Astral Analyst Meet,2022
30th May, 2022

Hiranand Savlani: Good afternoon, everyone. After a long break of almost three years, we can see all the known faces before us. So very, very delighted to see all of you and to start with the program.

Sandeep Engineer: I welcome you all. I was just calculating after exactly three years, we are meeting everyone in person, but time has just passed or flied and I am happy that everyone is safe. Now the world has put COVID in the backseat and progress in the front seat. When I was in US a couple of days back there nobody remembers COVID actually, and everybody's back to work a lot of things have happened and a lot of questions would be there for you, for us to answer. Lot of new things have come. We always brief you on our con calls, but to talk in person is absolutely different than when we talk on a con call. So, we were delighted to host this analyst meet and I made it a point we want to analyst meet this year whatever happens.

Now I'll jump a few slides. Some of the things everyone knows, but to go through the presentation 1996, since our incorporation Astral has grown multi folds and now we have a family of 6000 people working in the corporate. We have export presence; we have manufacturing presence in three countries. We have 18 manufacturing units. We have a production capacity of 3,70,000 metric tons, 23 depots and 2500 + distributors and 180,000 + dealers. The corporate structure as Astral is Resinova 97.45% now with the merger it will become Astral in a next few days. Seal It is 80% still we have the Mr. David as our partner who will be still be with us for coming few years. And Kenya which unit was 50% but we have exited Kenya market and the unit will be, is closed and completely the unit will be closed this year. So, there won't be Astral in Kenya. GEM Paint, which was recently acquired is 51% and Seal It us is 100% ownership of the UK entity so, these are the product lines. Now we are in water tanks apart from pipe we are coming in faucets and sanitary ware as you have seen, Valve project complete paint is there. I want to just brief you about what happened in last two years. Astral went into the expansion of its facilities in Ahmedabad. We put up a full-fledged tank unit at Ahmedabad plant at Santej. We started a new technology piping systems in PP multilayer. you already had the silent pipe which is doing excellently well. We have added one more category in that to take on the pricing trends of PVC and with additional benefits which this product gives. We added capacities over fire sprinkler pipe which has started doing very good in some of the states. We completed the pipe and the valve project at Dholka which we had been talking for almost now two years we have a whole range of valves up till 12 inches. We have started we have launched it in the Indian market and we will be working on exports of the same to Europe and parts of America and global exports we are tying up with the valve project. Valve project is high margin project with high technology. We also increase capacities where need be in the Dholka plant with the addition of fitting range which we completed in our pressure application, which is normally called the agriculture application. In the south at Hosur plant we started corrugated pipes to feed the south market and we started manufacturing of water tanks. We did a small acquisition in Aurangabad to come into the water tanks, Sarita is the brand name which is sold parallel to Astral brand especially in Maharashtra, and Sarita was a company which was in water tank. To enter the water tank business with two technologies the Roto mold and the blow mold, we went ahead and acquired this small company. We have now started even pipe manufacturing at Aurangabad Sarita to feed the retail network where Sarita tanks are going. We have also started pipe manufacturing Sangli. Sangli location also we did certain capacities unfortunately, we were not utilized for one – one and a half years because the downturn of COVID the spending was very low on infrastructure. But last six months the spending on infrastructure has improved at such a level that we are now short in supplies. So, we are getting orders or certain products where we have to wait for the supplies, we honor the orders at 15 day- one months of time. So, things are much better on that part.

We added water tank and corrugated pipe in the Ghiloth plant at the Rajasthan. Rajasthan plant now even makes all the range of water tank for north. We just commenced our production in Orissa, Orissa plant just started manufacturing water tank, construction work is almost on the verge of completion and we will be adding pipe production range at the East plant in coming four to six months to complete to see the plant is up and running. Telangana, we acquired land, we have started construction to start the water tank project first and then coming into the pipes for the Telangana and surrounding markets. The North plant in Uttaranchal also is running at the optimum capacity. So, we are planning to either expand it or to have ways on how to expand it because we are landlocked there. So, we are working on how to expand that plant. We did some expansion not much in Kanpur, Unnao and Rania we did improve the Rania facility to the level of a world class facility. We have done balance expansion in Unnao but at some point, we have to hand over the Unnao property back as per the agreement. So, we are only doing balance expansions there. But we have started the work of building a state of art plant in Gujarat at Dahej, and next year the Dahej plant will be operational with certain chemistries and we will keep adding chemistries at Dahej plant and make it a manufacturing hub for most of our chemistry is in Adhesives. We expanded our R&D facility in Ahmedabad in Adhesives. We have a state of art R&D facility with almost 50 + people working who are either PhDs or are very trained on or are well versed with the R&D activities and are in the R&D activity. So, Adhesive per se has also expanded product line has expanded and we have added a lot of new chemistries in Adhesives and expanded the portfolio. Looking to the market creation and reach we have, now we are pouring into faucets and sanitary ware, some of the products on display here and the launch is happening on June of 10th at Goa. It is a massive launch with complete range. We have strategic tie ups to make the product most of our tie ups are on the exclusive basis, we have taken the complete capacities of the plant. So, they would be working on an exclusive basis. Atul Ji is here most of you know him can interact with him after the meeting is over. We have our in-house design team; we have not gone and made any product which is completely available on the shelf by a job worker. So, we have done everything is in house designed and then we are bringing the product to the market and recent acquisition of paints, I think a lot of questions on paints. So, we'll go more deeper into these two new avenues. So, this is “foray into paints”, paint and faucets, faucets behind the wall to in front of the wall. Paint and adhesive go hand to hand, especially when you are coming in a full range of construction chemicals. Gem Paints brought us two things; one we have to work a lot on South in the Adhesive. Vijay Bhai, the owner of Resinova never worked in the south market. So, we were absolutely not present when we acquired Resinova in south from there we have reached a level but not to the level the competitors are. So Gem has a very strong presence in south, south market there was good retail network, sale - the gross revenue was 260 crore last year from the south market only. They have a complete chemistry of paints, which is needed and is done by the big paint manufacturers. Nitin's father, who started the company in 1981 is a research guy in paints. He had worked for the Indian giant on the research and setting up of factories. So still his passion is research. They have the not only the product line, but they make better products than available in the market.

Second, they've just put up a new plant and capacity, state of art plant. the plant is highly optimized, the plant has a capacity to grow four to five times and still not do any Capex. Secondly, for us the retail network which exist in adhesives. We did a survey on this in the other markets - East, North, and West. 70 to 80% are in paint business or that gives us an extension to our product range or construction chemicals can be easily, not easily I can say, it can be sold through the painters and the paint market segment. Secondly, we are not going to be aggressive to be a number here - to fight on anyone to throw money to do huge branding on any branding, we do endpoint branding, Astral already has a good branding activity going on and the branding activity has made us Astral a brand today. So, we are not going to additionally burn any cash here. There is no expansion needed here so no Capex will be planned in paint for at least next two to three years. I would say three to four years and there will be no race if we grow at 15-20% + it's plenty around is good enough to maintain a decent EBITDA which they have been maintaining for 25 years. It is a zero-debt company, their track record of we checked the 10-year track record they have a track record of maintaining an EBITDA in double digit plus. This is our very clear foray not to talk of 1000s here, not to talk of numbers here not to talk of any race here, but strategically mingle this business into our Adhesive and pipe and faucet business and do an expansion of our business with the right utilization of the network which we have created with distributors and dealers through our programs. So, I think still there will be lot of questions on paint which will answer in the Q&A session.

