



Asian Paints Limited
Asian Paints House
6A, Shantinagar
Santacruz (E)
Mumbai 400 055
T : (022) 6218 1000
F : (022) 6218 1111
www.asianpaints.com

APL/SEC/28/2021-22/27

24th January, 2022

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra – Kurla Complex,
Bandra (East),
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Transcript & Audio Recordings – Investor Call

Please find enclosed the transcript of the investor call conducted after the meeting of Board of Directors on Thursday, 20th January, 2022, with regard to the financial results of the Company for the quarter and nine months period ended 31st December, 2021. This information will also be available on the website of the Company at:

[Investor Conference Call Transcript – Q3 FY2022 Results](#)

The audio recordings of the said investor call are also made available on the Company's website, at:

[Investor Conference Call Audio Recordings – Q3 FY2022 Results](#)

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above



“Asian Paints Q3 FY2022 Earnings Conference Call”

January 20, 2022



Management :

<i>Mr. Amit Syngle</i>	<i>: MD & CEO</i>
<i>Mr. R.J. Jeyamurugan</i>	<i>: CFO & Company Secretary</i>
<i>Mr. Parag Rane</i>	<i>: GM – Finance</i>
<i>Mr. Arun Nair</i>	<i>: Manager - Corporate Communications</i>

Investor Call Transcript – Q3 FY2022 Results

Arun Nair : Good evening and a very warm welcome to one and all to Asian Paints investor conference call for Q3 FY 2022 results.

Today on the call, we have

Mr. Amit Syngle - MD and CEO,

Mr. R J Jeyamurugan – CFO & Company Secretary and

Mr. Parag Rane - GM Finance.

May I now request Mr. Amit Syngle to take you all through the presentation. Mr. Amit Syngle, over to you.

Mr. Amit Syngle : Good evening all and welcome to the investor conference for the Q3 of the financial year 2022.

DELIVERING JOY SINCE 1942

Just to reiterate that as a brand, you know, Asian Paints is there for delivering joy since 1942 and as a brand we exist to beautify, preserve, transform all spaces and objects bringing happiness to the world. So, you can see that practically any surface, any space in terms of what is there is something which is transformed by the brand into a place of happiness.

DECORATIVE BUSINESS (INDIA)

So, when we look at the Quarter 3, you know, I am happy to report that we've got a very very strong double-digit top line trajectory which is there which is now continuing for the last five quarters in a very very strong way. So, if you look at, from the point of view of overall volume growth that is the blue bar which you see, is about at an 18% growth over the previous comparable quarter and if you look at value growth, it is at about 27%.

What we have also highlighted is the fact that the CAGR's. I think it is very important because what you have seen is that the last two years have been a little bit abnormal in various parts of the year to that extent and therefore we have looked at, you know, the CAGR over two years and three years which you can both see that both on the volume front as well as on the value front, it is very very strong and healthy which is just indicating that the trajectory which the business has been taking over the last 2 to 3 years has been very very strong and this is despite the fact that we have seen that the

environment has been a little bit of uncertain because of the Covid which has been prevailing over the last two years.

When we see the, you know, the nine monthly kind of numbers I think the numbers are even far more healthier because you have seen a very strong Q1 & Q2 with respect to the top lines as well and we see very clearly that from a overall volume point of view, we are at about a 40% kind of a growth on a nine month level and a value of about 43% as compared to, you know, Q3 of last year to that extent and therefore I think these numbers are pretty strong by itself in terms of what has been indicated.

Overall, as I said, CAGRs if you compare, both the Quarter 2 and Quarter 3, sorry, the two year and the three year CAGR numbers are looking very strong in terms of the double digit at 20.2 and 18.8 in terms of the two-year and the three-year for volume and for value as well if you see the three year, you know, CAGR is it at about 15%. So, overall the numbers seem to be very very good from the point of view of topline and I must indicate that this is something which has been the focus of the organisation and we are committed to the fact that we would like to kind of really be aggressive in terms of top line growths as we kind of really look at going and that also looking at profitable growths.

STRONG VOLUME GROWTH TREND

Coming onto just to kind of show you the trajectory. As I said that the trajectory has been very very strong over the last 5 quarters also if you look at it. Overall, if you see the numbers within the blue bars which is at very strong numbers - 32%, 47%, 105%, 34% and 18%. You can see the trajectory which is there over the previous quarters. But more importantly, if you see the three-year CAGR I think that is something also which is just kind of re-validating the whole scenario of the fact that we have looked at consistently growing at very very strong double-digit growths which are there and we can say that these growths are definitely much higher in the market in terms of what we have been able to see over the previous years and over the previous quarters to that extent. So, I think that really tells a story about the overall top line in terms of the way it has been kind of growing.

KEY BUSINESS UPDATES

Key updates, from the point of your business. We have seen that quarter 3, especially if you take the Metro T1 and T2 centres, they have been kind of growing at a much higher rate as compared to the T3-T4 cities which is indicative of the fact that when we didn't have a Covid kind of a scenario and the markets were relatively open, we have seen a higher growth coming from these centres in a very strong way. But I must say that even T3-T4 markets have grown at a good growth rate to that extent. A notch lower possibly than, you know, T1-T2 but they still have gone at a very healthy growth rate.

Our overall, you know, focus has been in terms of the premium and the luxury space and in which we have grown in a very very strong manner in quarter 3. It is also coming from

the fact that the Metro T1 T2 centres have grown much better and therefore, the premium and the luxury space has really gone in a very very big way to that extent. We have also had a good launch of some of our newer products coming in this space, both at a premium and a luxury, and they seem to be doing extremely well in terms of how we have pitched those products going in.

Projects was another very very strong highlight. It really grew, you know, in a manner which is quite strong and we looked at that it kind of really indicated the fact that the real estate, the infra market was doing extremely well. We've grown across segments of builders, government, housing societies and so on and so forth and a lot of good traction because of the waterproofing and the other admixtures and other products which we have at the construction stage which is going on which is giving a very very big traction to our overall growth in this thing. I would even say that the projects business has outgrown the retail business in terms of the focus we have got in Quarter 3.

Overall, waterproofing is one story which has continued for the last seven years in a very strong manner. We have been consistent in terms of registering growths. Even Quarter 3 was very very strong. More than 50% growth coming in strongly here and this has been the feature, both at retail and projects, when we look at the overall business in India and this is something which is really propelling the growths in a very strong way.

