call

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached transcript of the Q1 FY-23 Earnings Conference Call held on 12th August 2022 and is available at <https://www.grasim.com/Upload/PDF/grasim-earnings-call-trancript-q1fy23.pdf>.

Thanking you,

Yours sincerely,
For Grasim Industries Limited

Sailesh Daga
Company Secretary
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Encl: as above

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“Grasim Industries Limited
Q1FY23 Earnings Conference Call”

August 12, 2022



MANAGEMENT:

**MR. H. K. AGARWAL - MANAGING DIRECTOR,
GRASIM INDUSTRIES LIMITED**

**MR. JAYANT DHOBLEY - CEO OF GLOBAL
CHEMICALS AND BUSINESS HEAD OF VFY AND
INSULATORS, GRASIM INDUSTRIES LIMITED**

**MR. JAYANT DUA - CEO OF CHEMICAL DIVISION,
GRASIM INDUSTRIES LIMITED**

**MR. RAKSHIT HARGAVE - CEO OF PAINTS,
GRASIM INDUSTRIES LIMITED**

**MR. ASHISH ADUKIA - CFO, GRASIM INDUSTRIES
LIMITED**

**MR. PAVAN JAIN, INCOMING CFO (15-08-2022),
GRASIM INDUSTRIES LIMITED**

**MR. SAKET SAH - HEAD INVESTOR RELATIONS,
GRASIM INDUSTRIES LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to Q1FY23 Earnings Conference Call of Grasim Industries Limited. 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 touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Saket Sah, Head Investor Relations and Head of ESG Reporting. Thank you, and over to you, sir.

Saket Sah: Hello. Good afternoon, everyone. Let me just introduce you to the management team over here. We have Mr. H. K. Agarwal, the Managing Director. We have Mr. Jayant Dhobley, CEO of Global Chemicals and Business Head of VFY and Insulators; Mr. Jayant Dua, CEO of Chemical Division; we have Mr. Rakshit Hargave, CEO of Paints; we have Mr. Ashish Adukia, CFO; and we have Mr. Pavan Jain, the Incoming CFO of the company. Let me just pass on the call to Mr. Pavan Jain for his remarks.

Pavan Jain: Thank you, Saket. Good afternoon to all the participants. It is my pleasure to speak to you all as the incoming CFO of the company. I've been part of the management team of Grasim for more than 20 years and have handled corporate finance, mandatory risk management and other related matters of the company. I'll be now closely associated with the investor's community. This month marks the completion of 75 years of the company's incorporation and more importantly, the birth of our beloved nation.

As we start on our next phase of growth journey, the company is well positioned to take a leaf out from its legacy and reflect the same. As you are aware, the company has sowed seeds of the two new businesses, namely paints and B2B e-commerce. I would like to reiterate the newly added paints business will be an engine of growth to the existing portfolio of businesses. The B2B e-commerce foray is again a high growth business with less capital-intensive need. Both these businesses complement the existing lines of businesses within the Grasim umbrella, catering to large market and adding new set of customers. We started FY23 on a very strong note with record EBITDA generation at the consolidated and standalone level during the first quarter.

Let me now share some key highlights from our businesses. Our Chlor-Alkali and textile businesses reported highest ever quarterly EBITDA, driven by better relation and sales volume. The VSF business reported a double-digit growth in the sales volume during the quarter on the back of strong domestic demand. The ongoing expansion in chemicals business are progressing well with BB Puram phase two, likely to be commissioned by Q4FY23, and the epoxy capacity of 123KTPA at Vilayat will be commissioned by Q1FY24. The 50KTPA ECH capacity also at Vilayat will get commissioned by Q1FY25.

As we had promised in the previous quarter, we are sharing the CAPEX spend guidance for FY 23, which stand at INR 3,117 crore for the existing lines of businesses. The CAPEX for paints and B2B will be in addition to this. In the paints business, we are currently focused on the timely execution of our capacities. The civil work has commenced at four of the total six sites.

I'll briefly touch upon the key operational and financial highlights for the quarter. The VSF business reported strong sales volume growth of 10% Q-o-Q and 76% Y-o-Y to 197KT on back of India centric demand. The recently commissioned 600TPD VSF plant at Vilayat has contributed 51KT to this quarter's sales volume. The global textiles demand is currently on the weak footing given the lockdown imposed in major cities in China and reduced ordering by the U.S. and European retailers. On the pricing front, the cotton prices peaked in May '22 and have soften thereafter. Just to remind you, the global cotton prices had gone up 2.5x in the time period of 25 months ending May '22. The VSF business reported revenue of INR 3,728 crore and EBITDA of INR 406 crore for Q1FY23. The VFY business reported revenue of INR 583 crore and EBITDA of INR 94 crore for this quarter.



