Ref: **SEC/SE/2018-19**
Date: May 9, 2018

Scrip Symbol: NSE & MSEI – DABUR, BSE Scrip Code: 500096

To,

Corporate Relation Department
BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block Bandra – Kurla Complex
Bandra (E), Mumbai – 400051

Metropolitan Stock Exchange Limited (MSEI)
4th Floor, Vibgyor Towers, Plot No. C-62
G-Block, Opposite Trident Hotel,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400098

Sub: Transcript of Investors' Conference Call for Dabur India Limited – Q4 FY 2017-18 – Results

Dear Sir(s),

Please find attached the transcript of Investors' Conference Call organized on May 02, 2018 post declaration of Financial Results for the quarter & financial year ended on March 31, 2018, for your information and records.

Thanking You,

Yours faithfully,

For **Dabur India Limited**

(A K Jain)
V P (Finance) and Company Secretary

Encl: as above

"Dabur India Limited's Q4 2017-18 Financial Results Investor Conference Call"

May 02, 2018

MANAGEMENT:

MR. SUNIL DUGGAL – CHIEF EXECUTIVE OFFICER
MR. MOHIT MALHOTRA – CHIEF EXECUTIVE OFFICER-INDIA BUSINESS
MR. LALIT MALIK – CHIEF FINANCIAL OFFICER
MR. ASHOK JAIN – VICE PRESIDENT (FINANCE) & COMPANY SECRETARY
MR. ANKUSH JAIN – HEAD-FINANCIAL PLANNING & ANALYSIS
MS. GAGAN AHLUWALIA – SR. GENERAL MANAGER-CORPORATE AFFAIRS

Gagan Ahluwalia: On behalf of the management of Dabur India Limited, I welcome you to this Conference Call pertaining to the Results for the Quarter and Financial Year Ended 31st March 2018.

We have present here Mr. Sunil Duggal - CEO, Dabur India Limited. We have also have today with us Mr. Mohit Malhotra who has recently taken over as CEO - India Business. In addition, Mr. Lalit Malik – Chief Financial Officer is here; Mr. Ashok Jain - Vice President (Finance) & Company Secretary and Mr. Ankush Jain - Head - Financial Planning and Analysis are also present in this call.

We will now start with an overview of the company's performance by Mr. Duggal, followed by a Q&A Session. I now hand over to Mr. Duggal. Thank you.

Sunil Duggal: Thank you, Gagan. Good afternoon, Ladies and Gentlemen. Welcome to Dabur India Limited's Conference Call pertaining to the Results for the Quarter and Year Ended 31st March 2018.

On comparable constant currency basis, consolidated revenue from operations grew at 11.1%. Domestic FMCG business had like-to-like growth of 10%, driven by strong volume growth of 7.7%. Consolidated profit after tax reported growth of 18.9% for the quarter with operating margins increasing by 140 basis points on a comparable basis.

Healthcare and HPC verticals performed well during the quarter with strong volume-led growth. Healthcare vertical reported a growth of 11.2%. Health Supplements grew by 14% and led by strong double-digit growth in both Chyawanprash and Honey. Market shares in both categories reported an uptrend. Dabur Honey continues to ride on its strong brand equity and higher investments which are adding to its momentum.

Digestives Category recorded 7.2% growth on the back of good growth in Hajmola Tablets. New variants, focused market inputs, and distribution expansion has enabled the brand to enhance the visibility and ranking in the most trusted brand survey by Brand Equity.

OTC and Ethical grew by 8.8%. OTC products such as Honitus Madhuvaani and Dashmularishta Asaavs also posted good growth, backed by marketing initiatives and activations. The Classical Ethical portfolio also grew at a good pace led by medico marketing initiatives and on-ground activation.

Home and Personal Care vertical posted growth of 10% led by strong performance in Healthcare and Oral Care. Oral Care category grew by 11% with growth of 13.7% in Toothpastes. Red franchise continued to perform well, driven by increasing penetration, aggressive marketing and visibility initiatives. Red Gel which was launched in 2017-2018 recorded good sales in the first year of its launch. Overall share in the Toothpaste category continues to increase YoY.

Hair Oils category registered growth of 8.8%. Sarson Amla, Brahmi Amla and Almond Hair Oil performed well. Our volume market share in Hair Oils category expanded by around 60 basis points during the year.

Shampoo posted a robust performance growing at 31%. The brand was supported by focused marketing activities and above the line spends. The Shampoo portfolio is seeing a good response from consumer post the relaunch and we continue to position the brand on the Herbal/Naturals platform in this category.

Home Care had a muted performance this quarter due to moderate performance of Odomos on account of relatively lower incidence of mosquito-borne diseases and lower institutional sales. The Air Freshener brand Odonil and toilet cleaner brand Sani Fresh reported good growth.

Skincare registered a growth of 8.5% driven by strong performance of the Gulabari portfolio. Gulabari brand has been a steady performer and is also increasing its penetration in both urban and rural market.

Foods business had a moderate quarter, mainly on account of increased competitive intensity from value players and enhanced promotions across the board. Although, sales growth was muted, profitability margins improved so a good improvement on account of network optimization. Various strategies are being adopted to counter competition including aggressive media spends, tactical consumer promotions and sampling. The Fruit Drink sub-brand Koolerz has been launched to participate in the larger Fruit Drinks market.

International business reported a constant currency growth of 16.8% during the quarter. GCC markets posted a strong revival with 51% growth, led by Saudi Arabia which grew by 82%. Egypt market continued to perform well with growth of 38%. Currency translation impacted top-line to the extent of around 1%, however, this impact is reducing as currencies are becoming comparable to last year. SAARC business also posted good growth led by Pakistan and Nepal.

Consolidated operating profits increased by 16.2% and operating margins expanded from 21.8% to 23.9%. If we exclude the GST impact, improvement in operating margins was around 140 basis points.

A&P spends in the domestic business saw a like-to-like increase of 19.1% while on a consolidated basis there was an increase of 10.8%. Promotional expenses have come down significantly in line with our stated intent.

SG&A expenses reflected some savings on account of cost synergies. PAT reported growth of 18.9% in-spite of higher depreciation and finance cost.

The company has proposed a one-time special dividend of Rs. 5 per share besides the final dividend of Rs. 1.25 per share. This will entail an additional payout of around Rs.1,000 crores to the shareholders out of surplus funds in our balance sheet. We will still retain around Rs.2,000 crores of net cash in our balance sheet post payout.

