

JSW Dulux

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to JSW Dulux Ltd. Q1 FY27 earnings conference call. At this moment, all participant lines are in listen-only mode. Later, we will conduct a question-and-answer session. At that time, you may click on the Q&A tab to ask a live question. I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you, and over to you, sir.

Aniruddha Joshi – ICICI Securities: Thank you. On behalf of ICICI Securities, we welcome you all to the Q1 FY27 results webinar of JSW Dulux Ltd. We have with us today senior management represented by Mr. Rajiv Rajgopal, Joint Managing Director and CEO; Mr. Krishna Ralapalli, Whole-time Director and CFO; and Mr. Rajiv Jha, General Counsel, Company Secretary, and Compliance Officer. I now hand over the call to the management for initial comments on the quarterly performance, after which we will open the floor for the question-and-answer session. Thank you, and over to you, Rajiv sir, to read out the disclaimer.

Rajiv Jha – General Counsel, Company Secretary, & Compliance Officer: Thanks. Aniruddha, are we audible?

Aniruddha Joshi – ICICI Securities: Yes, sir.

Rajiv Jha – General Counsel, Company Secretary, & Compliance Officer: This media release contains statements that address key issues such as the company's growth strategy, future financial results, market position, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecast and actual results or outcomes to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures and approvals, as well as significant market disruption. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business, please see our latest annual report. With this, I am handing over the stage to Mr. Rajiv Rajgopal to take it forward.

Rajiv Rajgopal – Joint MD & CEO: Good afternoon, everyone. I am delighted to be back on a call with all of you regarding the quarterly earnings for the first quarter of the fiscal year. As all of you have seen in our commentary, we have had a fairly strong quarter. However, to explain it clearly, we have to look at the quarter from a like-to-like perspective because when you look at the first quarter, it also included certain remnants of the business that was taken off or carved out as part of the AkzoNobel India deal with the JSW Group. The JSW Dulux Ltd. like-to-like business now houses all the brands and businesses that are part of this journey. What has been carved out is the powder coating business, the IRC business, and a few customers globally, which AkzoNobel has retained as part of its unlisted entity.

With that, I want to quickly take you through the financials first so that, at a high level, we have loaded the entire presentation on the stock exchange, and most of you would have gone through it by now. I am not going to spend a lot of time on it, but to be very clear, I want to first inform you of

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the numbers so that we can then move quickly. Krishna, our CFO, and Rajiv are here, and we can quickly explain how the quarter has gone and give you more time for the Q&A session.

Revenue grew to 965 crores in the quarter. The like-to-like revenue for last year was 812 crores, which represents 18.8% growth, blended between decorative and industrial. Gross margin was {? 360.8 crores ?} against 353.6 crores last year, which is a 2% increase. We delivered EBITDA of 115.1 crores against 100.4 crores last year, which represents 14.7% growth. PAT was 135.5 crores against 67.2 crores.

As mentioned in our press release, PAT had two one-offs, which we want to clearly highlight. One was interest on an IT refund of approximately 21.5 crore, and the other was dividend income from ICIRMT related to the sale of assets held under that entity, amounting to approximately 55.9 crore. That is the commentary at a high level.

If I were to look at the quarter, I would like to start by saying that we had volume growth of 25%. The quick question will be that when you look at volume, price, and mix, various industries refer to it as underlying volume growth or UVG. We have delivered volume growth of close to 25%. If you were to adjust for PT, we would still have volume growth of close to 18%, or really 18-19%. This is pretty strong growth. If you take out some of those factors, which are again a very high growth in our view, close to almost 20%, then 30% growth giving you 18.8% revenue growth leaves very little for me to complain about.

Before running through the other metrics, I would also like to compliment the team. Our decorative business grew at a fairly high double-digit rate. Our industrial business also grew by upwards of 25%. It has been a fantastic performance, and my kudos to the team.

