

12th November 2025

Department of Corporate Services
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 500710

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400051
Symbol: AKZOINDIA

Dear Sir/Madam,

Sub: Group Investor Call Transcript

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the group investor call conducted on 7th November 2025 with regard to the financial results of the Company for the quarter and half year ended 30th Sept 2025.

This has been uploaded on the Company website also and can be accessed through the link:
<https://akzonobel.co.in/investors.php#im>

Kindly take the aforesaid information on record.

Thanking you.

Yours truly,
for **Akzo Nobel India Limited**

Rajiv L Jha
Company Secretary & Compliance Officer
Membership No. F5948

Encl: as above.



“AkzoNobel India Limited
Q2 & FY '26 Earnings Webinar Call”
November 07, 2025



MANAGEMENT: **MR. RAJIV RAJGOPAL – CHAIRMAN AND MANAGING DIRECTOR – AKZONOBEL INDIA LIMITED**
MR. KRISHNA R. – CHIEF FINANCIAL OFFICER AND WHOLE-TIME DIRECTOR – AKZONOBEL INDIA LIMITED
MR. ROHIT TOTLA – WHOLE TIME DIRECTOR – AKZONOBEL INDIA LIMITED
MR. RAJIV JHA – COMPANY SECRETARY AND COMPLIANCE OFFICER – AKZONOBEL INDIA LIMITED

MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and FY '26 Earnings Webinar of AkzoNobel India Limited hosted by ICICI Securities. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you, and over to you.

Aniruddha Joshi: Yes. Thanks, Yashasri. On behalf of ICICI Securities, we welcome you all to Q2 FY '26 Results Webinar of AkzoNobel India Limited. We have with us today senior management represented by Mr. Rajiv Rajgopal, Chairman and Managing Director, Mr. Krishna R., CFO and Whole-Time Director; Mr. Rohit Totla, Whole Time Director; and Mr. Rajiv Jha, Company Secretary and Compliance Officer.

Now I hand over the call to the management for their initial comments on the quarterly performance, and then we will open the floor for question-and-answer session. Thanks, and over to you, Rajiv, sir.

Rajiv Jha: Okay. So good afternoon, everyone, and we welcome you all to this Q2 financial year '25-'26 investor call. As per our process, let me start with a safe harbor statement, and I'm reading that out to you.

This presentation contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline and product approvals apart from potential synergies from partnering with JSW Paints. Such statements should be carefully considered, and it should be understood that many factors could cause these forecasts and actual results or outcomes to differ from these statements.

These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues and legislative, fiscal and other regulatory measures and approvals as well as significant market disruptions.

Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business, please see our latest annual report of '24-'25.

Also, the company has been releasing the required disclosure or clarification/ updates from time to time as the case may be to BSE and NSE pertaining to portfolio review by AkzoNobel NV and the latest updates thereon.

And the management would not be responding to any general and/or specific query in this regard. However, the investors/public at large would be kept informed of any updates in this regard as per the listing regulations.

So, I would be handing the floor over to Rajiv, sir.

Rajiv Rajgopal: Good afternoon. I hope all of you can hear me.

Moderator: Yes, sir. Thank you.

Rajiv Rajgopal: So firstly, good afternoon to all of you and delighted to be back. I think one of the things we've always done over the last many years is to make sure that we stand in front of you irrespective of the performance of the company and give you all an update of your company. Firstly, in the quarter that's gone by, I realize that it's not easy.

We had a Board meeting yesterday. Like we had explained our Board members, when you look at the P&L that one needs to understand certain intricacies. Otherwise, wrong deductions will be taken, particularly with the carve-out of the businesses and also because of a onetime gain.

So, what we'll do is we'll spend some time there, and Krishna will walk you through it, the numbers, etc. We've already loaded the presentation on to the website. And for those of you who want, you could go through it. What I will do quickly is to run you through the business, and I'm joined by Krishna and Rohit along with Rajiv Jha.

And when we come to Q&A, the 3 of us, Krishna, me, and Rohit will participate. But I'll give you a high level of how the performance has been, what are we looking at and where are we right now?

So firstly, I think what the strong news of the quarter, volume has come back on growth as an entity. So, if you really combine both on the Decorative side and on the Coating side, Industrial side, we've registered a 3% volume growth. So that's the first good news.

