March Quarter 2015 Earnings Call of
Hindustan Unilever Limited
8th May 2015

Speakers:
Mr. Sanjiv Mehta, CEO and Managing Director
Mr. P. B. Balaji, CFO and Executive Director, Finance and IT
Mr. Dinesh Thapar, General Manager, Head of Treasury, Investor Relations and M&A

Moderator: Good evening, ladies and gentlemen. I'm Mahima, the moderator for this call. Welcome to the Hindustan Unilever Limited March Quarter Earnings Call. For the duration of the presentation, all participant lines will be in the listen-only mode. After the presentation, the question-and-answer session will be conducted for all the participants on this call. I now hand over the call to Mr. Dinesh Thapar. Thank you, and over to you, Mr. Thapar.

Dinesh Thapar: Thanks, Mahima. Good evening, and welcome to the conference call of Hindustan Unilever Limited. We will be covering this evening, results for the quarter and financial year ending 31 March, 2015. On the call from the HUL end, as always, is Sanjiv Mehta, CEO and Managing Director; and P. B. Balaji, CFO. As is customary, we will start the presentation with Balaji sharing aspects of our performance for March quarter, and then hand over to Sanjiv for him to share his views on the business performance. We will then run to the Q&A session. Before we get started with the presentation, I'd like to draw your attention to the Safe Harbor statement, included upfront in the presentation for good order's sake. With that, over to you, Balaji.

P. B. Balaji: Thanks Dinesh. Good evening all of you. Thanks for joining us at this late hour. Without further ado, let me get into the slides. Agenda, that's a traditional one and as we have been seeing in multiple call. Our strategy is clear, it's compelling and working. And no change as far, the good news there is no change in this at all, and our goals remain consistent, competitive, profitable and responsible growth.

In 2014 close, into the March quarter 2015 context, business environment is volatile. Markets remain soft, although there is a pick in the reported growth in recent months as reported by Neilsen. And input costs continue to remain benign. Competitive activity is high, particularly in the commodity led categories.

And if we just give a bit of a flavor of this input cost, you would notice PFAD is the oil that we use for making soaps, has come down quite significantly even in rupee terms. Exchange rate has been stable as far as the quarter was concerned, although it is starting to inch up and this is something that we will circle back during the course of this conversation today. And of course, Brent as the crude oil moves, fundamentally goes LAB as a raw material into our laundry product has come up very, very significant as you are all well aware.

And if I just summarize the performance of this particular quarter, domestic consumer business grew by 9% ahead of the market and a 6% underlying volume growth. Operating profit at 1,248 crores is up 23% and margin expanded by 190 bps. And I will cover this in great detail, there is one number which we need to understand very, very clearly.

Cost of goods sold lowered by 310bps, driven by lower commodity costs and savings program. And we maintained competitive spends across segments. A&P was up INR188 crores, a 150 bps increase, primarily led by promotions, but even the aid by the advertising side is higher.

PAT bei at INR 911 crores was up 9%. It is lower than what you see as PBIT growth fundamentally, because of the tax impact with the fiscal that come through. And net profit of INR1018 crores was up 17% aided by exceptional income from sale of properties.

The impact of phase out of fiscal benefits, it impacted the top line by 160bps, PBIT by 60bps and the ETR by 320bps.

However, this impact was offset by a one time credit of INR71.5 crores for a contested excise duty case, which in this term gave a credit to the top line of 100bps and a credit to the PBIT line of 80bps.

I think there is one line which I understand has created a bit of confusion in some of your reports. So I'll probably spend a little bit of time to just walk you through it again. The fiscal impact hits on three lines, top line, PBIT as well as ETR. The excise contested case is a one time credit that's happened this quarter and that has basically landed up in the same two lines top line and PBIT.

Removing this two and if I go back to the PBIT number of 190bps, if I remove these two it's a 190 less 20bps, so therefore it's a 170 bps increase as far as PBIT is concerned on a pure underlying basis. And just also to mention that all these that offset in its entirety landed in a personal products portfolio.

And therefore moving on to the more traditional ones broad base growth across segments, soaps and detergents grew 5%, personal products by 13%, beverages by 11% and packaged foods by 14%. Domestic consumers grew at 9%. And if I just talk a little bit about categories, we continue focus on innovations, draw our attention to the Lakme absolute innovation there or launch of Chinese Noodles and the big one which is the Clinic Plus relaunch, which I am sure you would have seen in the markets and very well received in its initial stages. As then there is an Axe relaunch of the core.

And these innovations have been activated across the board, be it on close up Valentine's Day campaign or the Lakme digital campaign and the like. So individual category performance, in Skin Cleansing, it was volume led growth fundamentally driven by Lifebuoy, Liril and Pears. Lifebuoy Hand Wash delivered another strong performance. And we saw price deflation in this quarter due to the commodity cost benefits that are passed on to consumer, something which we alluded to in our previous quarters, as well as phase out of excise duty benefits which probably hit the maximum in this particular category in this quarter.

And Home Care, the growth was led by the premium segment. The Surf sustained double-digit volume led growth, momentum for another quarter. It is now the largest brand for us and growing very strongly. And Rin growth continues to be led by bars. However, the Wheel's performance was subdued and Comfort delivered another good quarter led by market developments.

In Household Care growth was led by Vim and it was broad based performance across bars and liquids. Here again price deflation in the quarter as commodity cost benefits were passed on to the consumer as we have previously alluded to.

In Skin Care, we saw a double-digit growth led by Fair & Lovely and Ponds. Fair & Lovely sustained its double-digit growth momentum in the quarter as well and Pond's performance was driven by Premium Skin Lightening and Talc.

Lakme performance driven by Perfect Radiance and CC Cream and the one-off excise duty refund more than offset the phase out impact of fiscal benefits as I said earlier.

On Hair Care, the volume led double-digit growth was sustained. There is broad based growth across brands and formats, be it Dove, Sunslik, Clinic Plus or TRESemmé. And this was a strong growth despite phase out of excise duty benefit and you would notice that the offsetting number for the excise duty refund does not apply to this particular category alone.

On Oral Care we saw double-digit growth on Close Up. Close Up did well on the back of an impactful activation and the Pepsodent growth was led by Gum Care and Clove & Salt. The one-off excise duty refund here again more than offsets the phase out impact of fiscal benefits.

