

Date: February 04, 2022.

To The Department of Corporate Services –CRD Bombay Stock Exchange Ltd P.J. Towers, Dalal Street, Mumbai – 400 001	To National Stock Exchange of India Limited 5th Floor, Exchange Plaza, Bandra (E),Mumbai – 400 051
Scrip Code: 509675/HIL; Through Listing Centre	Scrip Symbol: HIL: Through NEAPS

Dear Sir / Madam,

Sub: Transcript of Schedule of Analyst / Investor Call held on January 28, 2022.

**Ref: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Listing Regulations).**

In continuation to our letter dated January 25, 2022 on the subject, please find attached the Transcript of Analyst / Investor conference call held on January 28, 2022.

Pursuant to Regulation 46, the aforesaid intimation and Transcript of the Investor Call is also available in the Company's website i.e., ww.hil.in/investors.

You are requested to kindly take the same on record and acknowledge the receipt.

Thanking You

For **HIL LIMITED**

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by MAHESH
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Mahesh Thakar

Company Secretary & Head of Legal.

Encl: As above



HIL Limited
Q3 & 9M FY22 Earnings Conference Call
January 28, 2022

Siddharth Rangnekar:

Thank you. Good afternoon, ladies and gentlemen and welcome to HIL Limited's Q3 & 9M FY22 results conference call for investors and analysts. Today we have with us Mr. Dhirup Roy Choudhary, Managing Director and CEO of the company; Mr. KR Veerappan, CFO, Mr. Ajay Kapadia, Vice President, Finance and Accounts. We will first have Mr. Dhirup Roy Choudhary making opening comments and he would be followed by the CFO, Mr. Veerappan, who would take you through his perspectives on the financial progress.

Before we commence, I would like to state that certain statements made on today's call could be forward-looking in nature and details in this regard are available in the earnings presentation which has been uploaded on the company's website and mailed to you separately.

I should like to call upon Mr. Roy Choudhary to present his views. Over to you Dhirup.

Dhirup Roy Choudhary:

Thank you Siddharth. Good afternoon my HIL family and welcome to the Q3 & 9M FY22 earnings conference call of your company. I thank you for taking out the time in joining us today. I hope that you and your loved ones are in the best of health.

We have successfully achieved a 17% growth in the first nine months of FY22 over a 19% growth which was achieved in the last financial year on a consolidated basis. The growth in our Indian businesses achieved in the last 9 months is 33% over the same period last year. While the supply-side issues continue to provide huge headwind, we have escalated our sales across verticals to drive our growth. We also continue to produce innovative ways to overcome the challenges faced and maximize our performance. I am very excited with the benefits we are securing from IoT 4.0 implementation in 9 plants. This brings in transparency, preventive maintenance, and a share of ownership for all to drive best performances in the factories. An aggressive adaptation of six sigma across all functions has further brought our family closer and is committed to deliver better efficiencies and lower costs across all functions.

Let me now share business-wise updates, commencing with the Roofing Solutions business. The quarter under review proved to be a robust quarter for this vertical despite being a relatively off period, delivering a strong performance, with sound volumes. Despite huge price pressure from competition to gain market share, as a testimony to the salience of your brand, we continued to further improve our market shares with better realization by maintaining grass root connect and gaining counters. Our teams have been performing advanced mapping of customers and we have been emphasizing influencer activity to reach the consumers. While the market share and the volumes were safeguarded, the stress on the bottom line was inevitable owing to material costs being at all-time high.

Our asbestos-free roofing solution, Charminar Fortune continues to garner customer appreciation and is well poised for growth owing to superior quality. It retains its edge as a promising alternative to steel sheets by virtue of its superior characteristics, robust manufacturing processes and strategic pricing. Needless to mention, this solution provides the well needed alternative to our asbestos roofing for future sustainability of your Company.

As you are aware, we had a lockdown in the Balasore roofing plant operation for a short time and the same has been resumed from 19th January 2022. We have amicably resolved the labour issues without any loss to revenue or profitability. The plant is very strategic to us and contributes 10-12% of our roofing revenue and it is our chosen location for the latest announced Capex for Building Solutions segment.

Let me now come to the Building Solutions segment, where the entire sector continues to face raw material related issues, did well, on the back of a clear strategy by registering a 57% growth in top line and 3.7x improvement in PBT over the same 9 months period last year. We are confident to grow further in this business by entering new geographies. Our capacity expansion in Odisha will greatly enable us to meet these extended goals, though the project stands a bit delayed owing to COVID. While the raw material prices in this sector remain inflated and did dampen our profitability in Q3, we are confident that your Company will be able to maintain its profitable revenue growth movement coming forward. December has been a good month for this segment, and we hope this momentum continues in Q4.