One also has to keep in mind that during this quarter, between April, May, and June, many employees were involved in moving our Delhi headquarters and shifting the entire headquarters to JSW Center in Mumbai. This involved the transition of a team. As I told one of the channels in the morning, it almost felt like rewiring a house without switching off the mains. I really want to compliment the team for being able to achieve one of the highest growth rates. COVID was a base effect, so if I take that off, this is one of the highest growth rates I have seen since I took over as MD of AkzoNobel India in 2018. It has been fantastic growth under tough circumstances. Obviously, a lot of shifts are happening, and there has been a massive change for employees. This speaks volumes about the way the teams have conducted themselves.

I also want to give huge kudos to Mr. Parth Jindal, our Chairman, for welcoming us into the family and making sure that we feel at home. This was also an ad line of our VT campaign a couple of years ago. I think those are the 2 pivots that helped us accelerate faster. Of course, there are brand pivots, distribution pivots, and strategy pivots that we have implemented.

Coming to the details of gross margin, gross margin was 37.4%, largely impacted for 2 reasons. First, we had lower inventory, particularly in our decorative business. Our blended inventory was approximately 95 days, against an industry level of approximately 110-120 days. Within that, decorative was at approximately 60 days. Therefore, in the decorative business, we saw an impact on our margins because we had to immediately buy high-priced stocks at almost the end of March. We are seeing some improvement now as we enter August because the high-priced stocks have

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been exhausted, and we are now at much lower rates than those rates.

We had some benefits in industrial for the same reason because we had inventory cover of close to more than 100 days. One has to keep in mind that gross margin was impacted by approximately 2 points because of the crude challenges.

The other factor was a painter reclassification on promotional spends, which we moved to gross-to-net in line with the industry. This is something we also wanted to do proactively so that we are all speaking the same language. We may have taken a slightly more cautious view here, but suffice it to say that this was also a reason for the impact, accounting for another 2.5 points. Therefore, if you look at it, the underlying gross margin, which Krishna may also walk through, was closer to approximately 39.5–40%. This really changes the picture of the results.

The second point is the EBITDA margin of 11.9%. Obviously, there is a flow-through from gross margin to EBITDA, but also remember that we decided to reinvest in growth. To start growing faster than the market, it was imperative for us to start adding people, particularly in 2 areas.

The first area was R&D because, as you know, I strongly believe that innovation and brand differentiation are very important, particularly in a hypercompetitive environment. The second area was adding people in many parts of India. I will give you an example. When our Chairman recently visited Hyderabad, he was somewhat astounded to learn that we had only 2 area managers and approximately 6–7 people until a few years ago. With his approval, at the end of March we decided to hire people, and we added approximately 160 people. Obviously, that cost, including salaries and travel costs, is going to be an imperative.

I call this a correction because what we are doing is laying a strong foundation. We are not planning to add this number every year. We will obviously add incrementally thereafter, and hence we see EBITDA margins coming back to the band that I used to talk about. However, given crude prices, I have said that the EBITDA margin would be in the range of 13–15%. That is the kind of margin I think we should be able to achieve for the reasons I mentioned.

With this, let me quickly hand over to Krishna. Krishna will give you a succinct overview of the business and the financials, after which we will take all your questions. Krishna, over to you.

Krishna Ralapalli – Whole-time Director & CFO: Thanks, Rajiv. I think Rajiv has fairly summarized the overall situation. Despite the turbulent external environment, we were able to focus on our strategic priorities and deliver the results. We grew the business in line with our plans. Of course, there was a significant increase in input prices and raw material prices, which we were able to navigate through the price increases we took in line with the industry.

There were also cost-prudence measures that were applied. We confined our opex to growth initiatives, and we ended the quarter with approximately 14.7% growth in absolute EBITDA on a like-to-like basis.

Of course, because of the shifts that occurred during the quarter, the EBITDA percentage was diluted by approximately 50 basis points. We have also notified you about the 2 exceptional or one-off items.