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Moving to Chlor business, the business reported best quarterly EBITDA, driven by highest ever ECU realization of 53,560 per tonne on the bank of multiple tailwinds like strong global caustic soda prices, weak INR, and a stable demand environment. The global caustic soda prices averaged higher at \$769 per MT in Q1FY23 against \$719 per MT in Q4FY22, driven by factors like supply chain disruption and higher energy prices. Chlorine realization remained in the negative territory with weakness in certain Chlor users industry like dyes and pigments.

On the other hand, the demand for our captive chlorine VAPs increased Y-o-Y by 32% in Q1FY23 from 28% Q1FY22 on the back of higher sales of Chloromethane and water treatment and other sanitation products. In addition to the captive chlorine integration percentage, we also wish to share the total chlorine integration percentage, including the pipeline sales to our dedicated customers, which stands at 60%. The advanced material business reported a sequential improvement in financial performance on the back of better realization and some easing of cost pressure.

As highlighted earlier, the company reported strong quarter one FY23 financial performance, driven by multiple factors despite cost pressures. The consolidated revenue for the quarter are up 41% Y-o-Y to INR 28,042 crore and EBITDA is up by 10% Y-o-Y to INR 5,233 crore. While at the standalone level, revenue is up by 93% Y-o-Y, INR 7,253 crore and EBITDA is up by 69% Y-o-Y at INR 1,364 crore. On the ESG front, the company is working in a focused manner and making continuous progress. The company has adopted task force for climate related financial disclosures that is TCFD framework in FY22 to reflect its commitment to improve the quality of ESG disclosures. Taking cognizant of our ESG-related work, which is in line with the global standards, the company has been included in the FTSE4 good index.

I would like to reiterate that given our strong balance sheet and strong portfolio mix of cash flow businesses, we are well positioned to harness the potential of our new businesses. I would like to wish you a very Happy Independence Day in advanced and now hand over back to the operator for Q&A.

Moderator:

We have a first question from the line of Nirav Jimudia from Anvil Research. Please go ahead.

Nirav Jimudia:

Congratulations on very good set of numbers. So, I have two, three related questions on VSF and then one on chemical. So, I'll start with VSF, sir, in your presentation, you have mentioned that our China VSF prices have improved almost 14% sequentially. So, they are on spot basis. So just wanted to understand because our blended realization this quarter for the VSF division has also improved by almost INR10 a kilo, if you can share how much of this price increase in the China or in the international market is already being captured this quarter and further to that, whether we have taken any price in Q2 as well? So, this is one.

Second on the VSF side is, sir, whenever we will operate our capacities at the optimum levels at around 824,000 tonnes, how much pulp is already integrated and how much we are more planning to integrate, if you can share your thought process on the same? Sir, the third question on the VSF side is our specialty volumes is down sequentially. So last quarter we did something around 44,750. This quarter, our specialty volumes is almost around 37,500. So, any particular reason for the same, has the premiums narrowed down and we decided to switch towards more of the grey VSF production? So, these are the three questions on the VSF side.

H. K. Agarwal:

First question on price increase in China in the Q1, and also corresponding increase in our India realization also. So yes, these are related to some extent because VSF is the international product and all the markets are connected in many ways. China being the largest producer and consumer of VSF has big influence on the international price. So we have to be in line with what is happening in the biggest market. Now since end of last quarter or even in June itself, the prices started correcting in China also. So, if you are monitoring, then you will notice that VSF prices have softened in China also. In India we



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have to adjust little bit, but not to the same extent, because we also don't increase to the same extent as price increase happens in China. So that was on the prices.

And also the cotton prices have influence on the all other fibers prices. So cotton prices in forward have come down significantly. And they will also have some influence on the VSF demand and prices to some extent, not a large, but because VSF price did not increase in the same proportion as cotton prices. Coming to specialty volume, yes, there were some reduction in the first quarter compared to previous quarter. Some products are seasonal. So that one is one aspect. Second to some extent we had more demand for standard VSF in India. So we had adjusted our product mix to cater to the India demand. And in international market, there were some more competitive situation or some demand adjustment of inventory adjustment at our customer's place. So, in the export market of specialty, there were some reduction in the volume. So, this was on the specialty thing.

