

October 22, 2020

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Dear Sir/Madam,

Sub: Conference Call transcripts (Scrip Code: 533229)

Please find attached a copy of the Conference Call transcripts in respect of Bajaj Consumer Care Limited (Formerly Bajaj Corp Limited) dated October 19, 2020.

The same may please be taken on record and disseminated to all.

Thanking you,

Yours Sincerely,

For Bajaj Consumer Care Limited



Chandresh Chhaya
Company Secretary

Membership No.: FCS 4813

Encl: as above

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“Bajaj Consumer Care Limited
Q2 FY2021 Earnings Conference Call”

October 19, 2020



ANALYST: MR. MANOJ MENON - ICICI SECURITIES LIMITED

**MANAGEMENT: MR. JAIDEEP NANDI – MANAGING DIRECTOR – BAJAJ
CONSUMER CARE LIMITED**

**MR. DILIP KUMAR MALOO – CHIEF FINANCIAL
OFFICER - BAJAJ CONSUMER CARE LIMITED**

**MR. KUSHAL MAHESHWARI - HEAD TREASURY - BAJAJ
CONSUMER CARE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Bajaj Consumer Care Q2 FY2021 Earnings conference call hosted by ICICI Securities 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manoj Menon from ICICI Securities Limited. Thank you and over to you Sir!

Manoj Menon: Good morning everyone. It is an absolute pleasure to host the 2Q FY2021 Results Conference Call of Bazaar Consumer Care. The consumer sector results get kicked off with Bajaj being the first result. It is a stock business, which we like and we are firm believers in the turnaround under Mr. Jaideep Nandi, the Managing Director who is there on the call today. Mr. Dilip Kumar Maloo, the Chief Financial Officer and Mr. Kushal Maheshwari, Head of Treasury and IR. Over to the management for the initial remarks and then we will open the floor for questions and answers after that. Over to you Sir!

Jaideep Nandi: Good morning everyone and thank you Manoj and Vishwa for hosting this call. My name is Jaideep Nandi and I am joined by my colleagues Mr. D K Maloo, the CFO and Mr. Kushal Maheshwari who is our head of treasury and investor relations as well as some of my colleagues from our management committee.

With the lifting of the lockdown restrictions in phases across India we see signs of recovery of both economic activity as well as consumer sentiment. I think it is a sign of adapting to the new normal. While the quarter saw proliferation of COVID-19 the FMCG business showed signs of recovery in the second half of the quarter as you can see from the results of the hair oil growth in July, August was very good as far as Nielsen data is concerned. The logistics and distributions were back to nearly pre-COVID levels though sporadic disruptions still remain due to localized lockdown restrictions and we think that this will continue for the next one or two quarters.

The company reported a sale turnover of 221.76 Crores for the quarter with a growth of 5% over the same quarter of previous year. The EBITDA for the quarter was at 63.99 Crores, which is a marginal growth of 0.6% over the previous year same quarter. The EBITDA to sales ratio was at 28.9%, the gross margin was at 65.8% as against 66.2% in Q2 of 2020. The marginal drop was due to change in the product mix with a little higher contribution of Bajaj Amla Hair Oil and Sanitizers both put together contributing to about 5% for the quarter sales. The PAT for the company was at 57.25 Crores against 57.29 Crores, which is basically flat during the corresponding quarter of the previous year.

The commodity prices remained inflationary during the quarter with LLP prices showing a gradual rising trend. Refined mustard oil prices have also been increasing with supplying constraint and rising global edible oil demand. During the quarter the benefit of LLP prices was partially offset with increase in RMO prices and other packaging material thereby contributing to a marginal gain in gross margins as compared to previous years this is specific to only raw material and packaging material costs. There has been a recovery in hair oil category in the months of July and August with 0.5% value growth and a 2.7% volume growth after Q1 decline of 25%. The year-to-date August hair oil market decline remains at 15%, a decline of 15% by value and a decline of 12% by volume. Clearly the consumer downtrading and we have seen from the difference in the value volume decline of 3%.

Rural India continues to perform better than the urban markets aided by government relief packages, agricultural boost and reverse migration of labor. Urban markets declined at a lower rate of 6.4% for July and August as per Nielsen while rural growth continues, and it is what 9.7% for the same period positive 9.7%. For the company the approach has been to maximize the available growth opportunities by driving our distribution and penetration at rural markets. The van operations have been scaled up steadily during the quarter, the urban markets continue to be under stress due to partial lockdowns in some of the markets, which is also showing signs of recovery, but retail is still struggling. As a result the rural markets have been outperforming and there has been increase of our rural contribution to about 52% from 44%. The company continues with its policy of completely nil credit to distributors and superstockist in general trade with (inaudible) 5:30 country with an uncertain economic outlook; the consumers are clearly displaying value for money purchase behavior. To keep pace with this changing consumer sentiments we have launched new SKUs in both ADHO as well as Amla with adequate promotional offers both trade and consumers. We will continue to monitor the same and react accordingly as we see the market.

Modern trade channel has been under severe stress post COVID-19 due to entry restrictions and closure of malls in most cities and towns. The pressure on this channel has not eased much in Q2 and it continues to decline for us as well in the quarter. With the festive season around and the relative easing of urban markets we believe modern trade channel will do better in the coming quarters, which we need to see how it pans out. E-commerce has shown promising growth figures in the quarter albeit on a very, very small base, we see potential in online retail, which is gaining consumer preference across cities and big towns and we intend to make this one of our future growth drivers. There has been a single significant ramp up in digital marketing in the second quarter, which has also helped drive the e-commerce business.

International business has recovered in this quarter across markets wiping the deficit of the first quarter as markets continue to ease up. We will continue to approach these markets tactically for the current year. During the quarter the company upped the investments in marketing through TV, print, digital media, and as a result the advertising and sales promotion expenses are back to the pre-COVID levels of about 18% to sales. The media spend strategy was rural focused in July and August to capitalize on the rural market uptick. ADHO has been restaged in Q2 with the new improved formulation, the benefit of 6X Vitamin E and enhanced nourishment to reduce hairfall. The launch has been supported with integrated marketing campaigns across TV, print, digital, and on-ground visibility from September onwards. During the quarter we introduced three new pack sizes in Bajaj Amla Hair Oil the 3 ml sachet, the 300 ml, and the 500 ml over our existing 3 SKUs of 37.4, 80 ml and 160 ml, so that now we have a complete range in Amla at different price points. Amla has also been a focus in rural markets, which has been supported with the pan initiative. Bajaj anti-grey hair oil our digital first brand has been listed on all major e-commerce chains in this quarter, sales remain low currently, but we remain committed towards investment behind the brand primarily through digital. Nomarks hand sanitizer had shown good response during the initial periods of lockdown; however, the sales have slowed down due to crowding of the market with numerous players offering high trade discounts. It makes me very proud to announce that our Paonta Plant has also got the Golden Peacock National Quality Award for the Year 2020. As a company we have been increasing our usage of automation and technology, which is being planned and implemented across various functions in the organization. The management committee of the company has also been working on to upgrade the systems and processes in order to improve operational efficiencies and make the organization future ready. With that, I end my opening remarks and open the session for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Prakash Kapadia from Anived Portfolio Management. Please go ahead.