In the Polymer Solutions business, we have a big challenge owing to reduction of PVC prices creating uncertainty of demands and reduction in selling prices in the primary market. Our challenge is further enhanced by the increase in CPVC prices, high sea freights and constrained availability. The putty business continues to face challenges for in top line and bottom line owing to steep competition. However, the business took committed actions in HIL towards expanding the sales in newer geographies and has been able to achieve 46% growth in top line and 80% growth in PBT over the same 9 months period last year in this segment. We are well poised to reach a Rs.500 crore top line this year from the Polymer solutions business.

Our Flooring Solutions business, Parador, is continuing to face severe headwinds owing to raw material issues. Truly providing our belief of together we build, the teams in India and Europe have made comfortable effort towards getting the availability of materials ascertained. However, the input costs are still considerably high. The team is taking committed actions towards improving selling price and promoting non-HDF/MDF products to mitigate this crisis. This has enabled expansion of sales in European countries, and we are confident to witness Q-o-Q improvement, matching our aggressive aspirations of this business both in top line and bottom line going forward.

With the prevalence of the third wave, at HIL, we are maintaining vigilance and remain cognizant of the changes in the business environment. We want to stay ahead of any and all developments and their resulting outcome to ensure that our business continues to function smoothly, maintaining its growth momentum. Combined with our experience from the previous two waves, we are confident of maximizing the productivity and minimizing the impact of this third wave.

To conclude, we are well on track towards becoming a 1 billion US\$ "One Stop Building Solutions Company" in the next few years. Our business teams have displayed

exemplary resolve to keep the family together, be resilient and agile and grow the business both in India and Europe despite several challenges. Lastly, I want to thank all our stakeholders for the continued faith and support that they have shown to us, enabling us to serve your Company in the best possible ways.

Many thanks for your patient hearing. I would now like to hand over the discussion to my CFO Mr. Veerappan to take us through the financial performance of the quarter under review and eagerly look forward to answering your questions thereafter as transparently as ever. Veerappan over to you.

KR Veerappan:

Thank you, Dhirup. Good afternoon, everyone and thank you once again for attending HIL Limited's Q3 and 9M FY22 earnings call. I pray that you and your loved ones are safe and healthy. I'll be now taking you all through the financial and operating highlights of the company in Q3 FY22.

We continue to witness the robust financial performance and its several headwinds in yet another consecutive quarter. Standalone revenue grew by 15% Y-o-Y for Q3 FY22 coming in at Rs.450 crore and for 9MFY22, it grew by 33% Y-o-Y coming at Rs.1,478 crore over an exceptional last year.

Roofing solutions revenue grew at 11% Y-o-Y to Rs.203 crore on a quarterly basis and on a nine month basis it stood at Rs.803 crore, having grown by 21% year on year. While the price pressure coupled with increased input cost have put some pressure on our margins, we have seen an improvement in our market share and thereby in the revenues. We have with this further cemented our place as leaders in the roofing space in India.

Building products saw a robust growth of 25% Y-o-Y in Q3 with revenues coming in at Rs.105 crore. The revenue for the nine months was Rs.285 crore, registering a growth of 57% Y-o-Y. Margins were no doubt impacted by the high raw material prices in the first two months of Q3. However, by strategic call around action, including significant improvement in selling price has enabled December to be a far better month for us, which is expected to continue in Q4.

The polymer solution business experienced robust growth of 14% Y-o-Y for Q3 FY22, recording revenue of Rs.140 crore and on a nine month basis it grew by 46% Y-o-Y to Rs.384 crore. With consistently introducing new SKUs in the market and improving operating efficiency of our plants, we expect this vertical to continue delivering robust growth in the forthcoming quarters. As Dhirup mentioned earlier, this business is poised to cross the Rs.500 crore mark in top line by the end of this financial year.

The flooring solution business de-grew by 10% Y-o-Y to Rs.373 crore in Q3 FY22 owing to material issues. On a nine month basis the business grew by 1% Y-o-Y to Rs.1,095 crore. The fabric of Parador is fully protected and in line with other business verticals under HIL and now has an aggressive outlook towards growth. We have driven the revenues for the business and expect profitability to follow suit as material costs start coming down.

The health of the company's balance sheet is of great importance to us. We have reduced the debt further by Rs.33 crore in Q3 and by Rs.135 crore in the nine month period. The debt now stands at Rs.274 crore. On India level HIL continues to be a net debt free company for the third consecutive quarter. The total debt to equity ratio has

improved to 0.24 as on 31st December, 2021 compared to 0.41 as of 31st March, 2021. The net worth of the company stands at Rs.1,131 crore, having grown by 18% Y-o-Y.

In conclusion, I would like to reiterate that we are making strong progress towards a US\$ 1 billion goal despite facing some pressure on the profitability side owing to the inflated input cost. However, we are certain that these issues are only temporary and once normalized the Company's profitability will improve meaningfully.