After the GST implementation, the trade channels had seen some disruptions which seems to be stabilizing. We have seen good offtakes in the rural channels, Cash 'n' Carry, and organized retail. The year threw-up multiple challenges both in domestic and overseas which have been managed well and the year ended on a positive note.

Going forward, we will continue to invest strongly in our brand, distribution and infrastructure to continue to grow ahead of the market and enhance shareholder value.

With this I now open the Q&A and invite your questions. Thank you.

Manoj Menon from Deutsche Bank

Manoj Menon: A couple of questions to begin with. One, just taking a step back, we had seen a significant sequential improvement in your performance over the last six months or so, which is very heartening. Well, I understand that it is very difficult to kind of look at what are the micro drivers and what are the macro drivers, how much of this we would attribute that to the activities by the company and how much would be a general rural recovery, etc.? Or put it the other way around, if you could just help us understand some of the key pillars of your micro activities for the medium-term which we were implementing currently?

Sunil Duggal: There have been very little tailwinds from the macros quite frankly as we speak. Category growths are still trending in the mid-single-digits at least for the large HPC categories, Oral, Skin, Hair Care, etc. There has been some uptick in March, but the fourth quarter has been fairly subdued, 5% - 6% volume growth. So obviously our volume growth which are trending at around 7% - 8% in these categories have come on the back of market share gains. Now having said that, we do expect the category growth should trend up. While this may not be a certainty but there are indicators, especially in the form of monsoon which early trends indicates a normal monsoon, also a stimulus which we think will happen closer to elections. These should provide some momentum in terms of category growth. But the last three quarters' performance, especially this quarter and the last has been on the back of our own initiatives rather than on any support from the macros.

Manoj Menon: Now allow me a statement and just tell me whether it is right or wrong, would it be fair to say that Patanjali was more of a distraction and not necessarily a disruption over the last couple of years?

Sunil Duggal: Well, it is easy to say that in hindsight, but at that moment it was a disruption and we had to deal with it,We had to take appropriate actions to mitigate it. But the action which we have taken has proved successful, mostly in the case of Honey, pricing corrections, other marketing activities, etc., led to a strong growth (+20%) in the last two or three quarters in Honey. So, we have fully recovered the market share. We cannot assume that this is a distraction and a wind which will blow over and things will come back to normal. We have to take preemptive action and make sure that our long-term brand strengths are not compromised. So that is the way we looked at the Patanjali threat.

Manoj Menon: Secondly on the Drinks business, I remember reading some comments in the media in the last couple of months about your foray in a bigger way into the Drinks market which is honestly extremely heartening to see, because a large company looking to enter a large category. How do I think how you are going to address this Fruit Drinks opportunity?

Sunil Duggal: I think I keep cautioning our marketing team that not to be totally distracted by the Drinks opportunity, it is ultimately a low-margin and certainly more commoditized space. Our focus should be firmly on the value-added segment, but this is a segment which is too big to ignore. And we do have adequate amount of surplus production capacities to meet demand in this segment. So, we should not ignore it, at the same time we should not be totally enamored of this and take eye off the main Real and Real Active franchises. So, this will certainly add momentum into our top-line and into our overall market shares. But the real prize is, like I said, at the value-added segment.

Manoj Menon: So would it be fair to say that it is practical for the time being and it will become strategic at some point?

Sunil Duggal: Yes, I think you put it rightly, it is tactical as we speak and has the potential to become strategic or it may remain tactical, I do not know at the moment.

Manoj Menon: And one very last question on the International business if you could help us understand the big volatility in the performance is one-offs to distributors, etc., there. Secondly, how do I think about the medium-term constant currency growth opportunity which you can drive, organically in the internal product of the portfolio?

Sunil Duggal: I think the recovery in International has been the key highlight of last quarter's performance, 18% top-line and around 34% bottom-line is a very strong set of numbers. Perhaps, the base of course is on the lower side, but nevertheless I do think that double-digit growth in International business in this fiscal is something which we are pretty sanguine about and there would be margin gains also, unless the currency depreciates further. Fortunately, we are seeing a fairly stable scenario in terms of currency, and overall oil economy also seems to be trending up, so there are some tailwinds there which we should capitalize. The overhang of Namaste North America which should be behind us this year, we should definitely grow in Namaste. I do not know how much but growth should come back after two, three years of decline. So, these are multiple tailwinds which will help us. Of course, there can be events which are beyond our control which are largely political and economic in nature but if those do not happen I think good growth in International business is definitely visible to us.

Aditya Soman from Goldman Sachs

Aditya Soman: My first question is on what will be a good level of growth for Dabur's domestic business? Clearly, you have seen a pickup in this quarter but would 8% sort of levels is that something you would be happy with or would you expect that growth to be in sort of double-digits as we saw in the previous set of rural cycle?

Sunil Duggal: We are pitching internally at around 10%. Now like I said we do have a visibility of around 8% to 10% in the first half. The visibility in the second half is quite frankly not there, but in case category growths trend up to the high single-digits or thereabout, then I think we can do a low double-digit growth in the second-half, so the aggregate growth comes to 10%. That is what the internal thinking is and that may or may not happen, depends upon how well the disposable income in rural household trends up, at the moment they are fairly stressed. And like I mentioned earlier the category volume growths are still not showing any big signs of revival. There are few green shoots in the month of March but still they are trending at around 5% - 6% and the category growths they have to trend up perhaps 8% to 10%, may be at least 8% for us to grow in double-digit. So that is the situation and we believe that we should be able to do better than last couple of years by a wide margin. But will we do double-digits, is not to be taken as a certainty.

Aditya Soman: And certainly, you mentioned that you have done very well in Coconut Oil, has this come from sort of market share gain from the market leader or is this you gaining share from lose oil or unorganized segment?

Sunil Duggal: Yes, we have gained share. Our Coconut Oil franchise particularly the Anmol franchise is doing extremely well. I think we have done high-level of activations in a fairly stressed scenario. So that is an area where we see consistent growth happening because it is a large pool to fish in. So, it will definitely buttress the top-line. And the good thing is that even in Perfumed Hair Oils our market shares have stabilized a couple of quarters ago but now they are trending up and that is something which is very welcome. In fact, our bigger share gains have been in Perfumed Oils.

Aditya Soman: And on Perfumed Hair Oils, is this a function of price being normalized for the whole segment or is it that you have offered more promotions or discounts?