Prakash Kapadia: I have two questions, one on sanitizer sales, what is the contribution to H1 and what kind of demand trends are we currently seeing and secondly on urban markets do we see migrants coming back and with festive season what are the outlook on urban demand?

Jaideep Nandi: If you look at sanitizers clearly the sentiments that were displayed in the first quarter, clearly definitely by us and I think quite a few of many companies not only across FMCG but across many other companies clearly that way it has not panned out. So as a result while if you look at H1 where the contributions were close to mid single digit that contribution has nearly halved in this quarter and now it is basically a practical thing where we will look and see how the market pans out, at this stage it is extremely crowded, the discounts that are

being offered in the market there is not really money to be made and if you really want to establish the brand the kind of spends that you would require to put in behind the brand really speaking may not be the best way forward at this stage, so we will keep watching the space, at this moment it is not one of our key focus areas, we wanted to take it as a tactical opportunity, we made took advantage of it, at this stage we are going easy on it, so it is more of now clearing how do we clear our inventory and we remain more or less safe. So that is as far as sanitizers are concerned. As far as urban demand is concerned, clearly we see an uptick coming up while retail is still struggling one good thing that we see is wholesalers come back quite substantially back especially in the months of August and more so in September, so that is a pretty good sign so that we see that more distribution is happening, the markets are really opening up, so retail while it is still struggling wholesale we see some positive signs coming up, so we are doing our bit to see how we can get into the larger urban markets, usage of digital media we have ramped up our usage of digital media not only for our media spend strategy, but also to look at how we can tap the urban market, little bit of the urban let us say that we were new consumers the younger consumers, etc., so we are also changing a bit of tag there, it is mainly ADHO driven, but also supports some of the lower brands like AGHO, etc., which is anti-grey hair oil, so that is what we see. So our thinking is that given the festive season coming up and given that government is also making the best way to open up these markets we see urban in Q3 to be doing much better than we have seen in the last quarter.

Prakash Kapadia: Lastly from my side if I look at staff cost they are looking at a flattish kind of trend on a first-half basis, so is there some variable which is performance linked, which is not coming through that is why this flattish trend and would this trend in employee cost continue for the rest of the year?

Jaideep Nandi: The employee cost will continue because what we have done is, we have done two things. During the middle of last year we had done a round of employee rationalization, so those costs still sat on the back of the numbers if you look at the P&L of last year, so that is why you are seeing a flattish kind of a base this year. We have already factored in, we have actually announced our increments this year that is payable right from April so that has gone through and those are all factored in those were all provided for in the cost, so there will be no impact obviously on the P&L, but that is what you will see, so structurally not too much changes you will see as far as employee cost is concerned, but a bit of restructuring is happening across, a little bit at the senior management level, but in terms of basis points you will not see too much of changes.

Prakash Kapadia: Understood, thank you, all the best.

- Moderator:** Thank you. The next question is from the line of Saurabh Patwa from HDFC Mutual Fund. Please go ahead.
- Saurabh Patwa:** Have you seen any trends in terms of SKUs in terms of size like the larger size getting sold more because people would want to come out more frequently, any similar or any other specific trend, which you would want to highlight?
- Jaideep Nandi:** Clearly what we have been seeing and this is not a quarter phenomena, but for the last maybe three, four quarters and obviously accentuated in the last two quarters clearly is the movement towards the larger packs, so even before that it was a little different as a reason before let us say just if you take two, three quarters before the lockdown, in fact the urban demand was far outpacing the rural demand because rural was really struggling, so we saw a gradual shift at least for our SKU sizes towards the larger packs, but in the last two quarters clearly there has been a movement, for example if you look at ADHO the 200, 300, 500 ml there has been a nearly about 6% basis point change that has happened from let us say Q2 of last year versus Q2 of this year, so that is the kind of movement shifts that we are seeing, so clearly the answer to that is yes and hence we are also ensuring that we bag these SKUs accordingly.
- Saurabh Patwa:** Does this make any impact in the kind of promotional expenditure planning, which you would do, the target audience would be slightly different right?
- Jaideep Nandi:** Yes, so obviously you play that tactically and actually you increase your consumer offers accordingly for the larger packs, etc., but notwithstanding the fact that we are also very, very, cognizant of what is happening at the lower end. For example, if you see that we have just launched our 35 ml, which is Rs.20 pack, which clearly was a gap as far as our portfolio was concerned. If you look at we had Re.1, we had Rs.10 and then straightaway we went into the Rs.35 with our 50 ml, so there was a clear gap as far as the Rs.20 is concerned, which is what we have now just filled up that gap, so we are also cognizant of what is happening at the lower end, but yes, at the top end the customer base is different and we have been trying to support that with consumer offers.
- Saurabh Patwa:** Thanks a lot Sir and all the best.
- Moderator:** Thank you. The next question is from the line of Percy Panthaki from IIFL Securities. Please go ahead.
- Percy Panthaki:** Hi Jaideep, congrats on a good set of numbers in these difficult times. I just wanted some information on your sales breakup, so the overall sales growth is 5, but can you tell me what it was for ADHO and what it was for Nomarks please?

Jaideep Nandi: Nomarks continue to decline let me start from there, Nomarks continue to decline, but for the first time in the last two quarters at least three quarters if I can say ADHO has shown a growth, so that is a good sign so ADHO is at a 2% growth at this stage and the secondary of ADHO has grown at 5%, so that is a good thing where we are not building up inventory, but at least there has been a good growth that is coming up. So ADHO has grown, Amla obviously very small base, so that has grown, so overall hair oils have grown at a decent clip, but we have obviously had setback from our Nomarks range clearly.

Percy Panthaki: Sanitizer contribution to overall sales would be how much?

Jaideep Nandi: As I said 5% is both Amla and sanitizer put together, and sanitizer is lower than Amla.

