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APL/SEC/32/2024-25/9

13th May 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Security Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Investor Conference

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investor Conference held on Thursday, 9th May 2024, with regard to the business and financial performance of the Company for the quarter and financial year ended 31st March 2024.

The transcript has also been uploaded on the Company's website and can be accessed through the following link:

[Investor Conference – Transcript](#)

You are requested to take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above

ASIAN PAINTS

Q4 FY2024 Earnings Conference

Date : May 9, 2024



Management: *Mr. Amit Syngle* : MD & CEO
 Mr. R.J. Jeyamurugan : CFO & Company Secretary
 Mr. Parag Rane : AVP - Finance
 Ms. Sunila Martis : Head – Investor Relations
 Mr. Arun Nair : Manager - Corporate Communications

Disclaimer: This is a memorandum of the proceedings of the Investor Conference of Asian Paints Limited held on Thursday 9th May 2024 at 5:00 pm in Mumbai with regards to the financial results of the Company for the Fourth Quarter and Twelve Months ended 31st March, 2024. While we have made our best attempt to prepare a verbatim transcript of the proceedings of the meeting, this document has been edited for readability purposes and may not be a word-to-word reproduction.

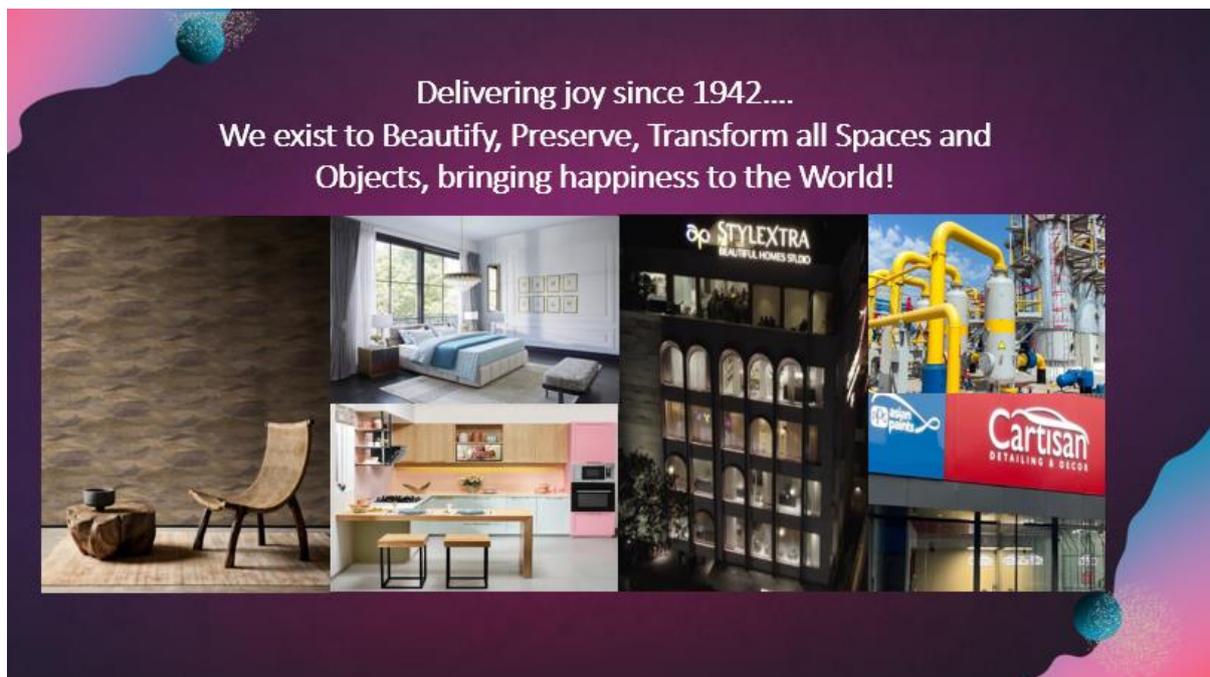
Sunila Martis:

Good evening, all of you. And thank you so much for joining us today to discuss Asian Paints Q4 and full year 2024 earnings. I am Sunila Martis from the Investor Relations team. It's great to welcome all of you here today. We also have with us our MD & CEO - Mr. Amit Syngle, our CFO and Company Secretary - Mr. R J Jeyamurugan, and Mr. Parag Rane, AVP - Finance.

I would now like to invite Amit for his opening comments.

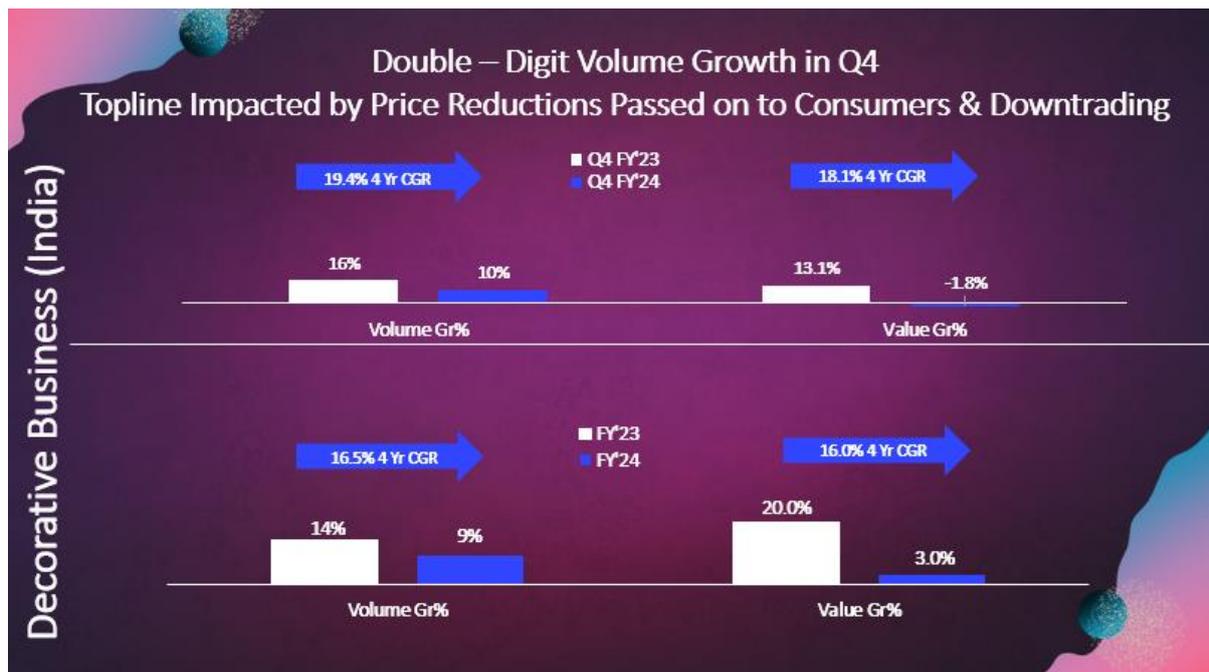
Amit Syngle:

Very good evening to all of you.



You are all familiar with the fact that, we started our journey way back in 1942 and today, we are very clear that we exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world.

So, the whole area of bringing joy and happiness to people's lives is a strong area, as a core value of the brand, which we really pursue quite strongly across all our initiatives.



If you look at the numbers, obviously this quarter was a little bit slow from the point of view of overall value delivery. But we have still seen very strong double - digit volume growth, which was the promise I made last quarter as I was presenting, saying that we will look at double - digit volume growth to come in, which is something we have maintained over a period of time very strongly.

However, you are aware of the fact, that we have taken a total price decrease of close to about 3.7%, which impacted the volume value gap which you have been traditionally seeing, and therefore, the overall value was a little bit depressed below the base at -1.8%.

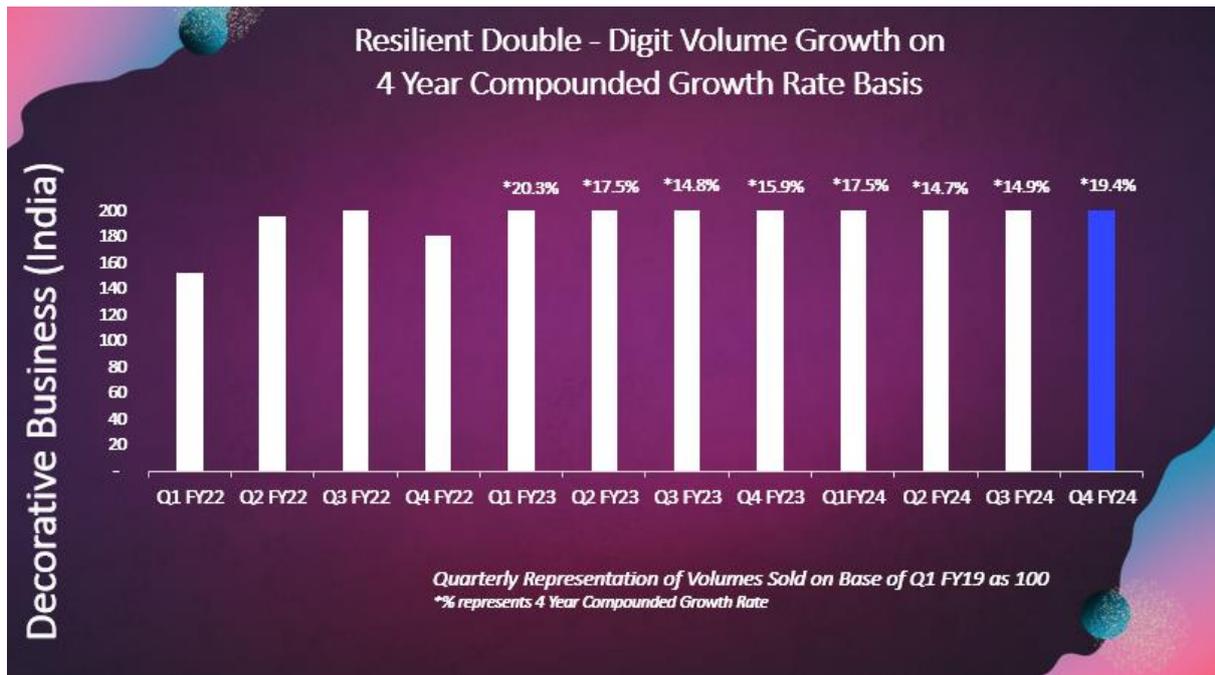
Overall, for the financial year, the value growth was closer to about 3% with a volume growth of 9%. Both from a point of view of Q4 as well as FY24, if you look at the CAGR numbers over the last about four years, they have been very strong high double-digit numbers. And that is something which gives you an idea of the kind of growth which we have been pursuing over the years.