Coming to Color Cosmetics, you would remember that we had a slightly slump quarter in December from this category, but we have come back pretty strong in this category this quarter and Lakme sustains strong growth led by premium makeup with ranges like Absolute and 9 to 5 doing very well. We are particularly pleased with the way we are leveraging Lakme Fashion Week property with some cutting edge digital activation down yet again. And Elle 18 portfolio was extended with additions to the lip range.

Beverages - double digit growth in Tea and Coffee, Red Label, Taj and 3 Roses all delivered double-digit growth. Natural Care portfolio in particular did pretty well and so did the Green Tea portfolio. It has been on a very good track record. Coffee delivered a good quarter led by Bru Gold.

Packaged Foods, delivers its six successful quarter of double digits growth, and we saw this in all the three brands, in Kissan, Knorr and Kwality Walls. And Kissan was fundamentally led by activation, while in the case of Korr we also included two new Chinese variants to the noodles portfolio and instant soup more than double and market development growth on Knorr continues. Kwality Walls and Magnum delivered another strong quarter this year and here we have the innovation like Magnum Choco Cappuccino, which I am sure most of you had, it now in seven cities, with four variants and doing very well.

And this is the chart that we had called-out in how we are driving this growth in packaged foods for six quarter in a row, and it’s story remains the same, unlocking everyday relevance in different ways, driving adoption and trial in way different ways and sharper in-market activation across the country - that's what the story behind Packaged Foods.

And Pureit sustained innovation led growth is what we see it. And it has strengthened its category leadership. We have one device Marvella RO+UV launched during the quarter and Ultima continues to maintain its strong momentum.

In summary the results- 9% net sales growth translating into a PBIT margin improvement of 190 bps almost 23% increase and the net profit growth of 17% as the summary of the work.

And if I just go into slightly more detail on the other line items there, what I really bring to your attention is the exceptional items this quarter include a sale of property, which is Brooke Bond Real Estates the subsidiary that we had in our books, which we disposed off. Last year we had actuarial assumption changes in interest rate going through and that is the marginal number there. And far as the tax rate is concerned, quarterly numbers normally are volatile but looking at the the yearly numbers, we are almost in line with what we've been guiding you at 30.3% for the previous year.

9% domestic consumer growth and 6% UVG both ahead of market, the competitive spend has been maintained at 150 bps increase. Our PBIT margins is currently at 190 bps based on lower commodity cost and savings program and the one-time benefit of excise duty refund of 80 bps offsetting the phase out of fiscal benefits by 60 bps.

So to talk a little but about the full financial year, we delivered a net sales growth of 10% and here again we always keep saying that don't look at us quarter-by-quarter, looks at us over the long-term. So this probably is the most important slide, where we have net sales growth of 10%, PBIT margin improvement of 90 bps, net profit increase of 12%, is a broad story line there. And this comes from the back of an underlying volume growth of 5% for the full year. And the impact of fiscal benefit impacted top line by 90 bps and PBIT by 30 bps for the full year, and tax rate we talked about earlier, 30.3%, and exceptional items primarily related to sale or transfer of property.

And talking about cash, which is the second most important thing. Higher cash from operations, another year of greater than 5,000 crores, this is after rationalizing of the creditor financing program. If you look at our cash flow statement, you will see a cash consumption as far as the working capital line is concerned and that's a very planned activity of reducing the creditor finance program in the back of falling interest rates.

And we have paid higher taxes as a tax rate went up, almost 661 crores and with the dividends increasing another 550 odd crores increase in dividends. The strong cash generation sustained for another year and deployed meaningfully.

And to summarize the performance of categories across the full year, Soaps & Detergent grew 9%, UVG of 3% and the profit increase of 14% segmental profit. Personal Products grew 11% at the UVG of 6% and the segmental profit increase of 17%.

Beverages 9%, 5%, 6% was a track record and Packaged Foods came in very strong at 15% USG, 10% UVG and a profit increase of almost 36%. So that is our segment performance from a financial standpoint. And if we were to call out as to what really stands out for us, that we are happy about, the first thing is a competitive performance of Soaps & Detergent in an extremely volatile market.

In this, Surf continues to lead category premiumisation, it is now HUL's largest brand at almost 2,600 crores. Personal Products delivered a healthy performance, double-digit growth in skin, hair and colors. And something which all of us we are concerned about was Fair & Lovely, which has now regained momentum during the year, and particularly pleased with 6 successive quarters of double-digit growth in Packaged Foods.

And as work on market development is leading strong results, be it liquids, green tea, premium coffee foods and the like, and we now have Lifebuoy across 2000 crores, all three Laundry brands greater than 2,000 crores, Fair and Lovely reached the 2,000 crore mark, Kwality Walls and Magnum now 500 crores and now as a company we have crossed the

30,000 crore barrier.

And as far as the financial year ending is concerned, we have had a competitive growth ahead of market. We've been delivering consistent growth which means we are sustaining UVG in a slowing market, and we are expanding margins while sustaining competitive investments be it in the PBIT line, or the A&P line. So we believe our strategy is on track and delivering.

And while we're doing those three Gs I talked about the fourth G is about sustainable programs. We continue to make progress on sustainable living common place. I'm not covering this in this particular discussion. There's a separate discussion, we will have on that later and hence I just park that particular point for those subsequent discussions.

And with this, you'd recollect, that we had interim dividend of INR6 per share. The board of directors have recommended to the shareholders a final dividend of INR 9 per share, which will be put up for approval in the subsequent AGM in June. And this would then take the full year dividend at 15, INR 2 more than last year, and resulting in a total dividend outflow for the year at INR3,881 crores.

Looking ahead, in the near-term the pace of market recovery is largely dependent on rural. Fiscal headwinds will continue for another year. It will peak in June quarter and subsequently taper down as the year progresses. And in June quarter, we expect to have a similar kind of fiscal headwinds compared to March quarter. And the mid to long-term outlook for FMCG however, remains positive.

And to manage these near-term issues we would continue to focus, even deliver sustained volume led growth and margin improvement through managing the business dynamically, focusing on market development and continuing to drive continues improvement to drive cost saving. And therefore in doing so strategy remains unchanged and sustains competitive, profitable, responsible growth.

And with this let me hand you over to Sanjiv for his perspectives on the business performance.

Sanjiv Mehta: Thanks, Balaji. Good evening, everyone. I am delighted to speak to you. Let me start by sharing a couple of thoughts on the quarter before moving on to talk about full year's performance.