Percy Panthaki: But Amla is there in the base also right?

Jaideep Nandi: Amla is there on the base, but as you can understand per se last year Amla was not one of the large focus areas, it is not a large focus area even today, but clearly we have because we had the advantage of the rural distribution through vans, so obviously we wanted to do a bit of rural selling, so that is where we have gone in as well as we see some of the urban markets like you see Rajasthan, Punjab, MP, some of these larger Amla markets were even in the rural large pack sell, so we have also introduced our 300, 500 ml, and we see a tactical opportunity as far as the Re.1 pack is concerned, so those three packs have got introduced in Amla and hence again it is a very similar situation as the e-commerce numbers as far as we are concerned, the bases are small so the numbers look high, but anyway we need to see how the future pans out.

Percy Panthaki: Secondly can you tell me what were your distributor days as of June 30, 2020 and what they were as of September 30, 2020?

Jaideep Nandi: If you look at the non-sanitizer and I would like to spread out, obviously sanitizer we have some distributor days so I will clearly say that and that is something we are seeing how we can liquidate that. If you take out the non-sanitizer everything put together Nomarks and the entire hair oil category it is exactly at 30 days, it was 30 days in June and 30 days now.

Percy Panthaki: Understood and lastly on ad spend, in this kind of an environment where ad rates are only down and even the intensity although it has come very close to pre-COVID levels there might be some gaps there in such kind of a situation there is a 8% ad spend growth so can you just break it up a little bit in terms of, is it focused on Amla more because you are pushing that or is the growth in ADHO itself the same at around 8%.

Jaideep Nandi:

I will just make a technical correction, it is not only ad growth that you see it is ASP growth, which is sales promotion as well and as you will recall there is a large amount of van selling that we are doing, so large part of the van sales that sits in sales promotion. So there is a bit of sales promotion that comes in. Ad spends really remains more or less similar. The other correction is a minor correction is that the ad rates have started going up, it was low absolutely you are right in Q1 that has started going up so this is 0.2, so there has been an increase in ad rates as such and third point is we have also been spending on digital, so we have gone into digital, so if you look at absolute to absolute ad spends have remained more or less similar because sales have remained similar, ad spends as a percentage to sale also remain similar, the growth that you see comes out of sales promotion which is those van operations that we have gotten, which itself is returning decent double digit EBITDA for us.

Percy Panthaki:

Understood and just one general question on the lockdowns, etc., if I might be permitted, the urban growth is lower than rural growth I understand that, but although there have been local lockdowns now it is nowhere similar to the initial lockdown we had and I do not think there is any shortage of goods in the supply chain or availability at a retail front that is my perception I do not know if I am wrong, so is it really true to say that urban growth has been affected by lockdowns or is it just that there is a demand erosion in urban, which is showing through in the numbers?

Jaideep Nandi:

I think both if you ask me, I really will not be able to comment absolutely whether there is a demand erosion or not because that is something that you will have to give one or two more quarters to see whether there is a structural change in the market dynamics itself or not that is a little large statement to make, we can all speculate but that is a little difficult, but at this stage clearly what you are saying is correct urban demand is definitely on the upswing, September clearly showed even better than what we saw even July, August and April to June anyway was a disaster and the other side is if you look at internally from our perspective we have been also very, very rural focus till July, August if I were to be specific not even July till August we are very rural specific both in terms of the way we approach the market, the way we approach our TV spends, which we are tweaked to ensure that we get higher GRPs in the rural markets of UP, Bihar, the Jharkhand, Rajasthan, MP, all these markets, so obviously we have performed much better than what we see as far as the market difference is concerned between urban and rural. The other side to look at it is maybe there is more scope for us in the urban markets because if rural has grown so much and urban not that much maybe there is scope for urban markets, which is where maybe we will focus which is where we have shifted our focus from September onwards where we are also spending some there as well.

Percy Panthaki:

Right Sir, that is all. Thanks and all the best.

- Moderator:** Thank you. The next question is from the line of Shalini Gupta from Quantum Securities. Please go ahead.
- Shalini Gupta:** I have a couple of questions, you know our raw material prices basically your Mustard Oil prices have started moving up so have you taken any kind of price increase during the quarter?
- Jaideep Nandi:** At this moment if you look at the LLP prices are clearly going up so the prices have gone up from 50.79, which we had reported in the investor presentation, at this moment it is sitting at 52 so you are right absolutely there and so as RMO, RMO prices is now at about 108 from where it was in Q2, but at this stage given the market demand, etc., we would rather tweak with the other components of the expense numbers, so more on the overheads that we will be looking at whether to tweak to ensure that we protect our EBITDA margins, not really looking at an increase in prices. At this moment we would rather wait for the demand to come back rather than look at it. As you are aware only one third of our cost is raw material cost, so that has a one third impact as far as gross margins are concerned accordingly, so every 3% increase to the material cost has 1% impact on the EBITDA margin, so we would rather wait rather than jump so quickly to our decision making and RMO and LLP are not the only contributors, the two put together the increase let us say if the average increase is 4% in these two put together the total RMC plus PMC that is the material cost increase will be about 2% so anyway that will be half. If you look at that is a one sixth impact on the EBITDA margin, etc., so we would rather not so hurry so fast and we will also monitor the market, we will see what the other bigger players are doing and accordingly react.
- Shalini Gupta:** Sir and then just correct me if I am wrong, you said that the focus for Bajaj Consumer will be on the larger packs, but actually the consumer is more and more value seeking now, so would you not want to focus on the smaller packs because that is what the average consumer wants?
- Jaideep Nandi:** Interesting question Shalini. So the point is the consumer is value seeking they are not looking for a lower value pack, value seeking is more value for money whereby you are looking for higher ml per rupee spent, so that is where a clear shift has happened, the shift is happening according to me for two, so one is obviously they are value seeking so they are looking for larger packs, which give them a larger ml for the pack size that is there. The other is obviously for the COVID situation itself where you would make lesser trips to the marketplace not everything is about online so when you are physically going to the shops you would want to buy a bigger pack so that you have to make fewer trips to the market, so obviously we see that trend happening and hence we have been tactically looking at that, but we as you rightly said it is also and I just touched upon the initial thing itself, but we are

also very, very cognizant of what is happening at the lower end, so that Re.1 pack is already there so then you have the Rs.10, which is not really a large selling SKU, but Rs.20 is coming out as one of the large categories itself Rs.20 is the highest growing category as far as hair oil purchase is concerned that is where we have also introduced, also because of the fact that there was a large gap between the 10 and 35, so that is something that is very clearly in our focus just because the fact that contribution of these larger packs are going up does not mean that we have lost focus, for us ADHO is bread and butter, so we look at all the SKUs, we do all the cuts at all levels whether be it at state level, whether be it at channel level, retail, wholesale hub, at the channel level, retail level, as well as SKU level we do all the cuts and look at where we are going wrong or what corrections need to be done and we keep reacting up on it.