So, I think that's the overall area in terms of looking at how the top line has translated for both Q4 and FY24.



The Industrial business, as you are aware, for the last three years, has been doing very strong. And both the Industrial JVs - APPPG and PPGAP, which is the joint venture with PPG of U.S, have been really performing very strongly. If you look at the growth, the Industrial sales by itself has really grown very strongly, for both volume and value. And today for Q4, if we take those numbers, the value trajectory from that -1.8% comes down to about -0.7% and for the FY24, the growth rates go from about 3% to about 4%. The volume growth goes up to about 10% on an annualized level.

So, I think the important part is to look at the full year because, quarterly, there have been some variations. But the important point is that you've still registered double-digit growth for the entire year. And the value possibly is a little bit depressed because of the 3.6% price decrease that I have indicated to you, with a little bit of downtrading that has happened, especially in Q4.



When we look at this chart and some of you who have been tracking, are familiar with the fact that over the last almost 8, 9, 12 quarters, literally, if you see the trajectory, the double-digit volume growth has been a very strong story. We feel that the volume trajectory gives us a boost, more from the point of view of saying, that is something which is a strong sustainable business, which is happening, quarter on quarter, which kind of comes in. And the numbers are very clear from a compounded average growth rate level, the double-digit numbers are on higher digit levels, especially if you look at Q4. The number is even higher than the normal 15 -16%. So that's the story of how we overall see growth.

Decorative Business (India)

Key Performance Drivers

- ❑ Overall, a weak demand environment in Q4
 - Demand in rural areas especially impacted by overall inflationary pressures
- ❑ Double-digit volume growth in urban markets in Q4; Rural markets grew a tad slower
- ❑ Q4 mix led by Economy range; Luxury range also saw good traction
 - Downtrading leading to slower growth in Premium product range
- ❑ Continued expansion of distribution footprint
 - Catering to over 1.63 lakh retail touchpoints
- ❑ Projects / Institutional Business continued to grow well
 - Largely driven by Builder & Factories segment. Pre-election slowdown in Govt. sector visible
- ❑ Maintained strong growth in Smartcare Waterproofing in Q4
 - Benefiting the Projects business with its wide range offerings
- ❑ Continued our focus on innovation
 - New products contributed to ~11% of overall revenues in Q4

Some highlights in terms what has happened. While I think there has been a lot said about the rural markets kind of coming back and so on and so forth, we find that for us, the urban centres drew a tad faster than the rural markets. But the difference is not too much on how the performance has been, and therefore, I think our concentration and focus has been on both sides of the markets. In fact, we see now, in April itself, there is some more resurgence happening in the rural markets, which is a good positive sign.

The product mix has got affected a little in Q4. But if you speak about the entire year, I think two segments where we have gained strongly. One is the Economy smart end of the market, which is a strong area of growth that has come in and that itself is a higher contribution in terms of the overall market also. The second area which has done well is the Luxury market where the Luxury products have done well overall. But the Premium market has been a little bit slow for us and we have seen that there is possibly some kind of downtrading which is happening especially in rural centres, prima facie in terms of people going from Premium to Economy segment. But I must remind you that if you look at the overall structure, the Eco market is close to still about 70% of the total market and whether it is Eco, Premium or Luxury, today Asian Paints, talks of stronger share in all the three areas.

If you look at from the point of view of distribution, that has been very strong strength which Asian Paints has always been driving. And, today we feel that, in the last about 3 years, we have been able to drive additionally about 40,000-45,000 retail points. In the current year itself also, there is a very big push looking at almost about 10,000 retail points more, taking our tally to more than about 1.63 lakh retail points. This is 3-4 times higher than any other competitor, which gives us a very strong sense of representation across the large tracts of the country, and this is something which is comparable to possibly any large FMCG player as well. So therefore, I think this has been our strength and this is something, which we feel is a very strong support for us and we have seen that this kind of network also keeps on growing very well for us over a period of time.

When you look at Projects, which is the B2B business, that also has been fairly strong story over a period of time. In Q4 specifically, we felt that there was a little bit of a slowdown. More from the point of view of the government business slowing down because of the impending election code striking in and therefore witnessed a little bit of a slowdown especially in the latter half of February and March. And we feel that possibly there is some postponement of demand which is taking place, which would kind of come in June and July.

Overall, I think waterproofing business, which is the brand Smartcare has been a hallmark. Eight years back when we launched the product and today, we speak of being Number One in the retail market in terms of our overall presence across the various regions across the country. Today, the entire range is represented by more than 280 products, which are all indigenously developed by us through our technology. So, I think this is a very big area, and the projects area has really prospered due to this, because now you are talking of admixtures for the foundation of a building. So, you can just imagine that in a B2B business, you are right there, at the foundation to the topcoats, and therefore the full area is something which we cover very strongly with our admixtures, membranes, repair, chemicals and construction chemicals, which come in as part of the total range.

The whole area of innovation has been a strong story and we have got more than 126 patents over the last about six years, and out of these patents, almost 60 have been granted to us and, more than about 30 patents have been commercialized. Now, that's the strength which the brand brings on to the table in terms of looking at patenting not only the products, but also the process with respect to manufacturing, which becomes difficult for any competition to really ape the products. Today new products form a sizable part of the overall revenue, almost about 11-12% of the top line, which is a very strong story going forward, because it puts excitement in the market. It also gives higher profitability to the network.

Investments to Support Next Phase of Growth

Capex in Progress	Status
Greenfield water-based paint manufacturing facility with a capacity of 4 lakh KL p.a. (Madhya Pradesh)	Completed land acquisition; Statutory approval process WIP. Targeting completion by CY28
Brownfield Capacity Enhancement (from 17.3 to 22.7 lakh KL p.a. across Kasna, Khandala, Ankleshwar, Mysuru)	<ul style="list-style-type: none"> • Khandala & Kasna expansions complete augmenting capacity by 1.2 lakh KL p.a. • Ankleshwar & Mysuru expansion on track. Targeting completion in the current year
Backward Integration for VAM-VAE/ White Cement	<ul style="list-style-type: none"> • VAM-VAE: Environment Clearance received; Civil work has commenced; Targeting completion by CY26 • White Cement: Civil construction started; Targeting commissioning of plant in CY25

VAM: Vinyl Acetate Monomer ; VAE: Vinyl Acetate Ethylene Emulsion
 White Cement JV established for setting manufacturing capacity in Fujairah, UAE

Decorative Business (India)

We have announced these investments some time back. With respect to our greenfield venture in Madhya Pradesh, we are talking of 4,00,000 KL/annum capacity, which again, would be one of the biggest automated capacities globally. We have done the land acquisition and the statutory approvals on environment are WIP. We think we should complete this project by 2028 and that would really be a surge in capacity.

We had initiated a lot of brownfield projects at our existing plants at Kasna, Khandala, Ankleshwar and Mysuru. That has given us good lift from almost about 17 lakh KL/annum to about 22.7 lakh KL/annum capacity boost. Out of this, Kasna and Khandala have been

completed, Ankleshwar and Mysuru are underway, and we should be able to complete that in this year. So overall, the capacity really surges in a big way.

Our backward integration initiatives are also in line. The white cement plant in Fujairah, in Dubai is in line and we should be able to commission the plant early next year. The machinery has been ordered and pace is right, in terms of where we are proceeding with the entire white cement facility.

For VAM VAE plant, we announced our partnership with GCPL for ethylene supply, which will kind of come in. We are looking at 2026, by when you should look at that getting kicked off which would kind of give us a very strong capability from a point of view of offering environment friendly emulsions, which would be available at the lowest price as compared to any other player in India.

Decorative Business (India)

Revolutionizing the Industry with Neo Bharat Latex Paint

asianpaints

Penetrating the unorganized segment with a branded solution which is smart, affordable & accessible to consumers

Har Ghar Khelega, Har Ghar Khilega | Colours of Progress

The one big announcement, which we did was that we are now looking at revolutionizing the bottom of the pyramid. We still feel that the bottom of the pyramid is a very huge market, estimated at about Rs. 5000 crores. We have a product called distempers and some low-cost emulsions there. We have come out with this new absolutely strong technology, which is called the latex technology from our stable. It is a new technology

which offers the capability of, for the first time, a product at the cost of the distemper. This is much better from the point of view of durability, coverage and price has been matched to the distemper product strongly. We launched this product in January 2024, and we are seeing volumes really building up with strong growth, which is boosting the whole Economy set. And this is a revolution because this actually gives us the whole area of saying - bringing joy and happiness to every home. And therefore, this is something which will have impact both on some of the urban centres, but more strongly on all the rural centres.

So that's a very big launch and because it is so big, we thought that it kind of really needs someone with stature, someone with a lot of respect, someone who has possibly grown on his own kind of work and perseverance and therefore, we have taken Virat Kohli as the brand ambassador. But first of all, we are really leveraging him from the point of view of this NeoBharat and the whole preposition here is of, *Har Ghar Khelega and Har Ghar Khilega*. So basically 'Every house is going to play with this, and every house is going to bloom' as we kind of go forward with this preposition which comes in. And not only this, but we have also really given a very big incentive in the market with respect to looking at promoting kids across a lot of households who could be selected as part of the cricket scholarship, which we are offering. So about 200 kids will be selected, and we are talking about expenditure of Rs. 2,00,000 per kid, at least, which would come in. And that's the larger part of the brand that what will play. But that's the impact in terms of what we want to do over a period of time. In terms of looking at really taking on the large area of the bottom of the pyramid and I think it should kind of really give us a boost from the unorganized sector as well. So, the idea is that as a leader, you keep on expanding the market and that's where the play is, going forward.