The backdrop of the market has continued to remain soft. And in that context we have delivered a good set of numbers for the quarter. Growth has been broad-based as you have seen and clearly competitive both volume and value ahead of the market.

The growth has been profitable. And this has come with the good improvement in operating margins, clearly reflecting the benign commodity cost environment. And EBIT by a continued and relentless focus on driving efficiencies across the system.

You will make out from the results that we have chosen to reinvest part of the benefit behind supporting the brand for competitive growth in the market place, that really is at the heart of driving what we call the virtuous circle of growth. All-in-all I would say the resilient performance that we have demonstrated for some quarters now has been repeated yet again.

Let me now share with you my thoughts about our performance for the full year. Very importantly, we crossed the milestone of INR 30,000 crores in this financial year. We are mighty pleased about that.

When I look at our full year’s performance, what pleases me is the fact that right through the year, we have delivered consistently and market set up continues to remain soft and at level significantly lower than what we have seen in previous years.

We've grown in double-digit with the very healthy underlying volume growth and the strong improvement in operating margin notwithstanding the number of headwinds throughout the year. Therefore not only have the growth field broad based, it has been market beating and profitable, all in standard. And that in essence is a reflection of the discipline and rigor with which we have been executing our strategy.

Coming to our segments, when I look at soaps and detergent, it has had to be quite a volatile environment in this last year. And I am glad to know that we sustained our competitive performance. In soaps, our growth was broad based across brands, and what heartens me is the fact that our flagship brand Lifebuoy have now crossed the 2000 crore mark, a fitting example of what a brand with a strong social purpose and compelling proposition can achieve.

In laundry, it has been a terrific year for Surf, it has continued to lead the category premiumization, we are focused on driving upgradation in the category by offering consumers a superior experience in value proposition. And you can see that reflected in a performance of Surf, not just for the last year, but for last many years.

All our three laundry brands Surf, Wheel and Rin are now more than 2000 crore brand and this is again a source of great pride. Household Care, Rin continues to lead the category agenda and doing so driving robust growth.

Coming to personal products, I'd say this has been a healthy performance in a challenging market on skincare. Fair & Lovely, Lakme and Ponds have all delivered double-digit growth. Clearly the big highlight has been Fair & Lovely regaining momentum.

About a year and half back, you're aware that we went through a bit of crisis on Fair & Lovely, but this very clearly indicates the last few quarters' performance, our resilience of our business, how we picked up the learnings. We reinvented the mix and came back, and with speed and decisiveness have won back the consumer. Fair & Lovely has hit the 2000 crore mark, a first, for a personal care brand.

On hair care, I am very pleased with how this category has been performing for quite some time now. We've been able to sustain a strong double-digit growth momentum from many quarters for all our brands Dove, Clinic Plus, Sunsilk and TRESemmé on a good shape and doing well.

Oral is one category which has fallen short of our expectations and more specifically Pepsodent. And I am conscious that we need to be doing much more to bring back this category to competitive growth.

Having said that, I am very pleased with the performance of Close Up in the quarter that have gone back. We're committed to the brand, and it is clearly amongst the foremost category priority.

Color cosmetics, is an exciting category and I'm pleased to see how we are shaping it through our flagship brand Lakme. What we are doing in this category is a good mix of exciting and contemporary innovation, supported by impactful 360 activation, and in more recent time, increasingly deploying digital media which is very working very well for the brands. This again is a stripping example of a work what we're doing and building a relatively massive category.

And for Deos, we had recognized that we had an issue as the market reshape given the specific user habits in India. In the course of the year, we're move to creating a unique, very distinct and differentiated and launched the new Axe signature range of body perfumes into the market. And I am reassured to see the progress which have made in the last six months and while we still have some good ground to make up, I believe we are now headed in the right direction.

Coming to Beverages, in tea our growth has been broad based and even though the price growth component have come off given the softer commodity environment, our volumes have remained healthy. Our brand, Taj Mahal, Red Label, 3 Roses are in good shape and have continued to performed well.

Clearly the work we have done in the last couple of years to strengthen the mix, improve our brand equity coupled by some sharp end market

execution is yielding good result. And of course, on Lipton Green Tea, we have been investing in growing the massive category and we've been seeing some very good results.
In Coffee, we have done well, the double-digit growth and it is good to see Bru Gold continue to drive the premiumization in the category.

Packaged Foods has been a very pleasing story. I remember many of you had asked me in the past whether we are serious about this category, and I had categorically mentioned that growing our packaged food business was a priority and we remain strongly committed to.

The business has delivered six successive quarters of double-digit growth ever since. All our key brands, Kissan Knorr, Kwality Walls have performed very well. Magnum, our latest entrant to the portfolio, has also been very well received by consumers, very much in line with the expectations. Recently we have extended it to Delhi and Kolkata.

Now I want you to recognize that the growth has come packaged foods have largely been build around market development and what I would call as the magic in marketing. It has been about unlocking relevance, driving trials and adoption and improving the quality of our market execution. You will recall that over a year ago, we had put in place dedicated sales systems for our business and over the last several years, scaled up by experienced modeling and sampling program, making it amongst the largest sampling programs in the country.

And clearly the results of these investments are beginning to show. What you will have also noticed is that innovation has not yet played its role in the growth parties thus far. At some point, you will start to see this level of growth come through an addition to the works that we're already doing on market development. Let me say that we see packaged foods as a good opportunity and remain strongly committed to growing the footprint in this phase.

This then brings me to water, where we have continued to work on building a different yet scalable business model, not only do we have now full portfolio in place, but we also have business model which is broken even. Pureit has continued to strengthen its leadership position in the category and growth of premium innovation has been robust.

And Pureit Ultima, by far the more sophisticated in the portfolio has maintained its strong growth momentum ever since its very successful launch last year. We're glad to see how we have gone about building this business over the years. Therefore when you look at the totality of what we have done, it essentially revolves are two key pillars, strengthen the core and leading market development of category.

We have taken decisive actions during the year to growth the core of our business competitively and you're seeing that in categories like soaps, laundry, tea and in brands like Fair & Lovely and Clinic Plus to name a few.

On the other hand, our focus on market development has led to robust growth in some of the emerging segments, like hand wash, face wash, fabric conditioners, dish wash liquid, hair conditioners, green tea, premium coffee and the foods business. And while these segments are fast scaling up, there are clearly large opportunities that we continue to see.