Sunil Duggal: The whole category has benefitted from GST so there has been higher promotional activity and thereby we have also participated in that and that has been one big reason in terms of higher levels of growth. We have also been far more aggressive in driving the lower priced portfolio, Brahmi and Sarson Amla which is now a fairly significant part of Perfumed Hair Oils and that has been another driver of growth. But even brand Amla has stabilized and now is showing far more consistency than before.

Aditya Soman: And just one last question on Honey, would your sales be back to where they were before the disruption or it has still some way to go?

Sunil Duggal: Honey share data is not syndicated data, so we have our own internal sources. We are pretty close to where we peaked earlier, not quite there, I think we are still at around 4% - 5% erosion from the peak levels. But I am pretty optimistic that in the next two quarters we should get back to our all-time high levels by a wide margin.

Aditya Soman: And this was on absolute sales you were talking about or market share?

Sunil Duggal: No, this is tertiary sales, Consumer Household Panel data, so this is actually a very high-quality data, but it comes with a bit of a lag. So even that 5% erosion is actually a situation of around three, four months old. And as we speak, and the data will come soon, we may have actually regained our entire lost share but like I said, numbers are a little bit dated.

Latika Chopra 17.02 from JP Morgan

Latika Chopra: My first question one is on margins. Clearly, this quarter saw significant beat on account of mix and cost. Do you see a potential for further improvement here for the domestic margins in the backdrop of input cost, inflation inching up or probably the need for more brand investments?

Sunil Duggal: If you take domestic margins, I think at EBITDA level we would probably have stabilized. We are pretty happy with the current EBITDA levels and we obviously would enhance the promotional intensity in the year going forward, so that would not help. But at the same time, I think there is pricing power available now which will help us mitigate the higher A&P cost. So, broadly we are seeing a stable margins coming out of the domestic business and improved margins coming out of the International business. So, the blended margin scenario, I am talking about EBITDA now, that should improve even though the improvement may not be very dramatic. And remember we will be paying out in the next month or two, subject of course to the ratification in the AGM, of around Rs. 1,100 crores of cash to the shareholders in the form of special dividend. So that will to some extent reduce non-operating income, but at the EBITDA level I think you should see fairly consistent levels of delivery in the Domestic business and better in the International.

Latika Chopra: On pricing, have you initiated any price increases on account of raw material inflation in any of the categories?

Sunil Duggal: Yes, I think we have price increases in several categories, but they were not very dramatic. We have done small increases, whenever there have been margin issues with regards to cost. Coconut Oils for example we have done, Odonil we have done related to oil table, and Glucose. So wherever there has been some inflationary impact we have taken up prices, not very dramatic. But going forward I think if inflation kicks in higher, especially with oil table at $70 - $75 levels and perhaps trending higher then we have the pricing power today to take a price increase. But that does not worry me, I think now after a couple of years we are able to use pricing as a tool to not just mitigate but perhaps even enhance margins.

Latika Chopra: Sure. The second question was actually on Juice segment, clearly you have to still firm up your strategy on the drink side, but on the value added premium Juices clearly the competitive landscape is getting tougher. Does that mean there is a need for more promotions from your side and does that put your margins at risk? And you mentioned about certain initiatives you are taking to mitigate these challenges, if you could elaborate more on them. And is there a way for this category or division to go back to low-to mid-teens kind of a growth anytime soon?

Sunil Duggal: Yes, I think we are looking at double-digit growth perhaps in the low double-digits but that is really the endeavor which we are looking at. And obviously we will have to enhance the proportional intensity considerably, which we have already done by the way. So you will see the impact of that in the first quarter. Fortunately, the margin profile in Juices is actually pretty favorable because material cost - sugar, etc., has gone down considerably. So that enabled us to pump in more money to support the brands without having any dip in our operating margins. So I think this competitive intensity which is there, perhaps almost at an unsustainable level because the margin profile in Juices never supports very high promotional intensity. There is a lot of private equity activity here and also one of the new players has become very aggressive. But we have seen this before and I am not overly worried, I think we have to be consistent in delivering high-quality products at a reasonable price and we should be able to get back into double-digit growth sooner rather than later. Of course, a lot of it will depend on how summer is and also in terms of how the overall disposable income story plays out, which is true for of course every category but particularly it is true for beverages which is little bit more discretionary than the staple portfolio which we have.

Vivek Maheshwari from CLSA

Vivek Maheshwari: My first question is on the A&P spends, Mr. Duggal you mentioned 10% I think at consol level and 19% at standalone level, so the difference between reported and what you have mentioned is just because of GST?

Lalit Malik: Yes, it is primarily because last year we had service tax included which in GST is a part of balance sheet, so primarily it is on account of that.

Vivek Maheshwari: And this is just advertising, it does not include promotion, it is just netted-off against revenues, right?

Lalit Malik: That is right, under IndAS this has to be netted off from the top-line.

Vivek Maheshwari: Second, in Juices again, where is the market share now compared to what it was let's say last year?

Sunil Duggal: Well, on a YoY basis there has been a 2% decline, from 56% to approximately 54%. So it is not very serious erosion, these things keep happening, it is not something which worries us so much. I think it is on account of disruptive competition. And also, certain brands which were earlier categorized under the Drinks space have now moved into J&N and I do not really know why, which has meant that the category size has been enhanced because this was the reclassification, and that partly is leading to a little bit reduction in our market shares. But I think rather than hanging on to these 55% - 60% market share which is never going to be easy when you have a dominant share, protecting it is always going to be an uphill task, we would look at seeing consistent double-digit growth happening in our portfolio. That is really a bigger challenge than sticking on to the market share, as is the case with brands like Chyawanprash, the market shares are less important than how we grow.

Mohit Malhotra: While we see a decline in market share of 2% in Juice and Nectars market but if you look at the large pie of JNSD market which is Juice, Nectars, and Still Drinks, our market share is very consistent at 10% levels. Two new players entered the Juice and Nectar markets, which is Alo Frut and Pran Foods which are the ones who have actually taken share at a drink price points. So if we look at the larger pie of market share it is pretty consistent.

Vivek Maheshwari: But just a follow-up on that, you mentioned about all this competition and everything, but despite that the margins have improved quite a bit, in fact highest in the past 12 quarters or so. In the context of competitive landscape with ITC also aggressively pushing its portfolio, to what extent this margin expansion then?