Creating Differentiation in the Market

- **Innovation for every consumer segment across products and services**
 - Neo Bharat Latex to Royal Glitz
 - Beautiful Homes Painting Services
 - New products contribute in double digits to overall revenue, 11%+ for FY24
 - Highest number of patents granted in the industry
- **Investing in our Brand; Deepening the emotional connect with consumers**
 - Reinforcing the proposition of 'Har Ghar Kuch Kehta Hai'
 - Extensive digital and social marketing
 - Democratizing décor through street art
- **Stakeholder relationships – key for success**
 - Maintaining our deep dealer connect; Ensuring they grow with us - creating and sustaining a "win-win" relationship
 - Upskilling of contractors – 6.8 lakh contractors trained at our Colour Academies in FY'24; 33% increase from FY'23
 - Continuous engagement with the Architects, Interior Designer community



Along with that, I think the innovation really continues in terms of what we keep on doing around the festivals. What we keep on doing around our initiatives to democratize art overall across the country and we have seen that the whole area of the propensity of a person to buy Asian Paints is something which we have been able to increase given the work which we do around with the brand. And that is a story which we keep on continuing, whether it is innovative packaging, whether it is innovative ads, which we bring on to the table. But more importantly, I think, what we have done is that the whole area of 'Beautiful Homes Painting Service', which is a very large service for us now. I think it has really bloomed for us. It is globally now the largest painting service which is offered by any brand, and it is literally growing at the rate of about 70-80% for us, year on year. It's a sizable kind of zone, which comes with a very strong NPS, which is a service parameter of almost about 77% which we offer. So, I think it's a very valuable property, it's something which is growing and it's something which aids the consumer for getting the best painting experience overall, in terms of what they can manage.

Along with that, I think a host of initiatives which are there around taking the stakeholders, so whether it be the painter, contractor or it is the architect, designer and so on and so forth, I think that is something which we have kind of worked strongly on. We have now about 23 colour academies across the country, and last year we trained about 6.8 lakh painters, plumbers, carpenters across that, upskilling their levels and increasing their

livelihood in a very strong manner. And this year we are literally aiming for about 8,00,000 -9,00,000 training numbers, which would give us very strong pan-India penetration in terms of this community, which is working around us and aiding the overall product growth.

So that's some of the work which is happening around the brand.

COLOUR NEXT: 2 Decades+ of Colour Forecasting

Collaborating with experts mapping consumer behavior, consumption patterns, socio-cultural sentiments & lifestyle shifts

Into the Deep "Embracing the Fantastical Depths of Oceanic Marvels"

Indo Futurism "India's Retro-Futuristic Cultural Tapestry"

Soil "Refining the Earth into Modern Sanctuaries"

Goblin Mode "Joyful Surrender to One's Authentic Self"

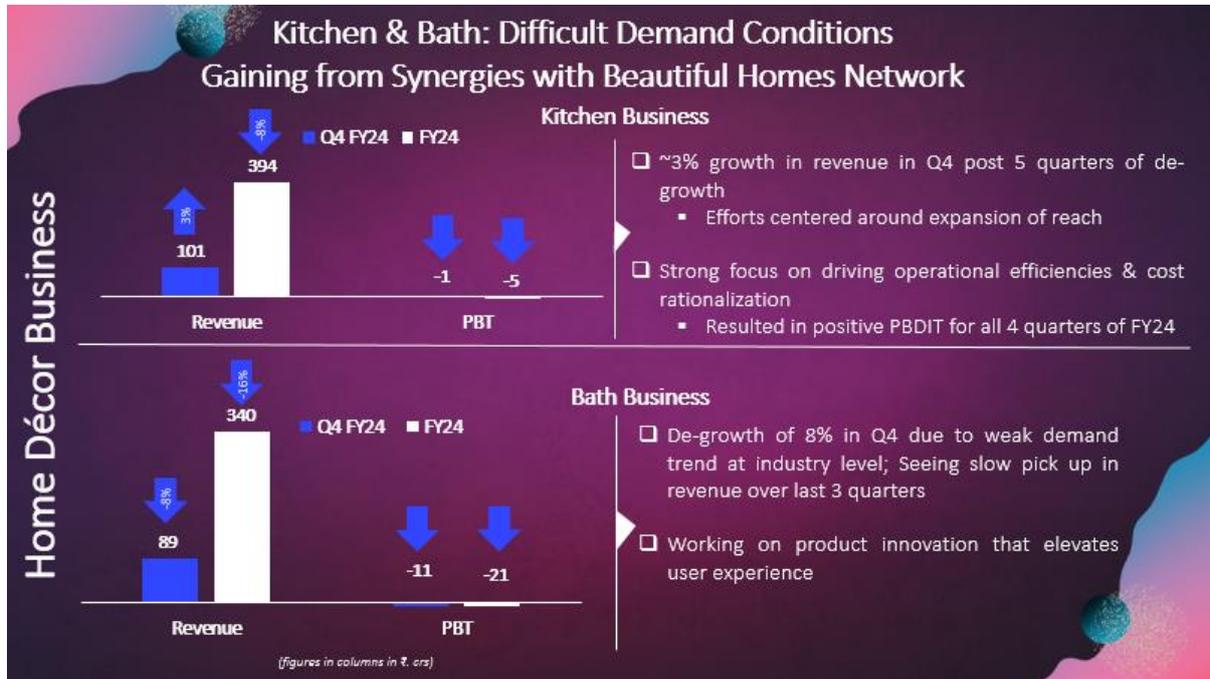
Terra: Colour of the Year representing "Strong Sense of Grounding & Belonging"

The important part as I spoke of the AIDs, we speak of this whole parameter of colour and material intelligence. We have a property called the 'Colour Next', which we started in 2003. And more than two decades of work around in this area has propelled us in terms of really aligning with the best of the architect designers across the various towns in the country, which gives you a very big flavour of the recommendation of Asian Paints as a brand first, from all the designers. And I think this is an area which kind of propels the Premium and the Luxury end of the market in a very strong manner. Because the sites which the designers do are possibly more the Premium to Luxury kind of sites. And that's a big propellant for our Premium to Luxury finishes in terms of what we work on. There is no other player who would do this kind of work, which is happening with the AIDs. So, I think this is a big boost going forward.



Just coming quickly to the Home Décor business and I think this is something which we have been discussing. This has been a strong area of passion and growth in terms of what we have been pursuing overall. So, if you look at the last 3 - 4 years energy which has been put in, it has resulted in making us the Number One integrated home decor player. When I say integrated home decor player today, this industry is really diversified with a lot of smaller players across various regions with very less national players. We have really brought everything together. Now we talk of 60 BH stores, which is the Beautiful Homes Stores across the country, and we are expanding these stores fairly rapidly. The stores are almost growing at almost about 50-60% and they offer categories which are all across, whether it is fabric, whether it is furnishing, whether it is furniture, lighting, bath, kitchen, so you name it, flooring, everything is something which is subsumed under that. And these stores are Phygital stores, which is physical plus digital stores, doing very well. But if you look at the other categories, whether it is the whole area of decorative lighting, we are Number One there or you look at the area of fabrics which are up close, we are a strong Number Two. Our wall coverings and textures, we are Number One there. We have aligned strongly with Sabyasachi and Sarita Handa and Jaipur Rugs and lots of other brands to bring in the best for the customer. And I think this is something which we feel is a strong foray and we are finding that the retailers who are getting into this BH kind of a framework are growing much faster in the coatings business as well.

So, it has a clear correlation in terms of completing the product for the customer. And therefore, the larger strategy is that can we be part of the home decor cycle of the customer so that we are able to assist him not only from the point of view of painting, but also renovating and making new homes really come alive. So, I think that's the foray, which is doing fairly well.



Kitchen and Bath have not done well, to be upfront with you. Q4 has been down and for the full year, you have seen that the business has not done well overall. I think in Bath, our share in the market is very small at the moment. And therefore, we face some headwinds in terms of the demand being on a very low side. The pressure also comes in both from the unorganized segment as well as from the organized players. And therefore, that is a business which we need to kind of really pick up and work strongly in terms of really taking it ahead.

Kitchen was okay, but not so great in terms of what we see overall for the year. PBT is negative, but the good part is in Q4, we have still registered positive numbers in terms of the overall revenue. You are aware that we are talking of now, looking at Bath and Kitchen becoming integral with the Asian Paints business so that we can really talk of the same service standard, same servicing and therefore the merging is kind of giving us a big stroke for next year in terms of what we want to do, both with Kitchen and Bath, so that we are able to take this business and make it big as part of our overall decor initiative.