The other category which is a strong category for us and largely in the premium and the luxury spaces of wood finishes. Again, this is a market which is dominated by specialised products and technology-led products to that extent and that is something which we have been driving very strongly and we can say that amongst the entire organised sector, we are way ahead in terms of looking of at wood finishes to that extent and that is something which has been a very strong focus in terms of driving it to the premium end and also looking at some of the rurban markets in a very strong way. So that's the story in terms of some of the key highlights which I wanted to detail.

NILAYA BY SABYASACHI

We have done very strong work with respect to wallpapers and there is a launch which we have done this year was Sabyasachi. I wanted to just say that this is done extremely well and it is doing quite good at the Metro, T1-T2 cities' level in terms of how we see.

ALLIANCE WITH PURE

We have also done an alliance with GM Syntex, which has a brand called Pure and in this we have been able to sell, as part of our décor story, a very very strong range of fabric and furnishings across the country. We have now more than 600 retailers who are selling this entire fabric range, and as part of our decor initiative, we have been able to sell this in a very strong manner and this is also forming a part of our high and beautiful home stores which are there. So, this is an imperative which is gaining now very very strong momentum in terms of going forward.

NEW PRODUCTS

Some of the new products which have kind of come in where we have seen a very very strong impetus is the 'Royale Glitz' which I spoke of in the in the luxury space which has come in, in terms of, if I look at from the point of view of Smart care and flooring zones, we have 'Epoxy Apcoflor' which we have launched. In wood, we have the 'Ingenio' and the 'Aquador' which has come in to that extent. In the premium space, we have the 'All Protek Fire Retardant' paint which we have got a patent for. And, in the adhesive space we launched 'Trugrip Suprema'.

But one of the great products which we have launched now is, which is gaining very good momentum, is the 'Apex Ultima Allura', which is basically exterior textures which no other company is offering in India in this way. Just a glimpse into it - 200 texture finishes and some really kind of mesmerising kind of finishes in terms of what we have launched. Goes both for interior and exterior to that extent and we think it is a winner of a thing which is kind of getting a very strong response from the market in a big way.

DECORATIVE BUSINESS (INDIA) - KEY BUSINESS UPDATES

Other things, in terms of the update, we have been really focusing in a very strong manner at the network expansion and this is something which has been going in a big way over several years now. But, I think, we have made a very strong progress in the last quarter and the overall year to that extent. We have added 45,000 new retail points, you know, almost over the last seven quarters to that extent. Our entire colour world expansion into newer towns, suburbs, smart cities have been very very strong. We have retailing, you know, set up called the 'Colour Ideas' where we make the customer experience decor and look at in terms of a guided journey into surface decor and therefore we have about 28 new 'Colour Ideas' which we have opened and the total numbers have really gone above 450 shops across the country. We have now about 29 Beautiful Home stores which are functional. We have spoken about these stores earlier and given you a glimpse in terms of this is a store which is got decor under one roof. So, this is all part of our whole home decor strategy which you see. So, as we have said earlier a very very big focus which we have maintained is a transition from a 'share of surface' within a home to a 'share of space'. So, we are not only about the four walls, we are now between the four walls also in the home and we think it is a very very strong strategy which basically is also giving us a leverage on the core coating space in a very big way. How we see this is that because it is the same customer. So, in the customer life-cycle, today we are looking at the coatings customer going to a decor space and a decor customer coming to a coating space and therefore the interplay between these two strategies is very very strong and therefore we think it is a very strong strategy in terms of getting into the whole business of home décor in a very big way because it is complementing our existing business going forward in a very big way.

As part of this, as you see, we have got this Beautiful Home stores which are, we call the One-stop decor shops in which we are looking at everything which goes into the home right from kitchen, bath, furnishing, lighting, furniture, fabrics and everything. As I said that what I showed you the entire fabric and furnishing business is something which is doing very well as part of the decor and we have also looked at the whole range of 'Nilaya' and 'Royale Play' in terms of going forward. So, I think this is something which has done extremely well for us and the whole decor strategy is something which is strong. As we see in future, this home decor strategy, overall, should be kind of looking at contributing to 8 to 10% of the overall business. So, we are very serious about this business going forward. And you will see a lot of action happening in the home decor space as we look at our future going ahead.

SERVICES – A KEY DIFFERENTIATOR; ADDING TO BRAND RESILIENCE

Coming on to the other big differentiator which we have today. We have today a very strong services kind of a setup which is there. I would kind of say that globally in the industry which is of the coatings industry, there is no other company who has such a big service footprint as we have today, what we have created. We have the service which is what we call as the 'Safe Painting' service which is now spread across huge number of towns in India and it is a significant part of our entire strategy in terms of how we look at. We also have basically 'Beautiful Home' service which is there, which is about the whole home décor. So I think and in addition we also have a service called the 'San Assure' which is about health and hygiene in terms of homes. So, if you look at the entire services framework as we kind of go from a point of view of a GMV, we can say that as we kind of keep on going, this will start contributing to almost about 7 to 8% of all our turnover. So, this is a very big one. And, we think that today there is no other one in the industry who can really compete with us with respect to looking at giving this kind of a service, this kind of an experience and this kind of a differential in terms of the overall business going forward.

STANDALONE – GROSS MARGINS

And if you look at the whole area, the inflationary trend has really impacted. When you know when we saw Q2, I think we saw a big impact in terms of what it has done and obviously we took a lot of, you know, price increase corrections which were done in the month of November and December where we took almost something like a 15% kind of a price increase which was phenomenal to that extent, but at the same time even this price increase happening, we have been maintaining a very strong volume growth and a value growth which has happened. Still if you look at it in Quarter 3, while the overall margins, the gross margins have improved, sequentially if you see from Quarter 2 from 35.7 to 37.5, I think the true potential, in terms of this price increases what we have taken would come in Q4 and for Q4, obviously the margins will become very very healthy. I would only like to point out that some of the gross margins which we have seen in the early Quarter 1 and so on and so forth are something which were on the basis in terms of

what we saw the year in terms of where the inflationary trend was not there and therefore the gross margins were very very high at that point of time. The inflation has overall gradually taken a shot in terms of this margins coming down but we are hopeful now that in Q4 we should see even a healthier kind of overall gross margin even over Q3 as we kind of go forward.