So for us, both strengthening our core and developing the market remains absolutely an integral part of our strategy. I am also pleased with the decisiveness and speed with which we have implemented our Winning in Many India strategy. This has been a significant shift in the way we plan and go to the market and has laid the foundation for a huge focused approach to different parts of the country without losing the leverage of scale.

Let me therefore summarize the full year by saying that: Our performance has been consistent, resilient, given the challenges. We have dynamically managed the business and have relentless focus on cost and efficiencies, has enabled us to deliver strong improvement in operating margin, which has given us the fuel to invest behind our brands.

We continue to strengthen our leadership position in the market and our capabilities to serve the emerging needs of the consumers, channels and segments. Our strategy is on track and deliberate. As we look forward, this remains unchanged, consistent, competitive, profitable and responsible growth.

With this, I would now like to hand it back to Dinesh and certainly look forward to engaging in with you in the days ahead.

Dinesh Thapar: Thanks Sanjiv and Balaji. With this, we'll now move to the Q&A session. Recognizing we're doing this call late in the evening, so what we try and do is to bring it to a close by about 7.30 which gives us about 60 minutes for Q&A. Can I request participants who want to ask a question, therefore to keep it really tight, so that we can try and accommodate as many during this piece of time.

In addition to the audio queue, there is also an option for you to post a question through the web option and we will pick those up in the course of the session. Before we get started with the session, I'll like to remind you that this call and the Q&A session is only for institutional investors and analysts and therefore if there is anyone else who is not an investor and analyst, but would still like to ask a question, please free to reach out to any of us, in the Investor Relations team.

With that, I'll like to hand the call back to Mahima, who will manage the next session for us. Mahima, over to you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer interactive session. For the all the participants who are connected to the audio conference service from Airtel. [Operator Instructions]

The first question comes from Mr. Tanmay Sharma/ Abneesh Roy from Edelweiss, Mumbai. Mr. Sharma/ Mr Roy, you may ask your question now.

Abneesh Roy: Sir, this is Abneesh here, Congrats on good performance. Sir, you've done well in most of the categories. My question is on the lower end of detergent. Wheel has been showing a subdued performance now for many quarters. And when I see the previous history, Lever had taken market share from the regional player, the earlier regional player which has now lost out Nirma, now, against Ghadi. What is the roadmap because in the earlier quarterly con call you have said that you will try to premiumise Wheel customers to your higher end brands, so is it are you kind of giving that and getting that market share from the regional player?

Answer: No, it is not that we want to give up on Wheel. Wheel remains a very important part of our portfolio. Now, it is nearly a 2500 crore brand for us, so very signficant. And it also meets the needs of consumer in the lower end, so it remains very important part, no question about that. But also a strategy is to upgrade a consumer and that is what we have been doing and we've seen tremendous success in the growth of our surf franchise. And Surf Easy Wash has done remarkably well.

And in case you haven't tried that I would certainly urge you to try this. It's a fantastic brand. It's a blown powder. The sensorials are different. So it is working on strategy. But having said that we still have task of improving, I would believe the competitiveness of wheel, and we shall be doing that.

Abneesh Roy: Sir, why I am asking this is whenever commodity price correct, the regional players take the risk of losing market share to reason there are increases. So isn't it becoming even tougher now in the current commodity price situation?

Answer: See, that is the reason this time we have been very proactive in correcting the price value equation. We are learning from our past experience. This time we did not want to be in a situation where we end up with losing a large part of our franchise to regional players and you are absolutely right, when the commodity prices go down you see a lot of mushrooming of new players which were hitherto inactive. Because they see an opportunity and practical opportunity and they start playing that game. In that context, we were very proactive and that also indicates I think the agility in the business that we are large.

Abneesh Roy: So there are two other laggards in your business have been Deo and the oral care. Deo, you said last six months have been good. So are you calling back that as trend reversal because normally you say two, three quarters is to be seen, and if you could give some data points there? And so oral care this is maybe the first quarter when trend has reversed to the positive and you said most of the Close Up outperformance has been because of activation, now activation may not be sustainable. So how the confidence levels in oral care both Pepsodent and Close Up if you are going to elaborate that?

Answer: Yeah. First talking about Axe, is that Axe Signature, I believe has done very well. And it is just about to reach a year since the re-launch in another few weeks and I am extremely pleased with the first year. Having said that the work is not yet complete. As we still have job to be done on aerosol which is still a big part of the market and in aerosol you would have seen, that we have recently launched the gold variant, and this are early days. But this is a beginning of our improvement in the gain in aerosoles. More importantly, like I've mentioned in the past, deos, the big game is going to be in anti perspirants. Today if you look at the market in India, it is essentially a perfume driven market, the antiperspirant is not yet been unlocked at all. At some stage, we will be getting into the market and starting to build this market, but the work has not yet clearly been complete. It is only that from where we are, we have started turning the ground.

Abneesh Roy: Could you comment on Oral Care also?

Answer: On the Oral Care, you know, Oral Care for us is a story of two brands, the bigger brand is Close Up and the smaller brand is Pepsodent. And our strategy is very clear that we have to strengthen both the brands. Now Close Up has not been in the same stress as Pepsodent and with Close Up what we have done is, we've come out with new advertising. We are coming up with very good activation which you will see it in just in a few weeks time. And even in the quarter that has gone by, we've seen a strong momentum coming back in Close Up.

On Pepsodent there are some variants which have done extremely well. There is Clove and Salt, which has done extremely well, which was in South and that is a very promising variant for us. We also have Gum Care which has done very well. But I won't say that on Pepsodent, our job is complete, we still have some more work to be done this year, both in terms of propagation and communication.

Abneesh Roy: Last question is on shampoo, you've done quite well with double-digit growth in most of the brands. Sir, the other shampoo player said that competitive intensity have picked up in this segment in Q4. So, was it a proactive step of yours which have led to this or is it that overall again competitive intensity in general is increasing in this and any reason to worry in terms of margin?

Answer: See I am not worried about competition, you know, competition is always good for the category. It's good for the consumers. And while we talk about shampoos, remember Hair Care as a market is relatively has a huge opportunity to grow. Conditioner virtually the penetration is in single digit.

And even in Shampoo, while the penetration has gone up, the frequency of use and the consumption there is still a huge headroom for growth. So I am not worried about competition. More important is for us to maintain saliency of our brands and ensure that we do adequate investment behind the brand and that is what we continue to do.

Abneesh Roy: Okay, sir. That's all from my side. Thanks a lot.