**White Teak & Weatherseal:
Expanding our Home Décor Offerings**

Home Décor Business

White Teak (Offering Decorative & Designer Lights)

- Net Sales of ₹ 47.7 crs in Q4 with 33% growth; Full year sales at ₹ 133.4 crs, growth of 23%

Weatherseal (uPVC Windows and Doors)

- Net Sales of ₹ 15.6 crs in Q4 with 63% growth, more than doubling of revenue in FY24 at ₹ 51.7 crs

Growth from extended product offerings, Expanded reach and synergies with our Beautiful Homes Network



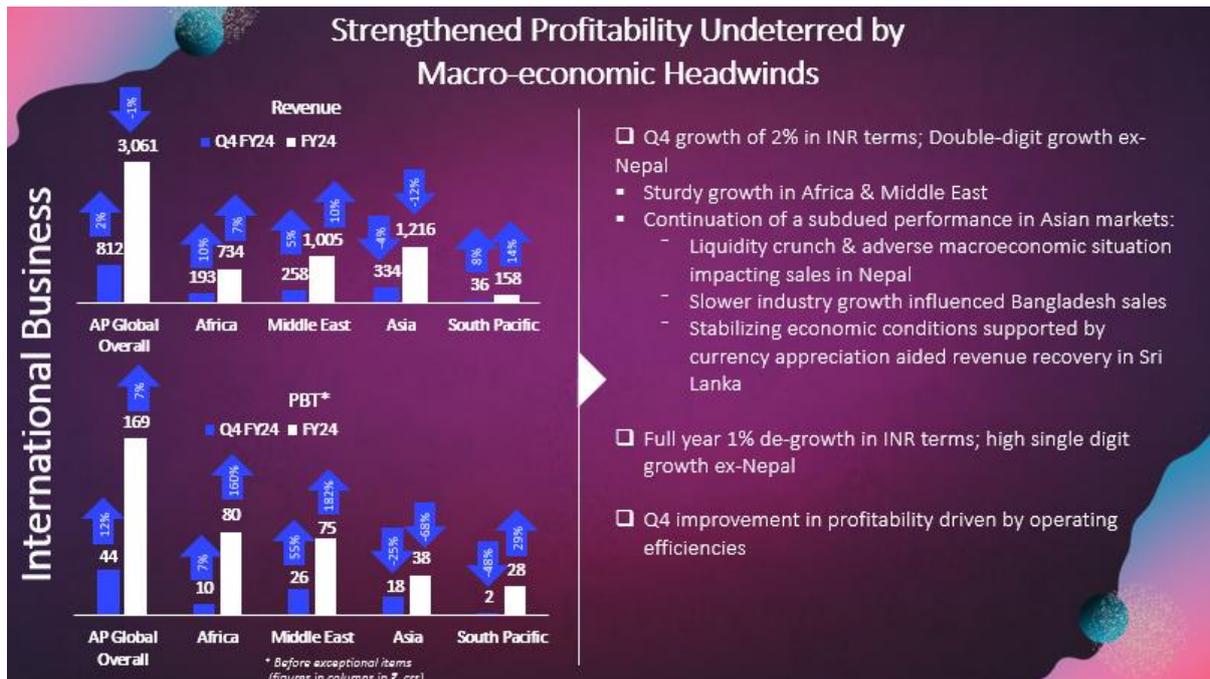

Both White Teak and the Weatherseal, which is the uPVC doors windows business, these businesses in Q4 have done well with respect to top line for the full year also. If you see, the numbers are fairly strong in terms of what we are doing, and as I said in decorative lighting, you are number one. And therefore, I think these businesses will continue to grow with us. The idea here is to make these businesses large, spread across the country, use the muscle of our distribution to see that we are able to go ahead in the market and really become the number one national player in terms of operating in both those areas. So that's the Lighting and the uPVC business for you.



As I said, we have a partnership with Sabyasachi, and we just launched our new edition of the Sabyasachi wallpapers, and this is something which is a fairly exciting part. These wallpapers are one of the most expensive wallpapers in the world. Largely they go up to over ₹200 to ₹500 per square feet on a wall and you can just imagine that a 10 x 10 wall would be almost about 1.5 – 2 Lakhs kind of expenditure. And that's the whole area in terms of really upgrading and looking at, making the brand very premium in terms of going, where we have Nilaya as a brand.

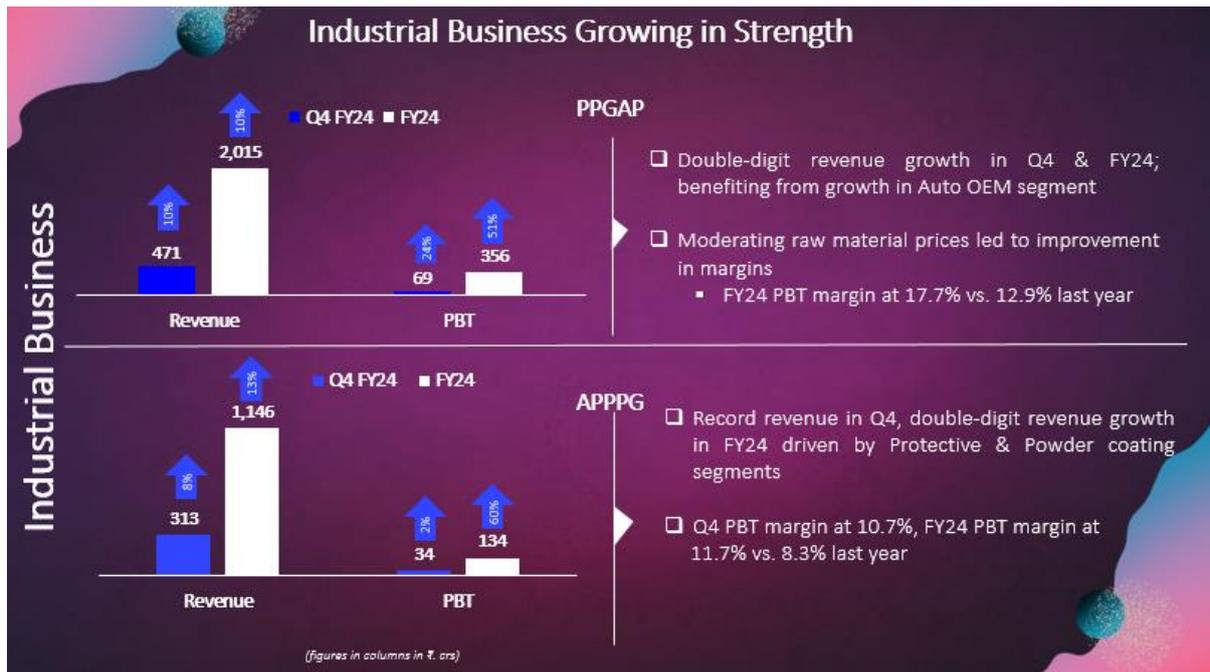


Global, we are present across these markets.

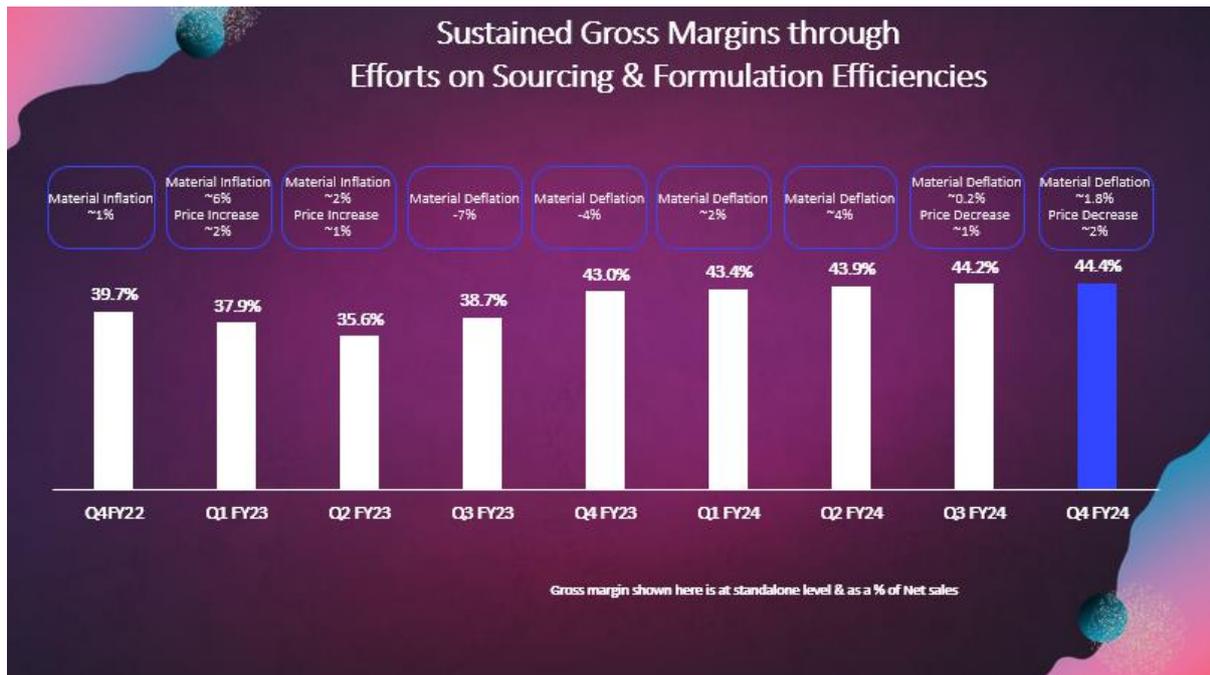


In terms of the overall numbers, International business is negative. When you look in INR terms, -1% is how it looks. Q4 was still positive in terms of the numbers. But if you look from a constant currency point of view, I think we are still good with respect to the overall growth. And if we take ex-Asia numbers or ex-Nepal numbers because Nepal has been a market which has been really suffering for the last about two years and we are number One in the Nepal market. And that is why if I take Net of Nepal, I think the growth is in double digits for the global business.