With this, I would like to conclude my opening remarks. I request the moderator to open the floor for questions. Thank you.

Moderator: The first question is from the line of Amit Vora, an individual investor. Please go ahead.

Amit Vora: Good afternoon, gentlemen. Congratulations on a good set of numbers in a tough environment where all raw material prices have been going up. You have done an excellent job in even reducing the debt, which shows the strength of our execution. So, great work on that aspect on execution. The question that I have majorly is on the Parador flooring segment. One of our Indian leading supplier for MDF has indicated that they have increased MDF prices by around 17% in Q4. So how are we mitigating this and if you have taken price increases, what have those been? A similar question is on the roofing side as well because we are seeing inflationary pressure on raw materials on the roofing side as well. So what has been our strategy there? If we have taken price increases, what quantum have they been? Thank you.

Dhirup Roy Choudhary: Thank you very much, Amit Ji for your kind words, it means a lot to us. Coming straight to your questions, let me take them one-by-one. Parador, as I mentioned, is continuing to face severe headwinds owing to raw material issues, primarily now on prices. The teams' effort made in the last two quarters has ensured availability of materials to a great extent. However, the input costs are still at very high level. The team is taking committed actions towards improving selling price and promoting non-HDF/MDF products to mitigate the crisis. This has enabled expansion of sales in European countries that we have seen over the last nine months. We have grown outside Germany by registering a 22% growth in Spain, 19% growth in United Kingdom, and 14% in China, amongst other growth. This will augment very well for our growth plans in Parador in the coming quarters, and we expect to grow Q-o-Q both in top line and in bottom line.

Selling prices have already gone up by 13% in Parador. And this quarter, we will take that up further. And we will take all actions towards further reduction of controllable costs and efficiency model for Parador to get higher revenue and higher profits to sustain ourselves and make better profitable growth going forward. You have a supplementary question on that, I can answer that and then take on roofing.

Amit Vora: No, no you complete on roofing and then I talk about follow up on flooring.

Dhirup Roy Choudhary: Thank you. On the roofing segment, of course, there is considerable pressure by our competition to reduce prices because our exemplary efforts in Q1 on gaining market share, which has gone up to almost 25% in Q1 wanted to be equated. We certainly depended upon our last leg connect. We have testimony to the salience of our business continued to further improve our market share. Market share in Q2 and Q3 always comes down for HIL because we don't want to strike on prices. Our brand stands for it. The difference of prices between our competitors have only gone bigger, but we have

not let our market share slide, which is currently at 22.3%. We will continue to maintain this market share over Q4 as well. But Q4 is a favorable quarter for roofing because we start preparing for our next season. And we are very hopeful that the next season will also be very good coming forward. And therefore, we have already started ramping up all actions towards this. Prices will go up this quarter further, and hopefully this business will deliver very good results in Q4 as well.

Amit Vora:

Thanks for the answers. One follow up on roofing is that this quarter, we have been profitable compared to last quarter. And our profitability will only continue to improve is what you're indicating. Is that the right way to look at it?

Dhirup Choudhary:

Q4 definitely the profitability will be better than Q3, considering that we have taken a lot of action in mitigating the cost aspect through R&D contribution as well as our selling prices are expected to go up immaterial of whether our competitors bring it or not. There's severe pressure on the bottom line for, lack of words, every material cement, fly ash, sea freight everything is pushing the bottom line immensely. It's going to be a foolish business stance not to pass on part of it to the customers. We will do it based on our brand that connect. I hope that our competitors also do that to make this market a better place for all of us as producers.

Amit Vora:

Understood, understood. And as you have just mentioned that Q4 and Q1, the outlook remains pretty strong. If there is a quantum that you're looking in terms of price increase that you have taken up in Q4, if you can give for flooring and even roofing, if that is possible?

Dhirup Roy Choudhary:

Amit Ji as I mentioned to you, in flooring, we have already taken 13% rise up to Q3 and this quarter also, we are planning to take a further price rise with our customers. In roofing, this is the quarter we will take good jump on our selling price once again, and we have already started taking those level. We will be able to discuss this better once we have been able to achieve it across the country.

Moderator:

Thank you. The next question is from the line of Baidik Sarkar from Unifi Capital. Please go ahead.

Baidik Sarkar:

Mr. Choudhary good evening, and congratulations to you and the entire team on a very good quarter. If I can request you to break down the supply chain issues in Europe in some more detail and fabricate how much more we need to cover in terms of feedstock availability, I would really appreciate that. I know in your opening comments, you mentioned upon the possible change in feedstock mix. But if you could just break down the issues that you're facing right now, it would really help us cover ground on that aspect?