STANDALONE - PBDIT MARGINS

I think one of the big things in terms of where there were lot of queries in terms of saying that are we really pursuing profitable growth in a very strong manner. I think the price increases which have been taken have been able to mitigate the effect of the inflation in a very strong manner and we see very clearly that sequentially if you see, we have been able to move from a 14.2% PBDIT margin to about a 19.6% which is, I think, a very very strong jump which is there to that extent and I think this is something which is clearly reflective of our overall intention and promising that we are looking at a certain band of PBDIT in terms of going forward and we will continue to kind of pursue profitable growth in terms of going. At the same time, we will be aggressive in terms of a top line strategy going forward to that extent.

KEY BUSINESS UPDATE - INTERNATIONAL BUSINESS

Coming to Key business updates. First of all, global. The international business has been affected a lot. In Quarter 3 as well, we have seen a lot of disruptions. One earlier because of Covid happening all across to that extent but I think what we have seen is that some of the markets like Africa has been affected very well, both Egypt and Ethiopia. Ethiopia, there is a strife which is going on and Egypt was also hurt in a very strong manner. In addition, we had forex problems happening in Lanka and so on and so forth. So, I think, it was quite a mixed bag in terms of what we see. Still, what we see is that we have been kind of able to kind of grow the overall revenue which is there. However, I think Africa was something which was definitely down in terms of what you can see right on the screen. However, I think, the larger impact came with respect to the overall inflation really kind of telling on the profits and we had taken certain price increases across various regions but obviously they were not very, you know, the inflation numbers were far higher and we tried to maximise it so that we are not affecting the consumer in a very very strong way. So overall the margins if you see, the profitability has been effected in largely all the regions, apart from in South Pacific but the larger impact obviously has been in terms of if you see Africa, Middle East and Asia as well to that extent. So, but I think what we are confident is that the overall revenue has been something which is very strong and if you see on a nine monthly level, we are still growing at about overall percentage of good growths across regions to that extent, apart from Africa. So, overall, we think that top lines will be able to grow and I think as we go forward, having taken the price increases, I think the situation going forward will be much better as far as profits is concerned.

KEY BUSINESS UPDATE - INDUSTRIAL BUSINESS

We look at the industrial business, the two joint ventures we have - the PPG-AP. Now, here again, there were obviously challenges especially in the automotive sector where we all know that there was, you know, a negative build which was happening. There was a chip shortage which was there and the entire automotive industry has been affected. But, overall, when we see in terms of, you know, revenues we have still kind of done fairly well in terms of if you look at quarter 3 which we have grown by about 38%. Obviously, it was a bit of a depress base last year in terms of what we looked at here. And in the other business if you look at the AP-PPG business, which is the general industrial business. It has been very very strong. The growths have been to the tune of about almost 64% what you can see on a nine-month level and on a Q3 level about 33%. So, overall, if you see that the General Industrial business has done much better. The automotive business which is coming under the JV one, in the Q3 grew at only about 5% compared to the nine-month number which you can see there. Again, like other businesses, I think inflation impacted the, you know, the profitability here. If you see both on the quarters, both the businesses were down with respect to the profits in terms of what we see. Although at nine-month level, we still see that PPG-AP is at about 1% and the other General Industrial business is at a good growth of about 14%. So that's the net upshot with respect to the industrial business as we go.

KEY BUSINESS UPDATE - HOME IMPROVEMENT BUSINESS

Coming next to our entire, you know, business which is about home décor, which is what we call the kitchen and the bath business. Both businesses have done exceedingly well and today both businesses have been able to cross the hundred crores mark in a quarter to that extent and kitchen crossed it last quarter as well in this quarter as well and bath crossed it for the first time in this quarter. So, I think overall the top line has been very very strong as you can see. Kitchen grew in Q3 at about 37% and bath grew by about 42%. The nine-month growths have been also very strong from the point of view of top line. We can see 67 and 63%. The heartening part here is that, we've got now, I think the business is sticking well from the point of view of achieving not only breakeven but starting to deliver, you know, some profits as well. So kitchen was at breakeven in terms of the overall PBT at the Q3 level and when we look at Q3 in bath business, we have actually got a profit there in terms of what we have delivered which is very strong. So I think that it is a very good indication that both the businesses now are on a good fitting growing the top line and even now the bottom line is something which is started to do well.

SUMMARY - STANDALONE FINANCIALS

In summary, when we look at the entire standalone financials to that extent, the story is very clear that there is a clear double-digit revenue growth which is happening, which is 28% by value in terms of coming. We spoke about 18% by volume to that extent. Overall,

if you look at the contributions have improved to that extent. However, at a Q3 level, if we see the PBDIT is about down by 11% and PAT is down by about 14% to that extent. On a nine monthly kind of a scenario, we see that the revenue growth is very very healthy at about a 43% growth. Gross contribution has also grown. The PBDIT figure is about 1% negative and PAT is just about you know at about 0.1% profits to that extent. So overall what we see is that you know the impact of the inflation has been taken care of by the price increases in quarter 3 to some extent which is there and obviously the full impact will come in quarter 4 but I think the story has been very clear that given the fact that we have improved the PBDIT as well, We have been still very very strong with respect to growing the topline numbers in a strong manner in quarter 3 as far as the standalone results are concerned.

SUMMARY – CONSOLIDATED FINANCIALS

If you look at the consolidated numbers, again the revenue here overall is at 26% in quarter 3. The gross contribution is just about up by about 2% overall to that extent. The PBDIT is about 14% negative and the PAT is negative by about 18%. So, we can see the effect of some of the other businesses like global and all telling in terms of you know putting the profits a little bit down as compared to the standalone business in terms of what we see. At the nine-month level again the revenues topline very strong at 41% to that extent. Overall margins have still grown. PBDIT is about 5% and PAT another 5% down to that extent. So overall that's the story in terms of what we see. Obviously I think the standalone business has done much better as compared to some of the global business to that extent and that is something which is the story the consolidated numbers are saying. But, overall, on a nine monthly level also the top line numbers are very very strong and we are hopeful that as we kind of go forward, the profitability numbers will also improve.