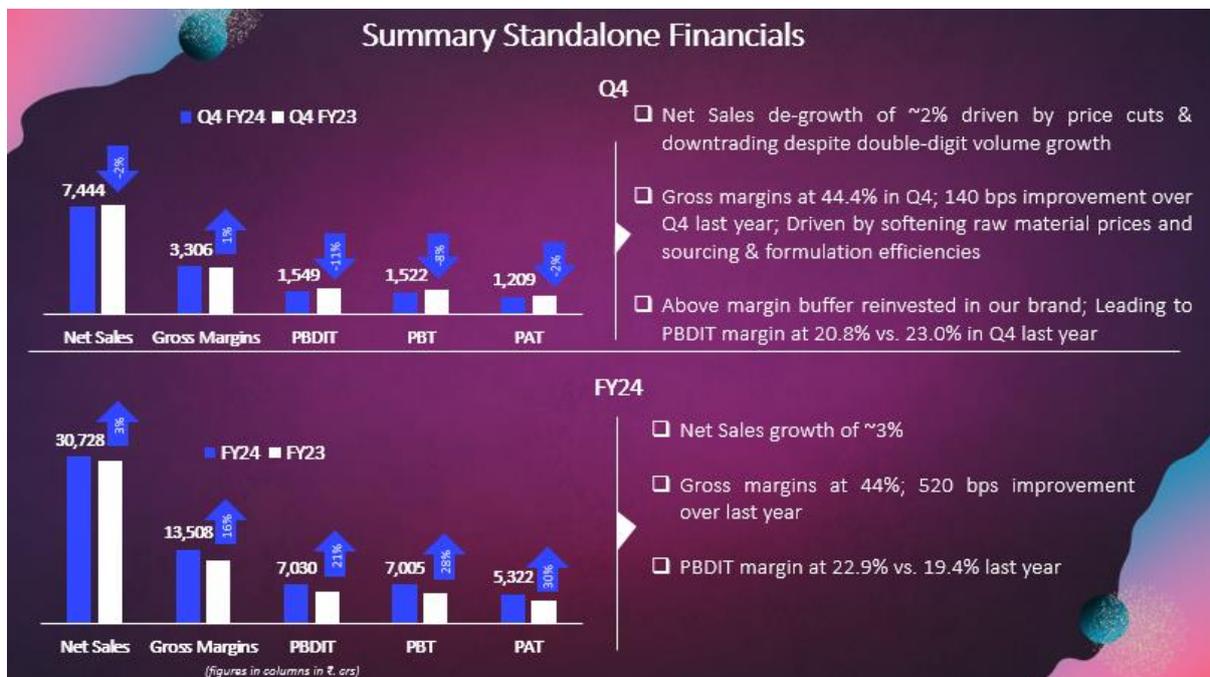
So, with respect to various geographies, Lanka is now back. Ethiopia and Egypt have started doing well. The whole UAE market is doing well for us. This is something which we will continue to focus as we go ahead from a point of view of our global business.



I think, what we have seen in last two, three years, the Industrial market, has become strong for us with very good business coming in. The kind of growth which you are seeing are also very strong. In Q4 itself, we saw one of the businesses, which is the auto business, growing in double-digit numbers. The other business was also closer to the double-digit numbers. But for the full year if you see, both businesses have done extremely well in terms of the growth. The good part is that the profits are also very strong, and we are investing more and more in these businesses going forward in terms of propping up the Industrial sales. So that is something which is adding to our overall muscle in a very strong manner.



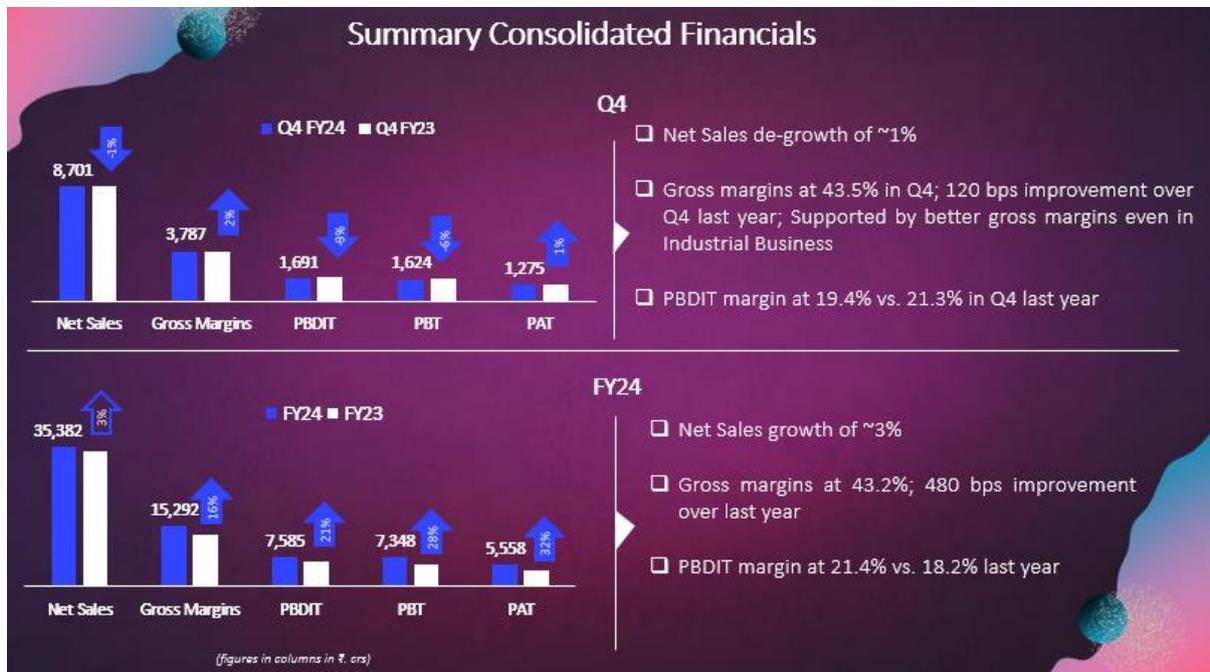
Overall, when you look at from the point of view of gross margins, it's been a bright year. The gross margins have in fact gone up in terms of what you see from the last quarter and even from the point of view of last year. It's a big increase vis a vis last year. Obviously, it is aided by some of the deflation which we have seen in the raw material prices. But a strong part has been also the work on sourcing and formulation efficiencies, which we have been putting in, combined giving us this overall gross margin improvement.



In a nutshell, when I look from a summary point of view, overall, when we look at Q4, the top line in terms of value is about -2%. But, if you take the industrial sales, it comes down

to almost at base. In terms of volume, it is in double-digit, where it comes in to about 10% overall. Numbers on PBDIT, PBT has been weaker, given the value sales have not kind of come in Q4. But I think on the whole, it is important to look at the entire FY24 standalone numbers. These clearly show that, whether it is PBDIT, whether it is PBT, PAT, all cases vis a vis last year, the overall margin improvement has happened strongly. And even in terms of the top line, the 10% top line from volume point of view remains, the value is about 3% after that 3.6% price decrease.

So overall, I think, gross margin improvement, PBDIT margin improvement vis a vis last year in terms of the full year is what we are seeing very strongly. Obviously, in Q4, the PBDIT margins have come down, vis a vis the last year, and sequentially, but that is more because of the fact that we have seen the value sales not really coming in, which has impacted the PBDIT margins for Q4. But overall, I think the picture looks very healthy from the FY24 point of view in terms of all the margins going up for us and the profits being strong.



The consolidated numbers are similar. In fact, if you look at from Q4 point of view, the consolidated PAT is up. Even the top line is about -1%. In terms of the FY24, the numbers are similar, the PAT is almost up by 32%, the PBDIT margins are up from last year, almost about 220 basis points. And similarly in Consolidated, as you compare for Q4, the PBDIT

margins are lower both from last year and sequentially. So, still a very strong year, I would say, given the conditions of the market. And to login about double-digit number for the entire year, I think, is a strong performance coming with strong PBDIT margin improvements.



We declared a 60% dividend pay-out, which in terms of absolute value is high and that's been the story, which is strong dividend percentage and how we have been rewarding the shareholders.

Outlook for FY25

- ❑ Rural markets seem to be picking up and we expect Q1 demand to be supported by that sentiment. Strong focus on the bottom of the pyramid which offers good potential to grow and enlarge the pie
- ❑ B2B business expected to pick up in Q2 post election results and we anticipate strong growth in Government/ Infrastructure/construction business
- ❑ Monsoon prediction is normal which would support Q2 sentiment and performance
- ❑ Watchful on geo-political developments and its impact on raw material prices
 - Could lead to increased volatility in some key inputs
- ❑ Focused on further strengthening growth in the Industrial Business and scaling up and expanding our footprint across our Home Décor foray
- ❑ On the International Business front - some of our key geographies, especially Nepal & Egypt, are likely to continue seeing macro-economic headwinds which will impact near term performance

As we enter into the next year, obviously, I think, this year there has been a little bit of this blip because of elections, the heat wave and so on and so forth. But we have started seeing some movement in the market. In fact, the rural markets are now responding much better, as we see in the month of April and the starting of May. So, we are still positive on the overall quarter and looking at really aiming for still strong double-digit volume growth for the quarter going forward and also for the year, because of 2-3 factors which are coming across. One, I think the monsoons predictions till now has been good, which is always a strong area of improving the sentiment, both from the point of view of rural markets and that is something which we are hoping. Second, we have a decent Diwali period, the festival period, which is coming, which would aid both Q2 and Q3 for us going forward. So that's another positive thing which we are witnessing.

We are also seeing a little bit of a deferred demand from Q4, which is now going to come both in retail and the B2B business. We also see a resurgence, with respect to the B2B business with the government continuing to spend money with respect to their development areas, the infrastructure areas and these are very strong areas.

Even in Industrial, we see both the Protective paint market as well as the Auto market continue to grow as we see auto players build up their builds and newer players entering with newer models and so on and so forth. The whole electric car revolution is also kind of becoming strong. So, we think Industrial business would continue to grow.