And in this, the even better news is if you look at, we've not really grown in categories like putty and all that. We've just played, and we are just about slightly below the base because we decided that in this quarter, we had a lot of other challenges.

We didn't want to accentuate that because those are businesses where if you get just play the price, you will get the volumes and the revenue and that we want to do really reset up. So that's the first thing. So, the first thing is volume growth across both the businesses, even in Decorative volume growth with challenges in some of the low-margin products.

The second is premium in Decorative Paints grew. It grew closer to mid-single digit. I think that's the great part, yes. And even in Automotive and Specialty Coatings in our Industrial business, we've registered a premium growth. That is the second, not just a good, it's a great news.

For us, we believe that in our, both in our towns, in large cities, premium is back, and that's the power of the brands like Velvet Touch, Weathershield and brands like Sikkens and Lesonal. So really, that's the great opening news.

Next, Decorative, where were we challenged? We were challenged for 2, 3 reasons, All our peers who've sort of looked at the numbers so far have talked about including weather disruptions and

competitive intensity. But an area where we have decided to reexamine given the journey that we are going to get ahead is the mass market.

And in that journey, we obviously did not do well. There was a decline. As a result, the Decorative paints, while grew marginally, right, the overall revenue was a 1.5% overall entity decline, right?

On Coatings, we had registered both a volume and a revenue growth, but the issue was the mix. Our Industrial Coatings grew much faster, followed by Marine and Protective, and we had a bit of a challenge in our Automotive and Specialty Coatings, which is a high-margin business.

And in Marine and Protective, it was largely because in Marine, we had a huge base last year. Remember that we quoted some of the best Indian vessels, which are now in the sea, 3 of them, and that was a onetime order that came.

Our order book is very strong. Our order book is phenomenal actually for the next few months. So, it's a delay and with a bit of a lag effect, and we should see that between this quarter and more in the quarter ahead, we should see a complete recovery and back to a high single-digit, double-digit growth that we've been seeing. So that's as far as the performance is concerned.

Now if you break our numbers into volume, price and mix, volume has gone up. So where did we have an issue? We had a higher issue on price and why? We chose that journey because as all of you know, we are now going to be a part of the JSW Group in a few weeks' time. And the brief from Mr. Parth Jindal has been very clear to us as a team, the guys go, let's get after revenue and get back to high growth and get back to market share gain.

And so our endeavor starting from September has been to look at very, using the, a lot of scientific analysis to say that, look, where are we significant premium. So, we are in certain premium categories and in certain categories. We were operating at premium of 7% to 9%.

And one of the things is we used a conjoint analysis done through a third-party expert to reaffirm that. And that's where we've been taking some price corrections in the month of September and October to make sure we are far more competitive because we believe that we've got the right to win in some of these segments.

So that is the second. The third is many of you may remember, some of you have already commented. We were the first to launch what's called the Warranty or Assurance program in 2021, right? Of course, given our A&P spends being still a part of the AkzoNobel system, we obviously put it. But obviously, when the larger player, the market leader and the challenger really put it, obviously, we look to.

So, we came with a new campaign where we are questioning whether it's quality or warranty and many of you have seen that campaign and committed. Thank you for that. It's called the "Lage Shaandaar, Chale Shaandaar" campaign, where we believe that quality is as important as warranty, and you've seen that campaign.

What have we been working on? We have been working on an entire digitization of road map because we believe in the journey ahead, productivity can be driven through digitization. And maybe in some of the Q&A, Rohit will answer that. So, we've worked with one of India's leading consultants, the Boston Consulting Group to develop a state-of-the-art lead management system, and maybe Rohit can cover that later and also on distribution.

So, we've achieved, as I told, a very strong growth in premium, which is unlike the rest of perhaps the industry with the sort of solid brands, and we've seen that, that's something that we continue to grow in. We've enhanced our portfolio. We've relaunched propositions in the mass, particularly on Promise and on Exterior Emulsions and Weathershield, and we've come in with certain new ranges, which we believe in the months ahead, we'll do.

On Decorative paints, I see that there is a bit of a bottom demand largely because of the fact that the months of September and October, we had rainfall, incessant rainfall across the country, but now getting back into good growth.