Dhirup Roy Choudhary:

Thank you. Your line was not very clear, but I guess I got your question Baidik Ji and you can correct me always. So first of all, thank you for your appreciation. In Europe, as I mentioned, we have worked very hard to bring the materials to our shops. So, we had a big problem in Q2 and that was all of a sudden. And this has nothing to do with Parador, it's to do with the entire flooring segment, which is lamenting because there's a sudden boost of demand for the furniture segment in Europe, and lack of availability of raw material, primarily HDF/MDF but we have sorted that out now. So material is not an issue in Parador anymore, we already have mastered enough. Price is an issue of our raw material, and that's at the highest peak level.

If you ask me honestly, I do not see that coming down yet. But as we understand from our competition, and I think our speaker before this, Amit Ji, mentioned that HDF/MDF in India are taking further price hikes, we do not see that in Europe. We definitely see that is plateauing to some extent. I am not saying that it's coming down, but we will take all actions to ramp up our production. Further, we have taken up an extra shift in Europe considering that we have materials. We are at all time high order book backlog because we have been able to get across to new customers, acquired them in Europe as I mentioned about some of the numbers disclosed by country. And we have been able to master our stocks also for B and C class products, which were needed for the DIY in Germany. So DIY in Germany are not so good at realization, but very good at volume and we don't want to lose that.

So now that we have taken actions on availability of materials, which are all in red against last year, but that's the price part of it. From availability we have sorted it out, now it's a matter of looking forward and getting Q-o-Q benefit on that. So, I confirm to you Baidik Ji we have stood by. Thank you for it, for your patience, we are working very hard. So Q3 has been better than Q2, Q4 will be better than Q3.

Baidik Sarkar: So to zoom out the current quarter and invite your comments on how you think our retention is likely to be negating segment to some others in Q1. In general how the pricing environment and the competitive intensity, and I know these are very early days, but is there a ballpark volume growth range you think exist in the market for us to take given where fiber prices are? Your comments on that please.

Dhirup Roy Choudhary: You're talking about the roofing, aren't you?

Baidik Sarkar: That's right in Q1, what you think the right market share to what extent?

Dhirup Roy Choudhary: Roofing we will continue to lead the market. We are number one, we will not let that go away by any chance. We have taken a different route altogether. If I draw it -- because you have been speaking to us for a long time and you've been associated with your company HIL for long, sometimes in Q2, Q3 of 2020 I think we went down on our market because we were unable to capture the market at a price we wanted to, while the competitor was lowering price and graphing on the shares. We did not allow that subsequently we have gone into the last leg connect. And let me assure you that the digital connect, the pin code connect that we are doing, working with the nascent, it's really adding value. We have taken at least 1,573 counters away from our competitors and we are securing our position in the market. So I'm looking forward to an excellent Q1 if you ask me, much better than even a bumper that we had this year.

Baidik Sarkar: That's very helpful. So can I just squeeze in one last question, Mr. Choudhary? I understand acquisitions are a very important part of your US\$ 1 billion journey, is there a segment, is there a adjacencies we've identified, we'd like to get associated with inorganically?

Dhirup Roy Choudhary: So, let me tell you totally how we are planning this US\$ 1 billion so that you have a clarity far better than earlier. So we are looking at all adjacencies. There'll be three basic drives of our growth plan other than the normal growth in the businesses that we'll do. One will be Parador. So we are already in very good progress in discussing with some of the key influencers in Europe. If I may say also taking help from big four to try and see how we can get Parador to the Euro 350 million range. We are at about Euro 170

million at the moment, Euro 170 million to Euro 180 million and we want to double from there.

So, that's the top line and with that, the profitability improves in Europe, once you have the top line, then the bottom line definitely smoothens out because there's a lot of fixed cost that gets apportioned. So I can tell you, I feel far confident than before, even with the prices of materials and other things that are haunting us, but I feel far from comfortable that Parador will grow. And more so because we are seeing the traction that we are getting in the order backlog and our revenues have been by far very good in Q3, which were excellent last year, but we have met up the revenues to a great extent and Q4 will be I think one of the highest is what we are trying to do in Parador.

Coming to the second vertical that we will prep up will be the Pipe. So, as I mentioned in my opening remark, we are hoping this segment clocks the Rs.500 crore this year. A lot of effort has to be done in that. There are a little bit of a slide down in the market owing to PVC prices going down, the temperaments are low. But I think this is just a temporary phase. We are going to match this up. And the deep dive that we are doing to Tier III, Tier IV is really supporting a little bit of brand activity that we are doing is also importing. So overall this business will become Rs.1,000 crore, Rs.1,500 crore including putty is for certain, that's what we are aiming for in the next two to three years' time.

And then there'll be the normal business of roofing and building solutions where we would add more factories as we go forward, but it'll be like the legos, you'll have to add factory and then get the revenues out of it. But we have found the profitable model there. And Q3 was slightly daunted on profits in this segment because of material costs, but December was a fantastic month and hopefully that'll continue in January, February and March as well. So you'll see the results.