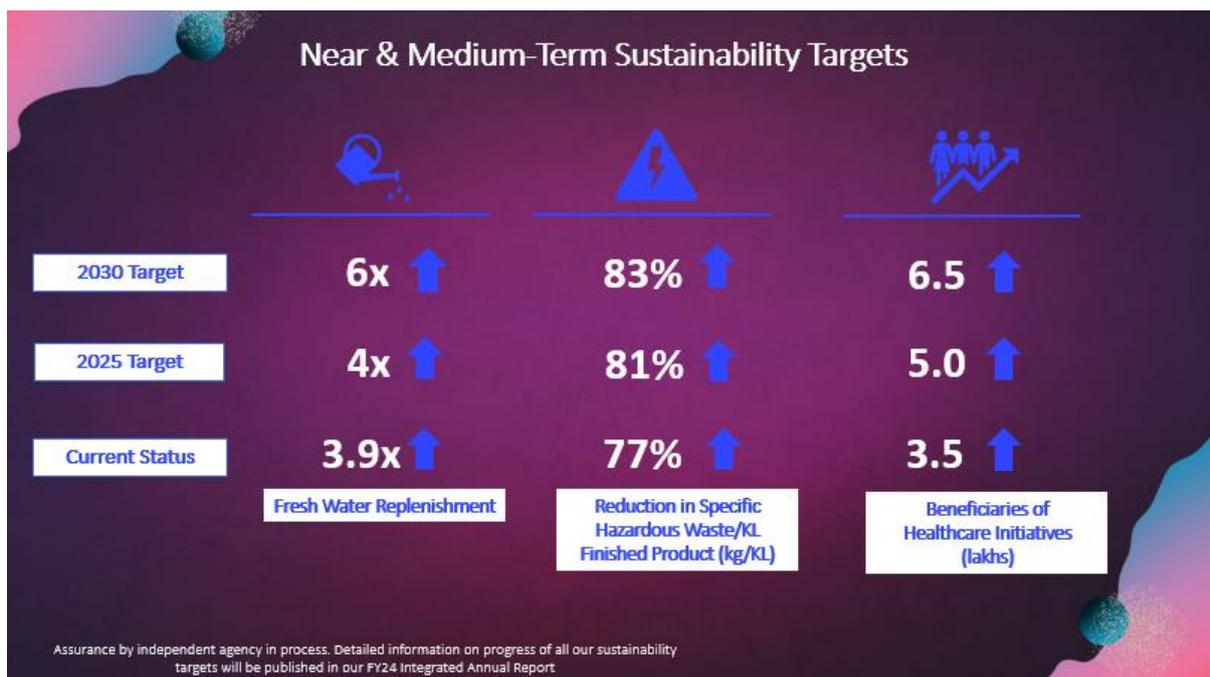
On International, in Asia, we are not seeing too much recovery in Nepal, but we are still buoyant in terms of the overall UAE business, which is there. Ethiopia, Lanka and some other countries which are there, so therefore I think that market is strong.

The decor market is something which we will continue to focus. And we feel that one of the big focus areas which we are taking is the Bath and the Kitchen business in terms of what we want to put back on a growth trajectory, as we go forward.

So overall, I think fairly, strong in terms of the next year. Fairly optimistic about where we are, and the promise of volume growth still remains intact in terms of what we want to put in.



ESG again, very strong kind of commitment. And as a leader is something which we are setting new trends here. So, whether it is from the point of view of looking at Product Stewardship in terms of the environment or looking at the whole Governance standards what we spoke of, or the whole area of Social in terms of building a certain safety culture, building and energizing people around it. I think that's a big area we are looking at.



If you look at the commitments which we are looking at, going forward till 2030 are very strong in terms of, what we are putting upfront as numbers going forward. And this is reflected in the kind of work which we are doing. We are almost looking forward to a scenario where today, Asian Paints puts up a plant and we don't require water, we don't require electricity, we would require only land. So that's something which we kind of look at strongly in terms of our commitment to sustainability and green as we go forward.



THANK YOU

Continuing our Work of Democratizing Décor

Ukkadam Art District, situated at Coimbatore, continues its initiative to develop into Tamil Nadu's third and India's seventh open-air art gallery, welcoming everyone to experience art in public spaces

Democratizing art, as we look at going ahead and bringing joy and happiness to all your lives, Thank you.

Moderator:

Thank you Mr. Syngle. We now proceed to the Q&A session.

Mihir Shah (Nomura):

How should we look at volumes for FY25 and 1Q. Will it be in double digits? Can they accelerate from +10% levels to early mid-teens levels, especially for two reasons or few reasons, rather. You are starting to cycle a moderate volume base unlike last year. Second, rural recovery is quite ripe because of monsoons, etc. Third, this new launch about NeoBharat that you've done, and tapping an untapped market versus earlier and increasing your total addressable market. So, can volumes potentially be 12-15 plus % range rather than being just about 10+ % range?

Amit Syngle:

Most of the points you mentioned are right, because these are the movements which we are seeing. Especially, I think the rural uptick would be a very strong point in terms of what could come in. I think the whole area of *Har Ghar Latex* is a very strong point, what we want to bring to the stable in terms of looking at that segment, giving us very strong growth. Apart from the fact that, a whole lot of initiatives which are lined up from the point of view of both, Premium and Luxury markets as well, because we would like to really look at growth in those segments also coming very strongly. So, I think, while we are putting ourselves at double-digit, it's very difficult to say whether it will be just about double-digit or it would be in mid-teens, but the endeavour obviously would be to really take this and see if we can explode the market with all these initiatives.

I think the confidence which we are getting with respect to our new launch, which is NeoBharat, is very strong and we will have to just see how things augur. I think the real test would be possibly, the Q2, Q3 quarters, which will really establish and show where are we headed. If you remember that, from a point of view of volume, always the CAGRs have been very strong. In fact, the CAGRs have been in the area of about 14%, 15% overall in the last four years. So, the endeavour is definitely to go towards that kind of a zone. But I think, what we are looking at underwriting definitely strongly is that you should get into a double-digit volume growth definitely for next year.

Mihir Shah (Nomura):

One ancillary question is on the difference between the value and volumes. Given that there's another very sharp, equal to distemper price point launch, and rural can also probably deteriorate the mix further, should one revisit our assumptions on the difference between value, volume or can the sales from primary and the other segments take care of that and mix may not deteriorate further from here on?

Amit Syngle:

So, I think, while we have spoken about NeoBharat very strongly, we have launched a lot of differentiated products in each category. We have a product called 'All Protek', which is in the Premium segment, which is by itself a patented product in terms of what is there

and similarly, we have 'Royale Glitz' which is there in the Luxury segment. So, I think the amount of work which we are looking to do with all the stakeholders, looking at architects, designers, the endeavour there is that we should really look at balancing the Economy growth, which is coming with some good growth happening both in the Premium and the Luxury sector also. So, the entire effort and the endeavour would be that we balance the numbers, and kind of really operate still in that gap of about 5-6% between value and volume, which has been possibly the area which we would like to look at. I think this quarter has been a bit of an anomaly because of the price decreases taken by the company. But I think going forward, we would like to maintain that kind of gap going forward in value and volume.

Mihir Shah (Nomura):

Despite a price cut, despite downtrading witnessed in the quarter your sequential gross margins were held up. So, we have done very well on that part as well. How should one think about gross margins going forward? Do you see that margins can sustain at the current levels for some time. We understand the medium-term guidance that you had shared with us earlier, and I am sure that you're not changing that. But maybe, for the near term, for the next four quarters of FY25, can we sustain such margins that we are holding up currently?

Amit Syngle:

So obviously, I think, our guidance for both PBDIT margins and overall gross margins would remain the same. We are not changing the guidance, going forward. But I think importantly, maintaining the PBDIT margin between 18-20% is very important for us in terms of our various initiatives. The current geopolitical situations are a little bit worrying and the whole area of crude behaving slightly differently, when we see in terms of up and down which is happening, would decide as to what really happens to the overall gross margins. But I think we will have to react accordingly, depending on how the raw material prices behave, as we go into Q2 and Q3. So that remains to be seen. But having said that, I think the commitment to get the PBDIT margins maintaining in the same guidance range of 18 -20% remain.

Mihir Shah (Nomura):

Any one-offs in employee cost or other expenses in this quarter?

Amit Syngle:

So, in Q4, we have increased our marketing spends and that is something, which we have consciously done. I think the whole area of brand building is something which is very close to us. We feel that the equity of the brand has to be really supported and has to be leveraged much more in terms of what is there, because that is something which will propel us, both in the Premium and Luxury segment and also retain the kind of possibly recall or the consideration to buy which people have for Asian Paints. So, I think marketing spends, we have upped the ante and that will continue in Q1 and Q2 as well.

Amit Sachdeva (HSBC):

Given that obviously new competition has finally come to our doors, and we have been anticipating it for a while. Now the question is that everybody interprets it differently. People in this room interpret it differently. You probably interpret it differently and other participants in the paint industry would also have a view. And we may have a different view, right. So, I just wanted to ask you that given initial pricing is in place, and I'm sure a lot of people who joined that company have come from the same ecosystem and there's some familiarity and some unknowns. How you are reading the situation in terms of pricing, the aggression level or signalling that you have been put already in the marketplace? Is it disruptive to you? Is it normal to you, or is it, something that is still evolving, and you want to watch out for? I just want your initial reaction to it, because it's an event that, which is already happened now.

Amit Syngle:

I would say that it is just copy paste, which is happening in the market. There is nothing which is unusual. There is nothing, which is innovative that is happening. Just because, one can put pricing pressure, or one can put muscle in terms of looking at saying that I want to do a launch all across. I think it doesn't really impact the market because the market is pretty seasoned and they have seen so many new players in the last two decades, which have kind of come and gone. But having said that, I think it's too early to

say anything really, because they've just come in and launched. And as I said, all competition is welcome because I think it brings the best out of the existing players in terms of what we will do and how we can kind of take on to the market. And also, given the fact that as a leader, I think we believe that it is important to really increase the overall pie rather than keep on fighting on the same pie. So, I think, our objective is something which is very different, and therefore we are not really perturbed. We are not really amazed by anything which has happened till now.

Amit Sachdeva (HSBC):

You are suggesting that the industry structure is likely to be rational, and the response from you is not going to be anything unusual, rather than just a normal competitive response, typically in a cycle that happens. But I want to ask, what sort of signalling, industry has already given to them, signalling by which your pricing decisions that you have taken in the last two years? Has the industry conveyed to them as to how you guys will think if they were to do XYZ? I just want to understand, what's the behaviour shaping that has already happened? Is there some reading you get?