On the Coating side, it was largely Industrial Coatings led, as I told you, with strong orders coming in our coil business. And also, on ASC, as I mentioned, we grew in premium. We had new wins, exclusive partnerships, and we've also made some terrific gains in the auto OEM. In MPY, the Power & Mining businesses registered strong growth. And we are now seeing a pickup in the marine docking business in October. So hopefully, we will start correcting that and moving forward.

We've had some specialized offerings like Interdur, which is specialized solutions across industries, which is anticorrosive Coatings for applications across industries such as infrastructure, oil, gas and general industries. As I mentioned earlier, the order book is strong. And really, for us, I think very important for us to explain to you the construct of the P&L and the entire thing.

So, without much ado, let me hand it over to Krishna. Krishna?

Krishna R.:

Thanks, Rajiv. Before we get into the details of our Q2 performance, it's worth spending some time on the business reorganization vis-a-vis the slump sale that took effect during the quarter. As you are all aware, in February '25, we accepted the binding offer from AkzoNobel NV for the purchase of our Power Coatings business and International Research Center. After that, we have gone to the postal ballot and secured the shareholders' approval.

Both these slump sale transactions were undertaken through separate business transfer agreements and were concluded on 1st of July 2025. Therefore, our results for the Q2 FY '26 do not include Powder Coatings or Service Income and corresponding expenses from the International Research Center. Given that these are material contributors to the business as a comparison with our last year reported numbers will not be the right indicator of our performance.

Accordingly, we have restated the last year numbers and transparently shared as a part of the investor deck, which excludes the Powder Coatings and the International Research Center numbers. These numbers are provisional, unaudited and based on our internal estimates.

So, moving to the quarter performance, as Rajiv alluded in terms of the revenue development, what was reported number on a comparable basis is 1.5% lower than the last year and which stood at INR834.9 crores. Gross margins, our gross margin percentage was 41.3% was impacted by the vertical product mix as some of the mid businesses reported the fastest growth in the B2B segments.

There were also some raw materials inflation experienced in our Coatings businesses. However, partly offsetting these factors was the improved product mix in retail business. Thus, the dilution was limited to the 1.6%. We continue to control the opex and while we provided the support to the marketing push to offset the seasonal volatility.

The stability in EBIT percentage at 11.1% reflects the disciplined cost management, which helped to offset the top line and the margin pressures. And we also had a significant amount of improvements in the working capital management, and which resulted in the cash generation of around INR277 crores and which stood as of 30th September.

With that, I hand it over back to Yashasri, so that we can go to the question and answer.

Rajiv Rajgopal:

Yashasri over to you, we will take all the questions now.

Moderator:

Yes, sir. Ladies and gentlemen, we will now begin the question and answer session. We take first question from the line of Mihir Shah from Nomura.

Mihir Shah:

Congrats on a good performance on the volume front and the premium end segment. Sir, just to understand a bit deeper on the price correction that you have taken. Any initial feedback that you can share from the dealers or from the consumers on how they are accepting the price correction and the positive effect that will have on your volumes? And what is the kind of pressure that we can expect on the margins because of the price corrections that have been put into the market? So that's my first question?

Rajiv Rajgopal:

So, look, I think the price correction cumulative so far has been in the region of about 1.5% to 2%. Remember that we already in the market, seen an aggressive discounting because of the new entrants, which have come in, right?

Now in terms of what have we seen, it's too early, Mihir, because really what we put in September because there's always pipeline stock, right, would really start bearing fruit actually from this month onwards. So, it's more from this month onwards for the September and from next month onwards for November price correction, I'll be able to give you a clear picture, but my understanding to the qualitative replies when we've spoken to trade, people feel we are aggressive.

I don't know whether your channel checks are also showing the same. They're generally saying that, look, I think post the acquisition by the JSW Group and the new direction that we've already started work on, they see a little bit of aggression coming in because that is also the sort of strategy that has been articulated by Mr. Parth Jindal and has also been agreed with Mr. Greg Poux-Guillaume, who is the CEO of AkzoNobel.

So, it's after taking Akzo in confidence that we are executing these strategies. And so far, my belief is, the real test of the pudding will come when the results of this quarter come and more, I think we'll really see the real, it will pan out in the fourth quarter if I were to put it. Hopefully answers your question, Mihir.