LOOKING FORWARD

Finally, I think is a question which all of you have in mind in terms of what are we looking forward to. Obviously, I think with the third wave coming very strongly and the Omicron being there and so on and so forth there are all kind of consumer sentiments which have got dented to that extent. There are also state-level restrictions which are kind of coming which has kind of really had an impact in terms of some of the demand conditions definitely there. What we obviously see is that the current situation might continue for some time, but I think overall what we have seen in the past also that it is only that we see a deferment of the demand which kind of takes place. The demand doesn't go off to that extent and therefore what we see is that possibly, as we kind of enter Feb and then the month of March, I think those are going to be very very strong because there will be a pent up demand to kind of support and also what we see is that, as I said, the real estate and the infra market is up to that extent. So even projects is something which is supposed to kind of do well as we kind of enter these kind of months in quarter 4 as we go forward.

Overall, from a point of view of raw materials, we believe that the inflationary trend will continue further. Although the kind of rate of increase which is there would be moderate in Q4 to that extent but we have just seen that the crude prices have gone up and so on and so forth. So I think the inflationary trend will continue to be there for some time and we will look at in terms of how do we really tackle it in terms of going forward whether more price increase is needed or what we need to kind of do. We will basically evaluate as we kind of go forward in the quarter 4.

Overall, you know, in the international portfolio as I said we are looking at really seeing that we can take some more increases which are there looking at, you know, seeing that how some of these markets really have kind of evolved because the external market has been disturbed and we are expecting that some of these things will ease out, the forex conditions will improve to that extent in certain markets like Egypt and Lanka. So overall I think our estimate is that Q4 should be definitely better than Q3 in terms of going forward. So that's the overall outlook in terms of looking at it. Thank you so much for listening. Thank you.

MODERATOR : Thank you sir. We will begin with the Q&A session now. Today we have participants joining on Zoom video platform and also via tele calling. Requesting all participants joined via Zoom video platform, please use the raise hand feature to ask a question. Participants, kindly unmute when given a chance to ask a question. Please say your name and company name before asking your questions. Please also restrict your questions to two questions only. Participants connecting via Zoom video platform, can post their question on the chat box too, and we will ask on your behalf. Participants joined through toll free numbers, please press *1 to ask questions to panelists. Please say your name and company name before asking your question.

Now we have the first question from the tele calling platform itself and that is Mr. Abneesh Roy (Edelweiss).

Abneesh Roy : Thanks, Congrats on extremely strong volume growth and good margin recovery. My first question is on volume growth. So, post Diwali, do you see a preponement or demand. Because your price hike was coming in December and maybe even in November because it happens a bit gradually. So, that was quite well known in the media. Consumer also would have picked up, dealers and painters also would had picked up. So, did you get some benefit of that. Second is that, people in FMCG, they are seeing rural slow down quite prominently. We have seen very inflation in diesel prices, fertilizer prices, plus you have seen various sharp Covid phase 2 in the smaller town. So would there be some lag effect on sales. Currently numbers are not suggesting that. They see the rural growth at some places getting at a lower level.

Amit Syngle : Okay. Overall see what we feel is that, you know, the festive season this time was very very strong and we felt that the consumer demand which came in was very positive at that point of time. So, overall, when we look at October, in the entire quarter,

was at the maximum volume growth to that extent and therefore October was a very healthy month and so was November to that extent. Infact, we feel that the overall volume growths would have been higher if in the second fortnight we would not have been hit by the third wave of Covid kind of starting to that extent. What we feel is that largely, to some extent, since you know we have seen that you know it was an early Diwali to that extent and that is why also we saw that a larger demand came in October in a very very strong way which basically kind of helped us in terms of achieving the overall volume growths which we are speaking of to that extent. The second thing which is there is that we have seen that you know the effect of Covid very very strongly. In quarter 2, what we had seen was that it was the T3, T4 cities which were performing extremely well and they had given a very high growth number overall to that extent because there was still a little bit of an impact in terms of what was happening of the Covid in terms of T1, T2 and the Metros and the larger cities to that extent. In quarter 3, we saw the reverse since the environment was much more open to that extent. The spending in the Metro, T1, T2 has really exceeded the kind of demand which was coming from the T3, T4 cities to that extent. We feel that, one, we did not see that the T3, T4 cities were way off the demand to that extent. So the demand was still pretty healthy, a notch lower than T1, T2 to that extent and we still feel that the story as maybe the other companies in the industries are feeling for us I think that T3, T4 has been very very strong and we have looked at a large part of network opening, looking at getting into upgradation products and a lot of work which we have done to kind of spruce up the demand in terms of the T3, T4 cities to that extent. So overall what we see is that the story of T3, T4 cities should be quite relevant. The overall rainfall has been pretty okay to that extent and I think there is still a strong story which is there as far as the T3, T4 cities are concerned.

Abneesh Roy : That's helpful. One small follow-up; In the international markets, the price hike in paints would have been how much and the 18% price hike that you had taken in India, will that be the highest any paint business has seen in any other part of the world.

Amit Syngle : So, I couldn't get the second part of your question.

Abneesh Roy : if the 18% price hike is the highest in the world

Amit Syngle : So, see, in the international market, the inflation has been upwards of about close to about 28-29 kind of a percentage. What we have been able to take overall increases is in the zone of about 15-18% in various markets to that extent and we have not been taken increases as we have done in the Indian market which has grown to almost something like about 22-23% in terms of the overall increases which is there. I would say that yes this kind of price inflation which we have taken, I think it is for the first time in the history of Asian Paints we would have taken this kind of increases to that extent and it would be definitely something which has been one of the stronger price increases we have taken in the past.

Abneesh Roy : My second and last question is on waterproofing. What kind of price hikes has it taken there and when you compare it to Pidilite as they had been in the business before you; how do you compare yourself Vs Pidilite currently and longer term, how would you like to dominate there, the way you dominate paints.

Amit Syngle : So, actually, what we see is that overall waterproofing I think the pricing has been comparable to what we have taken the increases across all other products. There is nothing which is special about waterproofing to that extent. It's in the same league as what we have taken for emulsions and other products to that extent. Going forward, see waterproofing is an integral part of a strategy and we feel that it comes as a natural thing from a consumer's point of view because the consumer earlier used to really blame the top coat because of the fact that he sees any problem there and therefore we saw that waterproofing was a very big potential in terms of putting in place. Overall, as we see, we have been growing, as I said, at a very very strong rate over the last seven years and we see that the overall potential in terms of the overall waterproofing market is extremely high and therefore we really do not compare in terms of, you know, how are we doing with respect to some of the other players in the market. But what we know very clearly is that with the kind of range which we have, the kind of products which we have and the kind of resources which we have put behind, I think we are growing much faster than the market than any other player Indian or multinational.