Answer: Thank you

Moderator: The next question comes from Mr. Percy Panthaki from IIFL, Mumbai. Mr. Panthaki. You may ask your question now.

Percy Panthaki: Hi sir and congrats on a good set of numbers. My question is on the soaps and detergents segment, this quarter you've done sales growth of 5%, last quarter that is Q3, FY15 your sales growth was 6% and if we actually adjust for the black out etc, probably somewhere around 8%, so in value terms on a Y-O-Y basis we've seen the trend decelerate by about 300 bps. Now obviously most of this is because of the additional price cuts you have taken in Q4 some you had already taken in Q3 and then you took some more in Q4. But I'm surprised that this additional price cuts have not been offset by additional volumes, especially given the fact that we were much more proactive versus the competition and as per my channel check, none of the major or large players have done price corrections to the extent that you have – so even competitively on that basis you are very strong. So affordability for the consumer increasing plus a better competitive positioning, I would have expected that the volume uptake would have offset the benefits you passed on to the consumer, so just wanted to understand why that has not happened?

Answer: You're right in terms of the way you've narrated with the facts, you are absolutely spot on. Just an additional data point, the biggest impact of fiscal in this quarter is in this category. So therefore when you go about analyzing this, add very large those are fiscal benefit which is there.

Second also let's not do the analysis on quarter-by-quarter basis because we have moved competitively, and we have moved in. And therefore that is something that we will ensure that we stay competitive and drive the growth as we want it to be.

And we have a strong set of plan. We have very differentiated set of position and we are in – to be competitive in a way we are raise ourselves and position ourselves. And we also stepping-up A&P in a sensible way.

Percy Panthaki: Right, also a related question on this, I mean when you started picking these price cuts, maybe three or four months back, obviously your base case assumption would have been that commodity has moved down very sharply. We as market leader are taking price cuts and obviously the competition will follow us on some measure.

At least to my knowledge the competition has not followed in at least equal measure, the competition action on promotion and pricing and effective price cuts one or the other has been much lesser than what you have taken. So if this kind of a scenario continues, would you sort of rollback some of your price increases and promotions and sort of –

from the current level actually take effective price increase, since the competitive environment does not warrant that at least in my view?

Answer: I think the way we look at it Percy, let me cut it into three distinct levels. I think first of all the price value correction that we choose more from a consumer standpoint because you want to ensure that we stay relevant with the consumer. That's the first starting point. And therefore this price correction – there is price which is one element of it. You also look at it from our investments that've done. There is a step up of source of fund that have come because of commodity decreases and how do you deploy it in proper lines is a call that we take by brand. That is one.

Second, the fact that we want to stay competitive is a stated intent and therefore we'd rather look at it from how we deal with the consumer while staying competitive is the way we frame the problem to ourselves. More recently the point remains that, Rupee has depreciated, almost 3% in the last one month. Crude has come back, what the vegetable oils are going to play out is something we need to see. Let's see how it moves going forward. This has started moving as well. So therefore we will bring all these factors to bear in order to decide how we want to play this game going forward.

And let's also keep in mind that the way we'll react on the Lifebuoy will be very, very different from the way we'll react on a Dove or Pears, and therefore we will play all lines of the P&L when we go about looking at it. So I think our strategy of being dynamic and being competitive and driving consumer relevance and value equation of the consumer does not change from that perspective.

There is one more point Percy I would like to add that first is we're nearly half the market and so all the competitors that you maybe talking about will be one-fifth of our size. Now when we talk about competing across the length and breadth of the country and when the prices go down, just like in detergent powders, in soaps also, lot of new players come up into the market who remain dominant as a while yeah because they get into the game.

So for us also it is important to ensure that the franchise doesn't get diluted in that scenario.

Percy Panthaki: All right. Last question on this particular point, I mean it's been only a quarter and probably too short-time to judge but has the gains and volume on the back of these effective price cuts been inline with your expectations? Or have they been slightly lower than your expectations?

Answer: Firstly, if you look at it an Indian consumer goods industry. There are two categories which are universally penetrated our skin cleansing and fabric wash. I mean these categories just like when you have a 4 -5% or 6% price cut, or a 5- 6% price increase, it doesn't mean that your volume goes up or goes down. Now important but it is for the large player if you have mushrooming players come up. And if you don't correct the price value equation you have larger chance of losing volumes.

Percy Panthaki: It's right. Right sir, moving on – to the next topic and this will be my last. Your personal products growth if I adjust for basically the excise benefits, it works out to be around 10% kind of growth. And I assume that lot of this sort of growth being slightly lower than what we would ideally want is due to the Pepsodent brand. So just wanted to understand excluding Pepsodent, what kind of growth are we tracking in personal care? I know, its subdued environment but I mean once the environment improves even marginally, personal care is a category which ideally should be growing in sort of mid-teens kind of number. So is that within achievable limits in the near future I mean and with the Pepsodent overhang included are we sort of on tack to achieving a mid-teens kind of growth on personal product anytime soon?

Answer: I think those are four questions wrapped into one. So let me unravel one at the time, so that I can answer comprehensively. Number one I think you made a comment on the growth in personal products, and then you are talking about the impact on growth because of Pepsodent, that's a second thing that you've asked. Third thing you asked us, well, is this with Pepsodent or without Pepsodent, are you able to get to a mid-teens growth? Are these are three questions and I got them right?

Percy Panthaki: Yeah more or less.

Answer: As far as, first of all we don't – we wouldn't want to split up with Pepsodent and without Pepsodent. Pepsodent is as much a core part of our portfolio as anything else is. And therefore we would want to ensure the Pepsodent grows as much as anything else. So therefore it is just not fair for us to say that if this Pepsodent have been included or not included.

Second, as far as growth itself is concerned, Pepsodent has grown, has the growth been in line with what you would like to see, obviously not, and therefore that's what we're working on.

And as far as mid-teens growth of personal products is concerned, I think that's one is our job to ensure that we grow ahead of the market, but there is also a market tailwinds, market growth on which you build in. And therefore as long as that starts coming into place, a mid-teens growth given the kind of penetration levels, the kind of consumption levels in the market, is definitely within the realm of possibility, but always first market growth need to start picking up and that is why we're saying our job is to grow ahead of market, whatever maybe the market conditions that we operate under.

Just to add to what Balaji said, personal product as a category, all put together if you go through the Nielson numbers, have been growing in the vicinity of 4% to 5%. And that is not substantially changed in recent quarter. Whereas, if you look at our growth in this category, in this context, has been good solid double-digit. And there we are pleased with that we've been building share and we have been outpacing the market.