Mihir Shah:

Very clear, yes and our channel checks are also indicating that there is a new energy that is there with Akzo now. So that's why I wanted to check on the positive impact. So, in connection with that, how should one think about the competitive intensity in the industry now? We have seen the other larger players, probably the intensity has kind of reduced in some way is what we believe. But, and there's new aggression from your side?

So, from overall competitive intensity point of view over the next year or a couple of years, how should one think about it? Where do you think, do you subscribe to the view that a disruption in price points or any other disruption can drive share gains? Or do you think intensity will remain healthy and whoever puts their best foot forward in terms of efficiency, good product, good servicing will be the key winner out of this entire thing. Just wanted to share, get your views on the same?

Rajiv Rajgopal:

So Mihir, I'm from the school that believes that good product, good and doing all the hygienic stuff in the long term give you better results. And when I say long term, it's 1 to 2 years, right? What does pricing do? And you look at industry by industry. I've been very fortunate to work in FMCG, Lubricants, Telecom, Telecom with the highest intensity.

And my learning is simple that if you don't arrive at something which is sustainable, then it will work for 1, 2 years, you can really shore up, but then you do not build something which is very strong. I'll give you an example when I handled Airtel and Tamil Nadu, we were the number 3 brand. I mean it was Airtel, Vodafone and then us, right?

And pricing was not the strategy in which we won, right? Similarly, I don't think pricing from a long-term perspective is a strategy. It is a short-term disruption strategy. It is where you can shore up a lot of volumes, particularly if the larger players are listed and have compulsions because of EBIT margin delivery, EBITDA margin delivery, you can do that up to a point.

And unless you build something sustainable there, it becomes very difficult to continuously do that. That's my answer. My question specifically, I don't want to make any announcements or any, I'm not in the same camp where I think that everything is over.

I think, look, there is a fight happening in the market between a market leader and a very strong challenger. Let's not kid ourselves in saying that it has had impact on the profitability of the industry and also the market shares of all the players, maybe lesser on some of us, more on a few others, right? But the reality is it has had an impact. And I would not want to celebrate early victory till I'm able to see proof of the pudding.

For us, we've been over the last few months, ourselves on a new journey. And our ask is to make sure that we are fighting like soldiers with a laser focus in the market to make sure that we come out winners, right, as AkzoNobel India. And really, that's really been the task. So really, for me

to summarize the question, I don't want to celebrate early victories of saying, look, something is over or not because I think the market takes a little bit of time to really do that.

Yes, it is true that the larger players, including us, are seeing a bounce back in many of the markets. Maybe Rohit, I'll just invite Rohit to articulate that a bit more, right? In what I call, what we call the high share geography, high stake geographies, where our contribution is high.

Rohit, if you can quickly give a quick color to the question Mihir asked.

Rohit Totla:

So, same thing, which is, let me put it, execution. What we ended up doing on a pricing action is matching the prices wherever, especially in a channel category wherever we were premium, right? So, it's not that we were really, really aggressive on a pricing front from the market point of view.

Yes. What we are focusing completely is on the execution. We have selected set of markets, and that is those are the markets where we have enhanced our execution, starting, addressing all the stakeholders, be it architect interior designers, be it painters, be it retailers, be it contractors or the large projects. So, this is where our entire thrust is.

Rajiv Rajgopal:

Mihir, hopefully, that answers all the questions you asked.

Mihir Shah:

Yes. Great. Sir, if I can just push in one more if you allow me. Quickly on the demand environment. I know it's a bit early, but if you can crystal ball gaze for us a bit and the industry has been seeing pressure on the volumes in some time, while there are some early shoots, green shoots that you called out.

Should one think that from an industry demand, overall consumption environment point of view, with all the efforts that the government has also put through by income tax cuts, GST cuts, lower interest rate, etc., positive effect on the consumption is likely to happen? Do you think that we are near the cusp where demand should start seeing improvement going forward? Or do you still see some headwinds for some more time to continue?

Rajiv Rajgopal:

Well, so firstly, to your question, look, the GST reductions impacted certain industries and all of them are reporting better than others, right? If you look at it, we've also seen very strong growth in cement. And normally after cement, paint follows because remember, that a large percentage of our business comes through repainting, right? So, it follows.