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The first was the dividend income we received from ICIRMT, which is a wholly owned subsidiary. The amount was 59.9 crores. This was posted as other income and resulted from the real estate monetization transaction that we completed last quarter.

The second item was related to our efforts to improve efficiency and optimize cash. Our rigor in pursuing old income tax litigations resulted in a refund of 108 crores pertaining to assessment year 2013-14, which included interest income of 21.5 crore.

These are the key financial metrics and a summary of what happened during the last quarter. With this, Aniruddha, I will hand it back to the moderator for the question-and-answer session.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may click on the Q&A tab on the panel below and click on the raise-hand button. The operator will announce your name when it is your turn to ask the question. Please accept the prompt on your screen and unmute your microphone before proceeding with your question.

Operator: The first question is from the line of Pratik Gothi from HSBC. Please go ahead.

Pratik Gothi - HSBC: Hello. Am I audible?

Operator: Yes, Pratik.

Pratik Gothi - HSBC: Thank you for taking my question. This is Pratik Gothi from HSBC. My first question is, can you elaborate on some of the changes that you have brought on the ground in terms of better execution, especially in the decorative business? You talked about headcount, but are there any other distribution or operational changes?

Rajiv Rajgopal - Joint MD & CEO: I think that is a good question. What we have done is that we are looking at a very micro-market strategy now. What we are doing is first looking at markets where we have a significantly higher market share, in states such as Bengal, Gujarat, parts of Punjab, Delhi, and so on.

Then we have markets where we have, and these are places where we have market shares of above, on a weighted average, 4.5%, and in some cases almost 8-10% market shares. We have then taken the second category, which is around the weighted average, where there are a large number of states. The third category is states where our shares are very low, in the very low single digits.

What we have done is divide this into 2 parts. First, how can we start having the right portfolio for the right market? Within that, we made sure that during the quarter we invested particularly in states where we had seen a significant decline in certain undercoat categories. Products such as Promise 2-in-1 primer have seen fantastic growth.

We have also redoubled our efforts at the top end on Velvet Touch and WeatherShield to make sure that we grow. We are present in more than 5,000 towns, but our meaningful presence is approximately 3,400-3,500 towns, which we call our active presence. What we are doing is taking that to approximately 4,500 towns this year. Again, we are focusing on towns with populations greater than 20,000.

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We are also trying to redouble our efforts to determine, at least in the large cities and metros, how we can recover any share loss or build our share. The focus is on driving 3 categories: first, premium; second, adjacencies, led by waterproofing and wood care; and third, the mid-market.

Where we had good success in the quarter, to answer your question, was in premium and adjacencies. In the mid-market, I think we still have some distance to cover in terms of growth.

We have also focused, to be specific, on engagement with painters in some of the towns, and we have started our architect and interior designer program. Some of the other players may have been doing this, but we have really sharpened the program and gone digital.

As we move forward, we are trying to use a lot of analytics and AI to help us target more precisely, given the fact that, as the number-four player, we cannot afford wastage.

One last point is that we are also looking at where the distributor model has worked. As all of you know, one of the reasons we adopted the distributor model was that we never received approvals to open many depots. That has changed.

One of the things we are looking at is high-share and high-potential markets where our ability to win will be very high because of the residual strength of the Dulux brand. In approximately the top 20 towns, we will start moving to a direct or hybrid model. We will obviously continue with the distributor model wherever it has yielded great dividends for us over the years. In essence, that is what we are trying to do.

Pratik Gothi – HSBC: Thank you for that detailed response. A follow-up to that is, you mentioned that the growth in the mid-premium segment was still, if I read that correctly, below the growth of the premium portfolio and the adjacencies.

Management: Not premium. Premium and luxury grew at a high double-digit rate, almost close to the blended growth that we achieved in both volume and value. The mass-market and economy segments grew a little lower; they grew in the early double digits.