And going forward, there will be some adjustment period because now recessionary fears are prevailing in Europe and with the cotton uncertainty and volatility, the international retail and brands are sitting on huge inventory because of supply chain disturbance. And they are now trying to optimize their inventory levels and optimizing the new orders to the value chain. So, this adjustment period will last this quarter and perhaps some more. So, we have to sit through this adjustment period and then the normalcy should return to the value chain in textile industry. That is on the specialty.

So, we are now almost 35% integrated with our captive. And we have lined up long term supply arrangement with our regular suppliers. We have also developed some new sources and there were some disturbance in the pulp supply because of the force measure reason at one of our suppliers plant there was a fire and at another place there was serious flooding and the storm. So, there was some disturbance in the site, but now things are getting back to normal. So, we are working in the long term how to increase this pulp integration, but this is a long-term issue and immediately we are fine with the current arrangement.

Nirav Jimudia: Okay. Based on what you just mentioned is it safe to assume that probably out of the RMB 1,800 price increase, which have happened in China and probably some corrections over there some portion or maximum portion of that is already being captured in Q1 and probably we haven't taken any price hike after our Q1 numbers?

H. K. Agarwal: Yes. It's like, it doesn't happen exactly RMB 1,800 in China. So, we have also exact corresponding thing, it doesn't work out like this. But more or less, we cannot expect price increase in the current environment because in China, the correction is quite severe.

Nirav Jimudia: Got it. Sir one more question on the VSF side is in the presentation, in the openings slide, where you mentioned that we are debottlenecking our VSF capacities and we are intend to spend something around INR 587 crore. So, from 824,000 tonnes, which is our current capacity, how much addition we are intending to plan and how much time it'll take to complete this debottlenecking.

H. K. Agarwal : This entire amount is not for the debottlenecking most of it is part of the residual CAPEX commitments for our Vilayat expansion, which has already happened and stabilized. And in July we achieved 100% of the nameplate capacity for the expansion. But there are some commitments which are not directly related with the fiber production, but ancillary is like environment related items or gas recovery systems, etc., they are pending. So, I think almost INR 350 crore of INR 400 crore is on those accounts. And the debottlenecking is small, very light capital light thing. And we expect to get something around 80TPD for investment of about INR 200 crore or so. So, this is not backed on the debottlenecking and production also is not expected to increase a lot compared to current capacity, this is our normal thing. We keep doing these things where we can find opportunity to improve production from existing assets, we try to maximize that. So, this is not going to be a big game changer like Vilayat expansion.

Nirav Jimudia: Got it. One last question, if I can ask on chemical side, and then again I'll jump back on the queue. Sir, our Annual Report mentioned that we are planning to add something around 390 megawatts of renewal capacities for our chemical business. So similarly, if you can say or



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explain us that whenever we will hit the peak production for our chemical business, predominantly caustic side, how our mix of power would look like, let's say, in terms of our own captive thermal, in terms of our own captive renewable? And how much then we have to be reliant on the outside power for sufficing our power requirements?

Jayant Dua:

Okay. So, I think what the report mentions is our long-term plan whereas you know in renewable, we really have to look at from an aspect of majority of regulatory aspect, which are still unfolding. Our desire output, yes, we are looking at reaching renewable to somewhere around 30% of our total requirement. Now the mix will continuously keep on changing as the regulatory environment unfolds in front of us. So, I think it'll be very difficult for us today to really quantify what will be the final mix. I think maybe over the next two or three quarters as the regulatory environment becomes more clearer in terms of how renewable play will happen, then we will be able to get a much clearer picture of that. But from a desired aspect, we've said about 30% is what we are looking at.

Nirav Jimudia:

30% by 2025.

Jayant Dua:

Again, I'm not getting into a timeframe the reason is very clear, it'll be all a function of how regulations come across. Post regulation then you have to look at it from how you want to complete the whole picture. So, it might be 2025, it could be 2030, it could be '27. I think we'll keep the timeframe very nebulous as of now.

Ashish Adukia:

As a target, we've taken that we would like to achieve 30% by '25.

Moderator:

We have our next question from the line of Navin Sahadeo from Edelweiss. Please go ahead.