Amit Syngle:

There's nothing which is shaping, because, how we see the market is that the market operates on MRP less. It doesn't operate on in terms of, what is the discounted value to the dealer. And the idea is that today Asian Paints has been commanding premium in the market by least 5-10% to the overall prices. We have had so many competitors who have come, who have priced themselves 10%, 15%, 20% lower. But I think the customer is very clear when they are buying into a brand. They are buying into a trust, they are buying into an equity, they are buying into something which is a warranty, which kind of comes in and a quality. So currently, from even the pricing levels we see, actually there is nothing which the market is seeing because vis a vis the existing players, they feel that the pricing is the same.

Amit Sachdeva (HSBC):

I want to understand the pricing outlook, as you see evolve, for the next year, given where the input prices are and given where the demand environment is and you have some hope

that demand will pick up, in Premium which is, not so strong right now? But given where we are, do you see pricing to plateau like a zero or it would still be deflationary as assuming things are as is, as we stand.

Amit Syngle:

See, currently what we see is that crude has been going in a certain band, some of the crude derivatives, like monomers and all have shown some signs of pick up. But the key raw material, which is TiO₂ is still stable in terms of the overall value. So, I think for the coming quarter, we don't see any big kind of changes with respect to the raw material prices. I think prices would remain benign. We don't see any disturbances which would happen to the price going forward. And I think as a strategy, what we are very clear is that going forward, I think it is better to really invest in terms of taking the brand further into the equity and so on, so forth, rather than kind of putting pressure in the market in terms of pricing, because that pricing is something which sometimes is never sustainable. Because any competitor who wants to sell vis a vis you, would always keep that gap, which is already there. So, I don't think that it really helps anyone in the industry. So, we are very clear that today we are looking at more investing into the brand as go forward, unless there is a big change with respect to the geopolitical collapse happening in some geography of the world, which causes mayhem, which would really mean that we would react accordingly in terms of seeing what has to be done on pricing.

Amit Sachdeva (HSBC):

Can I just assume that pricing would not be deflationary?

Amit Syngle:

If I looked at it from Q1, we see that basically it will be benign and as we go forward, I think we only expect some inflation to take place in terms of pricing.

Tejash Shah (Aventus Spark)

The chapters of this competition have been unfolding gradually. So last two years, talent loyalty was put to test. In six months, perhaps customer loyalty will be put to test. And as we stand today, dealer loyalty will be put to test. So just wanted to understand that, as

the landfall is happening as we speak now of the competition, what is your understanding from past experiences? How do you retain dealers' loyalty and just, an additional point over here, the expansion that we have done on dealers count last three, four years, 10,000 dealers again this year. One grievance that we are picking up in our channel check is that the dealers are complaining about the territory getting smaller and smaller. So how should we think of this paradox of, as at one point we want to expand distribution and then grievances is also now building up.

Amit Syngle:

Some of these loyalty issues you spoke of, I think it is too early. Some of them we are already seeing fracturing happening even at this stage. As a clear kind of strategy, Asian Paints has only used consumer as a very strong tool in influencing the network, influencing the stakeholders which are involved. And today, we believe strongly that one of the big areas, which puts pressure on the network, on the influencers, is the consumers consideration to buy. And that is something which we would really put a heavy muscle in terms of ensuring that today the mindshare Asian Paints has, we would continue to invest that, we get that mindshare, very clear and we feel that if you are able to work on the brand and with your supply chain efficiencies in terms of what you have put in, with the innovation which you kind of bring in terms of differentiation, I think today the dealer loyalties are very difficult to shift because dealer also understands the environment. They understand the pressures in terms of what comes in from a demand scenario. So therefore, it is difficult to go and change the market very easily in terms of the structure of the market. Whatever you do, whether you copy the formulations, whether you take the people, whether you copy the plants, it's not so easy and we have seen it in the past with so many new companies coming into the fore. Five years back when there was another competitor which entered, I think all of you were asking the same questions, and now no one asks about that competitor at all. So, we don't know what happens in the next two years.

Tejash Shah (Aventus Spark):

The muscle that you spoke about, one visible muscle that we have on our P&L this year is versus your long-term guidance on margins versus where we are exiting this year. There

is a gap of 200 bps or 250 bps as you take the band. Do you think this as an ammunition that you will use this year to protect or gain market share if need be?

Amit Syngle:

Whatever is the ammunition we will put behind, as I hinted, that we are putting a lot of muscle behind our marketing and that is something which we will continue to do. We have a new brand ambassador. These brand ambassadors don't come in cheap and today, as we look at, we are putting our muscle, whether it is IPL as a media or any other hot properties which are coming, we think that's a strong imperative and this ammunition will help us do that.

Amit Rustagi (UBS):

My question relates to the VAM VAE which we have discussed in the past. One of the competitors reiterating again that there is no benefit of manufacturing VAM here in India. So could you give us a perspective on what exactly the margin benefit we are looking at and how that benefit will flow to us in terms of manufacturing versus importing from the international markets.

Amit Syngle:

When we got into this business, and we are looking at investing more than Rs. 2,100 crores in terms of setting up a plant, we would not do that if there was no cost benefit. When we look at the benefit, which will come in, vis a vis any import which comes in, the advantage is not only with respect to the cost, but in terms of the innovation in the emulsion properties, which we will be able to get, which no one is able to do with direct imports. And this will add some unique properties to the paint at a cost which is unimaginable by maintaining possibly the same or higher margins. Depending on how we really rapidly increase the utilization of the plant, I think with respect to margins, it will definitely aid at least about 1-1.5% in terms of boosting the margins at the company level.

Amit Rustagi (UBS):

My second question relates to the segmentation of the market you described, like Eco, Premium and Luxury and you mentioned that there are pressures in the Luxury segment.

So, could you give us a broader market differentiation. How these three markets have grown in FY24, and how do you expect these markets to grow and what is our play in each of the market? We understand NeoBharat but what is our play in the segment like Luxury and the Premium markets.

Amit Syngle:

So, in each of the markets, whether it is Economy, Premium or Luxury, I think the share Asian Paints enjoys is very strong. So therefore, it is not that the share is higher in one and lower in another. In fact, progressively, if you go to Premium to Luxury the shares get only higher, that is one. Secondly, what we see is that, as the market construct is today, Luxury is coming in very strongly whether we see luxury apartment sale, which is happening, second homes, second villas, which are kind of coming, we see people upgrading strongly. So, we are banking very strongly that the Premium and the Luxury segments will fight back because there is nothing which is, a worry of loss of share there. It is only in terms of the propensity of the people to really upgrade and get into that kind of a segment. We also feel that the downtrading would be much lesser in the coming year, which would kind of really prop up that Premium segment, which we have felt in terms of a slow movement this year. So given that fact, that this year, we have done fairly well in the Economy and Luxury, Premium was slow, next year we are looking at definitely taking Economy with the NeoBharat coming in in a very big way. But we are putting a lot of energy, both in Premium and Luxury, to match the growth rates which we can get in Economy even there.

Sheela Rathi (Morgan Stanley):

Sir, my first question was with respect to our distribution strategy this year. What is the plan in terms of expansion and is there any differentiation we are trying to bring to the table this year in terms of what we are doing on the distribution side, because there's a lot of catch up, which is being done by even the existing competition in terms of their market strategy now on distribution.

Amit Syngle:

See, the entire game on distribution is basically seeing as to how we can look at really aiding the retailer from the perspective of ROI. And I think that is a very big factor in terms of what really governs, how the retailer gets loyal to you. So, I think the parameters which I just spoke of, one of the bigger parameters is that are you able to generate demand. Are you able to see that whatever you are giving to the retailer, is he able to liquidate and rotate that capital in a certain manner and what we are aiming is that, can we improve that rotation so that possibly the whole ROI number really jacks up. It is not easy for any other player to do that, because it requires a whole lot of investment, not only from a point of view of just the supply chain engine, which really works, but it also requires a lot of investment with respect to your forecasting abilities. And therefore, what we are doing is, we are also invoking a lot of AI and other algorithm models, which will look at improving our forecasting ability and our ability to increase the order fill rates, and therefore, parallelly, given the marketing spend on consumer, looking at saying that equally the liquidation also gets very strong going forward. We have a very strong painting service which is going on. We are looking at a very strong digital program in terms of how we look at customers behaviour. We have almost about 4 crore customers coming on our website and today, we are looking at really seeing that we are able to get these customers converted into demand for our retailers in a strong manner.

So, the entire perspective, which we are bringing, which is very different from competition, is to really re-energize the ROI which goes up, which will basically means revamping of the supply chain model. It would mean getting AI to really look at better prediction and third, in terms of looking at a marketing capability to energize the whole area of demand and the whole compulsion of the customer to really buy into Asian Paints.

Sheela Rathi (Morgan Stanley):

And any guidance on the growth rate on distribution?

Amit Syngle:

So, at an average, we have been adding almost about 10,000 retail points every year. It is not that the dealer's business is decreasing because of the numbers coming in. I think

this country is huge and the way it is expanding, the way the demand is going, way the cities, suburbs are expanding, I don't think there is any saturation, which we are seeing in terms of clusters which are opening, especially when we look at the rural segments. So, I think the area of about 10,000 retail points would kind of really remain.

Sheela Rathi (Morgan Stanley):

My second question is, with respect to EBITDA margins. You said that we maintain the guidance of 18-20%. Sir just wanted to understand from you that what are the levers for us to maintain these margins because you talked about media investments. So, I just wanted to get your perspective there.