Shalini Gupta: Like the ADHO at one point of time not too far that used to grow at 8%, 10%, 12%, so do we see that kind of growth returning this quarter we have done well as in that we have grown I think the 2% of ADHO so do you see this in the third quarter and fourth quarter?

Jaideep Nandi: There are three factors if I would say as to how ADHO can go, one is obviously gain market share. Gaining market share within the category itself where you have a 60 plus market share if you categorize something “light hair oil” category, which from last year we have stopped calling ourselves as a light hair oil player, so if you if you do not have a larger share and if you reach a 60, 65, that kind of a market share, the way is really difficult to really keep on growing market shares, so the only other two ways is you will share from other category or you basically grow the market itself, you grow that market itself within the sub market so to say, so these are the two things that anyway we will keep pushing, so ADHO as you are aware we have just restaged so a lot of advertisements and new advertisements just being shot in fact it was shot yesterday so it will be coming up in the next two, three weeks on TV you will be able to see plus integrated marketing as I talked about, so a lot of things we are anyway do. As far as ADHO is concerned we are doing whatever is possible, but we will also be looking at our other four hair oil portfolio, our hair oil portfolio and looking at other brands as well, so it is not the only ADHO while obviously all our entire trust, effort, etc., will go on to back ADHO, but we will also be keeping a watch on the other portfolios.

Shalini Gupta: Last question from my end. Sir like modern trade obviously has declined for everybody, so last quarter that is first quarter you had put out a figure that is declining by 23% and nothing in general do not want to go into supermarkets because of the air conditioning and whatever else so would you say that the decline is similar in 20% upwards?

Jaideep Nandi: In you do a simple math and you look at where e-commerce is part of that alternate trade and if e-commerce itself has grown by 300% that is four times so obviously modern trade

would have grown lower, obviously there is a CSD component as well, both of them have had growths, the declines which are higher than the number that is reported that is pretty obvious, so clearly that is the area where the country is struggling as far as the Nielsen numbers are concerned, the numbers are lower as well as we have also not done any better than the marketplace. The only good solace is that we have not done worse than what the Nielsen numbers coming out of, but that in itself is not good enough, we need to do our own effort to ensure that we grow, our market shares are too low really speaking we should not worry about what Nielsen growth numbers are, there is enough and more for us to be done so that is what we should focus on.

Shalini Gupta: So modern trade for you would be what percentage of sales Sir?

Jaideep Nandi: Shalini can you come back in the queue please?

Shalini Gupta: Yes Sir okay thank you.

Moderator: Thank you. The next question is from the line of Tejas Shah from Spark Capital. Please go ahead.

Tejas Shah: Sir first question pertains to your opening commentary about rural recovery and in fact across categories, across industries also we are hearing the same, but now when we look at the numbers in auto and NBFCs recoveries or even microfinance the numbers are very sharp from rural recovery perspective, but even after calling out all the factors of rural recovery our numbers or in general FMCG also our hair oil in particular the recovery has not that been sharp so any insights on here?

Jaideep Nandi: I do not know how you see those numbers, so obviously I can only speak for what we see in our hair oils industry and related consumer goods industry so because all markets all different segments operate very, very differently the triggers for them are very, very different. As far as our markets are concerned clearly as I was saying we see also urban coming back, earlier the growth rates in urban was in double digits now it is coming back and it is really slowly hitting close to normal as in the base, so that is where I can go back from, but from our own perspective as we were saying because we were so rural focused etc., our growth rate rural has been spectacular compared to urban, so we have to go much higher than the numbers that we are seeing as far as Nielsen reports are concerned, so rural has really been the star for us, urban more or less is where we are very similar to what numbers we are seeing as well as decline.

Tejas Shah: That comparison is on relative basis to urban, but if you let us say compare rural two years back or three years back when it was relatively doing better are you seeing traction versus

those let us say if you index it to a particular point two years back are you seeing recovery versus that point as well or is it largely urban and rural comparison is actually leading us to believe rural recovery?

Jaideep Nandi: Are you talking of our business or are you talking of other business?

Tejas Shah: No, your business.

Jaideep Nandi: If you look at our business as I said urban used to be higher than rural as you are aware, urban was 55%, rural was about 45%, that is how or maybe 47%, 48% to 52% kind of a thing, now that numbers have got reversed for us at this stage and that is for both reasons one is the rural markets, I do not want to get into that because you have heard that enough, which is rural markets are far more open, etc., etc., so that is all. The other is we have taken a specific drive-to-drive rural for the last four or five months so SKUs introduced, all the van operations plus all the trade, etc., that is whatever we have done, so rural clearly is something that we wanted to gain another tactical opportunity that opened up for us, we wanted to take advantage of it and a lot of learnings have come up from those markets where we will continue the drive forward. Now coming back from September onwards we have realized that urban is also coming back we need to focus back on urban, so a bit of shift has happened towards urban and now we are focusing on urban. My thought is that now you will see rural growth may be tempering or remaining there if we can, those are stellar growths I do not know whether we can remain at those levels, but we would obviously attempt to, but clearly urban growth is something that we will focus on and I hope in Q3 we should be reporting good numbers as far as urban is concerned absolutely.

Tejas Shah: Sir just a last question from my side. Sir this is now this September we completed ninth year of acquiring Uptown Leasing, which was supposed to be our head office or we were supposed to consolidate our different offices in one place, now that is 140 or 150 Crores of non-growth capital sitting on a balance sheet for now almost a long period and even now I believe there is no visibility of next two, three years, so any comment on that how do we see because even groups aspiration in terms of because we had a plan to consolidate group entities also at that office, so group aspirations also would have changed in the last nine years, so any comment on that and in continuity on that point how should we see now dividend policy considering that half year has gone by and there is much more better visibility on in terms of cash flow generation and crisis ahead pertaining to pandemic particularly?