So, as I already talked about the opportunity, which we ourselves see to grow in paints and the faucets. Also, there are distributors in pipes, distributors in adhesives and dealers who have come to their optimum sell capacities of pipes they're doing 50 crores, five people this year cross 100 crores in pipe. So, they are looking at new opportunities if we are not going to give those opportunities to work with them and grow, they're going to bring in other companies to work with. If they bring in other companies, if they bring certain competitors, we also need to see that they will grow on the back of us on the Astral brand and Astral pipes. Because Astral pipe sales is something so big for them, they can ride other products on that very easily. But this is the thing which we debated a lot around on these things and then strategically we went with the company which already has a presence and already knows the business and has a decent number and a decent price which we could get. We have worked as a trendsetter we have products for the first time in the piping segments. We have recently which product we got the PPS globally first product we have got. So, we have been a trendsetter and we would like to continue as a trendsetter with the generations added up, Nitin here who is at present running Gem is also a very young entrepreneur and Solaniji you know is with us now more than CFO, entrepreneur and both the sons and Atul ji is here to help us to run the faucet business. So Astral journey, as everyone knows, but here is a part that we have from 96 to 22 we've always given growth, we've always grown both in our capacities, our product lines, our reach, our systems and our product, how to make things better always. So that is what we have always done with the new geographies which we extended ourselves. These are some awards and recognitions. Plumbing is something which has exceptionally grown in these two years, especially CPVC, CPVC has run into shortage for last two years and it's still running into tight position. So, we are growing exceptionally well in our plumbing product lines. We had a little tonnage lesser growth the reason is that our double wall corrugated the infrastructure pipe business had come down because of the various reasons known to you in the capital expenditure which was topped by the government projects, but things are back in. These are our various plants with our capacities. Adhesives as I already mentioned that apart from what we did in India we have done exceptionally well in UK and US. US apart from the silicone tape we have launched roof ceiling products, which have taken up very well and are doing excellently well just six months back we have launched roof ceiling products there, the technology is from UK and we at present the export from UK in bulk we repack at US and sell in the market, in near time in five to six months we will be starting certain additional products in US market, technology will come from UK plant. So, these are the manufacturing facilities everyone is aware. Astral is now present in all the parts of India, East we were not there we have just started the east and East we are almost east and southeast we are being we'll get two plants. So, we have a pan India presence, we have now digitalized the whole company. Right from order processing to dispatches to the distributor billing pattern we can transparently see our distributors billing patterns. We have a DMS system, our app plumber and dealer are through electronic platform Astral loyalty app. Similarly, Resinova also programs. So, we are now directly connected to plumbers, carpenters, masons, and part of electricians. We are not connected directly as the painters, which we will we will work with our own expertise and digital platforms, then we enter into the details of the Gem business shortly.

We were the only company who in the second wave encashed plumber and dealers point and we give 32 crores to the market. Point when people were sitting home and they were in the need of money. So, we were the only company who came forward and, and encash their programs and whatever the points they accumulated. So, it is such a robust program, which we have designed completely, that we have a direct connect to the end user. We know the end user is buying not buying when he's buying what he's buying, why he's not buying. So, it gives a huge transparency for us in our retail network as well as our connect with the end user, the applicator. So, these are the product offerings in the pipe business I already discussed most of them. We are now processing all polymers, we are in CPVC we are in PVC, we are in HDPE we are in PP. So, we now process all the polymers formerly we are only a CPVC and PVC company then we went into Rex So, we come HTP now, we have also water tanks again HDPE and other polymers. So, we process all the polymers in the plastic segment.

So, this is a unique product Drain Pro, which I mentioned multi-layer pipe made in P and it has more strength than PVC and it is hardly costlier than PVC. So, the cost effectiveness is such that you get a lot of benefits, less price escalations and much more benefits which you get. So, this product we have just launched around three months back, two months back and without any push we are getting 1.5 to 2 crore sale a month and the Silencio which was when we met last time was two to three crore is now 6 to 8 crore So, around 100 crores. Tank we just finished last year with first year itself with 45 crores and this year we are targeting 100 + our average run rate is nine to 10 crore a month from last two months. So, tanks the attraction is very high, sometimes I feel we should have come at least two three years back in tanks, but whenever things start it is always good for. So valves the range is on display, complete range is in production we will be your launched in India will slowly start export launch in next two to three months.

We have always talked about this Valves business and the opportunity next one two years is 100 crores + for valves and with better margins here. Tanks we have multiple ranges as there are ranges available three-layer, four layer, five layers all these things. So, you have to have the complete range and we have the complete range of tanks. Adhesives we have a complete range in our construction chemicals was something which needed to be completed, we have completed that portfolio also to get into construction chemicals, silicones we have been doing good and hybrids also we have been doing good and we have just launched a new bond tight range which is the first type of in the globe, better than the global competitors which is called Bond tight Pro which gives more adhesion and more spread because in adhesive people need spread and so that a lesser product can do more work so we have this product line and we did a marketing campaign on Bond tight also recently. So Solvent bond also we have a huge range and adhesive I think in three years done a massive expansion of range and justifying the sale of every range. For Branding initiatives, I think formally Kairav looks after adhesives Soumya looks after and Kairav also is in pipe and now, we all work for faucets together and paints we have to learn from Nitin now. So, we have just signed Allu Arjun for South because south we want to grow overall in our business in pipes also, adhesives also and paints is now there. South the penetration of our brand ambassador from a Hindi belt is very weak so we got a right tie up with him. I think he's now the most favorable person for the South. So, we will be doing only South campaign within 5 states and Ranveer Singh is already there to take care of the other markets and campaigns are on with him. So, this is one of his Ad. I think most of you must have seen this Ad. You Know that Gujarat Titans has won Yesterday as everyone knows Astral is a part of this branding activity and these are the other branding infill brandings we have done. So, in short here we would like to tell you that with all the, whoever it has done it is XYZ is not the question, but it has helped us to create a strong brand known to user also and non-user also. This benefit is what we are looking at to grow ourselves.

Today if you go to the market and if you ask about Astral at least with pride we can say that we are known as a stronger brand, as a value addition brand and also a brand which is well known for a quality product. So, this is what we have worked and created around whatever the activities we have done at all the levels and this is what is the strength to bring in the product line which we are going to put to the market with the additions at least people carry a brand trust with us, at least with Astral name, somebody would at least try one tin of a paint or at least one faucet from us or at least something from us, which I'm pretty sure. With this extension of brand, the new activities which we have taken to extend ourself rural brand rural marketing activity, we have just started from last year a division for rural market. We found that we were present in cities, urban cities, but any town below two lakhs of population or presence was miniscule. We were either in one shop or not at all. The reason is the distributors in the urban were making the product so costly and unaffordable charging 15% premiums 10% freights, we have come out with the new division with the new head, with the urban and rural market. Rural market we have completed and we are getting very good results from Gujarat we did as a trial, we finished Rajasthan. Now we are working on Maharashtra and Madhya Pradesh and We have a new team of marketing people for rural and all the products are going especially at present only pipes but rural presence of Resinova is already very strong and with this tip at which we are selling to rural is giving were very positive interaction. So that is new additional marketing initiatives taken up from last year.