The next bit are adjacencies. So a lot of work has been done by our team on the adjacency and last time I had alluded to it a little bit. We are looking at water tanks. We are looking at new SKUs of pipes, including some of the newer things that we don't have it in the present roles. We are looking at construction chemicals, like Tile Adhesives, Primers, etc. A lot of efforts is being done. I am presently monitoring this almost every week, and I can tell you that, this team is bullish on this. There's a lot of synergy that we have with our deep dive retail connects that we have. So, hopefully very soon in the next quarter or two you would hear some good news about this traction picking up. So, there's a lot that is happening, I can tell you. The team is absolutely excited and this will be a "One-Stop Building Solutions Company" is my word for it.

Baidik Sarkar: That's very helpful sir. Thank you so much and my best wishes for next \$1 billion. Thank you so much.

Dhirup Roy Choudhary: Thank you, Mr. Sarkar. You have a good life too.

Moderator: The next question is from the line of Sagar Jethwani from Philip Capital. Please go ahead.

Sagar Jethwani: Hi, good afternoon, sir. Thank you for the opportunity. Sir, couple of questions, one on capacity utilization across the business segments and secondly your effective tax rate was around 37%. So can you give a reason behind that?

Dhirup Roy Choudhary: Sure Sagar Ji, but don't call me sir please from the next time. We are all working for the same cause. Thank you very much.

Capacity utilization for AC Sheets that is the roofing segment is highest in Q1, and then it becomes highest in Q4. This Q4, we will go all out from February onwards or middle of February onwards. At the moment, I can say Q3 was about 75% and on a nine-month basis, we were 84%. Q2 and Q3 are always less on the capacity utilization. On the Block side, we are absolutely full up to the extent that we can, 95%, 96%. We can't go beyond that. Panel side, we are absolutely full up, roughly about 93%, 94% is what we achieved in Q3, I guess, in panels as well.

Board is 100% and you know we have set up a new plant for board in Faridabad. So that and the Hyderabad plant both are 100% full up. P&F that is the pipes and fittings is doing very well. It has already come up to a 53% capacity utilization with Faridabad almost 85%. So we will ramp this up further as we are expanding this business. And putty is also about 59% in Q3 and we will ramp up further where that's needed, but a lot of putty is bought out also by us under our brand. Parador is doing extremely well in Q4. They'll be full up actually on the capacity since we already have mastered the materials.

Sagar Jethwani: And, second question on effective tax rate sir.

KR Veerappan: Yeah. So this tax rate is -- we have taken some provisions in Parador. Parador, what happened is the tax is always calculated based on provisions. And once in two years, there is an assessment happens. And so based on the assessment, the certain expenses are disallowed. So demand has come on those expense, and which is being disputed. So it's a nominal amount, but we'll be setting out before March. There are some provisions we have taken conservatively in the tax that's all, which will get offset in the next year.

Sagar Jethwani: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Shubham Agarwal from Aequitas India. Please go ahead.

Shubham Agarwal: Yeah, thank you. And first of all, sir, I'd like to congratulate the entire team for the significant progress made Q-o-Q. Sir, my first question is regarding the roofing division, I wanted to know generally in terms of demand, how is this division shaping up given that competitors are planning to come up with new Capex over the next six months? And also that we are getting slight mixed news as far as the rural health is concerned. So, I would like to know your views.

Dhirup Roy Choudhary: Thank you, Shubham. Please. Don't call me sir, next time, but thank you for your question and for your greetings. Roofing segment, Shubham, we are the king, sorry, I'm being extremely bold on that. We dictate the market and we love to do that. We are price leaders, we are quality leaders, we are distribution leaders, we are the connect leaders with the customers. And I think what you are seeing here is a dividend of a very, very resourceful strategy that we have put in and the commitment from the team. We see that business going very favorable to us. Yes, we definitely hear competitors scaling up their production capacity by adding Capex. I don't think you have money in your company to spend Rs.80 crore to Rs.90 crore in setting up a new line for asbestos. I am sure as a promoter of this company, you won't like to do that. And, we definitely won't.

We have other means of improving our capacities in the plant by automation, by Six Sigma, by Internet of Things. We are doing all of that that is required to ramp up our production. We are absolutely capable to meet any demand that the market throws on us in Q1 and remain on top of it. So we don't need to add any capacity and we won't in a hurry in roofing segment. We will not let go the market share that we have grown over the years and the brand we have grown over the years. So I'm very bullish on that.

Shubham Agarwal: Fair enough. And, secondly can you also give us some numbers regarding how the traction in the color roof and non-asbestos part is?