Pratik Gothi – HSBC: So mix was improving year-on-year in this quarter. In spite of that, we have not seen much of a margin impact. I understand that you mentioned the margin impact from the consumption of high-cost inventories and higher promotional spending. Is there anything else that explains the volume-value gap, so to speak?

Management: There were 2 factors, as I told you. One was inventory. The second was the fact that the painter reclassification moved to gross-to-net, which was almost approximately 2.5% of blended revenue.

The third factor is obviously the business mix. While premium grew in decorative and automotive also grew, in some of our other businesses, such as industrial coatings, we actually grew significantly faster than in some of the other areas. If you are growing at 20% in one business and at 30% in another, the mix still tends to move in that direction. That was a positive challenge for us this quarter.

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Krishna, do you want to add something? I think we are fine. Yes, yes. Moderator, we can take the next question.

Operator: Thank you. Participants, you may click on the raise-hand icon to ask a question. The next question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi – ICICI Securities: Hello?

Operator: Yes, Aniruddha. Go ahead; you are audible.

Aniruddha Joshi – ICICI Securities: I have 2 questions. The company is now going to be somewhat more in investment mode to gain market share. Is there any target that you would like to indicate? I believe the earlier target was to be among the top 3 paint companies, with the Dulux and paint businesses taken together. How do you see the timelines for that? Are there any inorganic acquisition plans to become a top-3 player, if you can elaborate on that?

Secondly, can you elaborate a little more on the painter program? How is the painter program working out? What could be the potential benefits in terms of additional revenue, and how will it help us reach more consumers? What will the investments be? Please share anything that you can.

Management: Aniruddha, on the first question, what exactly would you want me to cover? The second one is very clear.

Aniruddha Joshi – ICICI Securities: I believe our earlier target was to be among the top 3.

Management: Strategy, understood. Given that you are talking about both JSW Paints and JSW Dulux Ltd., if you add the 2, we are currently close to almost 6,000 crores. This includes both decorative and industrial.

Obviously, that gives us a pivot, and the pivot has to be toward something far more ambitious. That is where the vision we have crafted is focused on becoming a number-two player. I know that many players are competing for the number-two position, but suffice it to say that we will do this in a very prudent, efficient, and value-accretive way as we move forward.

How are we going to do this? In decorative, we still believe that we would end up being number three. Our challenge is that we believe industrial has a sweet spot, primarily because of the brand strength that JSW Dulux Ltd. will bring on the international side of the business and some other propositions that we are going to bring alive.

We believe that on the industrial side, along with JSW Paints Industrial, we should now start positioning ourselves to move into the top tier. Over a period of a couple of years, or 1 year, 1.5 years, or 2 years, we want to position ourselves for a number-one position.

Our vision is a 2030-2031 vision. It is not as if we have to do all of this immediately, but you are right that we have to start delivering that kind of growth now. Unless we are able to do that, we will not be able to reach there. That is the position on the industrial side.

In decorative, the market is still very competitive, and our endeavor is to continuously outperform. In decorative, the mission is very clear: we want to start gaining market share. At the size at which

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we operate, if we focus only on playing in selected pools, we will not be able to act. However, while doing this, we must make sure that we deliver absolute EBITDA.

One of the things we have said as an organization is that we will continuously focus on driving market-share gains and, at the same time, deliver absolute EBITDA. That, Aniruddha, is the plan, and that is what we are working toward.

The second point is your question about the painter program. What we have done in the painter program is that we have moved the entire program to a digital platform. I spoke about this in a smaller manner last time. We use what is called customer lifecycle management, which is used by telecom companies, and I also discussed it earlier.

We divide our painters into high-, medium-, and low-usage categories. We then try to provide offers to move people up. Why do we do this? Otherwise, there is a lot of wastage in the other offers that are going into the market. We are trying to do this smartly to make sure that we gain. Hopefully, this answers your question, Aniruddha.

Aniruddha Joshi – ICICI Securities: Yes, sir. This is very helpful. Many thanks.