Jaideep Nandi: Interesting points Tejas one question, but clearly two questions completely different, so let me handle one at a time. So start with our Uptown investment, so Uptown investment as you are aware, you have covered that in a complete detail as to why it was done, etc., etc.,

so I have nothing further to add on to that, but clearly as years go by and as market dynamics and situation changes you will also keep reviewing, etc., so at this stage the thought process of exactly what you said remain, so Uptown investment is there, we have been getting our licenses, etc., but the kind of pace that we had put up to set up the building and do all the investment and get our licenses we have slowed down because of the current situations, etc., so at this moment immediately if you ask for the next one or two years whether some big amount construction, etc., will go in etc., I think that is unlikely, but really speaking it is not in this thing immediately to take a call on that because we will keep seeing as things improve and we will take a call on that. So at this moment it is at status quo unlikely that it will change in the next few quarters immediate future, but going forward mid-term, etc., I am really not able to speak at this moment, so what will happen after a year whether we will get fast scale into construction and really speaking at this moment, but in the next two, three quarters unlikely any movement will happen. Now coming to the dividend policy, etc., we have gone through that in detail as to how we have taken the dividend policy so this policy that we have discussed that this was an aberration year and it is not something that we will continue to follow year-on-year that stance remains while it is the Board's call to decide as to what the given policy is, lot of the points that all of you guys had said, I have put it in front of the Board, etc., they have taken cognizance of your points and this is something that we hope will get corrected in time to come, so really speaking nothing to worry about that.

Tejas Shah: Thanks and all the best.

Moderator: Thank you. The next question is from the line of Amit Doshi from Care PMS. Please go ahead.

Amit Doshi: Sir, on the Vistaar strategy and of course because of COVID we had put on hold and our original target our vision of doubling our market share from 10% to 20% rather than only light hair oil to the hair oil so what is the kind of with this clarity that you have now, any thoughts on that point because I think last quarter you mentioned that it is currently put on hold we will see how things pan out?

Jaideep Nandi: I will correct myself once again. I realized that my communication I think it was my maybe shortcoming that my communication did not come out well in the last quarter, I actually did not mean that it has been put on hold what I tried to say is that, that at this moment all the aspects of Vistaar strategy, which was a 360 approach towards all markets, etc., that had been put on hold and we were reacting based on what all is required for the marketplace tactically, so that strategy continues and as the quarter is eased up, etc., lot of the things that have come out of the strategy as well as our own internal understanding we have actually been proliferating across markets. As I had said last time itself by March we had completed

all our Hindi speaking markets wherever you are of interest those markets we have already got a full-fledged strategy as to what to do, how to do, etc. Now all of it is getting implemented and something more as we understand the market as the market dynamics are changing obviously at that time rule, focus, etc., was not that strong those are also we are incorporating that so that strategy is very much there with us and we are implementing part and all of it as and how we deem fit as well as we are adding on to whatever our knowledge and experience of the last six months have been or adding on to it and making a competitiveness and that is something that will keep going on. The focus on hair oils whether we get into some other portfolio or not is a separate point but the absolute focus on ADHO and then some of the hair oils, etc., is not something that is going to go. 20% or not we will have to see how the market pans out, you will have aspirations, visions, etc., all of that but really our job is to ensure we have our strategies right and ensure operational excellence to an absolute as best as we can put it, that is the clear focus and as I said the clear focus has to be that we need to get our value goals back and that is something that we tend to strive for.

Amit Doshi:

On the ad spend you know why of course June quarter the Q1 quarter of course had a very reduced expense and now it has increased; however, we have been able to maintain margins and I remember that in the strategy which we just discussed that you are ready to compromise on the margin by increasing the ad spend, etc., so what is your thought of trajectory towards our margin and our ad spend, so if you can give some guidance on that?

Jaideep Nandi:

Obviously I will not be able to give you guidance on that but clearly speaking if you look at ad spends is something that is something that is not going to be compromised that is the last cost item and that will get compromised, so we will look at a material cost, we look at the admin expenses, operating expenses of let us say employee costs, etc., all other costs even sales and sales promotion cost, ad spend is the last cost that we will cut because that is the easiest to cut, but the impact of it is long-term, so that is not something that we would like to touch easily. So ad and sales promotion which remains at 18% will remain thereabouts, in fact going forward in case in future if you were to look at something else going forward it might go up by a few percentage points, few hundred basis points going forward later, but that obviously needs to ensure that we also have a topline growth commensurating against that. If I have to just finish that, if you look at the strategy going forward much later and this is not a guidance we would look at ensuring that our EBITDA continues to grow not as a percentage but definitely as an absolute that is clear focus, so that is something that we would want to do and obviously that would mean that the topline needs to commensurately go if you have to grow your EBITDA as absolute and the cost goes up.

Amit Doshi:

Right, no my point was only that only because initially 18% to 22% ad spent target was there and at the cost of EBITDA margin that was what was indicated anyways, I got the

answer. The last question is Sir I understand about the sanitizer business you are not kind of focusing on because of crowded market or margins, etc., any particular reason with Amla oil, why is that you mentioned in your initial participant response that Amla is not the focus area, any specific thing that you would want to highlight considering that now we want to move from light hair oil to a hair oil company, especially in that?

Jaideep Nandi: I am sorry that must be again my miscommunication or my tendency to say things which are not represented correctly by me itself, so I did not mean that Amla is not a focus area what I meant was ADHO will remain our absolute focus area, but we will also be strengthening some part of our other portfolios. At this stage as we go forward in the next one or two quarters it will be the hair oil space that we will continue to work on and some of the other brands will also come into play, yes. Sorry, so please ignore that other part if I meant that Amla will not be a focus, so all the products other than ADHO where we feel we have some rights to win of some kind we will continue to play on those as well.

Amit Doshi: Okay, thank you so much and wish you all the very best.

Moderator: Thank you. The next question is from the line of Krishna Nagpal from Latin Manharlal Securities. Please go ahead.

Krishna Nagpal: Sir I have one question is that what are your views on any M&A, which might take place because of the cash which we have?

Jaideep Nandi: M&A, Krishna that is an important question and this is something that we take it pretty seriously, but in my view, there are two sides to the M&A, which I personally look at. One is look at domestic M&A, which is within the country, history says at least in my mind whatever history shows most of the consumer goods company whichever M&As have been done at the valuations that they have been acquired really speaking not money is there to be made after that is how I personally see it and I may be absolutely wrong, but that is how our personal feel. So M&As within India valuations look too high, so this is something that we will treat cautiously and tactically, if opportunities arise definitely yes, but outside the country we look at specific pockets and I do not want to get into which pocket, if opportunities are there this is something that we would be interested in, but at this stage if you look at specifically this year this financial year our focus would be mean to get our house even stronger in order and going forward maybe next year onwards that is also a market the international market is something that we might be wanting to focus on, but at this stage I am not giving any guidance on that nor I am saying it is a part of our strategy.