Navin Sahadeo:

And once again heartiest congratulations on such a record high profitability. My questions were about the margins as we see at least in the near-term perspective. So, as you said, prices have been trending down. So, if I just look at some of the VSF prices in China from RMB 15,500, they've gone down to almost RMB 14,500 or so, especially off later as in from let's say mid-July to now as we speak. But we don't see that kind of a similar decline in the pulp spot prices. So, wanted to understand that, is it fair to say at least from a near-term perspective that the peak margins are probably behind and at least for the next one, two quarters VSF may see some sort of softness in the margins?

H. K. Agarwal:

So yes, you are very up to date on the international prices of VSF, you got on at 14,500 and 15,500 so this is the reality, and we cannot go against the tide. So, this time pulp prices are important, pulp prices are not reducing in the extent, but we believe that if the VSF market show so much of softness and pulp prices also will have to adjust. It's a matter of time. And there have been some different regions for pulp market, like supply related issues were more, there were some post measure situations at major merchant pulp suppliers. And as they get resolved and the VSF market softness, then pulp prices should also respond to some extent. But here other things are other than also there have been other inputs which have gone up very high, like caustic, sulphur, coal, and those are in the adjustment more to some extent like sulphur prices have come down, cold prices are also trending down. So, margins will remain under pressure. It will not be same, like we enjoyed in some favorable quarters, but yes, this adjustment has to play out.

Navin Sahadeo:

Fair and appreciate, but for chemicals then, because your press release also says like June exit is at \$650 versus the average of \$760 odd, which we recorded for the quarter. So similar trend in chemicals also of a sequential margin decline is expected or there, the cost relief is probably much more enhanced. The decline in margins may not be that severe. How should we look at those?

Jayant Dua:

I think, particularly in the Chlor-Alkali being electrolyzer, we are largely dependent on power as our largest source of cost. While we have seen on the fuel side energy prices getting soft, particularly on the crude side, but we haven't seen that material change yet on the coal. The expectation is as talking about how the world is moving along, we could see that. So that will have a material being on our cost side front on us. On the international



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front, I think the entire prices, which shot up had couple of global events of the Ukraine, the entire supply chain becoming very, very distraught and tight. And also the COVID impact in China, now COVID impact in China has reduced, China started producing a lot more material and started giving it to international market. And yes, you're right at this point of time, currently we are seeing a declining trend in the international market, but the volatility is so much that at this point of time, I think it'd very difficult to predict on the caustic side what could be the margin decline for the quarter. The trend looks that it'll be tapering downwards, but to quantify becomes a very difficult challenge at this point of time.

Navin Sahadeo: Yes. Appreciate it. Just my last question on the CAPEX bit, two parts to it. Of course, you've given a very nice breakup to the overall CAPEX total that we are planning to spend this year is over INR 3,100 odd crore. How much should we pencil in including paints as well as the B2B e-commerce for '23 and '24?

Ashish Adukia: Yes, see it's very difficult for a paint ongoing project to give year-by-year guidance because it depends at what stage it is. There is land acquisition then followed by environmental clearance. Then you order for equipments, a lot of equipment are actually imported. So, there's lead time to that. And these are big spends, right? So, if something spills over to next year, it'll be a wrong guidance to give. So, we've given you a guidance of INR 10,000 crore project cost for paints and likewise for B2B as well as a total cost. So, it will be spread over that period. Till now we have spent about as we've mentioned INR 825 crore till June end and quarter one was INR 212 crore. And if you see quarter-on-quarter figure, it's not obviously evenly spread. So, it's difficult to say what that breakup would be. But of course, it'll be -- from now on it'll be front loaded because we've started ordering for equipment, etc. The construction is started in full swing in almost four sites.

Navin Sahadeo: Okay. But safe to assume that a chunk of it, like regardless of the guidance, but a significant chunk may come in per se, let's say, second half of '23 and '24?

Ashish Adukia: Absolutely right. I think that is good to assume because, given our target that we've given for commissioning of the capacities.

Moderator: Now we have a next question from the line of Prateek Kumar from Jefferies. Please. Go ahead.

Prateek Kumar: Yes, my first question is on VSF segment, we have operated utilized capacity at close to 95% this quarter. So you mentioned that in June, we operated 100%. So next leg of expansion in terms of brownfield, I'm not talking about debottlenecking, but a major brownfield expansion maybe lined up again in parallel with the paint CAPEX which we're already executing?