Amit Syngle:

There is the whole area of the world class supply chain model what we run, which ensures that the overheads, the cost per tonne, which we work across our plants is something which gives us a very big advantage in terms of what we are able to get of our overall cost. The second area is in terms of our efficiency in dealing with overheads, with the kind of economies of scale which come in is something which is a second big imperative. The third area is the whole area of sourcing and formulation efficiencies, which work as a very big lever because, in the paint industry, almost about 58-60% cost is the raw material cost and therefore any work which happens in this framework will only give you more and more margins. And the fact that you are a fairly strong player, I think you do get economies of scale. Today If you look at the EBITDA percentage margin difference between us and any other player, it's a significant difference which really exists and therefore we feel that some of these initiatives, which we are looking at, will give us far more leverage in terms of looking at maintaining this kind of a guidance in terms of what we are putting up. And not only that, once we kick off our backward integration initiatives in terms of the white cement and VAM VAE, that itself will give a boost in terms of maintaining this guidance going forward.

Jay Doshi (Kotak):

Downtrading from Premium to Economy is a trend that we are seeing across most consumption categories, partly due to inflationary pressure that consumers are facing.

As a market leader, what are the steps you are taking to arrest this decline to the extent possible?

Amit Syngle:

I think it is a natural propensity of the people that the Value for Money (VFM) equation is something which is very important to the Indian consumer and therefore I think, where we are working very strongly is to improve the VFM equations for the customer. So, for instance, to give you an example, if there is a premium product which is priced at a certain point, we are looking at saying, can the customer get higher coverage out of that product, which basically means that the per square feet cost for the customer at a premium level becomes very attractive without decreasing the price of the product. So, there are initiatives like that where we are looking at saying that at a certain price point, the kind of value which you can give to the consumer is so strong that possibly the downtrading attraction is something which becomes lower because the moment the customer down trades, what the person gets out of that product is not similar to what he has left at a certain price point.

Jay Doshi (Kotak):

You generally talk about 3% price reduction, but we don't know whether it's 5-7% at Premium level and negligible at Luxury level or something.

Amit Syngle:

There is some balancing of costing which we will keep on doing depending on possibly what you feel as some bit of pressure which comes to the market. But essentially what is being seen is from the point of view of the affordability at a consumer level. We don't really benchmark ourselves in terms of looking, because today what we feel is that we are the first ones who would kind of really regulate a certain price in the market in terms of what we want to do. We don't really look at XYZ in terms of what they're offering, because whatever is the pricing, people adjust their discounting accordingly. So, the pricing model has to be seen along with the discounting model. Unfortunately, a 2-3% increase in price in the market doesn't do anything because the discounting is much more than that which is happening. So therefore, I feel that today pricing is not the right

way to really look at it. Whatever kind of corrections which we are taking is more because you have seen the kind of inflationary levels which we have seen in the years gone by and there is some correction in terms of what we are doing because of that. And the deflationary environment, which is giving us some buffer in terms of saying that you can't look at possibly increasing your margins to a little bit beyond the point, because then the consumer starts downtrading, which is what we spoke of.

Jay Doshi (Kotak):

You know, there is about 15% price gap between Birla Opus and Asian Paints today if you consider their extra grammage. Should we expect this to narrow down during FY25?

Amit Syngle:

I don't think so because, today there are already other players who are less than 15% than us and it has been there for years. It is not something which is extraordinary in terms of what is there. So, all the new players, basically they even go down to 20% lower. So, this is not an extraordinary strategy in terms of looking at pricing lower. In fact, what really happens is that, over a period of time, the pricing literally for the other players dips and they start competing with some of the smaller players in the market. So, I think each player finds its own level of pricing. And I think what you need to be very clear is the elasticity in your pricing, which is there in the market.

Shirish Pardeshi (Centrum):

In the beginning, you mentioned that 70% market is Economy. So just one clarification, this includes putty and distemper or it's only Economy emulsions?

Amit Syngle:

It includes putty and distemper.

Shirish Pardeshi (Centrum):

What was this 70% number five years before and will it be the main source of growth for this quarter or going forward for us?

Amit Syngle:

So, I don't think the structure of the market has changed much. In fact, what I would say is that the Premium and Luxury segments have grown bigger only over a period of time. So, the Economy segments have only reduced, because what we find is that the unorganized companies, which were very largely into powder distemper, cement paints and so on and so forth, all have graduated to possibly some emulsion paints or low-cost emulsions. So therefore, the overall segment in terms of looking at is that the Premium and Luxury has grown a little bit more as compared to the previous years.

Shirish Pardeshi (Centrum):

The Ess Ess and Bath business have been struggling. I am using word struggling because last ten years, we have done many rounds of changes front and back. And now you're saying that there is a synergy and you are going to integrate this business. What is missing here? Are you really confident that this business after integration will start throwing a positive number?

Amit Syngle:

I think, one of the things which we have not been able to do in the two businesses is brand building and that has been the core strength of Asian Paints brands overall in terms of what we bring. I spoke about generation of consumer demand, the fact that, you become first default choice for the consumer. I think in both of businesses, we have not been able to build the businesses very strongly. As a result, we are changing, taking a significant change and now bringing everything under 'Beautiful Homes' as umbrella brand and therefore, we feel that going forward, start building the umbrella brand Beautiful Homes. So, it is Beautiful Homes kitchen, Beautiful Homes bath, as you go forward. And that is something which becomes a resonance with the consumer, because I think the brand consciousness today is going very high and we find people graduating to more and more brands. Currently, I think Asian Paints was just an underlier there. It was not upfront in terms of what was there because we had 'Sleek by Asian Paints' or 'Ess Ess by Asian Paints'. Now, we are trying to bring it in upfront in terms of what we want to do, and we feel that given that strategy, if tomorrow, we are looking at doing any corporate campaigns in terms of BH and others, it would give a very strong impetus in these two areas. Because

we think at the back end in terms of factories, production, premium products, there is nothing which is lacking. We have the quality which is really paramount and very good. It just needs basically a nudge and a push in terms of the overall brand, which is what we are taking this year very strongly in terms of building that synergy.

Shirish Pardeshi (Centrum):

This last question is related to home decor. Can you give us an idea where these 60 stores will be five years from now? Because somewhere you mentioned that you are at least targeting 10% contribution from this business. So, where we are this on the journey? Will it happen in three years? Will it happen in more than four years? Five years? Maybe some more colour if you can share.

Amit Syngle:

As we see it in terms of growing, the decor business, we have spoken of about 60 BH stores. We are looking at going to 85-90 stores in this year. Over a period of five years, I think the trajectory we would like to build is anywhere between 150-200 stores. We are not only looking at the number of stores, but we are also looking at the per square feet size of the stores going up, which is the largest strategy, going from about a 6,000 square feet store to more than 10,000 to more than 15,000 square feet kind of stores. We have recently put up a store in Chennai, which is in Anna Nagar, which is over 14,000 square feet. So, I think the strategy is to look at the per square feet space in terms of the locations, and not only looking at the number of stores. So, while we are looking at the 150-200 number, I am also looking at the per square feet space going almost to about 2X to 3X.

Avi Mehta (Macquarie):

We have always conditioned ourselves to look at paint industry as a growth as a percentage of GDP. And when we look at the current year in terms of value growth, and I'm taking you as a benchmark for the industry, the relationship seems to have fallen out of place. Could you give us an understanding of why this year if it is different or do you see the relationship has to be revisited?

Amit Syngle:

You are correct that the GDP correlation has really gone for a toss, in the current year. I also feel that today, I am not very sure as to how the GDP numbers are coming. You guys are better wizards in terms of really understanding in terms of how those numbers are coming and so on and so forth. And sometimes you feel that there is such a variation happening across industries. How does that GDP really correlate to the actual GDP what we are kind of talking of. So, even if you look at the core sectors, whether it is steel, cement, so on and so forth, no where it is correlating with the kind of possibly overall GDP growth in terms of what we are kind of talking of. So therefore, I feel that we need to look at from a nominalization of this GDP growth to find out more realistically, if we are talking of a 7% growth; whether that 7% really translates to a real time of 5% or 4% GDP for a certain sector, and therefore look at extrapolating data in terms of seeing how the correlation works out. So currently, as you rightly said, even we are not kind of really correlating to the GDP in terms of looking at it, because hypothetically, if you look at a 7% kind of a GDP or a 6.5% GDP, you would call it almost about 9-10% of a value growth, which would come, which possibly is a correlation, which is spoiled. So, we are also looking at ways and means in terms of finding out what is the real GDP.

Avi Mehta (Macquarie):

So, you believe that the relationship still would be sustaining.

Amit Syngle:

Yeah, but the correct GDP in terms of what would really be applied to a certain sector is something which I think we need to work and find out. Because the GDP is also varying from region to region. If you look at possibly certain regions in the country, some regions are growing faster, some regions are growing slower, but when you get the GDP number overall, that's a conglomeration of a full number. So, I think, maybe some more work needs to happen in terms of really dissecting that.

Avi Mehta (Macquarie):

I just had some basic bookkeeping questions. Would you be able to give us a sense on the advertisement spend for FY24, as either a percentage of sales or from a percentage

growth perspective? And if you could give us a sense on tinting machine count, where do we stand and what is the outlook there?

Amit Syngle:

In terms of the tinting machines, the rough way to look at is that we are almost about 3-3.5 times higher than any nearest player. Since you know the numbers of the others, you can extrapolate the data anyway. From a point of view of advertising, I think it's a band what we keep on looking at. So basically, the band can go to 3-4%, it can go to 5%. It is a band in terms of what we kind of look at, because there are strong components around it. There is something which is happening which is more 'Below the Line', which is more disruptive work. For example, the work which we do in terms of St+art, that is very different work which happens in terms of the attributable spend we do. But that's the kind of band in terms of what we operate on.

Avi Mehta (Macquarie):

So, 3-5% roughly.

Amit Syngle:

Yeah.

Avi Mehta (Macquarie):

I wanted to clarify the 5-6% that you said is the difference in value and volume that you expect, right?

Amit Syngle:

That's right.

Moderator:

Thank you everyone. We now invite Mr. Amit Syngle to give the closing remarks.

Amit Syngle:

I think it's lovely to interact physically with all of you. Thank you.