Krishna Nagpal: Okay Sir, Sure Sir. Thank you, Sir!

- Moderator:** Thank you. The next question is from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.
- Shirish Pardeshi:** Hi Jaideep congratulations for good setting. I have got three questions. The first question is purely on the channels and as I say that you mentioned that modern trade has not come up to the expectation, is there anything you will call out any specific geography you are facing this issue, what we understand Maharashtra has the biggest lockdown, which is continued, so any particular thing, which you would like to highlight?
- Jaideep Nandi:** Modern trade I think two, three factors, so clearly the metro cities have really flunked for us so Mumbai, Delhi, so larger cities have really not done well for us, so that is clearly the indication that is coming up. The other thing that we see is not specifically geographically I do not think it is a much of a geography issue, but this larger city is clearly one issue. The second thing that we see is one of the larger chains really had liquidity issues and where we had a large exposure, so as far as credit is concerned is no more a concern obviously, but that has obviously which was sitting on our base has not come back this year, so that also has had an impact on our business, but other than that more or less I do not see fundamentally we have anything wrong as far as the business is concerned that is something that we hope in Q3, Q4 will revive and our focus also remains in that area.
- Shirish Pardeshi:** You touched upon the wholesale recovery will you be able to quantify a little more where we see Tier-3, Tier-4 what kind of contribution the wholesale is now come back and what is the future you are looking in wholesale?
- Jaideep Nandi:** Wholesale in fact in the quarter actually was flat, so as I said urban markets were down, but wholesale has been flat in the quarter and this is against July, which was negative so that is a good sign that wholesale is now coming back and retail is where we still have some more work to do so that is as far as wholesale is concerned, sorry, you had another question on that?
- Shirish Pardeshi:** No what I was asking that what is the wholesale contribution is now settling?
- Jaideep Nandi:** I would rather not get into the exact numbers as I said urban to rural divide is what just at this moment I can share with you which is 52% to 48% from earlier as I said from 56% urban, and 44% rural it has now moved to 48% urban and 52% rural that is what it has been and as you can understand wholesale has been done a little better than rural markets, I think I will leave it at that at this stage.

Shirish Pardeshi: On the international front you have shown a significant growth is there anything that you would like to call out saying that are we expanding the footprint or in the similar geographies you have seen the growth and what could be the reason of growth?

Jaideep Nandi: The growth numbers again these are all so low bases really speaking I would not get too hung up on the growth numbers itself. First and foremost we are not increasing our footprint as far as international markets are concerned, as I said earlier international market is not one of our large focus areas in this year, but operationally obviously we would like to tighten every single area that we operate in, so obviously some basic work has been happening in each of the markets that we operate in which is UAE, Bangladesh, Nepal and rest of world is a separate thing, so some bit of growth that you see, but the bases are so low really speaking nothing to talk about, maybe going forward we will see what to do in these markets.

Shirish Pardeshi: In case of Amla you have seen that we have restaged the focus, so is it that we will expand our franchise and footprint on one of our stronger markets of ADHO likes of UP, Bihar, Rajasthan, is that the strategy which you are banking on from the distribution point of view or you are really trying to expand the value for money downtrading, which is happening in the market?

Jaideep Nandi: Not really, all products you will treat it based on the product itself, so Amla specifically if you look at, all these data is available somewhere at least with us, for example if you look at the Nielsen data for the market itself that 1600 Crores market where the main markets are, those are those seven, eight markets. Fortunately for us it is the same markets where we are strong so that is a big advantage for us it is not the south or eastern part of the country where Amla is very, very strong, so most of the markets other than maybe Maharashtra we have a good presence there and the fact that it is also a rural driven brand other than Dabur Amla, which is obviously more urban most of the other Amla is sold rural base, which is where we are focused on, so tactically it has been an advantage for us and strategically we think clearly there is some space for us to play, so that is where we continue to see how it moves.

Shirish Pardeshi: Alright, thank you and all the best.

Moderator: Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisors. Please go ahead.

Dixit Doshi: Most of the questions have been answered, just two small questions, one is this growth numbers of 5% in Q2 and 6% negative in H1 these are value can you just give us the volume numbers for Q2 and H1 and my second question is obviously you mentioned that

we are going slow on a sanitizer market, but apart from sanitizer are we planning any new products other than the oil category?

Jaideep Nandi: As far as the volume growth is concerned it is actually same as the value growth it is at 5% the same, so from this year we have started calculating the volume numbers in kilo liters because earlier we use to report that in cases, so we are also looking at numbers as far as kilo liters is concerned and basically liters is concerned so that is absolutely at the same level as the value growth which is at 5% and that answers the question. As far as the new products are concerned, if you look at this moment in the next two quarters you will not see any new products coming out it is more on focus on the brands that we have so as you are aware anti-grey hair oil was launched two quarters back that is something that we will focus on the digital this thing, Amla is obviously a range that we have started doing a bit of focus on and as well as ADHO will remain key focus, so we really do not want to dilute too much before we have our strategy as to where we want to go and that is not something that you will see in the next two quarters at least so this is where our main focus will be at this moment.

Dixit Doshi: So nothing on the cards other than the oil is that understanding right?

Jaideep Nandi: Not in the next one or two quarters.

Dixit Doshi: Okay, that is it from my side.

Moderator: Thank you. The next question is from the line of Umang Shah from Asian Market Securities. Please go ahead.

Umang Shah: Sir could you tell me historically what is it that stops us from breaking into the South Indian market?

Jaideep Nandi: There is nothing that stops us from breaking into the South Indian market, it is mainly as you are aware the nature of the market itself and the nature of the products that we sell. Now our portfolio is as you are aware over 90% of it comes from Almond Drop hair oil and Badam as a product does not really sink in, in the southern markets itself, so it does not have too much of salience as the southern markets are concerned, which is obviously a large coconut market as well as even if you have some of the value added coconuts it is more or less restricted to that. Having said that yes there have been because of our rural drive and some of our efforts as well we have been looking at the south and let us see how the future pans out, at this moment I would rather keep that open and let us see how the market pans out, at this moment we have not focused, till now we have not focused on south mainly

because Almond Drop is not something that has a large salience or Badam, Almond itself does not have much salience in the South that is the reason we have not got that.