CSR we are doing our best CSR activities, we are the closest thing to our heart is jungles. So, we spend a good amount there in the wildlife and then rest of the activities some are being done at Gujarat level and some are being done at the India level on our CSR activities. Healthcare was something which everyone and everyone has done last year so similarly Astral has come forward and done a lot on the health care part of the CSR activity. COVID measures everyone has helped so similarly we have done even much better what we could do in the COVID times for the people of India. We have just got a certificate Platinum Lead certificate - just a few days back we got this for our plant Santej plant. So, way forward is we are going and envising a good growth in the piping market especially in the plumbing in coming years. Everyone had a question from morning I've been answering that what would be way forward to pipe will you continue to grow? And how much? So, in two digits plus we will grow I'm sure I'm still not telling value. We are still focused on the volume part which is more important for us to grow them the value part. For adhesives we have touched 1000 crore which we promised and from here onwards also the same 15-20% plus growth will continue which is our focus and the teams are aligned, the divisions are aligned the systems are aligned the endpoint contact with the users is aligned, that tertiary visibility is 80 to 90% for us in both pipe and business pipe is little less we are increasing and this is giving us a good understanding of the user market and people so this is going to help us a lot. Paint as we have given a guidance that we would do our best to continue growth with Gem in south and add the geographies one by one we don't want to rush and add that we know everything in India and we will do it something not spend any penny after anything which is wasteful or burn cash. Faucets also we'll be opening market by market with our distributors we are launching in June, we are targeting faucets to reach two to three years 500 crores. we are looking at Paints to grow to three years by 600-700 crores, we are not looking at huge numbers here also go very systematically and with firm footing in the market. So, a lot of concerns about 1000s being declared by people is not what we are looking at. We are strong at the segment we are and we will stay strong and keep growing at that level.

So, the industry outlook of pipes is very positive I can say plumbing segment is very, very positive. I think products distributor reach market, urban rural so we see very positive direction there. Agri market also we'll be addressing with the rural base which we are growing and increasing. So that will also give us an extension of our other product lines which will be sold in the agriculture sector. So, these are the revenue numbers, which we said that this is what optimistically we are looking at. similarly in adhesives 15%. I think most of the things I will answer jointly when your Q&A.

So again, thank you very much all of you for taking time with mask free atmosphere and we can see everyone and we will be delighted to see this type of COVID put behind and growth come back to the economy for this year and years to come. So, a lot of people would like to meet in person also so I'll be here till seven also. So, we can meet one to one. Okay, thank you very much here on. Here on hiranand sir will take over from the financials. Thank you

Hiranand Savlani: Good afternoon once again, before I start. I think we should give the introduction of our teammates who have joined with us though they are not on the dais but we can introduce one by one. Kairav you all know he the elder son of Sandeep engineer graduated from Arizona State University, Sorry Georgia State university. Soumya is from Arizona University. So, you all know so doesn't need much introduction. Soumya the younger son, he has graduated from Arizona State University and he is right now taking care of adhesive and now he's learning a paint from young gentleman Mr. Nitin. Nitin is our paint partner the company which where we have acquired 51% stake, so you can interact relating to paint because he knows better than me. So, better you interact with him directly for the paint. Atul Ji don't need introduction; he is taking care of this sanitary ware and the faucet division. So, this is the team which we have brought, but I think much, much bigger team we are having in Ahmedabad. So, every division we are having the professional people working, whether it's HR, whether it's IT, whether it is a purchase division marketing, so many from IIM's, I don't know how many peoples are working in Astral now. So, very, very big team, I can say this, Sandeep Bhai rightly said in the initial remarks that today Astral family is a 6000 people family. So, it's not a small family now. So now again coming back to the financial side of the company, so, let us focus over there. So, if you see the revenues growth of last four year why we have put four years last two-year number will be even better than that, but we wanted to show you the pre COVID base also. So, because of that we have taken a CAGR growth of four years. So, you can see from here that we are growing at a 22% CAGR growth of last four year. Though there was an adverse situation of COVID in last two year, but in spite of that also we have delivered excellent number I can say and last year was the abnormal year where we are grown 38% though we have promised in our last presentation that our company is expecting to double our top line in next five years so practically 15% CAGR, again that we are delivered 38% growth. Similarly, EBITDA also you can see that last four-year growth is much, much better than the top line growth that is 28% and last year though there was so much of inflation in spite of that, we were able to grow our EBITDA by 19%. Similarly, PBT also we have grown 35 % and last year it was around 21.5 %, the PAT has a same pattern 41% is the top line and last year it was 23.83%. Similarly, replicated in EPS also and same thing with the cash profit also. This all presentation will be available to you so no need to write any numbers because shortly we are going to upload this presentation to the BSE and NSE site and as well as our company's website also. So, pipe you can see the continuous capacity addition is taking place. So, we have grown capacity by almost 9 % in spite of utilization was low because we were having pre planned capex schedule, because we know that the utilization last year was just 52 % but in spite of that, we are continuously aiding the capacity because we wanted to decentralize ourselves. So, we started our journey with West then we entered into the southern market. So, we put up a capacity in South, then we entered into the North Market. Now, we have just recently entered into the Eastern Market where the tank business is very happy to share with you in the very first month of launch of tank, we are going to do 1 crore rupees of business from the east. So, that is a very-very encouraging number for us in the very first month itself and pipe we are going to shortly start in the east. So, still pipe machines are being installed but production is not come. Similarly, sales value also you can say in volume terms is 9.5% of the last 4 years CAGR which is also a very, very healthy growth. I can say perhaps we may be one of the best companies in the volume terms in the industry in the last 4 years CAGR basis.