And you're absolutely right from a share potential perspective, the penetration, the consumption level, this is a category in which in the medium to long term should be growing at a much higher level.

Percy Panthaki: Right. That makes sense. Thanks a lot.

Moderator: The next question comes from Miss Latika Chopra from JP Morgan, Mumbai. Miss Chopra, you may ask your question now.

Latika Chopra: My first question is would it be possible to provide a sense or contribution of mix improvement to topline and margin over the past year on a portfolio?

Answer: We don't normally split-up our margin improvements into mix. But keep in mind that given the numbers of Soaps & Detergents that you see, given the Personal Products growth that you see its better to expect that mix is also an important contributor in the overall margin improvements from a gross margin perspective.

Latika Chopra: Okay. And so can you highlighted the rural growth would be important for market recovery going ahead at least made that. Possible to throw some light on what those trends you are witnessing there? What are you picking up from the ground or what has been the sort of growth differentials between urban and rural? How is that trending for you?

Answer: Talk about the market, I will reflect more on a year rather than the quarter. Because one important detail, quarter is too short a period to come to a definitive conclusion of a trend. If I look at the market, which was growing in 14% - 15% two years back in the year which has gone by as grown as about 5% - 6%. Out of which the urban has grown at about 4 odd % and rural has grown at about 8% to 9%. So that's been the mix.

Now rural has been growing at a faster level than urban for quite some time and it is very natural that rural should be growing faster. Because rural is where 70% of the population is and rural is where the total market today is just about one-third. But if you look at it from a long-term trend perspective, yes, rural has to grow faster than urban as the economy picks up, as people in rural India have more money to spend and that's how it is to shape up. Whereas right now I don't think we are at the stage to conclusively say that some kind of trend has been established. We'll have to wait for a little bit more time to see how things are going.

Latika Chopra: Why was the operational income lower on a y-o-y basis?

Answer: I think operational income for us is the bulk of the numbers is whatever costs we incurred, how we charge out to Unilever, and that the bulk of the number there. And that is something which is completely dependent on activity. And if you have a lower activity in terms of costs incurred, then the charge out will also be low.

Latika Chopra: Alright, thank you

Answer: Okay

Moderator: The next question comes from Mr. Harit Kapoor from IDFC Securities, Mumbai. Mr. Kapoor, you may ask your question now.

Harit Kapoor: Hi, just I have two questions. Firstly, just wanted to understand how much of either your 10% revenue growth or your 5% volume growth would have been in Central India initiatives led? You know, I mean, since you have presence in these market. Just wanted to understand you know, how would you have expanded there in order to grow at faster pace?

Answer: Yes, one is, we implemented Winning in Many India strategy only towards the third quarter, which is the September quarter. And this is something which is not a practical thing, but it is a fundamental strategic move.

And we are talking about basically having a much bigger focus on Central India and Central India is where it is significantly under indexed when it comes to penetration levels and consumption levels. Now the fact is we are growing at a much faster rate in Central India than rest of the country.

Harit Kapoor: Do you still see a significant growth potential over the next one or two years or this part of India took growing at a much faster pace for you going forward also over the next couple of years?

Answer: I wouldn't talk about the quarter or a year because that will depend on many short-term economic conditions, but from a medium-term perspective, definitely.

Harit Kapoor: Understood. I also missed the comment on your creditor financing program, if you could just repeat what happened really there?

Answer: Yes. You would have noticed in the working capital line, the cash flow is actually negative, which means there is an outflow of cash in the working capital.

And that is fundamentally happening because some of our suppliers, we have financed through bill discounting program and may have additional credit. The benefit comes on to the operating profit line. And that is better in the scenario when you are having falling interest rates. The cash doesn't generate as per return as to what otherwise have.

Harit Kapoor: Understood. Okay. That's it from me.

Moderator: The next question comes from Mr. Arnab Mitra, Credit Suisse, Mumbai.

Arnab Mitra: Yes. Hi. My first question is on the demand trend. You said it's too early to point to a trend on what is happening, it’s now been almost six to eight months, Nielsen numbers have been showing an up trend. So are you being cautious because you are not seeing it in your own feel on the ground or is it more of all the un-seasonal rains and those kind of things because of which you want to wait a bit more before calling out whether it’s an improving trend?

Answer: No, let me give you year MAT numbers, MAT numbers are always much more indicative of the real shape of things rather than in just a few weeks on a quarter. And that's what I have been saying that Neilson numbers, not our numbers, from MAT are indicating the growth of 5 to 6%. That's the story.

Arnab Mitra: I was just asking in terms of the directional trend, even if you look at MAT, it has a directional trend started improving in the last six to eight months.

Answer: Six to eight months would be built into MAT. So when you talk about MAT, you are talking about 12 months.

But if you are to ask me in the recent quarter will you see some changes happening, some trends moving upward, some yes, but some not. For example personal care we aren’t seeing much movement happening, but at the same time like I said a few weeks or months are too little to come to definitive conclusion. And you are absolutely right if you look at the unseasonal rains, if you look at the minimum support prices, we don't want to say a conclusion that the trend has definitely there. So we are not in the position to say that we can definitely see a directional trend.

Arnab Mitra: Right. And in this context of a weak micro in the last full year, how do you put that the fact that you have actually been able to premiumize probably in lot of your categories. Is it largely you are put that down to your efforts and innovation or do we think the market in general continues to premiumize though the overall tenders off?

Answer: You know, India is a land of many India. As you will find within a city like Mumbai, 40% of the population has living in slum, but then you have 10% of the population which may have the purchasing power of Western Europe. So in a country like India, you will find the premiumization happening at the same time that if you look at over the last two years what has happened is, the market has definitely shifted more towards mass and popular pricing ,and towards sachets as compare to large packs that's a reality for the total market.

But would it mean that for every brand this would be a similar thing? No, there is still ample opportunity. There are higher living standard measure consumers in every part of India, who would still have a capacity to consume brands like TRESemmé and Magnum. Now that is where market development comes in. We focus a lot on unlocking the potential not just at the bottom of the pyrmid, but also at the top end of the fill.

Arnab Mitra: Right. And just other question on the foods part where you've done consistently better. But given that your business is still in an absolute size, relatively small, I mean would you be happy with 15% kind of growth continuing over the next few years, or do you think there is innovation potential which can, now that you've consistently gone on a certain trajectory you can accelerate further?