Umang Shah: This is very helpful Sir. Sir second question is the CSD trouble started I think with the name change and after that our sales have never recovered there, this also coincided with them reducing their own procurement overall, so going forward do we see the sales coming back to the previous level or for us CSD is no longer the place at which it was earlier?

Jaideep Nandi: If you look at the name change that happened and after that we actually lost sale last year first quarter that is where the sale had actually gone off so if you look at H1, if you look at not the quarter but H1 quarter again we declined yes you are absolutely right, but if you look at half year the CSD numbers are flat, actually flat because first quarter because there was a low base near zero base we had grown on that, but having said that one of the key things that we need to do as far as CSD is concerned is monitor our own accounts a little better I think that is something that we can clearly do much better on and going forward I think we need to do a little bit more focus on CSD, CSD is not something that can be that will go away while because of the regulations, etc., CSD demand has come down I think there is a lot of work that we need to do from our end which is something that we would want to focus on, so I do not know when we will be able to do that, but that is something that we need to come back, that is not a channel we can ignore or would want to ignore.

Umang Shah: Just a small part what was the peak level of CSD that we are doing, and can we reach there in percentage of sales?

Jaideep Nandi: I really do not know these are very speculative questions because in terms of absolute number if you want to reach, the percentage will depend upon how you are doing in general trade, modern trade, e-commerce, etc.

Umang Shah: Any absolute number is fine.

Jaideep Nandi: At this moment if you ask me I do not think we have got that kind of a clear strategy as far as the CSD is concerned, which I can tell you that clearly these are the numbers that we can reach out, clearly this is something that is work in progress and maybe by the next quarter we will have a little more story to tell on the CSD, but at this moment I am not able to say so.

Umang Shah: Sure Sir. Thank you so much.

Moderator: Thank you. The next question is from the line of VP Rajesh from Banyan Capital. Please go ahead.

- VP Rajesh:** Most of my questions have been answered, just one question. My question is just trying to understand the revenues from Nomarks in this particular quarter and what was the decline year-over-year?
- Jaideep Nandi:** Nomarks has declined and the decline has been about 30%.
- VP Rajesh:** What was the revenue this quarter?
- Jaideep Nandi:** Let us keep it at that, it is about 30% and the revenues are not very substantial.
- VP Rajesh:** But what I was trying to understand is if you exclude Nomarks and exclude sanitizer what would have been the decline year-over-year that is really what I am trying to get at or growth, if you take out sanitizers from this quarter and if you take out Nomarks from this quarter what is the year-over-year growth or decline whatever it was?
- Jaideep Nandi:** There will be a marginal growth in the quarter.
- VP Rajesh:** That is helpful. Thank you.
- Moderator:** Thank you. The next question is from the line of Sunil Jain from Nirmal Bang Securities. Please go ahead.
- Sunil Jain:** I would like to know exactly how much is the contribution of a new product or new SKUs in this quarter or maybe half year and is there any strategy to push for new these type of things like new product or new SKU sales?
- Jaideep Nandi:** As far as the new SKUs there are no new products which were introduced as far as the new SKUs are concerned the salience of these are marginal, so really speaking we have just been launching them, in September, in August actually 300 ml, 500 ml of Amla came into the 35 ml, which is the Rs.20 pack also came into being in the forward, so really speaking the numbers at this stage are marginal so we will have to see how the numbers pan out in Q3.
- Sunil Jain:** Second question about this Nomarks no doubt our sales are declining and we are not focused but the way it is declining it looks like we may not have this brand in over a period of time whereas when you spend a lot of money on that and this is somewhere there in the market, so do not you think you need to support a bit in this, to this brand at least to maintain the sales so whenever the opportunity comes you can increase it?
- Jaideep Nandi:** You are absolutely right, while in terms of our effort and direction ADHO remains the key focus area some of the other hair oils as well we are looking at Nomarks more as a

experimental thing as to what we want to do about it and where at a little lower cost if we can come back in some other way, so we are internally trying out certain things at this moment I do not want to talk about it because there is not much to say at this stage, but hopefully some of the experiments we will see how they pan out and maybe by the next quarter we will be able to say something if at all it works.

Sunil Jain: Okay, great sir. Thank you very much and all the best for future.

Moderator: Thank you. The next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: I just had one key question on the Rs.20 pack that you spoke about that Nielsen is saying is going the fastest in the hair oil segment so in your opinion is this to do with the fact that rural is growing faster than urban, which is probably the only relevant reason why it is growing so fast and also the second thing on that is if this continues to be a faster growing SKU how does that impact mix and profitability for the segment?

Jaideep Nandi: The profitability will not get really impacted so really speaking if you look at the entire ADHO portfolio the gross margins remain between 60% to 63% right up to 72% or so, so more or less it plays between that the average of 65%, 66% these are the kind of numbers that you make, so really speaking not too much worry as far as gross margins are concerned, but the fact that you said, yes, is it for the rural market etc., yes, rural market uptick clearly is backing this product so at this stage Rs.20 package is going well in the rural market, very initial signs to, and going forward as I said earlier, clearly that was a gap in our portfolio itself so whether Rs.20 would have come up from Nielsen as a gap or not as a fastest growing market or not we would have anywhere launch this Rs.20 because there was a gap there and we do not want in ADHO any gaps to be there, so this was something that was anyway envisage is just hasten the launch because we saw this is a market, which is growing that is it.

Harit Kapoor: Got it, thank you for this, thanks and all the best.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Congratulations on a decent set of results. Also like to thank you that this is probably the first time in the quarter where we have seen the conference call invite being posted on the BSE website I hope these small, small incremental positive changes keep happening as you have taken over the company. Secondly on a dividend side I could not understand you said that this was an aberration the last year was an aberration so does it mean that from this

financial year onwards we will continue on the dividend policy that we had FY2019 and before that?

Jaideep Nandi: As I said again more than an aberration it was an exception for an exceptional year and while I will not be able to give guidance on the dividend itself because that is not a call that I take that is the call that the Board takes, but I would like to assume and think that should not keep changing year-on-year this was exceptional year and I would like to think that this was an exception.

Sarvesh Gupta: Secondly now these days we are seeing a lot of online only brands as well as even in the hair oil segment you see plenty of new players trying to sort of enter into this area especially at the premium end of the range because now they are able to kind of bypass the traditional distribution route and sell their products via online only medium, so given that how do you look at this threat to us because there are a lot of healthy or premium sort of options, which are available to the customers now and they are also digitally advertising their brands and promoting it very heavily on some of the Amazons of the world, etc., so how do you see this threat and what is going to be your strategy to kind of save the company or save our own brand from the potential fall in sales because of this?