Abneesh Roy : Sure, that's very helpful. That's all from my side.

MODERATOR : Thank you sir. Requesting everybody to keep your questions to 2 questions only in the interest of time. Our next question is from Mr Avi Mehta (Macquarie).

Avi Mehta : Hi sir, I just had two questions. Barring the short-term impact of this wave, would it be fair to expect that the sharp price increases taken would result in volume declining because 3Q possibly didn't see the full impact of that 15% price hike.

Amit Syngle : I don't think so that would happen because you know we've seen an early of almost about a 10% increase which we did it in November and we still we saw a very healthy growth which we were able to achieve in November and if I look at the second price increase which we implemented. Even the first fortnight of December was very very good from the point of view of overall demand to that extent. It is only that in the second fortnight, we got hit with the third wave coming in. As I see it the, you know, the elasticity of you know paint from the point of view of pricing is pretty good. The only, to some extent, where it kind of starts making an impact is at the economy end to that extent where it can start hurting you a little to that extent going forward. However, we must remember that when you look at there is a cost of painting, 60-70% cost is of labour and the material cost is only about 30-40% to that extent and therefore even if there is a larger increase, the effect gets nullified from the point of view of an overall increase which you see in terms of prices to that extent when it translates into a per square feet price on a

certain surface. So, what we see going forward that largely I don't think so that we could kind of get impacted, especially the luxury premium space would be very strong to kind of happen. There could be a little bit of impact at the economy end but by and large I think the volume growth should be healthy.

Avi Mehta : Okay perfect sir. I just wanted to check on the price increases. What kind of crude price inflation is built into the price hike stakes taken till date. Would it be fair to say crude price till 80/85 dollars because that's what the level was or already passed on but further inflation would necessitate more price hikes.

Amit Syngle : So see it is not directly correlated with just the crude prices because a lot of products which, raw materials which go into paint are derivatives which are there. So it's not a direct correlation that if the crude price goes up by two dollars, then there will be a correlation in terms of the price hike we need to kind of take over all. So I think, overall we had taken a median in terms of about 80-82 kind of a range in terms of the crude prices going forward and we think that you know it would really depend on certain crude derivatives in terms of how the price would translate in terms of those loans. As we see right now, the inflationary percentages might not be very very high as we kind of look at the quarter 4 to that extent. But we will have to kind of wait and watch. In case the obviously I think the inflation goes very very high, we will have to take a call in terms of what to kind of do but there is no direct correlation which you can put to crude prices in terms of there and what increase we need to kind of take.

Avi Mehta : Perfect sir. Very clear and thank you and wish you luck for the future.

Amit Syngle : Thank you

MODERATOR : Thank you sir. Our next question is from Mr. Manoj Menon (ICICI Securities) who has joined us on Zoom

Manoj Menon : Hello Amit. Mr. Jeyamurugan, Parag and Arun. Now the first thing I just wanted to understand you know if it is possible for you to help us you know is that, in the overall volume revenue growth you know which Asian Paints you know disclose every quarter. Would you be able to help us understand what is actually paints and what is non-paints contribution to the, let's say, over the last 3/5yrs, etc. So let's say, for example, the reason I'm asking is because when I compare as an analyst, Asian Paints' performance with the other paint companies, it does appear that Asian has done a far far better you know, execution or other strategies and execution when it comes to the non-paints portfolio. So it'll be very helpful if you can quantify let's say, what is the non-paint contribution to your overall portfolio today.

Amit Syngle : So, overall, if you look at from a point of view of non-paints kind of a sale today, we account for everything which is happening in terms of whether it is waterproofing, putty or whatever, that's part of the paint sales as well to that extent. It's only the you know, the area which is the kitchen, the bath business and the other areas of

home decor, which we see are basically part of the non-paints which kind of really qualify under that category to that extent. And that part is not a very, very big part of the overall business. You've just seen that I spoke of kitchen and bath business, crossing about 100 crores in each of the quarters to that extent, which is there, plus the fact that today, there are other home decor areas like furniture, furnishing, fabrics, in terms of what we deal with. So if you look at it from a point of view of an overall percentage to the overall coatings business, the non-paint would not form a very major part of it. So the larger performance you can take it is largely on the paint performance what you see.

Manoj Menon : Amit I truly appreciate that you know, comment, but maybe I'm happy to kind of connect one on one on this, but is it even actually fair to call the waterproofing as part of paints actually because, you know, paints is supposed to be delivering a different functionality. Let's say versus the waterproofing where the consumer understanding that it is meant for the roof. But whereas let's say, waterproofing, which is meant for the wall is like, obviously, should be classified or different classification. Now, what I'm trying to understand is that I think you're doing a very good job in terms of but it appears that you're very reluctant to acknowledge the good work, which you have done actually in terms of the non-paints diversification.

Amit Syngle : No, no, we will take the trade of doing good work all across and not look at only one category in terms of doing good work, good work there. But principally I disagree with you because see, if you look at and that's what I emphasize, the point at waterproofing is an integral part of painting, you know, just like you put a primer and a putty today, waterproofing is put to kind of take care of any seepage which happens on the wall or any damp walls which are there to that extent. So I think the way we are pitching to all the retailers, to painters, to contractors is the fact that today, you can't see waterproofing separate to painting to that extent and that I think, has been the largest story which we have been taking unless your waterproofing is going on a very, very specific specialized purpose of saying you're looking at a swimming pool, where you are looking and applying waterproofing there to that extent for special delivery to that extent. But in our business, the larger zone which we are looking at is that how it is integrated with paint going forward and as I said, that is why we don't want to really compare, you know, with any other company in terms of what is there because they might be talking about waterproofing as a totally separate business in terms of how they see it. In our business. It is very well integrated into the mainstream line.