Lalit Malik: One of the reason is that we have optimized our networking with regards to manufacturing where we are manufacturing more in India and therefore the cost optimization has helped us to improve margins, besides the inflationary pressure on sugar, etc., easing out.

Sunil Duggal: To further follow-up on your question, there could be a little bit of a trending down of margins in the first quarter and perhaps going forward because we will be increasing the promotional intensity. But like I said, that is a necessary condition to defend share, and we are already on a pretty decent operating margins, we do not mind sacrificing a bit.

Vivek Maheshwari: And last bit on the overall margins, I know this has been asked before, but Mr. Duggal your guidance of stable margin in India business and slight increase in International, let's say Brent is

$70 or above $70 now which is going to impact your key inputs over the next quarter or so, what gives you confidence on the margins at this point of time, is it just that there has been such a big lag on price hike and that is why you are more confident about it?

Sunil Duggal: There are two elements here – one is the gross margins, and I am pretty confident that we will be able to maintain our gross margins because of price increase to mitigate the inflationary impact. Now having said that there will be also pressure in terms of our SG&A because of higher outflows on account of salaries, etc., largely on account of stock options which we have budgeted this year whereas the payout was comparatively muted in the previous year. So, there will be some increase there, which will be visible. That I think we can mitigate through operating leverage and through other cost reductions, but the gross margin line which is really related to material cost and inflation, we should be able to stabilize at current levels on a YoY basis at least.

Vivek Maheshwari: In the last two, three years you have actually improved your margins in a regime where input prices were so benign. So when input prices are reversing it is quite interesting to note that you are gunning for at least maintaining the margins or even slightly expanding it?

Sunil Duggal: We would not expand in the domestic business, expansion will come from International, so the blended margins may look better, but I think that is a different story. I think domestic margins we should be able to protect, I do not see any great possibility of increasing domestic gross margins, but we should be able to protect because our prices increase has been very muted over the last couple of years and there was also the anti-profiteering issue which did not enable us to take up prices. With that behind us, now I think the price increase will happen, so I am pretty confident that that will not be a headwind.

Amit Sinha from Macquarie

Amit Sinha: Firstly, on the Oral Care business, now clearly the good performance has continued even in this quarter. But if I compare it with the last three to four quarters there has been some tapering down of the growth, so is this the impact of the market leader stepping up on the Herbal side?

Sunil Duggal: No, not really market leader stepping on the Herbal side, but let us put it this way. There are three brands which we have in Oral Care, they are the two premium brands – Red and Meswak and then there is a discount brand Babool. The premium brands continue to grow almost at 20% level, so there is no issue there and that is a good part. The not so good part is the discount brand – Babool which was actually delivering pretty good performance over the last three or four quarters is now beginning to slag a bit because of very high-levels of competition at that price point. So that is really the reason why the blended growth has perhaps come down from the 17% - 18% to 13% - 14%, largely on account of discount brand. But the quality of the growth has been consistently good, the high-margin brands have done very well. And of course, the Toothpowder brand which is a bit volatile and I think did provide some support last year has not done particularly well, 3.9%

decline, so that has been another issue. But I think if you take the overall quality, like I said of growth, it remains consistently higher.

Amit Sinha: Sure. And even on a sequential basis the market share gain is there?

Sunil Duggal: Yes. Again, the Red franchise and Meswak, particularly Red franchise is high, Babool is probably flat or may be even small deceleration in terms of market share. But overall, market share growth has been there.

Amit Sinha: Secondly, you have mentioned that one of the reasons for the gross margin expansion was a better product mix, just wanted some more details on the same?

Sunil Duggal: Broadly, the Juice portfolio which is lower delivery in terms of EBITDA has come down in terms of growth and the higher-margin HPC & HC have grown in double-digits. So the quality of growth has improved and that has lifted the whole margin table.

Anubhav Sahoo from MC Research

Anubhav Sahoo: I want you to comment on the competitive landscape per say, I know partially you have covered it but to put that into context, last year there is an understanding that company which was good to adapt with the distribution strategy they have gained well. And secondly the unlisted player which was seen as a big threat a year before there is a complete silence for last couple of quarters. And thirdly, Dabur itself has been kind of a disruptor on price points for few of the categories. So wanted your view on that, how we are now pushing Dabur, whether it is a value player in some way or it growing category-by-category and how do you want to spell out the medium-term strategy? And how is the competitive landscape you are seeing from the unlisted players?

Sunil Duggal: See, Patanjali was a single big disruptor over the last couple of years; otherwise there was nothing much which other regular competitors were doing. Of course, I am not saying that competitive intensity was low, but it was not disruptive in nature, with a couple of small exceptions. Patanjali changed the whole nature of the game by coming in with a lot of momentum, and that I think was the single biggest reason that many of our categories grew at a much lower pace than normal, Of course, there was also other overhang of GST and demonetization, etc. With all these three headwinds now, I would not say disappeared, but muted to a very large extent, we should see better growth happening and that is why last three quarters have been pretty consistent, and even on a higher base which will begin from this year we should be able to see much better growth happening. But the key driver here is rural and we need to have better growth coming out of that, because keep in mind that the category growth if you take the Nielsen numbers are at pretty low levels, they are in the **mid-single-digits** for non-Food categories at least, and that is not very encouraging.

Anubhav Sahoo: And sir you mentioned that rural growth this quarter has been 3% to 4% above urban, how has been the special distribution for that?

Sunil Duggal: Well, we see the urban growth has been around 8%, rural at around 13%, blended 10%. So rural continues to drive growth and I think it is largely on account of our preemptive measures for distribution which I have articulated earlier that has led to this strong double-digit growth in rural. There are other headwinds in urbans like the canteen stores continues to underperform, I think we declined about 5% - 6% in the fourth quarter, so that has been a bit of a headwind. Some of the enterprise accounts also did not do well because the whole economy was under some stress. So rural is really the bastion which we have, and I think going forward it will continue to grow well ahead of urban, we still do not know whether the CSD issue will lapse.We hope this year will be a much better year for CSD but there is no guarantee. So rural will have to perform and I think we have all the ammunition in terms of distribution, in terms of products, the portfolio is now very much geared to service the rural consumer. And any improvement in disposables which I believe will happen, should fuel rural consumption even to much higher levels.

Anubhav Sahoo: And sir my last question is on Odomos, last quarter also there was a weakness, so is it just a seasonality thing or do you think there is something structural happening in this category?