This is working capital we have always communicated to the investor community that astral management is very, very serious about the working capital side and you can see continuously we are always trying to improve our working capital cycle and that is why you can see we are sitting with a sizable case though we are doing a lot of Capex, last five years you seen in the last previous presentation of Sandeep bhai we have spent 1000 crore rupees in the Capex in last five years. The actual fruit will come now, somebody was asking today morning the question to be that do you think that the ROCE will be maintained. So, I was explaining them that last five year we already spent 1000 crore, but actually the utilization has not taken place because of decentralization of plant we'll keep pumping the money on the Capex cycle, but the real utilization will come because now we are expecting the demand scenario will change because sizeable demand is there at the developer level and most of the good developer of the countries are adjusted with the ready inventory. So, the moment ready inventory will be down then there is a high probability that the new construction activity will take place and we are quite confident that normally if you see the cycle of real estate, whenever the new construction activity started, it remained five to seven years' time. So, we are personally feeling that next five year will be the good year for the building material industry. So, you can see here on the working capital cycle that across all the parameter we have improved, our net working capital cycle has come down from 18 to 12 days just. So that is one of the best things I think astral has done in the last two years during the COVID period also we have tried to improve our working capital cycle. Adhesive business also if you see the CAGR growth of last 4 years it is 17% last two year with a much, much better growth last two-year CAGR was 31%. Because, you know that we accepted our mistake in Adhesive and we corrected that also, and I am sure you must have seen our con call commentary that we were telling that we did the mistake in our distribution network and all. So, we corrected that and that is why two years our growth was hampered, but now we have again come back and we are growing at a very fast rate and that is why you can see the two-year CAGR is almost 32% and last year it was 37%. So, now we are back and as promised in our con call last year in the Q1 that we are targeting to be 1000 Crore company in the adhesive business and I think we have delivered that. So, we will stand by which our commitment what we have done to you guys. EBITDA also 14.5 % particularly this year EBITDA was tremendous pressure because of the chemical we all know the chemical cycle has gone up (illegible), nobody thought that many of the chemical will be the 100 % price right even some chemicals are 200% price I don't so, and normally in the retail industry, the all the biggest in the history, they will never ever do the price rise frequently. Because normally retail price doesn't change frequently, but this time is a black swan kind of event I can say. So, because of that, so much of inflation is there into this adhesive side in the chemical side particularly. So, because of that pass through is taking place with little late and that is what exactly happening with us also. So, we are also passing through with some Late and that is why some pressure is there. But the moment the reverse cycle will start I'm sure I'm confident that our margin will expand very fast the moment this chemical cycle will reverse and in some chemical, it has already started reversing also but still we cannot say with conviction that it will shortly go into reverse. Because still the supply chain is disturbed at a global level. China problems are already there because of that zero COVID policies. So very, very difficult to predict at this stage, but at least it looks that now in near term it is going to be there and pick has been formed. So now from here on at least it will not go much upside, but the downside chances are very bright. This is a breakup of our revenues. So plastic business is contributing 77% and the adhesive is 23% more or less we have maintained hardly 1 % gap is there between the Adhesive and the plastic business. Plastic business little bit has increased 1 % mainly because of the storage tank we did about 45 crore rupees last year.

So, this is the consolidated number including adhesive and the pipe more or less it is same range. You can say the top line of last four-year CAGR is 20%. Last year was 38%. EBITDA was 26% this year is 19%. Last year was a sizeable element of the you can say the inventory gain also because of the continuous price rise in the polymer side and this year is the other way around in the last quarter some inventory loss was there. So, because of that the margins are coming back to the normal trajectory which we are always guiding that the normal broader range of the business will be around 16 to 18% EBIDTA. PBT also similar fashion 31.78% growth and the last year it was 21.6 growth PAT, EPS and all cash profit is following the same pattern. Here also you can see that the working capital cycle we are always communicated that we are very, very cautious about that. So, adhesive also we are continuously trying to improve that cycle because our more focus is on B2C side, our 90 to 93% of the business is coming from B2C side of the business in adhesive. And you can say B2B side is hardly 5 to 7 % kind of over there. So today, brand is getting stronger and stronger. And we released the first Ad of Bond Tite after entering into this adhesive business. So, that Ad has got a very, very good response. Unfortunately, that Ad is not running right now but you do it post my presentation. So, we'll show you the ad I'm sure many of you must have seen and most of you are in my Whatsapp group also. So, I keep communicating to all of you whatever the development is happening at the company level and putting the ads also in the group. So, there also we have reduced the working capital cycle from 27 days to 21 days. This is the net cash position two years before we were in negative cash base. But now substantial improvement is happening this is the net position I'm telling you, so cash minus whatever the debt is there. So, last year, it was roughly about 400 crore and this year again increased to 556. And in coming three years, we are expecting a sizable cash flow to come in spite of sizable investment into the capex acquisitions still we are expecting that the cash flow will be sizable because you have seen the number this year, we were close to about 500 crore rupees of PAT. So, you can understand the kind of cash flow we are going to generate in the coming time. And majority of the capex cycle I think we're going to end by FY 23 Actually, originally my plan was FY 22 that is what we communicated to you earlier, but because of the new addition of the businesses and like we added the tank business and now faucets & sanitary ware and now the paint so because of that, it is delayed by one year, but otherwise, we were supposed to end our Capex cycle last year itself. So, now, this capex cycle is going to end next year and afterwards I think we will be focusing more on the utilization side of the business rather than putting more commitment to the capex cycle. So, whatever amount will be required that will be on the working capital side and working capital cycle is also very, very healthy and robust. So, I don't think much working capital amount is also required for this company for the growth except the new businesses because new businesses I have to also learn because I am also learning the sanitary ware info from Atul Ji. Paint now I will learn from Nitin Ji so based on that, I think we will work out how the working capital cycle is going to span out for these businesses. So, this is the opportunity where Astral is there today you can see plastic pipe is roughly about 35,000 crore rupee industry my number may be little bit here and there because I don't have authenticated numbers. So, my team has picked up from some source. So, number may not be accurate a little bit here and that so please excuse for that. So, we are continuously increasing our market share into this plastic pipe industry. And you can see from the last two years where the industry was degrowing and Astral was delivering the positive growth in the volume terms also in the value terms also. Water tank is just the beginning of the journey I can say we have just acquired hardly 1 % kind of market share. Shortly we are targeting the next three to five years span we should be at a minimum 5% kind of market share. Paint, again a beginning of the journey market opportunity 55,000 Crore again that last year the Gem paint did around 215 crores. So, they're also sizable opportunity is there adhesives again 16,000 Crore opportunity in India where our market share is 4 to 4.5% % kind of level. So, there is also enormous opportunity there we have still touched the 1000 Crore mark you can see the immediate competitor is maybe almost eight times than our size. So, we have ample opportunity into that business also. So, we may grow easily 15 to 20% should not be a big challenge to us for the growth into that business also. UK is extremely doing well. I still remember we bought it UK company 80% stake at 44 crore rupees this year UK company has delivered more than 44 crore rupees of EBITDA so you can understand whatever the business where Astral is entering, we seriously look into that and then only we take the position without that hard work we don't just say for the sake of entering we want to] tank we acquired a company which topline was hardly 20 Crore we doubled the top line 43 crore rupees in one year and this year we are talking about 100 crore rupees. Same thing resinova as we acquired also when we acquired it was 150 to 160 this year, we closed 700 crores UK also when we acquired it was close to about less than 100… 100 Crore close to 100 Crore level and this year they crossed the 300 Crore mark. So, whatever the acquisition we have done, we have tried to grow them. But at the same time, our strategy is very clear, we don't want to grow so fast, we don't want double, triple or four-time growth in a shorter period 15 -20% CAGR is more important for us. And that is why in every con call, I always communicate to you that we believe in consistency, we don't want haywire kind of growth whenever there is abnormal growth, that time, at that time I always get more under tension, that what is there that all of sudden growth has started coming. So, we always believe in the consistency and we in future also, we will try to see that we maintain that consistency. Valve again, a new opportunity, I have intentionally not put the figures of valve because I don't know want my competitor will come to know that what Astral is doing into the valve business because it's a very highly, highly specialized business for us and a very, very high value added business and high margin business for us. So that's why I've intentionally not put the… but I can put the opportunity what is there in the valve and Sandeep bhai rightly say there is a sizable opportunity into the export market also in the valve. And many people have started inquiring for that also, but still, we are not in a full-fledged mod so, right now, we are still focusing on the Indian market once we will see the response in the Indian market and the how the feedbacks are coming for the quality aspect of these valves and all then we will open up the market for the export also. Faucet sanitaryware I think Atul Ji is there so you guys can interact with him. There also we can see there's a huge, huge opportunity there. And today, I was just a couple of days before I came to know from the market only that the leader into faucets and that business Jaguar is a waiting period of 30 to 45 days. So, you can understand the kind of opportunity is there a brand like Astral definitely will do some good business into the segment also, because 70% of Astral's dealers are into sanitary ware and the faucet business. So that is what we have done the survey before entering into this business. So, we are quite confident that in this segment also we should do reasonably good I don't want to commit too much of number what Sandeep Bhai has communicated I'm very conservative person. So, I don't want to unnecessarily give you too much of a bigger picture. That's why I have clearly mentioned in my presentation that we are targeting to be a 1500 hundred crore additional business from our new business activity. But chances are that we can close that ballpark number also.