Dhirup Roy Choudhary: Yeah, so non-asbestos primarily was made to basically safeguard any eventualities of asbestos getting banned in the organization. We have got the Humid Cure product now, well established. It's quality dominance can be seen and witnessed. It's a small base, but we have grown 3x this year over the last year. And this product has been well accepted by the clients. And, this year we should cross -- normally in non-asbestos in the whole country, the market size, one is to here was about 12,000 metric tons. We have already supplied 12,000 metric tons this year, and we'll pull ourselves towards doubling that and tripling that in the coming months and you would hear that. So it's showing good potential, sir.

Shubham Agarwal: Perfect. And secondly, my question is related to the roofing segment, as you already mentioned in last quarter itself that the order book was pretty high, almost all time high and currently also the order book is very high and as far as raw material is concerned, availability is already sorted out. So my question was slightly near-term as to whether we will see a significant increase in capacity utilization in Q4?

Dhirup Roy Choudhary: I think your question is on flooring. Am I right?

Shubham Agarwal: Correct.

Dhirup Roy Choudhary: Okay. So I mentioned that to you, we will go all out on production in Parador in both the factories and there are certain limitations that the government puts across on the number of hours they can put in, but we have started the new shift in Coesfeld, Germany and let me confirm to you that while COVID looks bad in Germany and in India, none of your factories are at all stopped because of COVID or any implication on COVID. Our teams have kept it absolutely clean and safe for the purpose of working. And Parador will go all out in Q4, sir. You can see a good movement on that.

Shubham Agarwal: Perfect. Thank you, sir. And best of luck for next quarter.

Dhirup Roy Choudhary: Thank you very much, but I caution you that the profitability of Parador will take its time to come back because the material costs are high, but we are trying to get maximum top line and with that will come the profitability. Thank you very much.

Shubham Agarwal: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Shantanu Basu from SMIFS Limited. Please go ahead.

Shantanu Basu: Thanks for the opportunity. So, my first question is with respect to the strike that happened at the Balasore plant. So I want to know what was the main issue? And I missed in the earlier part of this call, you mentioned that there may have been some

price cuts in the pipe segment, and there has also been some price reduction in the roofing segment. So want to know the quantum of all those. And lastly, I mean, what was the percentage of Charminar Fortune sales as a percentage of total roofing? If you can give that figure please?

Dhirup Roy Choudhary:

Thank you, Shantanu and let me answer one-by-one. If I forget something, please remind me. But on the strike side, Shantanu, this zone is quite prone to it and nothing wrong. They have their demands, but it was going on for a long time. I've now completed five years in HIL. We didn't have a strike in any of the factories till now, but this was a time when our demands were low, this is also a time when roofing demands normally remains low, and this was the time we therefore decided to implement some automation in the plant. It came up with a bit of a backlash, but we have sorted it absolutely amicably. They are wonderful people and we take care of them and they understand that we will take care of them in long-term. The local government also supported us. So absolutely no problem, no loss in revenue, no loss in profitability, except a little bit of freight charges that got increased because we had to ship the material from other godowns, but we didn't miss sales at all.

Coming to your next question on price cut. Sorry, I didn't get it, but we haven't done a price cut in roofing in Q4 at all. And we don't intend to. We will increase the price in roofing in Q4. Q3 also, if you see realizations have been better than Q3 last year by about 2%. So, we are doing well on price.

On the pipe side, the selling price follows the material price and the market, therefore, expects a reduction once the PVC prices go down and in India that's something which is extremely volatile and it's at the moment going down. So we are managing that, there's a lot of improvement back at home that we have done on the efficiencies of machines as we have already moved ahead of 50% utilization. And we appended the team. We have worked from R&D on pipes to reduce the cost and everything is working fine.

So we are hopeful, the margins of pipes have also gone up over last year and while the growth has been quite good, 60 odd percent in pipes, the margins have also gone up. So I don't see a problem. There was one more question you had, sir.

Shantanu Basu:

Yes, I just wanted to know the percentage of Charminar Fortune with respect to the total roofing.

Dhirup Roy Choudhary:

I answered that. It is absolutely low. Charminar Fortune is only going to be 15,000 metric tons in this year against a total sale of 800,000 metric tons that we'll do in roofing or more.

Shantanu Basu:

Okay. So I mean around 1% to 2% or maybe less than that of total revenue.

Dhirup Roy Choudhary:

You're absolutely right, 2%.

Moderator:

Thank you. The next question from the line of Bharat Sheth from Quest Investment Advisors. Please go ahead.

Bharat Sheth:

Hi, sir. Congratulations, Mr. Dhirup. Sorry.

Dhirup Roy Choudhary:

How are you, Bharatji?

Bharat Sheth:

Fine, sir. Thank you. And good number in challenging times. On Parador, we have been successfully able to diversify from Germany and that has started showing. Now going beyond, if you can give some color about China as well as the U.S. market that we are looking? So from that perspective. And second, of course, now we were also looking for an expansion in this plant, but since now, this availability of raw material is challenging. So how do we see this business again from say three years perspective?