Jaideep Nandi: Yes, I do not see it as a threat I rather see it as an opportunity because if you look at the price points are so different we were looking at hair care products, which was Rs.1000 for 30 ml, so I really do not see, whatever else we could do in ADHO how that customer is going to be the same customer really speaking this is now talking of growing the market and basically hair care being the larger format rather than hair oils as such, so the chances of losing to these customers yes obviously there will be some lapses and some gainers from various areas so really speaking it is not a large set that we are really worried about that we will lose ADHO sales to a significant amount or even some percentage points I do not see that happening, we will keep monitoring this phase obviously, but I see this as an opportunity and this is something that many companies would want to jump into the bandwagon as traditional FMCG companies most of us are not that well equipped to handle this kind of change in consumer behaviors, the way you reach to the consumer, etc., and that is something that whoever turns out the best will be the gainer and that is something that we will have to keep focusing on as a alternate channel itself not to do with your traditional, traditional we do not see it is going to go away very soon so really speaking not worried about the traditional channel, traditional business, traditional channel, traditional products.

Sarvesh Gupta: Okay, thank you Sir and all the best for the coming quarters.

Moderator: Thank you. The next question is from the line of Imran Khan from Ratna Traya Capital. Please go ahead.

Imran Khan: Sir, just one question and this is maybe more on the brand side not the operations and other things. Since we are also selling the other hair oils like Amla, etc., so do you think that, this can have an impact, a negative impact on our brand equity and you know hence some percentage of the customers may say now that this is also now a you know an Amla brand so maybe I will switch to some other premium hair oil or some percentage would say why to buy the almond drop now let us buy the cheaper one Amla one, so do you think that this can also happen and do you see any signs of this happening because you are already selling it?

Jaideep Nandi: You have actually introduced three things, one is the company, one is the brand, and the other is the category, so three things jumbled up in one question and you have to ask as a consumer what do you look for, do you look for the brand, do you look for the company, and do you look for the category, actually you look for all three and there is a crazy intermix between the three of them. In this particular case Almond Drops hair oil clearly is a category leader, there are brands which are available in almond whichever way you would like to say that at nearly half the price at 60% the price ADHO salience still remains strong, that should tell us as far as the category is concerned how we stand. As far as the company is concerned really speaking I am not worried about how because you are not getting into something which is really, really cheap or really something completely different, I am not very sure Almond Oil users really will shift to an Amla Oil because the company which was the parent company launched that particular product these products were always there, if you look at Brahmi Amla hair oil is how Bajaj was famous for the earlier days, so brands get built not really companies, companies are obviously associated with brands, but in this particular case brands actually have to say in many, many consumer goes you will know the brand rather than even the company, so really speaking not too worried about Almond Drop customers downgrading to Amla, yes some of it will get downgraded, some of it will be lapses, some of it will be gainers from some other categories at the end of it if one plus one turns out to be three that is good enough.

Imran Khan: We do not say what about the other part let us say if somebody says now Bajaj is also in Amla so why not buy some other premium can this happen?

Jaideep Nandi: Sorry come again, can you repeat that question please?

Imran Khan: Sir my question is since right now our large part of the focus was on ADHO right and if we start advertising let us say more Amla also right, which some customers may feel that this is

a cheaper hair oil or this is not a premium hair oil so those premium customers may feel like that let us move on to some other premium hair oil?

Jaideep Nandi: I am not able to understand that, most companies will have absolute ultra premium range and right to the absolute economy value for money range, in fact most companies will have three, four, five categories within the 10 product categories really speaking I do not see how brand interplays happen for a single company I am really not worried we are a premium customer because Bajaj has really introduced something else goes to that unlikely or the value of the company deteriorates because it has launched also another value back I think that has been smarter than that.

Imran Khan: Alright thank you Sir thanks.

Moderator: Thank you. The next question is from the line of Naman Kumar an Individual Investor. Please go ahead.

Naman Kumar: My question is with respect to in continuance of Uptown property someone asked, so what I understand is this is some land parcels in Mumbai right so can you please let me know what is the total size of land parcel and what could be the latest valuation of that?

Jaideep Nandi: Mr. Maloo can you respond to this question?

Dilip Kumar Maloo: The total FSI is 85000 square feet available to us for building and the market value is around 140 Crores.

Naman Kumar: Other thing was I think it got discussed earlier as well like the plan is to build a corporate office and which will house the other Bajaj group as well I know the plan is not for the coming one year or two years it may materialize in third year or maybe fourth year, I just wanted to know when other Bajaj Group companies come and set up their offices in the building which will be built is there a plan to charge rental from them?

Jaideep Nandi: That will be at arm's length, even you are required to do so and it will be absolutely at arm's length at market valuations yes absolutely.

Naman Kumar: Okay got it and then at any point in time historically has that analysis been done how much is the cost involved in building like project and how much is the rental other group companies will begin just to know like how much capital will get used and if the building gets built and how much return or how much earnings one can expect from that capital deployment?

- Jaideep Nandi:** Yes, Mr. Maloo you want to answer that or I can take that if you want?
- Dilip Kumar Maloo:** Yes, you can take that.
- Jaideep Nandi:** As far as the rental returns are concerned as I said it will be based on the market valuations etc., really speaking I do not think there are some method calculations, which have been done as to how much will be the rental return and hence the IRR calculations, etc., it was more to build the corporate office, more to build that image, etc., for the organization so really speaking an IRR calculation from that angle would not have been done, but clearly it can be done, we can look at the current rentals, etc., and try and extrapolate what would happen after three years and what kind of floor space you will be giving to the various companies, etc., those calculations can be done, but at this stage it will be theoretical and has not been done.
- Naman Kumar:** Yes, fair enough, maybe when the time comes then we may have more clarity on that.
- Jaideep Nandi:** Absolutely.
- Naman Kumar:** Thank you very much.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for closing comments.
- Jaideep Nandi:** Thank you everyone for an extremely engaging interaction today. It gives us also a lot of introspection possibilities and also scope for us to improve as a company because you all have so much of experience across various industries, etc., and whatever you say we try and factor it in our thing as long as it makes sense for us. So we appreciate your valued advice and feedback and we will continue to seek them as we go forward even beyond these conference calls. So from the entire team of Bajaj Consumer I take this opportunity to wish you and your families a very, very happy festive season, stay safe, stay healthy and while signing off I wish that the economy and the businesses across the country recovers and revise in the second half of the year, so best of luck to all of you, best of luck to us, and everybody else. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of ICICI Securities Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.