Now what has impacted the industry is also, as you will agree, Mihir, is that the rains have been completely unexpected this year in terms of not the amount only, the fact that it's prolonged and even in different parts of the country, I hear occasionally it's raining.

So, it's impacted the season. My belief is, look, I think, yes, it will improve. Whether it will completely improve this quarter, again, it is something that we need to see. But yes, there will be an improvement. But if you ask me to take a view of a 6 month to 1 year, I see sharp improvement for a simple reason.

The repainting cycles occur in a span of 3 to 4 years or 5 years, right? The last repainting big blip we got was post-COVID in 2022 to a large extent, '21 and '22, right, where more in '22 and less in '21 because '21 came off a low base, right, but '22. So, if you look at it, technically by next year, early next year, which is the fourth quarter of this year to first quarter of next year, a lot of repainting will come in.

And I think, hence, you would start seeing the growth come in. And the growth will be in line with the sort of activities and like Rohit said, the execution excellence and for the brand activation that we do in the market.

Moderator: We'll take our next question from the line of Lakshminarayanan KG from Tunga Investments.

Lakshminarayanan KG.: Rajiv, one question is that if I just look at our long term, at least like last 18 months or so, the industry for some reason has been having a very, very low growth, if I just aggregate all the revenues put together, right, the standalone revenues of all companies. Now what is that has actually, because we always thought that there will be some base effect which would come in, but it doesn't come in so far.

So, what makes, first is the industry growing, right, in the last 2, 3 years, I mean, from September '22 till now, if I just look at the quarters, it's been very benign in terms of growth. So, I just want to understand, is the industry growing in terms of revenue numbers? And second, what gives you confidence that there will be growth will come the next best time is ahead of us? I mean, of course, you alluded that there will be repainting cycle. Just that's my first question.

Rajiv Rajgopal: Yes. So, look, I think you're looking at listed entities. And if you look at the newer players and the newer entrants and at the total growth, yes, there has been growth in the industry. So, I don't want to take, now you may argue that, look, the growth is below GDP growth. That's possible in a couple of quarters. But on an average, if you look at, there has been growth, just that the growth trajectory shifted to newer players who came with much aggressive price points.

If you look at 80% of the growth has come from mass market, economy, putty, textile, construction chemicals. And these are segments where some of the players who are established players obviously found it too difficult to react because it would dilute, it would be hugely dilutive to the margin and the profitability of the business.

So that is what has happened. However, obviously, there is a point in time in which you cannot allow other people to have your lunch. And that wake-up call you are seeing now amongst the larger players, which is what is now making sure that everybody gets aggressive.

So, in a way, I think what will change is, first, that the shape of the curve will change to where the sources of growth of various players came from. And in terms of the, where, which player was getting what growth, that I see a bit of a change.

Second, I think the fact is that there has been a correction, as Mihir asked in the earlier question. And to that extent, the outlay of people with some of the savings will come in and people will go for home refurbishments and painting. And I believe that, look, in the months ahead, we

would see some sharp growth coming in on both the B2C and the B2B sites, right? Rohit, do you want to add something? Yes. So that's what I would say.

Lakshminarayanan KG.: Got it. And in terms of, there have been some price increase and corrections taken, right, across the industry, and there has been some resetting, I think, 2, 3 quarters back. So, if you just look at it from a volume growth point of view, what is the volume growth one can actually expect for the industry in the next 1 year?

Rajiv Rajgopal: Look, again, it's a function of the segments which drive the volume growth. Volume growth for a couple of players already touching high single digit, mid- to high single digit. We are getting close to the mid-single digit. It will get to double digit in the near term. But you have to understand that bulk of the growth is coming from these categories that I just talked about, right?

We've not launched our construction chemicals. I think Rohit is planning to launch it next month by end of the year, December is when we are launching, and our products are very superior compared to some of the offerings in the market.

So, we believe that we've got a right to win; and on the price increase, look, the price increase, I'm not even talking because it was offset by additional discounts in the market across some of these segments.

So really, there's nothing that could really come into the P&L because that just, it lasted for about a month and then aggression started back. So, I don't think the price increases at this point of time at this competitive intensity is something that's going to. I just hope that the discounting will get rational over a period of time.