Ashish Adukia: You're talking about caustic expansion.

Prateek Kumar: VSF expansion.

H. K. Agarwal : Yes. We would love to do that, Prateek, but for the time being that is not immediately on the drawing board. So, we have to see and at the same time we have to optimize and balance the CAPEX, debt equity, debt EBITDA and other new businesses. And this is a capital allocation challenge/strategy. So, yes, but sure we are aware of this situation, and we are continuing to develop our market and at the appropriate time, definitely we will draw the plans.

Prateek Kumar: And in general, I mean we operated like at 95% and for the full year, we should assume now we should have like an 95% utilization for VSF capacity of 824,000 for the segment.

H. K. Agarwal : Yes, we would love to do that, but there may be some in between headwinds, like we had this pulp supply situation, which affected production at some of our plants for few days or weeks or something like that. But barring such an unforeseen situation or some severe market thing, because we are living in such volatile conditions. So, if things remain normal,



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then yes, we have been always operating in high 90s or like above 90s. So that is our attempt and target for sure.

Prateek Kumar: Sure, sir. And on CAPEX, one more follow up. So, like we have given for paint INR 10,000 crore, to be at INR 2,000 crore for B2B, but for other ongoing businesses, I mean, while you mentioned that this is a capital allocation question, but over FY23 to FY25, what kind of CAPEX which we may want to do over FY23, '25, and maybe what is the kind of net debt to EBITDA we may want to achieve?

H. K. Agarwal: For a particular business, your question is...

Pavan Jain: Other than paints, you are talking of other than paints in B2B?

Prateek Kumar: No. So, I mean, frankly, I mean, by FY23, CAPEX number was not announced till now because it was not approved as was suggested in last call, but it appears like a bit high to us at least. So, like standalone CAPEX if we see over next three years, besides the CAPEX on paints and B2B, what kind of CAPEX we might be doing over, I mean, like VSF, chemical and other businesses?

Ashish Adukia: Sure. I think, let me first explain the CAPEX that we've given out for this year. I think in terms of guidance, we'll continue to give the annual CAPEX rather than trying to give next two, three-year guidance. But you asked about this year guidance. Now Mr. H. K. Agarwal highlighted the three categories of CAPEX that we have in VSF, which is debottlenecking a small portion, the spillover of Vilayat expansion. And then the balance is modernization and maintenance CAPEX now modernization and maintenance CAPEX also includes some of the projects that we are going to take up, which are not going to be a recurring CAPEX. It'll be one time, for example, in the past, we've talked about carbon absorption plant, etc., to be put up in all our four sites of VSF. So those are large CAPEX, but that will not recur after once it has been put. So therefore, that figure is slightly on the higher side.

In chemicals, you have eight sites and in all those sites you keep putting up either Chlor-Alkali, which we have announced, then there are VAP projects, chloromethane, etc., that we have already announced, like ECH. Then the third is power, both renewable as well as in some places where it is critical you need to put up something to enhance the capacity. So, we are doing that. So those are the three categories in the main strategic CAPEX, and then there is maintenance CAPEX. So, these are the things that are forming part of the INR 3,000 odd crore that you've seen.

Prateek Kumar: Annual maintenance CAPEX is how much?

Ashish Adukia: See, I think it varies, like I said, that environment related CAPEX may not be recurring once you put up a particular type of equipment, but somewhere around INR 1,000 crore to INR 1,500 crore that range you can assume for Grasim.

Prateek Kumar: So, we are anticipating a very large CAPEX in FY24 for paints, because we are assuming that in FY25, we should launch our product. And we have like INR 1,000 - INR 1,500 crore basic CAPEX, which we should have anyway. So next year also pretty much we should have like an INR 6,000 crore kind of CAPEX for Grasim standalone operations?

Ashish Adukia: So early for us to comment when the Board approves the numbers, we will definitely share with you. Directionally, yes, there will be large paints CAPEX next year along with other CAPEX.

Moderator: We have a question from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.

Bharat Sheth: Sir, first question is on taking on this VSF margin within this quarter value added product was relatively low and you said that one of the factors was also seasonality softer. So .going ahead if we improve this value added product, so how much can it, I mean, give support to our profitability?