So key takeaways. Basically, I think most of that we discussed good demand is there in the system, April May was also equally good numbers. So, nothing to worry on the number point of view last year, the April

May base was low. So, on that base, I think we may be growing at 70-80 % in these two months. But that's not a real number I can say. So, we have to see the coming quarter how it is going to span out because two months number on the lower base doesn't make sense. So, I don't want to give you the exact number what we have done. Similarly unorganized players are continuously under stress. So that will continue with the time also again the polymer prices are fluctuating now on the reverse side of the polymer. So that is going to give more and more pain to the unorganized side of the people. So, companies like Astral who are a cash rich company, I think they will take the highest advantage not only Astral other companies can also take the advantage out of that, but it's a good time for the organized player to grow the market share in this kind of environment. As communicated recently launched products are going to give us good growth normal businesses are already giving us a good growth. So, now the turn has come that our new product contribution will start from the current year the real number will come in the next year and in my con call also I say that FY 24 will be the bumper number for Astral that is what we have planned well in advance and that we have already communicated to you in the con call also. Few launches will keep come coming from the Astral Family. So, whether it is an adhesive business or whether it is a pipe business we will keep continuously adding the new product. Our R&D team is continuously behind that and they are searching many products like Drain Pro Sandeep Bhai rightly said that in the very second month this month we are targeting to close 1.5 Crore rupees of business a new product if it is contributing 1.25 crore rupees in a second month of the business so I can easily see this product can be a 300- 400 Crore product over a period of time. I'm not coming to you the five year or seven years but that kind of potential is there for that pipe and quality wise this pipe is much, much superior than the available pipe in the country I can say. So, that is the strength of that pipe, but the only time will say how it is going to span out over a period of time East India tank has already been rolled out from the system…. plant and shortly we are going to open up this pipe factory so, pipe production over there. So, hopefully East is going to contribute reasonably good number if you see our immediate competitor in East the number one guy is doing close to about 1000 crore rupees business in the east. So, you can understand the kind of opportunity is there in the east where Astral is just doing a beginning of the journey and we have a base it doesn’t mean that we don't have a base but our base is still small compared to our immediate competitor. So, we can do reasonably good growth in the coming time from the Eastern Market also, valve we have already discussed so, we are expecting the valve also to contribute good not only in terms of top line, but in the terms of bottom line also it is going to give us a good growth in the coming time. This is what from my side. Thank you very much. And we all three are here for the Q&A session thank you.

Attendee: Thanks Sandeep Bhai for giving me this opportunity. It's like you mentioned it's over three years since we last met in this kind of a gathering. So, couple of questions, two clarifications that I wanted, you mentioned that the Dahej factory would bring two new chemistries does this mean new product range or a better way to do the existing products?

Sandeep Engineer: It is not the new chemistries some of the chemistries which are major for us, we are going to shift to Dahej with the state of art plant, which will be highly automized with high safety levels.

And most of the raw materials which we used in making of these products are made in Dahej or surrounding areas, which will save us substantial amount on transportation and at present we buy drum packings there we can buy in bulk. So, when we buy in bulk, the cost of drums as well as drumming and all goes away so we can have a substantial saving overall on the raw materials.

Attendee: Thanks, second point is on the valves. I believe this would be entirely in house facilities that we would have, because I'm sure this is a highly critical item where secrecy etc. would have to be maintained

Sandeep Engineer: It is a 100% in house facility right from manufacturing to assembling to testing. So, it took time because all these molds were not made in India, which are coming from abroad. And COVID delayed the manufacturing of mold as well as the technical people who had to come from abroad and set up the manufacturing process. So, the whole project got delayed by over a year. But now everything is up and running.

Attendee: Right sir first question now is on the sanitary ware and faucets business. While you've given us the opportunity size, just to understand what is it that we are looking at in terms of initial launch, to cater to a pan India presence to cater to some part of India or how are we looking at this launch?

Sandeep Engineer: The launch will be of entire product range. we will be starting from the normal middle, very low segment, middle segment upper and higher upper. higher upper our focus would be much lesser we will be focusing on the middle two segments if the entire range is coming at one go. Astral is not coming with the part of the range, which I never wanted to give a wrong signal to the market but to make the reach of the product we will go phase wise we'll go first with west or three three or four-four states will open but what i see from at present all our key distributors are coming to Goa for the launch and first time in the meets or somewhere people would send their son or second generation, here all the decision makers in the distributors who joined me 20 years back are there and everyone is excited to take up the product but not to go in any rush we will go zone wise opening and this whole strategy will be opening one zone stabilizing it, go to the other zone so it may take us six months to eight months to get a pan-India coverage.

Attendee: And would it be correct to assume that this is more or less an outsourced product for us maybe in the in more like dedicated suppliers etc. but we are not spending anything on the capex?

Sandeep Engineer: it is outsourced there is nothing on the capex which we have spent except the divisions which we have these executives we have and we have a state of art huge warehouse where we have arranged some research design facility, we have designers in-house and we have a testing facility very high-end testing facility. every product will come there will be equally tested in our qc and then we'll go to the market

Attendee: so, second question is on the paint business. It’s considered a very sexy business a lot of analysts uh like to talk about this business. we had a paint company which came last year and it shook the market… it swept the market off its feet, it's a different thing that the price is now less than half than what it used to be, so couple of questions on this you are acquiring a company down south, you do have ambitions to spread the paint business. Paint has a lot of logistic issues. it's very very expensive transporting finished goods, raw materials, so how do you plan to take this company forward, even though you have a slow growth planned, but to have a presence in say other than the five states, to move up to central India, western India you need more capacity because i don't think the present capacity is enough so what's the game plan?