Sunil Duggal: There is nothing structural, it is a great brand. Its usage ís fueled by epidemics more than anything else, I think when people get scared of dengue in particular that is when they actually get out of that inertia of not using it into actually buying the product. And well fortunately, in many ways that has not happened, but it does have a negative impact on this brand.

Nillai Shah from Morgan Stanley

Nilalai Shah: Sir, my question is again unfortunately on margins, you mentioned last quarter that you are looking at improving your market shares across the board irrespective of what happens to the category growth rate. And I thought that would be driven by a number of interventions from your part, pricing, promotions, ad spends, new product launches, etc. And then we talk about gross margins and EBITDA margins as you have commented for fiscal 2019, it appears that you are again slowing down on NPD pipeline, would that be a fair assessment?

Sunil Duggal: No, not really, I think NPD pipeline is much stronger than you would see in the past two or three years. Now having said that, we will not go pell-mell into NPDs that means high-cost NPDs, till we see visible signs of demand revival. So we are putting some of those initiatives on hold till perhaps second or third quarter and then we will take another view. But irrespective of that the ones which are we committed in terms of GTM are much more than what we have done in the previous two years. And there will be some pretty interesting initiatives which we will put into play, but how much of that we do depends on the demand cycles. And there is no point in swimming against the tide, if the demand cycle remains subdued, the chances of new products managing to go-to-market is that much lower.

Nillai Shah: Is this is a shift from what you anticipated last quarter?

Sunil Duggal: Well, if you want me to give you a frank answer, I think the category growth in the last two quarters have disappointed. They trended up pretty steeply around a year ago and then for some explicable reason they have trended down. So perhaps it is a sign of consumption stress, which has been there. Now we really are seeing that cycle perhaps has bottomed out, March was a little bit better, nothing spectacular but we did see some green shoots in March. And this trend could accelerate, it is anybody's guess whether this will get back into say high single-digits from the mid-single-digits category growth, so whether they remain at this level or perhaps even decelerate. But if they do then I think the need for market share gain would be perhaps a little bit less, because the tidal wave of growth will carry us forward and we will be able to capture better margins. But if it does not then I think we will have to get into this slugfest of market share gains which comes at a cost and that would have some negative impact on margins, I do not know how much. So again, it is a question of like I said how the whole consumption space performs this year.

Nillai Shah: Sorry, just to clarify, when you are saying that you are expecting margins to be flattish in the domestic business at the EBITDA level, that is assuming some pickup that happens at the category growth levels?

Sunil Duggal: It assumes a reasonable pickup, a very high acceleration in terms of growth would see margin expansion, a deceleration of growth could see margin contraction also because our investments will then have to continue. Like I said it is very hard to forecast the scenario, there are too many moving parts here. But I remain far more optimistic of this year than I have been over the last two years or even three years.

Nillai Shah: And final question is on your new product launches over the last 18 months or so, could you call out two or three of them that have been reasonably successful?

Sunil Duggal: Odonil Zipper, Red Gel, Brahmi Amla, I think any of these were not real failure because these were not very high impact launches, but all of them have done quite well. Like I said, last few years we have been fairly muted in terms of how much we invested in NPDs and now we are beginning to open the purse string. So we are just going to wait another quarter or so to see how the demand revives and then you will see far more action on this front.

Nillai Shah: And are all these pan-India, for example Red Gel is at pan-India now?

Sunil Duggal: Red-Gel is pan-India, so is Zipper, Bramhi Amla is more of a north and west Indian initiative, but mostly pan-India, but some of them do have a regional context. Because their relevance is in that region and not perhaps in south India.

Naveen Trivedi from HDFC Securities

Naveen Trivedi: Sir, if you can just give us some idea about the Oral Care as a category growth and how do you see this growth difference between the Ayurvedic and natural segment and the other segments?

Sunil Duggal: Well, I think the natural space continues to grow ahead of the overall space, whether the trajectory of growth is as high as it was one year ago when Patanjali was driving most of the growth is yet to be seen. I think there will be some moderation in growth, but then for us we have another pool of competitive space to feed from and I think that is very positive. So for us I think the situation today is actually pretty benign. Earlier on we were really getting our market share from the traditional players, now we can get it even from other herbal players. So there are two streams where we can feed on.

Naveen Trivedi: So in that context do you think that the growth rate in the Toothpaste segment can taper along what we have seen in FY18 or you think that will be enough for us?

Sunil Duggal: For whom, for us?

Naveen Trivedi: For us.

Sunil Duggal: No, I do not think so, our growth will continue to be well into the double-digit, so I do not see any tapering off. Let us say we have now another avenue to attract consumers from, so that gives us a big pool to feed from. For us I think the situation is quite benign. But overall the herbal trajectory may be slowing down a little bit, I think it continues to gain and continues to grow ahead of traditional players, but rate of growth may have come down. I think we will have to wait for another quarter or two to get this situation with some clarity. But it is still growing ahead of the category, look into our growths, our growths are much ahead of category, even if you take 13% - 14% growth it is 2.5x category growth. I don't know about Patanjali's growth that number is never very visible but unless their growth is decelerating sharply, and like I said I have no evidence to support that particular theory, the herbal franchise will continue to grow at a much faster click.

Naveen Trivedi: So, since you are saying the category growth is around 6%...

Sunil Duggal: Volume growth, whatever I talk about now is volume growth.

Naveen Trivedi: Yes, do you think that that category can also grow into 8%-10% since the consumer dynamics are also improving, do you think that part of the category can also grow into 8%-10% volume?

Sunil Duggal: Yes, it can grow if the stimulus is there in terms of discretionary spends, particularly rural but also in urban, it can definitely grow double. In fact, we are hoping that categories to be growing if not in double-digits at least in high single-digits, 8%, 9%, 10% for at least the HPC categories, Hair, Oral, Skin, etc., because then we will be able to ride on the tide and grow at double-digit. But that may or may not happen, but in any case, we intend to grow much ahead of category, for all the categories which we participate in.

Naveen Trivedi: Sir, since your growth is largely driven by market share gains can you share what parentage of your domestic revenues has gained market share this quarter?

Sunil Duggal: Well, the big ones have, the Hair Care is stand out one, Oral Care, Shampoos does not show us gain but I think delivering 30% consistently over the last two or three quarters means that the gains will be there, they have not been captured in the data and we see the gains happening now**.** We are growing **in shampoos, it is** actually our best performing category, we are growing at 30%, last quarter we grew at 50%. So this will show up perhaps with a lag, because Nielsen numbers are with a lag. I think the only category where we have lost some share is Beverages and that also from a very high base, because we were at 56% which was all-time high, historical peak, now we are at 54%, so some erosion there and the reason for that I have spelt out earlier.