Answer: Will I be happy with the better growth? Of course, my friend, I'll be happy with better growth. Yeah, but important was to get the fundamentals of the brand. And this is with the vision, improving the basics of the marketing, improving the distribution, unlocking the potential.

Arnab Mitra: Right. And just one last housekeeping question, what would be the royalty increase in FY '16, and what kind of tax rate should we be looking at? And other income we saw, almost halving of other income, other financial income in the second half versus the first half, so any reason why that came down so sharply in the second half?

Answer: Royalty, if you notice that the royalty agreement we have signed on Jan 2013 where there was a plan to take it from 1.4% all the way up to 3.15% and we had already done 1% of that, to 2.4% as we speak. And next year that number will grow by approximately about 40 bps.

And as far as the tax rate is concerned, the bulk of the tax rate increase has happened last year from the way the 30 odd percentage. And there will be another 1%-odd for the current financial year. And as far as other income is concerned, that was your third question, keep in mind that based on local GAAP we don't actually accrue the interest on let’s say growth option, mutual fund investment is only when you sell that you accrue the income.

So while we're moving to IND AS from next year you'll be in a position to actually accrue the income on those kind of investments. But if you adjust for the fact that you haven't booked income coming from that side as per local GAAP, then you are broadly in similar line as the last time.

Arnab Mitra Okay. Thanks so much and all the best.

Answer: Thank you

Moderator: The next question comes from Mr. Vivek Maheshwari from CLSA Mumbai. Mr. Maheshwari, you may ask your question now.

Vivek Maheshwari: Hi. Good evening, everyone. My first question is the way in which you have indicated about tax rate, could you also quantify about excise duty, what will be impact for fiscal 2015, for example, it was 90 basis points, and I think for fourth quarter, it was more like 170 basis points. Is it possible to get it what will be the impact in fiscal 2016 now?

Answer: If you notice my summary slide on looking ahead, I specifically talked about fiscal headwind continue in the next year, and it will be broadly in line. What you see is a headline number of the fiscal hit for March quarter. It is likely you can expect similar kind of number if not partial marginally worse than that for June quarter alone. And subsequently it will be tapering down as the year progresses, but the full year impact is broadly going to be similar last year.

Vivek Maheshwari: 90 to 100 basis points which is what we have seen in fiscal 2015?

Answer: That is top line 90 to 100 bps, EBIT about 30 bps

Vivek Maheshwari: Sure. But, you know, if look at say fiscal 2014 your weighted average excise duty is 5.5% and I add say 90 basis points we move to 6.5, so you are saying as a portfolio Hindustan Unilever should be paying more like 7.5% is my understanding correct at the net – as a percentage of net revenue you would peak at 6% and 7.5% or thereabout.

Answer: We still have a few sites that are going on fiscal benefit well into future. And therefore, your calculation, I don't have it with me right now, but Dinesh should be able to get back to you, but as going by just a spirit of what you just said that is absolutely right. The exact number I will get

Dinesh to reach out to you.

Vivek Maheshwari: Sure. That will be useful. Second about I know this question has already been asked but your – you know, looking ahead slide with says that you know the pace of market recovery largely will be dependent on rural India. Why specifically rural and why not urban? And another basic question here is what will be your direct and indirect rural versus urban mix as of now – revenue mix?

Answer: See the reason why we called out rural was, that all the present things of the different variable, yeah, the un-seasonal rains, we don't know what is impact going to b; as the wages in the rural India not increasing what's the impact going to be; the quantum of rainfall what is the impact going to be, difficult to handle. And that is the reason, we had talked about rural at this stage.

And as a market, I can tell you is all our categories put together if you look at it from the lens of Nielson, rural is one-third of the total categories in which we work.

Vivek Maheshwari: That’s for the market, for you also rural will be broadly a third?

Answer: Roughly assume, you can roughly assume 40% to 45% including indirect coverage but if I just go by direct coverage it will be more like about 35%.

Vivek Maheshwari: One more question on the previous point, on excise duty, when you say pickup so for example in March quarter delta that we have seen, this is the first time that we have seen this incremental impact. Wouldn't it continue right in the next three quarters, so when you say June it will pick up? Would that be an incremental i.e. over and above what we have seen March quarter on top of that further addition or it will be you are saying essentially June and then it tapers off? How should we see that from next full quarter perspective?

Answer: June Quarter will be broadly in line with the headline number we have given for March quarter, about 160 odd bps that is there in the turnover line. In earlier June to be broadly in that line, but from 160 bps it has to come for a full yearly impact of 90 bps, that is basically means that during the quarter of the year this will be coming off as the full year starts lapping out.

Vivek Maheshwari: Okay. Because – so basically essentially it was already there in the base and that's why it tapers off, right?

Answer: Exactly.

Vivek Maheshwari: Got it. Thanks and all the very best.

Answer: Thanks Vivek.

Moderator: The next question comes from Mr. Puneet Jain from Goldman Sachs Mumbai. Mr. Jain you may ask your question now.

Puneet Jain: With respect to gross margins, I am just – I have got two questions, first is have you see all benefits of lower commodity cost passed by in you P&L? And second question to this will be like as and when this cost equation changes what is your thought process behind holding onto these gains in gross margins?

Answer: If your question, Puneet, is from stock covers perspective, have we got all the benefits in stock numbers. I would tend to believe that by and large we've got all the benefit that supposed to be basis of particular view on the commodity.

Having said that commodities move around and therefore in that – if you just ask me today, what is your view. Today the view would be actually commodities have started to go back and rupee has started to depreciate and therefore my view is that yeah it is good to – it's safe to assume that all the benefits are in the bag and you will be able to start seeing a bit of a commodity inflation going forward.

However if this situation changes then of course life could become different and therefore this question's answer may not be relevant, it totally dependent on how the commodity gets.

Also keep in mind, that this cost of goods sold reduction that you see also have the benefit of the excise duty refund that we have received and therefore it actually hits the PBIT line through the cost of goods sold line. But you should well adjust relevant needs to different form in both the numerator and the denominator, the turnover also changes.

Puneet Jain: So now as you move forward as commodity rises, so will you – in terms of your pricing decisions will you take this new gross margin as the new base or would you wait for these gross margins to move to a particular level before they take time to increase? And also expansion in gross margins, is would it be possible break it between mix change and between commodity benefits?