Sandeep Engineer: what is in my knowledge I'll answer and rest I'll tell Nitin to add because we have just completed the process and we know that we came into faucets and immediately coming into something is raised lot of questions for us and immediately after our announcement next day somebody comes and announced thousands of crores behind it has crossed has put us more in some tighter spot. As far as I have understood going there in the decorative paint but you can correct that transportation of paint is not a costly affair transportation of paints to warehouse is not a costly affair. Second, whatever he sells is turn over see we Hiranand bhai is arranging a visit to Bangalore to see his new facility shortly because we need to clear the waters that what is going around and what exactly is there what we have gone into. so, we will show the new state of art plant. The capacity which is there is four times what they sell at present we are not going to run to four times overnight so at least as I told that two years, we don't foresee any capex secondly there is nothing to add in this chemistry he has every product they have every product. so, there is nothing that new technology has to be done we have to just keep on improvising and improving which is a process globally it goes on. so practically why we are also slow and conservative we don't want to throw huge numbers and put any misguiding things. Second it is a synergy to take adhesive and paint together we are not here to multiply or multiplication to anything or add multipliers here we are very focused on our businesses which has been there. Sahab, you have been from the first meet to this meet and when you start with questions, we are lucky for that year so you always have to start for the first questions that year goes very good for us so we'll be lucky this year also. like adhesives when we acquired the same forum kept on asking that number one is there how will you exist? how will you grow? what will happen which chemistries is you will grow ? we, at that time also we are not here to compete one will remain one one is there too and we salute them for the hard work they have done and they will continue to do the hard work and remain one we are here to build our own brand and business and we have done that, we have done a lot of chemistries somebody had to buy a company to compete us and things happen around in business. so here also we have a company who has a ‘81 to now known technology sales in the market, we have a base not you cannot say huge base but a real base. so there are lot of confidence which comes with the base and that is what you'll work to build on at a reasonable level but again very clear - no cash burning for both the businesses we have very clearly defined the financials of faucet business that we want not to burn cash but first year would be tough to give margin numbers as you all know but if we don't burn cash this is a great thing here it's a profitable company which will be keeping adding a growth and with maintaining a margin so I think we have a very clear mind and strategy around and we have enough on the plate at present which on the time will we will be working for five more years to build this plate so there will be no addition to the plate we have everything in on the plate now okay.

Attendee: Sir, so like you mentioned that you are not worried about somebody announcing five thousand capex to become ten thousand I think that is just a thought behind you but no effect on you.

Sandeep Engineer: basically, it is always a thought if you have a confidence as a promoter and as this brand, bigger giants will come with big numbers India is a big 1.3 billion people so I am going with my own base if I was not there with him, he would have grown at 15% which is growing so relatively this business is obviously going to grow at 15% in, so with my addition at least I will add something so I'm not worried about the big numbers which are going to come. everyone would have to work hard and every end user and every distributor - dealer wants alternates so there is a market for alternates for everyone and every end user also needs to work on all templates.

Attendee: Sir, last question… Sandeep… Hiranand Bhai. our capacity utilization is around 52 to odd % we have quite a bit of capacity so considering that we are now out of covid would it be fair that we would be back to our 75-80 % in the next two to three years?

Hiranand Savlani: There are high probability that we will come back to the that level of 70% utilization or so now new capex will be hardly anything so definitely that is possible. secondly what your question was that I can just add to what Sandeep Bhai has communicated that the paint business is a very very high asset on business, normal asset term if I'm not wrong Nitin ji, you can correct me it should be somewhere around eight time… eight time a sector?

Nitin ji: yeah

Hiranand Savlani : so even if in future suppose we are growing little faster than what we are planning at this stage and we have to aid the capex it will be very minuscule capex it cannot be a too high capex, secondly chemistry wise I think plant wise paint and adhesives are more or less same plan and we are putting a state of art plant in Dahej so we have kept some provisioning for this paint business also so in future not now in next to three years because we have enough capacity right now, but in future suppose we feel what was your question of logistic side if we feel that logistic is of advantage to our favor and we want to add some capacity over there we have a space available with that so we will spend some amount of money and we can create the capex also next three four year down the line not now at least so it's not a difficult thing to do

Thanks Thanks a lot for all those questions answers

Attendee: hi sir thanks for taking my question my question is sir astral was large behind the walls with the pipes and adhesive business but now with the tanks and alto faucet and paint business with the paint business you're coming on the walls can we expect in the future we get more products like consumer durables or something like that on the table is on the… because you have huge cash of more than 500 crore and also the capex is largely over by 23 so can we expect new product coming into the line by next couple of years?

Sandeep Engineer: I think a lot of things can be done around this business which both the segments which we have come in. Either going for anything else I would go for my own manufacturing facility of faucets or something if I have additional cash rather than going to a new product, we are very very clear from all the seniors, all the family members, all the people who are there in the company and very very clear in our thought process that we need to do a lot in these two segments for next five to six years we'll not bring in any surprises at all.

Attendee: yeah, thanks sir. next question to you talk about Drain pro which we recently launched green pro yeah, so how the pricing is different from the pvc or cpvc pipes?

Sandeep Engineer: five to seven % costly than normal drainage pvc pipe type b.

Attendee: thanks sir

Sandeep Engineer: thank you

Attendee: hello yeah good afternoon. so sir what are the capex for the dahej plant and that is mainly for the only for the raw material or are we putting capacities of pvc pipes or cpvc or adhesives?

Hiranand Salvani : no no we are putting a plant for the finished product not for the raw material raw material is the added advantage what Sandeep Bhai communicated like today Sandeep Bhai said that we are buying a drum so what happened that buying the product in drum packing is always costlier than buying in the tanker, so now because in Dahej we have enough space available with us so we will buying a tanker load and secondly it will be adjacent to our factory because most of the chemical factories are in Dahej area because it's a chemical zone and our factory is also falling under the chemical zone only so because of that it will be added advantage into the raw material side otherwise we are putting up a factory for the finished products only and capex will be roughly about I think 70-75 crore rupees will be first phase and second phase maybe another 30-40 crore rupees so total all put together will be 110-120 max.

Attendee: And on the adhesive side what was the volume growth in last year because…

Hiranand Savlani : I think it is very difficult to arrive the volume growth in adhesive side of the business because products are selling in a different different measurement so it is very difficult some are selling in pieces some are in a kg base some are in a liter base so it is very very difficult to arrive but definitely I can say if I can convert I can give you the exact number but maybe close to about 25 % kind of volume growth because price rise in the adhesive was very limited last year. this year we on the contrary taken the price rise in the month of April and in the month of may also so majority was of the volume driven growth last year.