Naveen Trivedi: Sir, around 70% - 75% of the portfolio has gained share?

Sunil Duggal: Yes, that is true. Chyawanprash we have gained share, glucose we have gained share, honey we have gained share. I think Shampoos which like I said the numbers don't reflect the reality and then juices are the two categories where we have slowed.

Naveen Trivedi: And last question, any change in the tax rate guidance?

Lalit Malik: I think we would be more or less on the MAT rate plus minus2%

Sunil Duggal: Blended tax may be even a little bit lower because the international business attracts a lower rate, we do expect the profit growth to be higher than the domestic business, but that would be a very minor change.

<u>Abhishek Roy from Stewart and Mackertich</u>

Abhishek Roy: Sir, my first question is regarding your value and volume contribution from rural and urban areas, so can you please share with me the details?

Sunil Duggal: For the domestic business?

Abhishek Roy: Yes.

Gagan Ahluwalia: So, rural channel grew by 12.6% and urban by around 9.2%.

Abhishek Roy: This is value growth?

Gagan Ahluwalia: Value.

Abhishek Roy: And volume?

Gagan Ahluwalia: Volume, we do not have, but price increase were very less.

Sunil Duggal: 2.5% price increase component which is pretty secular in both urban and rural, which is mostly 2.5% broadly.

Abhishek Roy: So sir, which product contributed more from the rural areas, which was the largest selling product from the rural India?

Sunil Duggal: I think HPC category did very well there, all Hair Care, Shampoos and Hair Oils, and Oral Care has been consistently well and that has been doing well in the past, but Hair Care which was a little bit sluggish few quarters ago has now picked up and gained a lot of momentum in rural.

Abhishek Roy: Sir, the reasons why I asked this question because many players, even I say like Patanjali products they are actually sold at a discount from the products that you sell in rural areas and I believe that they have actually had a pretty good market share footfall there actually. And also few other players have come out with their Ayurveda products like HUL, they have launched their Ayush Brand and even Colgate, they have already launched their herbal Toothpaste. So do you think that is going to be a tough competition for you?

Sunil Duggal: Well, there has always been competition and Patanjali impact which was perhaps a little bit more urban. Now urban has come down quite a bit but he is still trying to build rural franchise. But I think ultimately our products are also very competitively priced for rural, we have SKUs at Rs. 10 in Oral Care and Hair Care and you cannot go below that. So it is not that we are not competitive in the pricing front, while we may not be a value player but we have value offerings which we have crafted specifically for the rural market. And so there is no disadvantage per say vis-à-vis the discount players.

Abhishek Roy: Okay. Sir, but this year what I believe is that volume will be major contributor to FMCG companies or those who are into HPC category. So like though these raw material prices are going up I believe that you will be planning for a price hike as well, but in terms of volume growth if I see do you think that your growth will be sustainable or do you want to tweak some strategies for that as well?

Sunil Duggal: I think our growth will be sustainable, I do not see any evidence of that not happening, unless of course there is some rural distress consequent to a poor monsoon or whatever. Those are exceptional circumstance which we really do not really put into our scenario. But I think overall our growth should be good I am looking forward to this, I think this year will be much better than what we did in the last two or three years.

Abhishek Roy: And sir can you just give me an outlook on the raw material price, because what I see is crude prices going up, palm oil prices are up, so what is your outlook?

Sunil Duggal: Outlook, we well are assuming, let us take some assumptions. We have assumed Brent of $70 and the dollar around $66. So I think the assumptions are pretty much in sync with the reality, there has been no big surprise here, even coconut oil we budgeted at very high level as we moderate a little bit from that. So, our budgets are also factoring in a fair amount of inflationary forces, so I do not think there will be any unpleasant surprises.But you never know, some people talk about oil going to $200. Now those are outlying events which I do not think will happen, but we are pretty much on top of the inflationary situation.

Abhishek Roy: Okay. So we can expect like say current level of operating margin going forward?

Sunil Duggal: Yes, I think we are committed to maintaining current levels of operating margin,That is what the endeavor is. We are not seeking to any enhancement unless the situation becomes very favorable in terms of both demand side as well as inflation moderates and demand picks up, that is really the sweet spot where you can enhance margin significantly. That may or may not happen but certainly the margin outlook is something which we are pretty confident about.

Abhishek Roy: And sir my last question is regarding your strategy on organic and inorganic growth. So do you have any plan in that part?

Sunil Duggal: Very much so, I think we have just done a couple of small acquisitions in South Africa, so that shows the intent. But the big prize would be doing something substantial in India and we are still looking at some targets but nothing is really coming out of it. Despite the fact that we will be paying out a substantial amount of cash in the form of special dividend, our intent in terms of M&A remains completely intact, there is no dilution of that intent. We still have over Rs. 2,000 crores of cash in the pocket and it will be built up during this year as well. So I think we do have the ability and the resources to do acquisitions even of a large size.

Abhishek Roy: Okay. So are there any companies in the pipeline that you are going to acquire?

Sunil Duggal: There always are. I mean companies in pipeline…that almost seems as if we are just about to sign the cheque. There is also prospecting happening and any point of time we are looking at three, four companies which interest us. And then of course we have to see the intent of the seller and his expectations. And last two years quite frankly nothing has happened and for good reasons, reasons have been largely valuation driven, but that may not be the situation going forward.

Umang Shah, Individual Investor

Umang Shah: My question is regarding segment and the capital employed, wherein actually a significant movement of capital is there between the segments over the year. So for example in Foods Q1 capital employed was around Rs. 240-odd crores which has come down to around Rs. 16 crores. So, what may be the reason for the same?

Lalit Malik: What we do is that we have also capitalized, so therefore there is a depreciation involved into this which dilutes the capital employed. On the other side, there are also the unallocated expenses which are attributable to that. So that is primarily the reason and unallocated capital employed, that is also the factor in this.

Umang Shah: So, what we are trying to say that we have capitalized some items but the expenses are still unallocated that is why it is not getting reflected in each segment

Sunil Duggal: Correct, and this is also net of the unallocated income also which is arising out of the investments.