Management: Thank you.

Operator: Thank you. Participants, you may click on the raise-hand icon to ask a question. The next question is from the line of Pratik Gothi from HSBC. Please go ahead. Pratik, may I request you to unmute your line and proceed with your question?

Pratik Gothi – HSBC: Am I audible now?

Management: Yes, Pratik.

Pratik Gothi – HSBC: Thank you again. Could you comment on the competitive dynamics in the decorative business? Can you elaborate on that?

Management: All I am saying is that it will continue to be very competitive for the next 1-2 years. You are seeing the disruption caused by the arrival of new entrants. I still believe that there will be competitive intensity.

Pricing may have appeared to stabilize in a certain manner, but there is still a lot of discounting that the new entrants are pursuing as a strategy. Therefore, for us, building our brand and making sure that we drive continuous sell-out is the only way we will be able to sustain ourselves in the long term. That is the area of focus, Pratik. Hopefully, I have answered your question.

Pratik Gothi – HSBC: On discounting, if I look at AkzoNobel's annual report, even your rebates-to-gross-revenues ratio has gone up to approximately 25%. How should one interpret that? Your rebates have also probably increased. Has your discounting strategy also tried to match the incumbents, or tried to match the new entrant? Any comments on that?

Management: No. There are 2 parts to it. Whenever the projects business grows, the projects business has a higher impact because of the rates—not because of discounting, but because you have to provide rates to customers. That has an impact.

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Remember that we are large in the projects business. We do not provide segment results, so you are looking at the figures on a blended basis. We also have a large industrial business where people have asked for price-offs to manage their projects over a period of time. That is the first factor.

Second, remember that when you look at our discounts, they also include distributor commissions. That is a significant difference compared with the industry. When you negate or take out approximately 4.5–4.7% of that, which represents distributor margins, you will see that we are fairly modest in terms of what we do with dealer commissions.

That is also a known fact when you go into the markets. You would see that we are not looking at benchmarking ourselves on pricing against the new competitors. We benchmark ourselves on pricing against the market leader because we believe that the industry is fairly disciplined on that.

Pratik Gothi – HSBC: Thank you very much, sir. That helps.

Management: Thank you, Pratik.

Operator: Thank you. Participants may click on the raise-hand icon to ask a question. The next question is from the line of Abhishek Malhotra from Systematix. Please go ahead.

Abhishek Malhotra – Systematix: Thank you for the opportunity. I hope I am audible. In your opening remarks, you said that the price hikes we have taken have been in line with the industry. Despite that, our decorative business specifically seems to be far ahead of the number-one and number-two players.

I am guessing that decorative would probably be in the low teens in terms of volume growth. I wanted to understand what is driving this outperformance. Is it the expansion into the new towns that you spoke about earlier, or is it probably the higher absolute tonnage contribution from the mid-market or mass-economy categories? Specifically, what is driving this outperformance in terms of decorative volume growth?

Management: Decorative was very clear. Our largest contributor, at 45%, comes from premium. If premium does not grow in the 20% range, we cannot deliver 25% volume growth. Therefore, it was very clearly driven by decorative premium. I want to be very categorical about that.

Categories such as adjacencies have grown even faster, but premium led the growth, and that was good news for us.

As far as the industrial business is concerned, industrial also grew in the 20s. Therefore, it is not that decorative was in the, you know, mid—

Management: {? double digits ?} or early double digits, or any of that. Decorative is 60% of the business. Unless you grow 20% in decorative volume, you cannot achieve 25% volume growth. Therefore, it was led by decorative, and this time it was not driven by undercoats or putty or something similar.

Abhishek Malhotra – Systematix: Understood, sir, but do you have any follow-up on that?

Rajiv Rajgopal – Joint MD & CEO: It has come from existing towns. The growth in value per outlet has largely come from existing towns and existing outlets. It has been fairly secular across the types of outlets. It is not that large outlets have contributed more. We have seen that growth coming through.