Manoj Menon : Understood that I think probably the achievement which you know, paint companies like you and some of your peers would have managed in the last two, three years. I get that the second question here is, you know, can I take a step back and think about the assumption 15-18 months back and versus let's say what realistically transpired and actually happened in the market. You know, that, you know, when I when I go back to April, May June of 2020, the assumption or the expectation was that, I mean consumers are very worried and kind of been willing to you want printers to come into your home and because you're worried about COVID etc. Versus the reality was that, it

appears that you know, yours is one of those industries where it actually got benefitted from, let's say, whether it is the consumer thought, you know, consumer spending more time at home, it kind of completely turned on its head from versus expectation. Second aspect is also that, you know, possibly rental people moved to villages and kind of let's say you had more rental apartments available in urban areas, or vice versa, etc. Just trying to understand that, in your opinion, just for a minute to leave the hat of the CEO and just put the hat of a marketing manager; In your scientific observation, what you've seen in the last 18 months. Is there any significant noise in the last 18 months of performance at an industry level, including you as a market leader?

Amit Syngle : No, as I see, overall, you know, as I said earlier, that there are two larger components of painting, one is the repainting segment, which is there the other is the new construction segment which is there to that extent. What we saw very clearly in the year one was that the repainting which is there only got deferred when there was COVID to that extent and therefore, we always kept on referring to a pent up demand which kept on happening whenever the market really opened for us to that extent. So the repainting market in a nutshell never got affected to that extent, it only got deferred to another quarter or to another two quarters to that extent in terms of what is there. The fresh construction is where it got impacted far more strongly for the industry as a whole because it is not very easy that if you have started construction of a building that you can stop and kind of start it very easily because there is labor, there is other infrastructure which kind of comes into place to that extent. So, what I seen year one, which is the last year you know, the construction business got affected in a very big way and that is why some of the projects areas got affected in a very, very strong manner to that extent which is there. But coming into this year, we have seen impetus in terms of both of businesses apart from the month of May, which kind of created that COVID crisis which was there. We saw definitely the pent up demand happening in June, July and August to that extent which is there and also we have seen a very strong demand coming from the real estate construction infra business this year which has basically accelerated the projects and the institutional business.

Manoj Menon : I'm sorry, I'm sorry sir, just to push the envelope on this actually, basically what I'm trying to understand is in the last 18 months, let's say since March 2020, or rather 20-21 months since March 2020, Did the industry benefit from you know any one off noise about let's say people in urban moving to rural, which means we have more you know, let's say apartments available in urban for rental, or you know, let's say if I XYZ went from urban to rural you said okay, you know, let me paint my rural home as well. So, what I am trying to understand is that are there any in your opinion as a CEO/Marketing Manager that look really noise one off in the last 18 months of demand trends which I've seen,

Amit Syngle : Okay quickly, just to tell you that see. I don't think so that has got really too much impact overall because, in fact, with lot of Metro homes going down the rental homes, basically repainting came down to some extent. On the other side, the second

homes market kind of increased because a lot of people were purchasing second homes and so forth to that extent. At the same time, you know, a lot of people started focusing on their homes, which they were staying into that extent because they stayed in the home for a very long time they started basically painting more in the home and the frequency of possibly the painting cycles increased to that extent. So, I would say it was overall just a shift of the demand to that extent, I didn't see that that anything which has really contributed in terms of the industry increasing a lot just because of any of these demographic changes taking place.

MODERATOR : Thank you, sir.. The next question is from Mr. Tejash Shah (Spark Capital)

Tejash Shah : Hi thanks for the opportunity. Thanks for the very detailed presentation and so I'm not left with much questions on the decorative part or the core business but except one that you spoke about Project business today. And now, Project business is coming out of the Slumber after a long, and we did well in the quarter materially versus the other part of the business you called out in the opening remarks also. So just wanted to understand that. How is the growth runway looking here because it is after almost 7-8 years, we are seeing the cycle reviving (A) and 6-7 years back we vaguely used to say that the mix of fresh painting versus repainting is 75-25 and I believe in last few years that number would have moved in favor of repainting materially. So where it stands today and how do you see it panning out in the cycle that's ending let's say two, three years.

Amit Syngle : So I would say that structurally, you know, we still kind of talk of, you know, the new construction to be still around about 30%. And, you know, today the repainting to be about 70% kind of a zone, because what we've also seen is that in the while there's a pick up which is there, both from the point of view of builders coming into this space, we also see a lot of action happening at the factories, the institutions and so on so forth. But more importantly, I think government spending has really gone up in the last two years to that extent. So, government is a very strong space in terms of where we have seen a lot of kind of spending which is happening from a projects institutional space. For us, that segment has also gone up because of the waterproofing coming into that extent because waterproofing becomes an integral part to start the foundation in terms of what is there and then basically gets into the whole painting cycle after that to that extent. So overall, I would say that the percentages would be like 70-30 and my take is that going forward, I think we will see a lot of Capex, which will happen from a point of view of the budget, which is coming on infrastructure going forward to that extent, and therefore I would say that the fresh construction, I think as an activity, would continue in the coming two years very, very strongly in terms of both government spending, as well as the private lobbies coming in terms of spending on the housing segment.

Tejash Shah : Sir just one clarification on that. So, waterproofing in construction project or government projects will be part of Asian PPG or it will be part of Asian decorative.

Amit Syngle: No the entire projects business also is part of the Asian Paints only to the extent; where Asian PPG comes in that they look at supplying to OE businesses like the auto and so on so forth and the general industrial business basically would basically give larger thing to factories for chimneys, for maintenance and so on so far to that extent, which are all basically as we call it, the protective coatings and the powder coatings to that extent; but the projects business which I just spoke of, which is the builders and which is the cooperative housing societies and some of the government projects which are coming up or the hotels or the institutions all will come under the Asian Paints business.

Tejash Shah : Sure that clarifies, the second question is so last few quarters The most exciting part of your presentation has been the vision that you've shared on from 'share of the wall' to 'share of space'. Now if you can share some Operational Insights on the decor and business -how does customer discover us, what is the material sourcing arrangement and how the fulfilment happens on the whole line of business.

Amit Syngle : Okay. So there are two things one is obviously the physical, brick and mortar model in terms of what we follow. So, we have standalone kitchen and bath stores which are there across the country which we are able to kind of push the home decor items through those stores to that extent. We have started with this whole vision of something called **beautifulhomes.com** which is a central engine, where the customer comes in looking at inspirations of home decor and so forth. We are able to kind of then generate a lot of digital leads which kind of come in from there where people are seeking home decor in a very big way. And then we kind of direct them to two areas. One is we have got a Beautiful Home service, which provides basically them a full experience sitting at home of redecorating their homes or renovating their homes. In addition, we have now 29 Beautiful Home stores which are there which is decor under one roof. So we will guide a lot of those people who are coming onto our central engine **beautifulhomes.com** In terms of going into those stores and really kind of getting their home decor requirements from there. In addition, these stores will get basically walk-ins which are happening because they are related. They are in a high retail street market to that extent so on and so forth. So I think the whole model which works in is from the point of view is that there is a digital engine which is energizing the people on inspiration and visits and then there is a brick and mortar model which basically makes people experience things see the physicality of it, experience it and then kind of take those things home.