Tejas Shah from Spark Capital

Tejas Shah: Sir, the rural bounce back that we are witnessing for last two quarters, is it also because the base quarter had a lot of disruption because of GST and demonetization earlier and the wholesale got impacted the most which has higher share in rural channels. Or are you picking up signs which are much more sustainable in nature at consumer level as well?

Sunil Duggal: Like I mentioned earlier there are some green shoots, March numbers indicate some uptick, but overall growths do remain fairly muted. So there has been benefit of favourable base which was more so in the previous quarter, a little bit less over this quarter. But base is soft. To get into the high single-digit, double-digit growth we need to have a better performance in terms of categories, both in urban and rural, it is not that the urban is doing better than rural, it is not, both are under some consumption stress. And we do expect that it will trend up, ultimately, we have seen many cycles of this demand happening and I do expect it will trend up sooner rather than later.

Tejas Shah: Sir, from today's commentary on Patanjali what we picked up is that Patanjali is perhaps not as aggressive a competitor as last year or in the recent past. You are reading this based on pricing intensity, distribution expansion or A&P spend activity, where you are actually seeing that intensity coming down from Patanjali?

Sunil Duggal: Mostly in terms of its promotional inputs, advertising inputs and all. So, there is much less of that happening this year than it was in the past, also new product activity, etc. etc. So overall, we have been seeing far more muted performance than what we saw a year ago.

Amit Kumar from Investec

Amit Kumar: Just a couple of questions from my end. One is on the Hair Oils side, what is the kind of volume growth that we have seen in this particular quarter for Dabur?

Sunil Duggal: Well, I think the volume growth in Hair Oils is trending at around 7% to 8%, so again outperforming the category by around 20%, 30%, almost 50% actually because the category growth rates are around 5% to 6%.

Amit Kumar: Sir, just one question, given the fact that your Hair Care value growth is around 9% for this quarter and Shampoos has sort of outperformed, so Hair Oils value growth is just about mirroring the volume growth, is it just because of the change in mix the smaller Brahmi Amla…

Sunil Duggal: There has been no pricing activity in Hair Oils, so volume and values are almost similar.

Amit Kumar: I mean is that sort of reflective of the competitive intensity or is it that you have some sort of raw material benefit, so we do not need to get in detail?

Sunil Duggal: Remember there was big GST related benefits, there were also anti-profiteering issues and there was no reason to take up prices, margin delivery in Hair Oils is actually pretty good. So, the growth came really from volumes

Amit Kumar: Sir, my second question, in some of the categories the quarter-on-quarter growth rate, I mean fairly stable categories like Home Care it is as stable as it can sort of get, but we are seeing a 36% growth in the previous quarter and very muted sort of growth in this particular quarter, any reason for this kind of volatility over there?

Sunil Duggal: I think it is largely driven by Odomos which is inherently volatile, insect care issues, etc, are driven by how many mosquitoes are there in the atmosphere and how much are they biting and that is really the outcome in terms of how these categories behave. This is more so in repellant category rather than insecticide category. So the volatility is part of the brand's DNA and you will see great growth happening if there is any epidemic happening. There was a large institutional order in the base quarter which did not repeat itself in this fourth quarter. And we believe that is not something which is a lost sale because the order is still pending, and we will execute it this quarter. So that was one reason. But I think the more important reason was the lack of any kind of epidemics, etc, etc. and that pulled down the growth of Odomos, but otherwise growth of Odonil and particularly Sani Fresh has been very good.

Amit Kumar: The reason why I am a little bit surprise on you attributing this issue to Odomos is because winter quarter that is not really a big driver of Odomos in any which ways, right, I mean previous quarter you were at 36% growth in Home Care, so very clearly that could not have been driven by Odomos, it was in all likelihood by Odonil and Sani Fresh. So that momentum does seem to have continued in this particular quarter?

Sunil Duggal: I think you should not go too much by one quarter's delivery, I think Home Care did have a great quarter for a variety of reason, Odomos being perhaps the major one. But that does not mean there is anything structurally wrong, so I think we should get back to growth in this quarter for Odonil. I am not too sure about Odomos, like I said it depends upon externalities, but Odonil and Sani Fresh I am pretty confident will grow at strong pace and will continue to lead and drive some of the incremental growth.

Kunal Vora from BNP Paribas

Kunal Vora: My first question is on juice category, what is the advantage which you as an incumbent have, is it your distribution of product, I am asking because there is well capitalized and determined competition, like ITC, Paperboat, there is benign raw material price, margins are at very high levels. So what gives you confidence that you will be able to hold on to the market share? That is question number one. And second question sir is on GST, any thoughts on eWay Bill implementation, any impact you have seen? And having seen GST implemented for a few quarters now, how has life changed for you, is there any benefit like shift from unorganized or logistics cost savings, etc?

Sunil Duggal: In terms of your first question, our competitive advantage in juices, keep in mind that over the last 20 years we have been in this business our competitors have been the beverage majors, Coke and Pepsi, so these are not small potatoes, they are all the big organized players. And now of course there are more of them that is ITC and some other private equity funded players. So there have been further enhancement of the competitive intensity but it is not something which we have not faced in the past and yet managed to get the leadership status here. And behind that is really a supply chain which is I think the single biggest strength and because of the value chain, we have the best margins in the business. We have the best supply chain in the business and this is something we have learnt something over the years how to fine tune the supply chain so that our products are freshest in the market. And freshness is a very big driver of sustainable growth, otherwise you can get a lot of stuff coming back to you and which we have to just trash. So there is nothing which has eroded there. And according to me some of these well-funded players like through internal capital or through external capital, how much can they sustain the burn, that is also something that you have to keep in mind.This is not a very high margin business that you can burn a lot of money for till the end of time may be in expectation of profit coming in. So we do believe that many of these players will lose steam going forward and we will be back to where we were. But even now we are holding on quite well, while we may have lost a couple of point shares we do expect that we will be able to regain them by putting into play promotional inputs which we can now afford because of the benign prices.

On your second question on GST, I think GST net-net has been a big positive for us. There was a disruption that happened but it does lower our input cost, we get input credit benefits, especially in services area, our net worth improves, the unorganized competition reduces, all these are big positives. They are trying to play out and the eWay Bill, the interstate part has really not been impacting us at all, but there could be some disruption from the second part which comes into play from April. So I think now the system is pretty much prepared to deal with the eWay Bill, IT systems are now performing. So I think the process of learning from past mistakes has been now adapted by people running GST, so the rollout should be quite smooth. Net-net over the period of time starting perhaps this year itself we will see benefit of GST emerging, especially in terms of better management of cost.