Approximately 2 years ago, we had a problem with the new entrant coming into our smaller dealers, but that is something the team has managed to fix well over the last year. Hopefully, that answers your question.

Abhishek Malhotra – Systematix: Just a quick follow-up, sir. We have seen that Asian Paints and Berger have reported approximately 8–9% volume growth in decorative. Do you have any comments on what could be driving our relative outperformance in decorative?

Rajiv Rajgopal – Joint MD & CEO: I think there are 2 or 3 factors. First, we are talking about fairly strong brands and players, and I do not want to comment on them directly.

What we have done is redouble our efforts starting from around the same time last year, perhaps August last year, after the acquisition was announced to the group and even before the formal acquisition started. We put our strategies in place to determine how we could start growing faster than the market, because that was a very clear goal or task given to me by the Chairman.

Even before the acquisition, he made me understand how the JSW Group operates, and that was very helpful because it gave me context on how to start building the organization for tomorrow. It is very difficult for me to say that 1 or 2 things alone have delivered this performance. We have been working on this very assiduously, and that is how we have developed it.

There has obviously been good work on distribution expansion in decorative, but the good news is that the growth came fairly secularly across the portfolio, as I said, except in the mass market, where the growth has been somewhat underwhelming because the other players have done better. Other than that, we have looked at it in that manner.

We have also done a lot of work on digital. We have improved our lead-management system, and it is now completely digitized. We have worked on the AIDN contractor program, which we have also discussed. We are using a lot more data to make decisions.

As I told you, our focus on distribution was to determine how to move from approximately 3,500 meaningful towns, while availability may exist in 5,000 towns, and make that availability count. This means determining how to build a meaningful presence in a town. That is where we have redoubled our strategy: focus on where we are very strong and then start growing it further. That is the position in the decorative business.

In automotive, the growth has been absolutely stunning, led by premium, with many marquee brands entering our portfolio. We have been large players in terms of usage with companies such as Mahindra. As you may know, we have also signed up with Porsche. MG is now part of the group.

JSW MG will not choose us merely because we are part of the group. Unless you provide a better paint, it is very difficult. With the credibility of Sikkens, we have been able to enter some of the body shops very quickly. We are working with a few other players, where we have just begun work.

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There is a lot of work happening in automotive and specialty. We are also working on industrial coatings, marine, and protective coatings. We are looking at whether some of the products we have been working on for the last 7-8 years need to be supplemented with new products because the world and the environment are changing. We are evaluating whether there are new propositions that we need to bring in.

There is some work that we have started, but you would appreciate that I would not be able to discuss some of it on a call because of confidentiality. That is what we are trying to do.

Abhishek Malhotra – Systematix: Do you see these strong growth trends continuing into July and August as well?

Rajiv Rajgopal – Joint MD & CEO: July is a short season because of the rainfall. Even in India, the rainfall started somewhat late. It has not been as strong, but I do expect that the quarter would be in a similar band.

It is very difficult today to sit and predict what the quarter will look like. However, even before this quarter, for which I am giving the call today, I said that my endeavor was to achieve double-digit growth in both volume and value, and I continue to maintain that.

Finally, for us, you have to remember the JSW Group's adage: "Better every day." That is something I have to live up to. Hopefully, that answers your question.

Abhishek Malhotra – Systematix: Yes, it does, sir. Thank you for the detailed answers, and all the best. Thank you.

Operator: Thank you. Participants, you may click on the raise-hand icon to ask a question. Ladies and gentlemen, you may click on the Q&A tab on the panel and click on the raise-hand icon to ask a question. Participants, you may click on the raise-hand icon to ask a question. As there are no further questions, I would now like to hand the conference over to the management for closing remarks.

Rajiv Rajgopal – Joint MD & CEO: I am glad that the note today was clear. Thank you all for your incredible support.