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- H. K. Agarwal:** VAP accounts for roughly 20% of our total sales in this quarter and our attempt is to always increase the VAP, volume and percentage share in our total product mix and VAP normally on an average on a premium in terms of pricing about 20-15% over normal standard price. But still, it'll take time. It is not that we can increase the VAP volume, or VAP share overnight. It is a very slow process because approvals by the brands and then value chain and all these things. And then there is a competition it is not that VAPs are without any competition. So, it is a long process and we have been working on developing VAPs and directionally we will continue to increase VAP. So, the effect will be slow, but it will be slow and steady.
- Bharat Sheth:** Okay. But some extent, I mean, in quarter-over-quarter, this quarter, particularly our volume was low vis-à-vis Q4. So again, to last year normal this year there will be some addition will be there.
- H. K. Agarwal:** Yes. This year we are seeing lot of volatility in international markets, VAPs are also like from Grasim point of view almost 50% domestic, 50% export oriented and international markets are seen more headwinds in overall textile business. So difficult to say with specific thing that how much will be the increase or what will be the volume this year.
- Bharat Sheth:** Okay. Coming on the chlorine, I mean, chemical side in Chlor-Alkali we say that prices are declining, but I understand this year, I mean, in this quarter, our captive consumption has increased. So, chlorine, which used to contribute little negative margin. So how do we see the current year?
- Jayant Dua:** See our caustic integration is largely our internal consumption is on caustic side chlorine is all, which is either used in our own labs or produced in metochloric acid outside to our ancillary or sent out to the market. And chlorine at this point of time is trending on negative, has been for the last two or three quarters now. And interestingly, our chlorine integration, if I look at as a sum of all three is 60 odd percent today. And 40% is what we call is a merchant sale of chlorine. So, chlorine prices you've got segments like pigments and dye stuff, which are impacted because of the European situation where a large export happens. Also, so there are some positives which happen in some industries of pulp and paper has gone up because of the school opening where pigment and dye stuff went down, water seasonality is there. So, in monsoon you will see large more of sanitization product sales go up post monsoon, they start coming down.
- So that's a continuous business operation cycle, but currently I think the way we look at it is 60% chlorine integration internal, 40% is merchant sale. Currently chlorine is running negative and the trend is at the moment that it continues to run negative because of the entire chlorine demand, which probably needs to pick up more than what it is today.
- Moderator:** We have a next question from the line of Vihang Subramanian from Zaaba Capital. Please go ahead.
- Vihang Subramanian:** Apologies if it's being asked before I just got disconnected in the middle. So, on the paint side of the business, just wanted to understand on a broad strategy perspective, what would be the strategy there? Like, because I mean, given that we have already two large incumbents, like would our strategy be based on pricing?
- Ashish Adukia:** Rakshit you are on the call, would you like to take?
- Rakshit Hargave:** Yes, I am on the call and I would like to answer that, obviously, when we have thought to enter this market, we have a specific plan, but you would appreciate that at the moment, we would not want to share anything about it and it is confidential. But the team is obviously confidently working on it. I hope that is enough.
- Vihang Subramanian:** I mean, any details you could give, which would be like helpful would be like appreciate.



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- Rakshit Hargave:** I would really want to avoid any forward-looking statement on our strategy in terms of what we are going to do to keep it very proper, but obviously we have a plan and it is well thought out.
- Vihang Subramanian:** Sure. And just from a timeline perspective, like if I understand correctly, FY25 is when we would be looking at some kind of revenues come through, is it?
- Rakshit Hargave:** Yes. Like we disclosed last time, the last quarter of next FY.
- Vihang Subramanian:** Right. So Q4FY24 then. Okay.
- Rakshit Hargave:** Yes.
- Moderator:** I would now like to hand the conference over to Mr. Ashish Audukia for closing comments. Over to you, sir.
- Ashish Adukia:** Yes, sure. Before the closing comment, I just want to clarify one comment I mentioned on renewable. So renewable our target is 25% by FY30 and not 30% by FY25. So, apologies for that confusion. So, this is my last call. And as I hand over to Pavan I wish him all the luck. I've had great three years. We did some good strategic improvements. We launched not launched, but we incubated paints. We sold fertilizer. We are in the process of incubating B2B e-commerce. We've stepped up the dividend. So hopefully we've made you happy. And we are always here to listen to you and see how we can improve and address your concerns. So, thanks a lot.
- Moderator:** On behalf of Grasim Industries Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.