Kunal Vora: So, in logistics supply chain have you made any changes after GST, have you seen any cost saving over last one year

Sunil Duggal: We made some changes, now we are embarking on a major project to completely reengineer the supply chain, this project will take off pretty much now and take us something like 15 months to complete. I think that is when we will realize the whole systematic change, rather than do it in bits and pieces we want to look at whole supply chain very holistically, right from procurement to sale and see under the GST environment which is the best way to optimize it. So that is of course the benefit will continue coming through throughout the year but this is a long-term project of big magnitude and big impact.

Kunal Vora: But you are reviewing this because of GST?

Sunil Duggal: We would have done it under any case, but the urgency of reviewing it becomes even more because the whole supply chain architecture has now changed consequent to GST.

Kuldeep Gangwal from KSK Investment Managers

Kuldeep Gangwal: So, you mentioned about first half FY19 growth of 8% and full year potential growth of 10%, I assume it is volume growth. What is the potential price growth you are targeting for FY19?

Sunil Duggal: See, these are very indicative numbers and I think they are contingent upon, I keep repeating myself, on the category growth reviving in the second half. So, these numbers will happen only if there is revival of category growth.

Kuldeep Gangwal: But these numbers were volume growth you were talking about?

Sunil Duggal: Yes, volume growth because the pricing impact will be layered upon volumes, depending up on the inflation situation and other factors. So I think one should really look at growth from volume perspective from now on. And this is really what we believe is a situation today. But the second half, I think the first half visibility is reasonably high but second half there is not that much because of outlook on the category growth is not very clear.

Kuldeep Gangwal: Okay. But you were mentioning like having adequate pricing power as of now as well as some cost inflation in certain segment, so that means that some price hike will be required at least in first half FY19, is that understanding correct?

Sunil Duggal: Price increase will definitely happen, now it could be 2%, it could be 5%, I do not know. But that depends on how much inflation. But when I mention pricing power, so that means we have adequate amount of pricing headroom to deal with inflationary forces.

Kuldeep Gangwal: And regarding distribution, so your direct distribution is about 1 million outlets, what is the optimal direct distribution reach you are targeting given the cost benefit over there?

Sunil Duggal: See, we believe that we should be at around 1.2 million; the question is how soon we will get there. We shall get to 1.2 million very quickly in case the category growths revive and there is underlying demand which would support the cost of reaching out to these outlets. I mean ultimately the deeper you go the more is the cost compared to the returns on that investment. So there is no point doing it when the category growths are sluggish, but if they revive and like I said I believe they will, then we will go to 1.2 million if not this year then certainly the next year.

Kuldeep Gangwal: Okay. So currently it is 1 million, that understanding…

Sunil Duggal: Yes, something like that. From there to 1.2 million is what we should target in the situation where demand revival is reasonably strong.

Riken Gopani from Infina Finance

Riken Gopani: I just have one question with regards to the international business, particularly in the GCC what we understand is the expatriate population continues to decline and you see more expat as part of the overall coming down. So, what gives you the confidence that GCC market, and particularly also if you can highlight what is driving the performance in the current quarter in the international markets? And what are the potential headwinds that you see, if any, in the near-term towards growth?

Mohit Malhotra: I think first of all in GCC markets we do not target the Indian expats who are residing, and the population of the Indian expats is actually shrinking as you rightly said. So we are actually targeting the local population over there which is the Arabs, and that is the source from where our growth is actually coming from. And we have seen a couple of headwinds due to structural macroeconomic changes which have actually happened in the entire GCC region. With the Brent prices going up and the crude prices going up, economy there also is stabilizing with more stability there. We have also done structural changes in distribution in Saudi Arabia which is responsible for the growth which we have seen in the last quarter. So, we see that these growths will continue to happen as the economy improves and also due to some changes that we have done in our distribution, structural changes there.

Riken Gopani: Okay. So, it is more also driven by the distribution changes that you have done, could you elaborate a little bit as to what basically has been there in terms of the changes?

Mohit Malhotra: Earlier what used to happen is entire market used to be dependent more on wholesale. With so much of macroeconomic changes and the government also tightening and putting a lot of hardships there, the direct distribution becomes more important as against the wholesale. So we had to shift to a distributor who is not dependent on wholesale reach to reach out to the interior through direct reach. So we have actually now changed distribution to a company which has got more than around seven to eight warehouses across the region and therefore the direct reach is more possible as against indirect. Therefore, we changed our distributor partner in Saudi Arabia which is the largest market in entire GCC. That is why you see a growth of around 82% coming in Saudi Arabia which we think is sustainable because of these structural distribution changes that we have done on the ground.

<u>Sameer Gupta from IIFL</u>

Sameer Gupta: Most of the questions are answered, just two questions from my side. The inventories have seen quite a good increase of around 13% - 14% despite sales being around flattish. So is it related to changes in our distribution structure over the year and going forward how should we look at this number? And secondly what would be our CAPEX plans going forward?

Lalit Malik: I think with regards to the inventory on finished goods has increased primarily on account of changes under the legal metrological act where the packaging disclosure is required to be changed, so we have prepared inventory beforehand in order not to lose sales. So that is one of the reasons that you see. And also, we have a higher forecast for the current month for the current quarter, so that has also added to the inventory that we have seen as a closing inventory for 31st March. With regards to the capital expenditure, we will have approximately Rs. 250 crores to Rs.300 crores CAPEX for the current year going forward in FY19.

Sameer Gupta: And this would be comprising of any new plant or this is just maintenance CAPEX that you envisage?

Lalit Malik: So this will be capacity expansion in the existing plant that we will be doing and we may look at the opportunity for further expansion in our capacity, so it would include that. But no Greenfield plant, this year there will be no completely new plant anywhere in the world.

Sameer Gupta: Okay. Because this is a higher CAPEX than that we did in FY18, right?

Lalit Malik: Yes, I think it is slightly higher because we have also got approximately Rs. 240 crores overall CAPEX in this year also.

Sunil Duggal: But keep in mind all of this will not be expended this year, there may be some carry forward into next.

Gagan Ahluwalia: Thank you for your participation in this Conference Call. As always, the webcast of this call and Transcript will be available on our website. We will be happy to take any questions. Thank you. And have a nice day ahead.