But coming back to volume, I do see that at least now will start steadying at single digit, mid-single digit to high single digit, eventually double-digit growth in the very soon, I mean in perhaps between next quarter, this quarter and next quarter in a few months, it will start. I see next quarter definitely as a double-digit growth quarter for volumes and high single digit for revenue.

Lakshminarayanan KG.: So, Rajiv, and also for the next 2 to 3 years, what are the 3 priorities you would actually have for the company? And second, the Dulux name would be available for us till when?

Rajiv Rajgopal: No Dulux is now owned by AkzoNobel. It's for perpetuity it's owned by AkzoNobel as a part of the AkzoNobel India as a part of it, and that moves to the, obviously, now the new owner is the JSW family. In terms of top 3 priorities, look, I think we are, I think, amongst all the paint companies having a massive transformation, you would agree to that, Lakshmi, right?

So, my first job is to make sure that when you're in this to steady the ship and make sure that you're delivering on ground while making sure that the strategic direction is run. So, what do we need to do? Obviously, there's a lot of work going to be. I think it's not appropriate for me to talk about it. I would wait. I think Mr. Parth Jindal will talk about it at an appropriate time.

Moderator: Next question is from the line of Aniruddha Joshi from ICICI Securities.

- Aniruddha Joshi:** Yes. Sir, in terms of the entire commodity prices, we have seen most of the commodity prices are lower, even the antidumping duty on TiO₂ is also kind of now rolled back. So, with correction in commodity prices, what can be the maximum potential for price cuts for the industry to remain at current margins?
- Rajiv Rajgopal:** 2 things. See, the raw material has been benign for now a small period of time. So really, I think, and it's equal for everybody. On the antidumping duty, yes, the order has got favorable, but it's not executed. So, we are still, I think most of the players are still paying it under protest.
- So, till it's completely called off, it's not going to come in into our P&L because we have to follow the law, and we are following, I mean, your company is highest on these things. So, we do not -- we obviously that we do the right thing, okay? So, till it's completely called off in our books, it still reflects.
- Now coming to the price, what is the, my belief is, look, it's very difficult to say what is the top of the table. But I believe that we are not too far from already being there, right? We can argue in certain categories; can you be a little more aggressive.
- But my view is what will now do it, I think the pricing pressures have already started coming into play. And I think now the power of the brand, distribution and those things will start coming in. And that's where I'm certain that we will be pretty well placed.
- Aniruddha Joshi:** Okay. Sure, sir, in terms of any growth drivers as far as distribution is concerned or in a way some of the new products that we had introduced like the value for money emulsion or even waterproofing or even floor paint also. So, any update that you can share?
- Rajiv Rajgopal:** I'll ask Rohit to answer that.
- Rohit Totla:** Okay. So, for us, what we are doing as far as distribution is concerned, we have a lot of white spaces and those are the places where we are going and appointing. The distribution is adding close to 4%, 4.5% kind of our revenue every year to us. And this year, it will be a little higher. And that is what our strategy is.
- As far as product categories are concerned, just Waterproofing products, be it Waterproofing or a Construction Chemical Products which are getting accepted across, and that is where the weighted distribution is coming in. Hope that answers.
- Aniruddha Joshi:** Yes, yes. Sure, sir. That is very helpful. And update on the multiple new products that we had entered into?
- Rohit Totla:** So almost everything is doing really well, especially the new launches, which has to do with Uber luxury premium products, which is to do with Velvet Touch Eterna, both in the Sheen variant and a Matt variant, especially the Matt variant has been accepted really, really well by architects and interior designers and really very much liked by the consumers. Second, which is to do with the Entry-Level Emulsion high sheen for exteriors. It's where we had a remarkable success on the launch of those products.