Attendee: yeah thanks

Attendee: yeah, I had a couple of questions on cash management. firstly, is it possible to share that what would be your capex in FY 23 and in which areas would this capex happen and as you mentioned after FY 23 there isn't much capex for the next three to four years so what would be the maintenance capex levels from FY 24 onwards. secondly given that you have so much cash and I think if my numbers are not wrong with the 24 rupees EPS 3 rupees kind of dividend last year your dividend payout is extremely low, so why are you accumulating so much cash on your balance sheet, given that you're expecting so much cash flows why not have a higher dividend payout close to 40-50%

Hiranand Savlani: so, like as per the commitment with the paint business we have to pay 200 crore rupees immediately to them so now shortly we are going to pay 200 crore rupees, because some paper formalities were pending so hopefully this week only, we are targeting to pay 200 crore rupees to that. Secondly sanitary ware and faucet business launch is now so we need some working capital for that also because we have to do a lot of purchases and we have to keep certain minimum inventory and to some extent some receivable will also be outstanding in the market so we need the additional working capital for that and in addition to that we need some capex money for our east plant because steel pipe facility is not still operational so some capex will go into that and plus regular you rightly say the maintenance side also 30-35 crore rupees or 40 crore rupees goes into that also we keep continuously adding the few moulds and all so there also 30 crore kind of things will be there, and plus we are putting up one facility in Telangana also there we already committed 25 crore rupees on land , so the first phase we are targeting to put up this tank unit so there also we have to spend another 25 to 30 crore rupees for the tank project. so existing projects also some capex outflow is committed and then the additional working capital for this and then there is an outflow of the paint business to the promoter from where we have taken the 51 % stake. so because of that we have not distributed too much of the dividend at this stage but definitely once our plants are choked out, because we have just acquired the paint business so we have to internally discuss what are our plan and what is the commitment so based on that we will be deciding the final cash outflow so hopefully in another couple of quarters we will be done with all our capex plan and all this working capital requirement and all this outflow of the paint also then if required definitely it is your money it is not our money, so we know ever no right to keep money spending… investing in 4 % kind of return you guys are more intelligent to invest that money rather I invest because I am not equity guy neither I have a mandate to put money into the equity, I'm putting in the liquid fund only so generating only 4 % so definitely we will give back to the shareholders only or maybe management workout we may go for the buyback options also.

Hiranand Savlani: Still not finalized because now the paint and all these things have come so we have to work out the final capex but I think it should be somewhere around 150 crore kind of capex will be there in the current year all business is put together

Attendee: yeah, hi sir. sir congratulations to you and your team for your journey so far. sir my question is on the valves business. so, you've mentioned in the presentation that it's a 5000-crore opportunity, could you explain is this just a domestic pie or does this include the export potential also. Also, what kind of competition do you have in this business both from domestic or export you know from scenario and probably the third question is do you envisage yourself getting the same market share that you have in the pipes business around 10 % and what time do you think you'll reach there

Hiranand Savlani: so, I think valve we have added some potential for the export also now coming to your question of 10% of the this whatever the market opportunity it will take lot time, it is not easy to acquire these 500 crore rupees of revenue from this new business. it is always a journey so it will year on year it will keep increasing but definitely 10 % is a difficult task in the next three to five years' time. yes, over a longer period you can think on that line but at least not in the immediate wages as far as the competition is considered, I think George Fishers and all other companies who are selling these valves in Indian market majority are imported valve. No one is manufacturing in India all the specialized valve so most of our competitor will be the overseas multi-national giants only, so will not be a local people and too much of demand is there in India also close to about I think couple of thousand crore opportunity will be India itself

Attendee: sure, sir thanks a lot

Attendee: hi sir

Hiranand Savlani: yeah

Attendee: sir you mentioned that you are expanding in rural areas in some of the states you especially Gujarat or Rajasthan so what kind of differential growth you are seeing there in pipe segment in rural areas so if you can highlight you know…

Sandeep Engineer: At present this project started just six months back as far as I can understand if we are at present doing say 100 rupees of sale if we cover the rural India at least we can do 20 % of it from rural so rural is huge but the rural is something which takes its own time to develop… one is more ruled by the local brands. second, service third is the, the confidence of getting the material on time and fourth is the major thing is that they are cash cycles, because we have kept the rural market as advanced payment only. if somebody in rural retail wants a material, he has to go on our special app which is given to him, punch the order and make the payment then only go. we don't want to create too many points where we have to go around and for the money, so we have made a complete system yeah it is working very well by next one year we can exactly quantify and let you know what exactly rural opportunity will come for us in the piping business.

Attendee: sir this is only for pipes or this will rural you will do other products also same channel?

Sandeep Engineer: At present we have only started with pipes we will study and we can add thing as we have a whole family of products which is in front of you but at least for one year to stabilize we'll only be going with pipes and that too we have opened the fast-moving products we are not giving like somebody wants… and no specialized product will go to rural so the segment is the pvc drainage the pvc agriculture base the cpvc and the plumbing pvc. these are the only four segments we cater to the rural market and the water tanks and these are the only moving products in the rural market

Attendee: sir, your paint business 215 crore top line, how big would be the balance sheet?

Hiranand Savlani : so like balance sheet there are two elements one is the operating part of the balance sheet and secondly the non-operating part of that that is why we are going for the demerger exercise and the demerger will take place by the year end so balance sheet size, I feel is about 340 or 350 crore kind of will be there all put together I am telling you, one side of the so effectively if you work out then capex was roughly about 40 crore or something like gross block is there 40-45 crore gross block in there and then there is a working capital and all so later days are close to about 60 to 55 days right now, inventory will be another 30-40 days kind of inventory will be there, and then some creditors are also there

I don't ever exist handy number with me, so once this all this demerger exercise and all we are going to complete, then we will be able to show you the exact number but right now the ballpark number will be like that and still you need any specific number, you can call me anytime I will give you that number to you.

Attendee: I had a couple of follow-up questions. now here… yeah there are… you as of now report numbers around along two businesses pipes and adhesives when you report numbers, now going forward there are going to be tanks, valves, sanitary wear and faucets and paints so will you be adding four new subdivisions and reporting numbers or tanks will be part of pipes and others also get somewhere else so how will the reporting happen?

Hiranand Savlani : so to be honest we have not still finalized how reporting going to work out but definitely we will prefer still not a final decision but still we will prefer that we'll make a plastic as a one category and then sanitary wear and the faucet will be the another category and the paint will be the and adhesive will be the third category, this will be the broader three category but still we are internally discussing and we have to see how the statutory guidelines permit in India for the segmental reporting so we have to study that also and based on that we will finally take the call. but definitely we will give the number from that you can get some sense of top line and the EBITA of respective division that is what we will see that how best way we can communicate may not be a segment then we will be giving it into the presentation or somewhere so that you can get a sense out of that

Attendee: so, among the new businesses last year you had only tanks right which was around 45 crores revenues

Hiranand Savlani: yeah

Attendee: okay now lastly last question is in terms of the paints business from which quarter will it start getting consolidated into the numbers?

Hiranand Savlani: so, it will start from the q1 itself because as per the India's guideline the moment you take the controlling stake and board seat over there you have to console may not be equity transfer but as per the India's guideline, they have defined the controlling stake

Attendee: okay

Hiranand Savlani: so, we are already agreed and signed for the controlling stake so we have to immediately take into the consolidation

Attendee: okay

Hiranand Savlani: so q1 onward it will start coming

Attendee: what was the profit of the paints entity last year?