Answer: Okay, I think from point of view future numbers, the way we look at it is our starting point of replacement cost. That's where you start, but we don't necessarily end there. You then need to then figure out what are the right way to deploy the spending or price through record the cost that you have incurred.

So from that point of view, we have demonstrated consistently that we are getting increasingly adapted managing all lines of P&L together, which is, roll back about a year, we had a scenario where oil prices were shooting through the roof in personal wash, and we have actually scaled back A&P, and we actually try to keep as much price away from the consumer as possible, because you have seen the markets being stripped out, and therefore the entire industry optimized the A&P to deliver the final bottom line. So we will play all lines of the P&L but what we will do on a Lifebuoy will be very, very different from what we will do let say in Dove for instance.

Puneet Jain: And the other question about over the last three years can you quantify that what proportion of gross margin expansion because the commodity cost and what is the proportion as because of mix changes?

Answer: We don't split up these numbers for obvious reason, but from a point of view the way I could guide you could be that just take a look at the differential growth profiles of various businesses, where personal products has higher gross margin, but also got a higher A&P outlay, soaps business which is more commodity led we need to be careful there. So that would then give you an indication of how these numbers are moving out.

And just to simplify for you, there is another way to look at that could be, what we're really committing to and whenever we met with investors, I do keep saying one thing. It is complex. There are things you guys won't be able to model. So what we're saying is a very simple thing: we are committed to modest improvements in operating margin on a year basis. So that's something we're committed on a total portfolio basis.

So I think it's only fair that you leave it to us to manage that complexity and thereafter otherwise you're going to be caught on another side because we may be doing something else. But what we're committing to is an operating profit, the modest improvement in operating margin as part of our strategy.

Puneet Jain: Okay, okay. Thanks a lot.

Moderator: The next question comes from Mr. Naveen Kulkarni from Phillip Capital, Mumbai. Mr. Kulkarni, you may ask your question now.

Naveen Kulkarni: I have two questions. My first question is on primary versus secondary is there a difference between secondary sales versus primary sales, considering we had black out period in the previous quarter?

And my second question is on the delayed summer that we're seeing. So is that impacting any part of your portfolio for this quarter?

Answer: Let me take the second question first that's an easy one to answer because in the current quarter we don't talk about it. We will definitely discuss it when we'll come in July. And as far as the pipeline corrections, you are right. There were pipeline corrections, we've done this. But just do keep in mind that the second quarter we're talking about is very difficult to predict. All we can say is that on a medium basis, there is absolutely no difference between primary and secondary, we're pretty consistent there.

Naveen Kulkarni: Okay. Thanks sir.

Dinesh Thapar: Mahima, do we have any other questions on the audio queue?

Moderator: [Operator Instructions] At this moment, there are no further questions from participants on the audio line. I would now hand over the call proceeding to Mr. Thapar for the web questions.

Dinesh Thapar: Yeah. Thanks. Okay. So we have a question from Amit Sachdeva, from HSBC Securities. And the question is for Sanjeev, "unlike hair care, where the portfolio game is played very well, skin care is more diverse. Consumer needs are complex and unique. It has high margin and low technology. Is this all a recipe for fragmentation? What is your take on this aspect and how do you deal with this in your long-term strategy?"

Answer: Yeah, couple of point does it makes that while you are right in saying that there are many brands in the market, we should also remember that it is a highly evolved category and if you were to ask any woman that whether will she blindly pick up a brand to put on her face and you will get the answer.

The one is clearly, I won't say it is low take because given an estimate, a lot of technology goes into it and that is the reason why it is not really easy to imitate the formulation. Second I would say is branding plays a big part with it and branding is the promise you give, the promise you keep. And that is where again the involvement in the branding becomes a very open combination to build a very strong brand.

So yes, there are many ways to care, that is where the strength of branding, the strength of innovation and the strength of marketing all accounts onto those. So from our perspective, Skin Care remains a very attractive category.

We have some great brands in creams, we have Ponds, and Fair & Lovely and these brands are doing wonderful progress for us and we just shared with you that Fair and Lovely has become a 2000 crores brand.

Dinesh Thapar: All right. We have a question from Naveen Trivedi, from True Research, "since most of the FMCG companies are are hopeful for urban recovery, you are still saying that market recovery would be dependent on rural, would you please explain?"

Answer: This is what we have answered a while back. Yes we are also hopeful that there should be recovery in both urban and rural, no question about that. But Balaji shared with you that rural is an important leg and rural has been growing at a must faster pace.

But there are many variables in rural which basically indicate that it would be difficult to say how the markets would grow in the future and that is the reason as a business which has pretty effective business coming out of rural. And probably that's why we made that point.

Dinesh Thapar: Okay. We have another question from Abneesh Roy, from Edelwiess, "what is the split between advertisement and promotion in current quarter?"

Answer: We normally operate in the region about 70-30, 70 for advertising, and 30 for promotions, and this moves on a little bit, but broadly this is an range where we operate.

Dinesh Thapar: Next question from Tejash, Spark Capital, is- “would it be possible to share a couple of examples of market development activities, which have contribute significantly with the sales growth and challenging macro environment?”

Answer: Clearly, if you look at the entire growth which has come out of packaged foods, a large chunk of it is market development that we have done. The entire campaign of Kissan food is unlocking the potential of Ketchup, or the experiential marketing that we have done in Knorr soups and noodles is all based on the market development.

Similarly, the work that we have done on fabric conditioners, on hair conditioners, it is all market development work. The works actually have done on Green Tea again, is market development work, it is building nascent category.

Dinesh Thapar: Great. Sanjay Manyal from ICICI has a question, parts of which you've answered, but we just take the other one which is- FY 2015 has been one of the lowest agri growth in a decade. What is your outlook on rural growth? We've answered that, so we will not repeat it. There is a question which follows that says=” should 5% to 6% volume growth as option be the higher end of the stretch?”

Answer: We don't give guidance, so I won't like to get into this question.

Dinesh Thapar: Alright.

So with that, we've now come to the end of the Q&A session. Before we end, let me remind you that the copy of the presentation, a transcript and a replay of the event will be available on the Investor Relations website, so you can go back and refer to it. You could also have access all of it through the IR Investor App.

I think with that, we'd now like to draw the call to a close. Thank you, everyone, for your participation, and have a good night ahead. Thank you.

Moderator: Thank you very much, sir. Ladies and gentlemen, this concludes the earnings call. You may now disconnect your lines.
Thank you for connecting to audio conference through Airtel. Have a pleasant evening.