Dhirup Roy Choudhary:

I tried to answer that earlier, but you have asked some very pertinent questions. So let me try and revisit them. Bharat Ji, the fabric of Parador is absolutely safe. We have gone through some difficult times, and this is not Parador alone. All the flooring companies in Europe have lamented against the material availability and price. As we speak now, availability is sorted out because we are getting materials from all around and many more suppliers have been added and very astute negotiations have been conducted by them. And we have been able to get that.

Sadly, shipping costs are very high, but it's definitely going to subdue in the coming months. So we now have the material, let me say that way and we want to now ramp up production. Parador will move up to Euro 350 million in the next three to four years, sir and we will achieve that by expanding Parador to many more countries. Germany, Austria constitutes 50% of their revenue, but that's changing now. The balance of the countries in Europe constitutes about 25% of their revenue and that's going up. And, the rest of the world was 25% and that will change.

There were some hiccups in the dispatches outside to different world countries because of COVID and sea freight. But we are finding a means to ramp up production in Europe itself. There's a huge demand of flooring in Europe, and that has only gone up after COVID. So we are maximizing that. Our newest product there, which is modular one, which is a resilient flooring, is a fantastic product. And that has shown us so much of potential for growth, and it's selling like -- literally like hot cakes, and we are very proud of the team, what they're doing with their design and development in Parador to meet up to the expectations of influencers in Spain, France, Italy, Nordic countries, Switzerland, United Kingdom. They are all different. We are also setting up logistic centers or soon would be setting up logistic centers in different parts of Europe and U.K., U.K. with the Brexit that's needed that we have local logistics there. So that's something that we are already working on. United States, the JV has taken a bit of a time. We haven't been able to conclude yet, but I think in a month or two, we will conclude that. And that'll just be a beginning in United States.

China has grown 14% over last year, but there is huge potential sir. Let this COVID be slightly more dampened and then further visits to China and strengthening that team and all those things will happen. You would see a lot of vibrancy in Parador in the coming financial year. And I think the pedestrian is all set for that.

Bharat Sheth:

Okay. Great. You stated about doubling and tripling of this Charminar Fortune in coming time, but when do we really see meaningfully contributing our top line and EBITDA? And second thing, since the technology on which we were working that reduce the price gap between currently asbestos where cement sheet and this roofing system. So what level we have been really successful in achieving that?

Dhirup Roy Choudhary:

The ramp up has taken time primarily because earlier we went with the autoclave technology and later we found that was becoming extremely expensive because of power consumption and capacity because autoclave always defines the capacity of manufacturing. So now we have gone with a new technology, again, homegrown. IPs

have been all announced and the journals have announced it and it's been registered. So that is our new IP and that product is doing extreme good quality, strength, from all angles. Customers are liking it. The color part of those we have six variants of colors. They are fantastic.

So I think now nothing can stop us from growing in this. Yeah, it's going to take time because this is all in institutional segment that we sell and they have for many years shifted to steel and to convert them back to cement-based roofing takes time, but it'll happen. Meaningful, if it is Rs.100 crore, it'll happen in the next two and a half years' time. And Rs.500 core, it'll happen in five years' time.

Bharat Sheth:

Okay, great. And last question on this polymer business. So where we wanted to grow, say exponentially and grow around Rs.1,000 crore or Rs.1,500 crore, because the opportunity is large, and we also want to expand the capacity. So what stage we are now, and after this Rs.500 crore catching in this year, how do we see this business and further Capex for new plant?

Dhirup Roy Choudhary:

This is a very interesting segment. There were lots of questions all of us had, including you and I on whether we had done the right investment strategy in getting into polymers, because there are very, very big players there and I don't want to name them in this call. But we tell you, we have made a good meaningful big name in this and our brand is stabilizing. The influencers, our plumbers are showing a lot of faith in it. B2B segment is growing in the pipes, which is now almost 25% of the sales. And we have ramped up from Rs.8 crore per month sales to now crossing Rs.30 crore, inching towards Rs.40 crore per month in pipes. And putty has also shown a good ramp up. I think pipes this year is already growing at 65%. Ajay, you can correct me there. And these are very, very good numbers, which we are proud of.

This segment will grow sir and I've committed to everyone, and it's a commitment to me, myself and then to all of you. This segment will be Rs.1,000 crore in the next three to four years if not earlier. And reaching an Rs.500 crore makes it meaningful from a contract negotiation with material supply, because material becomes a very important part of this business both for putty and for pipes. And therefore, that milestone is going to auger well for our future growth, sir.

Bharat Sheth:

Last question, if I can add, if you can give some color on geographic spread and how do we want to become a pan India player, in what timeframe?