Hiranand Savlani: so, I think we have given the EBITDA level number and the pet was close to double digit close to 10 % kind of level

Attendee: okay thank you

Attendee: good after noon sir thank you for the opportunity. sir I have first question on your network expansion if you can give some detail for network expansion particularly region wise for fy 22 and what is the planning for next one to two years?

Hiranand Savlani: I think reason why we don't share the network but definitely the overall number we have given in the presentation so you can see from the last presentation in the current presentation from there you will get the exact number. even I don't remember the last year what was the exact number but I think in the presentation it is there in the last year presentation also we are given the network number and this year is also given only thing the difference which I am seeing today now the numbers are more authenticated because now we are doing the kyc of each and every people whether it is a plumber whether it is a carpenter whether it is a dealer. now because we have a robust system in the organization so based on that now we have authenticated data.

Earlier numbers were okay but I can't say with the 100 % accuracy that these are the true number but now this is the change now with this technology advantage we are having the authenticated data so you can rely definitely on these data

Attendee: so, what would be growth for next one two years? any ballpark indication?

Hiranand Savlani : so it depends what products we are entering to what getting what geography we are taking entry based on that it will be decided there is no mindset of the management that we want every year this much of the increment that is not a mindset of the management, we only focus which product we want to enter in particular geography whether the existing who are our benchmarking with which competitor is there what is his network there are so many parameters are there within which we are working so there is no mindset of the management that we want 10 %, 5 % increment into the network but definitely I can say the way brand Astral is getting stronger and stronger in the market this reach will keep continuously increasing over a period of time and now from 8th June we have a final hearing with the NCLT for this merger of Resinova and astral with that merger also there is a high synergy between two I think dealers network so we have to see how best way we can utilize that thing and we can further grow into that segment and or maybe you can say the dealer network also so there is a high synergy is there post-merger, so we are internally debating how best way we can utilize this thousands of data today we are sitting with it.

We have geo tagged each and every dealers of astral. so, this all is going to help us in the long term but it's too early to comment on that thing. let the merger process get over and post that all the seniors with sit and work out the strategy and we'll see how best way we can utilize this data

Attendee: so, second question is on ASG. as a we are chemical and polymer industry one of the highest polluting segments so what is roadmap for next four-five years on ASG site sir?

Hiranand Savlani: so, I think last con call or so we have declared our result of the ASG also and you will be happy to know that ASTRAL is much ahead in the ASG requirement we have though it was not compulsory last year we have published the sustainability report and our score was higher than the industry average so we scored around 39 or something so our score was even current year it is still not published so I'm sure it will be even a little better than that. Now as far as your comment on the polluting industry sorry we are not discharging water so it is not a polluted industry, so we are not a chemical which other chemical companies are like that so we don't discharge the water so it is not falling under the that kind of category so we are self-consuming and recycling the same water.

Attendee: thank you sir

Attendee: good evening, sir and thanks for the opportunity. I actually wanted to ask about your pipe segment we have seen roughly around 10 % volume growth during the year and which is much much better than the leader but what I would like to understand is we had higher share of cpvc because of which we could grow much higher than the peers. The question would be if I look at last four to five years it would have been a broadly 9 to 10 % kind of a CAGR growth in terms of volume versus pre-covid level we generally used to report double digit growth rate what do you think has been the reasons for coming back to that 9-10 % growth? and when do we see this growth moving back to those double-digit levels that you used to see and if at all you could give some industry level numbers in the sense that you know how much industry would have grown versus your growth?

Hiranand Savlani : so I think compared to industry we are still better we are still growing at a close to about double digit 9.5 to 10 % kind of level if you see the last two year I don't have a authenticated number of the current year but last year industry de-grow by almost 16 to 17 % when the industry was de-growing by 16 to 17 % we deliver 4 volume growth last year, so it is a clear message that we are gaining the market share in the current year also we are of the view that the industry might have grown hardly 1 or 2 %. Again, that our growth is still 9.5 or 10 % so this year also we have gained the market share. secondly you are right we are predominantly a leader into the cpvc market so we are growing reasonably good into the cpvc side but it was unfortunate that we acquire the rex company and post acquisition because of this covid and all the government's spending become stand still, so because of that we sizeably degrow into that but you are seeing the number which are the consolidated number so because of that it looks that astral has grown only 10 % if I remove this thing or you remove them you can say the agriculture de-growth or you can say that you can remove the column pipe because the pvc price has gone up substantially high so people move to the hdp kind of level so because of that it looks at 10 % but if I remove this abnormal region then my existing business is still 15 % plus and that is what previously we used to grow and now in the future also we are quite confident that if now the industry will start performing if the industry will grow 5,7 % or 8 % which is the historically gdp multiplied by 1.5 time normally the plastic pipe industry has grown so if that is the case I think we will be back to the normal numbers of 15 % kind of volume growth but still market conditions are not that lucrative, I can't say with the high conviction that will be like that but we are aiming to grow like at that level and it looks that now the way ready inventory is gone down in the system , so new construction activity will start we have to pray that commodity price come down and that will give the further support to the volume growth because till the commodity prices will remain high the construction activities are growing but not at the pace which is required to be grown so we have to see how the community cycle is going to work out. pvc has already come down close to about 120 rupees so reliance may be announcing tomorrow day after tomorrow another five-six rupee cut or so so ultimately it will be benchmark with the imported price. CPVC lot of short supply there so hardly any possibility of downward turn in the near term but yes definitely ultimately the local supply has to come in the system, so like when the local supply will come from make money or maybe dcw and all then the cpvc will be stable polymer then or maybe little downward trend if that is the case, I think we can grow our volume much much faster rate than what we are growing at present

Sandeep Engineer: I think let's have one to one now and if there are any other questions, we can answer one to one because already two hours have gone. is there one last… ok… we will take the last one…

Attendee: so, sir I have a query on the sanitary wear like, which geography you are first focusing on and what kind of a product like a premium or economy segment you are going to cater

Sandeep Engineer: we are having the complete range from economy to premium and the focus would be on the all the segments but the you cannot say the downwards economy but the middle two ranges that will be focused which has a good market share actually why to focus and I think we'll start from west our launch and move to other parts of the country

Attendee: and next questions sir related to your earlier products you had launched pex and silent pipe how they are doing now?

Sandeep Engineer: Pex we have launched but packs we import and sell in our brand they are selling well but we are not yet present too much focus because of this covid we cannot meet consultants and market so because of that the activity was very low and still it will take some time for us to do complete marketing activities on this and the silent pipe is doing good. I said in my presentation also that silent pipe is growing at a good rate

Attendee: and when valve is going to… you know, report the numbers valve…valve…

Sandeep Engineer: valve already the launch is done. already is available in the market

Attendee: thank you sir

Sandeep Engineer: yeah, we have a range we have already displayed I think, some range…

Attendee: anything not reporting right now in the numbers?

Sandeep Engineer: see everything will not report segment wise, valve and then tank and otherwise we'll have to make a whole page of report

Attendee: thank you sir

Sandeep Engineer: so, we will it will come in the plastic segment. so, thank you everyone. thanks, we look forward to again seeing you next year and with some flying numbers and hard work thank you very much