Before I close, I want to talk about how the integration is proceeding between JSW Dulux Ltd. and JSW Paints. We have started a program called Project Akshaya. We are looking at unlocking synergies, and I will give you an outline before asking Krishna to comment on the impact during the last quarter.

What are we doing? We are looking at areas where we can reduce duplication, identify cost efficiencies, and move forward. One of the areas where we have started work is cross-manufacturing. Today, we manufacture JSW Paints products at our Gwalior factory, and we manufacture JSW Dulux products at the Bangalore plant of JSW Paints, to start with.

I am giving you one example, but we have actually started with a much higher level of engagement. For example, we are also manufacturing some of the wood-care products for JSW Paints in Mohali. This is just to give you an idea.

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The second area is supply chain. We are going to redesign our end-to-end supply chain to maximize efficiency and achieve a faster response to the market.

The third area is ERP and systems integration. A lot of work is happening at our end. The ERP migration will happen by the end of the year, as planned, because it is a very laborious process. We want to make sure that we are not just doing it, but doing it well. We also want to ensure that we are not merely building a system for today and tomorrow, but building, as our Chairman wanted, a system that will last and help us meet the vision we have outlined.

The fourth area is the alignment of functional structures. We have already started integrating the functions. Other than the CEOs, CFOs, marketing teams, and retail team, we have started integrating the other functions.

For example, our projects team is now part of a unified project business. The idea was to create a unified business model that enhances customer value and offers the entire range of products and services to the customer. That is broadly what we have started with.

Krishna, can you quickly outline how this is progressing and the impact during the last quarter?

Krishna Ralapalli – Whole-time Director & CFO: Rajiv has summarized this quite well. The genesis of Project Akshaya is that we have stated that we want to become the number-two player in {? [unclear] ?}, number three in decorative, and number one in industrial coatings. This also requires a significant amount of re-channelization of resources and funding.

We need to determine how to run a self-help program that will bring efficiencies to fund the growth initiatives. We also have the context that our entire AkzoNobel digital ecosystem was based on the erstwhile parent organization, AkzoNobel. We have a TSA for a limited period, but we need to move out of those systems and create a system that is agile enough to capture the growth initiatives while maintaining a robust control framework.

In this context, we started evaluating every opportunity on a first-principles basis. This resulted in narrowing the opportunities down to the initiatives mentioned by Rajiv.

The fundamental principle in applying any of these initiatives is ensuring 100% governance. We are taking the help of a few Big Four firms to ensure that the framework is robust enough and that there are no concerns or questions related to related-party transactions. That is the first priority.

The next priority is to bring in the synergies. Once the synergies are realized, we need to determine how to fund the growth initiatives. This is the 3-layered approach we are taking.

We started yielding results despite the extremely volatile situation in Q1. Savings of approximately 2.4 crores were realized, which formed part of the cost initiatives and was included in the P&L presented to you.

With this, Rajiv, I think this is the start of the journey. We have also stated very clearly that this is a 3-year roadmap. It requires a sustained and consistent strategic approach toward delivery and disciplined execution.

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Rajiv Rajgopal – Joint MD & CEO: Thank you, Krishna. Manoj and Anirudh, thank you for setting this up. A couple of people have been reaching me on WhatsApp because they were unable to join the call. We take that feedback, and we will make sure that we return to our normal call format next time. I really look forward to connecting with all of you.

I wish all of you a fantastic Independence Day ahead. I also wish you all the happy festivities that we celebrate before we enter Ganesh Chaturthi and many other festivities before we meet next time.

Suffice it to say that we will continue on our mission. Of course, it is not an easy one. I have been at the helm since 2018, and I understand that. However, I must once again say that this is a journey to which we are committed. As a team, the larger organization is now very clear about the direction in which we are headed.

You can count on us. I want to thank each and every investor on the call for all the support you have given us over the years. Good luck, goodbye, and I wish you all the very best. Thank you.

Operator: Thank you very much. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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