Tejas Shah : That is very helpful sir, thanks and all the best!

MODERATOR : Thank you, sir. Our next question is from Mr. Jay Doshi (Kotak Securities). He is joining us on Zoom.

Jay Doshi : Hi, Thanks for the opportunity. I have a couple of questions. The first one so you indicated significant progress in network expansion, called out 45,000 outlets being added over the past seven quarters. Can you provide some more insights in terms of the

quality of these retail outlets that you added, what is the tinting machine penetration in these outlets or over the last seven quarters, how many tinting machines have you seeded, and where is your overall network count today in terms of peer count.

Amit Syngle : So see, overall, if you look at you know, when I when we speak of this 45,000 Retail touch points we speak of the overall ingress which we are making with respect to one putting our tinting machines there to that extent. We are also now working with respect to certain distributors in terms of reaching out to smaller players where we want to increase our reach in terms of smaller towns and so on and so forth which is there as a model in terms of what we are taking to that extent and therefore it involves all kinds of retailers coming onto the picture. There could be you know retailers who are dealing in electrical, there could be retailers who are kind of dealing in cement and steel and so on and so forth. So it kind of includes a whole plethora of people who come onto the board to that extent in terms of overall tinting machines, I think the ingress has been very very strong in terms of what is there because literally now it has become like an hygiene that because we are a retailer cannot operate without the tinting machine not being there with him to that extent and therefore what we see is that that's the overall zone which we are looking where possibly we speak of Today, Retail touch points which are almost about more than about 1.4 lakhs overall to that extent. But not necessarily every one of these would be our direct retailer to that extent. And nor everyone would have a tinting machine in terms of which is there to that extent. But overall that's the kind of touchpoints which we are talking in terms of going forward and gradually what we see is that as these retailers mature, they will eventually take a printing machine and go forward to that extent. So that gives you an indication in terms of how the numbers kind of look for future.

Jay Doshi : But have you seen just a follow up, have you increase your tinting machine penetration or seeding per year or per quarter significantly versus the previous run rate?

Amit Syngle : So we see that that is a overall focus which we have been maintaining for the last 4-5 years. Yes, if you compare from what we have done possibly a decade back, the run rate would have kind of gone up to that extent. But that is, I think, inherent part of our strategy that we kind of keep on looking at putting more and more machines, as I said in newer towns, suburbs, newer cities and so on so forth as we kind of go forward.

Jay Doshi : Sure. And the second quick question is you called out that you're targeting 7-8% revenues from services and 8-10%, from home decor, so what is the timeframe that you are referring to? And in services revenue typically for a paint project services is 2/3 of sales. So what does this mean in terms of revenue accounting? Does it mean that when you indicate 7-8% of your revenue should be services, does it mean 3-4% of your projects or overall paint business will be through your services?

Amit Syngle : So what it is that first of all, I think we are saying that by, you know, definitely in the next 2-3 years, we will kind of get into this number of percentage contributions in terms of what we are speaking of. So, specifically, I think by March of

2025, we are definitely looking at this kind of contributions coming. In case of services, what happens we talk of the GMV which is the Gross Merchandise Value overall. So, therefore, to that extent, it is a combination of the material plus labor in terms of what really kind of plays in; whereas, in from the point of view of decor also it kind of varies that in some cases it would be only the material which would be there in some cases it will be a question of labor plus material coming into the play to that extent, but what we are definitely saying is that, that is the if you look at the overall GMVs, they will start contributing to those kinds of percentages in terms of the overall business.

Jay Doshi : Just so that I understood correctly 17-18% of your revenues will come from home decor and services in the next March 2025. And that number would be less than 3-4% today.

Amit Syngle : So, today, you know, you can't take it as 17% straight away because as I said there is a gross merchandise value which is there. So, if you look at it from the point of view, you will have to break it up from the point of view of material plus labor to that extent. So, there will be a percentage possibly lower than that in terms of what you are talking that is point one to that extent and secondly, today, yes, today that number definitely is in the region of about 5 to 6%.

Jay Doshi : Understood, thank you that is very helpful.

MODERATOR: Thank you, sir, moving on to the next question. We have Mr. Shirish Pardeshi (Centrum).

Shirish Pardeshi : Hi good evening Amit, good evening Mr. Murugan and team. Thanks for the opportunity here. I really appreciate the comments what you have passed on before. I think the volume growth momentum is very, very strong. Just one quick question. I think not per say the rural but the fantastic work what you have been harping on saying that T2, T3 market and now we are exploring the distributor lead model of what is it that the merit it can go up to and this is a this is a continuous journey which I can understand, but obviously there is some level in your understanding that you are trying a new format but what is the merit and this kind of growth, how long it will continue? I mean, demand conditions are very good but the channels and formats that you are using will have some limitations at some point of time.

Amit Syngle : I would not agree to that because I see that we are a consumption market in India, we are also a growing market to that extent, I think the GDP projections which are there are not the projections that are coming down substantially as compared to what we look at the western markets to that extent. I would say that if the GDP is remaining in the healthy zone of anywhere between 6-8% kind of a zone for our country going forward. I don't see that, you know, growths would be a problem to kind of come in. What we also significantly see is that today when you go into T3, T4 cities, I think the consumption is kind of going up the decor levels are going up to that extent, the purchasing capacity is

going up to that extent. And therefore, what we see is that the potential which kind of some of the rural geographies kind of give you is very strong, and therefore, we think that the expansion process will continue. Today, as the towns get populated more and more you kind of look at two or three outlets coming in when that get populated more and they expand the outlet go to 10 or so, to that extent in terms of that place. So, what we see is it's a continuous process and I don't see that there is any stoppage to this if I look at it from the point of view, even from the point of view of next 20 years or so.