- Aniruddha Joshi:** Sure, sir. Understood. Last one question from my side. I guess the royalty reduction is already accounted for in Q2 results?
- Rajiv Rajgopal:** Yes. Yes. So yes.
- Aniruddha Joshi:** So, what is the total saving in the royalty if you calculate as a percent of net sales? That is one question. And secondly, we have seen logically the margin should have gone up, but I guess there will be certain costs related to so many corporate actions happening. So, if you can quantify on the overall margin and what should be considered as a sustainable margin going forward? Any indicative guidance if you can share?
- Rajiv Rajgopal:** So let me give you the guidance, and I'll let Mr. Krishna answer all. My guidance is very clear. We should be in the EBITDA margin of 14% to 16% on a sustained basis. That's what I've always maintained. Remember that still we are a number 4 player even with being a part of the JSW Group, position doesn't change except that we now become a clear number 4 and move to number 3 soon, right? So, Krishna, can I ask you to quickly just cover some of the other questions that Aniruddha had asked.
- Krishna R.:** Yes. I think, Aniruddha, we have fully factored in that the royalty, which we pay for the Decorative IP, ceased to exist effective 1st of July 2025. And the numbers of Q2 FY '26 doesn't include the royalty payout for the Decorative paints. However for the performance paints or the Industrial Coatings, the royalty IP lies with AkzoNobel, and we continue to pay the royalty for that product.
- As far as royalty utilization is concerned, if you see from the comparable results, the gross margin decline is INR193 million, whereas when it comes to the EBIT, the decline is only INR22 million. So that means effectively, there is an operational efficiency which is there in the system.
- We are prudent in terms of the cost management. And the moment the revenue trajectory, as explained by Rajiv, we do see a significant uptick to happen from the Q3 FY '26 onwards, which will address the matrices and the guidance band shared by Rajiv.
- Aniruddha Joshi:** Sure, sir. I will just take one question from the chat box. So, is there any change in dividend payment policy with the new team taking over?
- Krishna R.:** Aniruddha, at this point of time, we don't see any change there. And as and when it comes, we will inform the shareholders by way of the corporate disclosure.
- Rajiv Rajgopal:** Any changes in policies, we will come back to you at an appropriate time.
- Moderator:** We have a question from Avi Mehta from Macquarie.
- Avi Mehta:** Can you hear me?
- Rajiv Rajgopal:** Avi, maybe you need to change your voice settings. Avi, can you hear us?
- Avi Mehta:** I can hear you, but – I am not able to hear, sorry?

- Moderator:** Sir, are you able to hear him? Rajiv, sir?
- Rajiv Rajgopal:** Very feeble, but let me try. Go ahead, Avi.
- Avi Mehta:** Sir, I just...
- Rajiv Rajgopal:** A bit of both in the sense that, obviously, price checks happened with both consumer and with contractor, painter, right? But basically, what has happened is because of the price table in which the industry and certain key brands were operating in, our ability to grow the brands versus what we've done in the prior year had come down.
- And so, it's, that is, and we've done a complete conjoint analysis to really be able to address it to answer the question, Avi. And it's largely, it's across a little bit of the portfolio, but it's some of our heavy brands where we believe that it was tapering off because perhaps the premium was a bit too high. And so when you look at a moving annual total and, there it smoothenes all the curves, seasonality, etc., we look at that in the conjoint analysis to put two together.
- Avi Mehta:** Fair enough. Fair enough, sir. Very clear. And sir, does that entail a sharper entry into the mass need?
- Rajiv Rajgopal:** No, I don't want to announce strategy on a call, but I think that's not, I would not like to answer that question, Avi.
- Moderator:** Ladies and gentlemen, we'll take that as the last question for today. I now hand over the call to management for closing comments. Over to you, sir.
- Rajiv Rajgopal:** So first and foremost, once again, a big thank you. We do realize that perhaps this possibly could be the last investor call from an AkzoNobel India perspective. Of course, AkzoNobel India and all of us continue, but very, maybe in new shapes, colors, news as we move forward.
- We are absolutely delighted and looking forward to being part of the JSW family. We've had a lot of, a few interactions, I think 4 or 5, Krishna, with Mr. Parth Jindal, and we are highly energetic because I think we, this is exactly what we've been wanting to, to get the ability to play in the market the way that you should play in the market.
- There's no point of playing in T20 in a Test Match style. And that's what sometimes when you, with some of the constraints that we've had, and I'm very glad that even our global CEO had articulated that very well when he had when the announcement happened.
- So, I think we are really looking forward to the journey. A lot of it lies at our end in terms of superior execution and taking it to market. And to me, the future leaders of this company will be in terms of those who are able to demonstrate superior performance, right?
- So, thank you very much. Good luck. All the very best. Bye-bye. Thank you for joining the call. Thank you.
- Moderator:** Thank you, members of the management. Ladies and gentlemen, on behalf of ICICI Securities, that concludes today's session. Thank you for your participation. You may now exit the meeting.