Shirish Pardeshi : Thank you Amit. My next and last question is on obviously the margin. You did mention that this kind of price increases has never happened in the history of paint industry or any of the industry, but just suspicion, that if the way inflation is looking at, you yourself said that the crude derivative will have a lag and if assume that hypothetically the inflation is still hitting on, would you have a confidence today saying that in the in the way you want to protect the margin further, you will still exercise or the management is of the view that we will still be able to pass on some more price increases to this to the trade or whatever has happened?

Amit Syngle : See, I think it is always a very, very dynamic situation in terms of what you play out to. Now, so look at it in the in the last six months we did not take such a heavy increase because we were trying to balance the whole area of consumer demand, the consumer sentiments because we were going through a far more stronger COVID period where anyway the demand conditions were not looking very good to that extent. I think we will always kind of balance the fact that when we kind of go ahead and if there are inflation, what is the part which you can absorb, what is the part you can pass on? I think these are dynamic questions we take a call as we kind of go ahead. We would like to respect the consumer sentiment and look at in terms of not upsetting that at the same time, we would not like to kind of take and say that the profitable growth component kind of goes out of the story to that extent. So, I would say that we will take a very, very balanced opinion in terms of going forward in terms of balancing demand versus the price or you know pass on which we kind of do as you go ahead.

Shirish Pardeshi : Sure, thank you Amit!

MODERATOR : So the next question is from Percy Panthaki (IIFL)

Percy Panthaki : Hi, Just wanted to check some information which was discussed earlier whether I got it right. So basically you said that the repainting constitutes 30% of sales now, which was a couple of years earlier pre-paint

Amit Syngle : No, no the other way around. repainting is about 70% definitely.

Percy Panthaki : Correct. so repainting is 70 and pre-pandemic, it was 75, Is that correct?

Amit Syngle : Very difficult to really assess that, you know, it was exactly by that percentage because no one measures it that strongly to that extent. So you could take a band that it has remained in that band over a period of time.

Percy Panthaki : Okay, see what I'm trying to understand Amit is, you mentioned that real estate revival is one of the things which is sort of benefiting the top line. So, I just wanted to get a sense of how much that benefit would be. So, let's say if the real estate cycle had not revived and it had remained as sluggish as it was 2-3 years ago, then the sales growth of 28% you have done that would have been how much lower is what I'm trying to understand.

Amit Syngle : See. I think if you get into that kind of a microanalysis, it is very difficult to kind of put saying whether it could have taken 2% of the volume growth or it would have taken 3% of the value growth to that extent. I don't think so, it works like that to kind of micromanage it like this, because as far as even the construction segment is concerned, you know, the growths kind of vary it is never dead to that extent. So, it might basically if it is growing at possibly 30%, It might come down to 20% or 15% because some projects will keep on going, some government spending will keep on happening, some hotels will keep on coming in the environment and so on so forth to that extent. So I think to that extent, you know, depending on what is there, you could just say that, you know maximum it could be 2, 3, 4 points here and there, which you could kind of really see in terms of the market can behave to that extent, but I don't think so that it would kind of do a very big major indent in terms of bringing it down by 50% or so.

Percy Panthaki : Understood that helps. Secondly, I just wanted to understand, based on your input cost scenario, you mentioned that margins in Q4 should be better because part of the prices increases will filter through in Q4 only. But wouldn't the same hold true for input cost inflation as well that Q4 versus Q3 on a sequential basis. Don't you see input cost Inflation still being positive?

Amit Syngle : No, see if you look at the quantum of the price increases which we have taken in November and December, you know they are pretty substantial and we would not have realized it over the full quarter period to that extent. So, what I meant was that this whole price increase of close to about 15%, The full thing would kind of take shape in quarter four, and whereas the inflation which we see over Q4 to Q3 would not behave that kind of dimension to that extent, and it would be possibly much milder as we kind of go and see. So therefore, I think a larger impact in terms of profitability will definitely come in Q4.

MODERATOR : The last question in the interest of time is from Mr. Abhijeet Kundu (Antique). He has joined from zoom.

Abhijeet Kundu : Sir thank you so much for the opportunity. So, you said that in the last three years you added about 45,000 new touch points which is broadly about 15,000

touch points. So when we compare it with your previous year, I mean last 10-15 years, typically it used to be in the range of 4000-5000 per month, sorry per year. Now the addition has been quite substantial. So according to how much would be the, I know you can't give a particular figure to that, but there would be a good amount of growth coming due to the outside addition. When one could be that and in terms of geography, which are the geographies, you have been very strong in south and west and followed by I mean there is a good amount of presence across geography, but south and west have been very strong geography, so all these incremental outlets that have been added which are the geographies that have done well for you or have been major additions.

Amit Syngle : Okay, see when I speak of the number of outlets as I said, these are outlets which are direct and some indirect outlets which you are getting and you know, so there are outlets where you will open directly and there are outlets now which we have started opening through distributors as well. So, I think the combined impact of 45,000 what we spoke of is coming as a combination of both to that extent, and what are the things which you were kind of referring to earlier was more in terms of the direct outlets to that extent, which were coming in. So that's clarification number one. Second, when we look at the overall, I think all geographies have done extremely well for us and we are seeing that the kind of double-digit growths which we are seeing today across the country for several quarters now, these are kind of spread across all the divisions to that extent, and we would say that, I think the impetus is coming from all the divisions across the country geographically very well. But I think if you were to kind of pick-up we have seen that the geographies which are there of North and Central and East have been possibly, you know, having far more outlets and far more distinct which are coming as compared to possibly relatively south and west.

Abhijeet Kundu : And last one, in terms of your capacity, you still have spare capacity, can be added in your last two units. So, When do you plan to add capacity there, because you have the assembly line in place, but you have to add proper capacity there

Amit Syngle : Yeah, so I think it will happen definitely, I think we will look at in the next two, three years to kind of look at in terms of adding that capacity going forward, and the rate at which we are going definitely we will need that capacity.

Abhijeet Kundu : And what would be the utilization levels currently?

Amit Syngle : It is at about 70-75% level.

Abhijeet Kundu : Okay sir, that's it for me.

MODERATOR : Thank you, sir. That was our last question. We would now request Mr. Amit. Syngle to give his closing remarks.

Amit Syngle : So thank you all. I'm sure that there would have been many more questions and we could have carried on for the next hour as well. But I think it's been a pleasure

interacting with all of you and it's great, I think, listening and answering to your queries. I look forward to meeting you and wish you a very, very safe next quarter. Thank you.

###