Dhirup Roy Choudhary:

On the polymer business, yes. So at the moment we have become consistent player in north and in west in polymers. I think pipe, very difficult to mark the market share. We may be 1% or 2% there, but in putty, we are almost touching 5%, which is a good bit in north at least. We map the total of two of our biggest competitors there and we mark against them and we are doing very well actually on putty also.

So the next is South. We build up a plant in Hyderabad, incidentally, we'll be coming very soon to the Board again for an approval of a short Capex to augment that capacity and add on HDPE and foam core pipes into our profile. And, the south has picked up very well on pipe. And the next bit that we are trying is in East. There are significant capabilities that needs to be grown in East because we are very far from East for all our plants and the freight element becomes very, very high. So we will have to look at alternatives in East, which we will soon come to you with as we are discussing on the

whiteboard and to grow in East. So we don't want to leave any part of India. We want to be a pan India player, and we want to be amongst the big players.

Moderator:

Thank you. The next question is from the line of Nikhil from SIMPL. Please go ahead.

Nikhil Upadhyay:

Hello. Hi, good afternoon, Dhirup. And congratulations to the whole team for good set of result, especially in the environment we are in. Two, three questions, one is Dhirup, a bit more on the flooring side and just in last quarter call, when we were discussing, and you had mentioned that there were some players who had in-house MDF manufacturing and who were also into flooring, and those guys were relatively better placed than us in terms of the material supply, and also on the pricing. Just wanted to understand now and if I attach to what you said just now that in Q4 Parador is seeing a very strong order book. So just want to understand is it the market growth, which is helping all the players, or we have maintained the price differential versus the second or the third player in each of the markets and that is helping us to maintain our market share? Where I'm coming from is to understand better on the competitive landscape and how are we able to compete and we not having an MDF plant, does it become a handicap in any way for us to scale up the business?

Dhirup Roy Choudhary:

Extremely good question, Nikhil and I'm sure it'll be validating many of our thoughts and to everyone on this call. First of all, let me start backward. Is HDF-MDF, something that we want to have in our manufacturing scale up? I had mentioned this last quarter also, and I'll repeat that these manufacturers were lamenting for good five, six years if you leave out the last 12 months. Their profitability were low in Europe. I'm especially talking about Europe, they had closed down their manufacturing plants. You talk of Phleiderer, you talk of Sonae Arauco, you talk of some of the big names there. They all closed down their HDF-MDF plants because it was non-profitable. The investments are very high. And if we are to ever dip into this, it'll be, a very high investment around EUR 250 million, EUR 300 million for a plant, and we would only use about 20%, 30% of the capacity and then we'll become a B2B player trying to supply this product to other manufacturers, which is not what we want to do because the margins won't be as good.

And it's only the market, you wait and watch. I mean, these prices are going to come down and again the profitability will become a question of concern and realizations on the capital they have invested, all of that. That's my count on that. Only about 20%, 22% of our competitors have their own down the line HDF-MDF capacity, all the rest buy from outside. Therefore, there is a good competitive landscape where we compete. Our brand is number one. So, Nikhil, just correcting, we are number one in Germany in brand. And, therefore, we have continued to maintain that.

Our issue was, can we grow outside Germany as well and spread our wings, because I always meant to scatter the product and reduce our over dependence on Germany. And I think this has given us a good window to do so. And I mentioned about some other countries where we are moving in. So the competition in each country is different, Nikhil. So we are not tapping against the same guys, and it's not important that each country has HDF-MDF manufacturers or local manufacturing capabilities. So it's quite a different landscape in different countries. The levers that the consumer uses are different, the preferential are different what they're looking for, and we are trying to compete by local teams there.

So we are setting up local teams in each of these countries to really align to what is needed to gain markets there and pricing. So we are not cheap. We are not pegging the price and leaving behind some cookies and thereby gaining market share. No, the

market share gain is like customer acquisition. It's a hard work where you are converting the customers in, say, there is a residential segment and there's a commercial segment. So in residential segment, mostly people buy from either the DIYs or they have the contractors who buy for them and do the renovations at home. Roughly about 60% of the market in Europe is renovation and 40% is new, or even 30% is new and 70% renovation.

So they've done a lot of renovation during this time after the COVID, because they were sitting at home. It's called the cocooning effect, where they were sitting at home, they were not spending on their travel, so they were doing. So all of that is helping the market to grow. We have tried to capitalize wherever possible. We could have been -- let me tell you very honestly, we could have been Euro 200 million already had we not faced the problem of materials this year. But with the good order backlog that we have, I think presently, Ajay, again, correct me, it's about Euro 18 million to Euro 19 million already, and that's a good order backlog to house for normally Euro 12 million, Euro 13 million is a comfortable order backlog that we carry because most of it is order book and billed in the same month. So we are sitting in good order book log, not because we are at all leaving anything on the table and getting a low price, but because of our connect.

Nikhil Upadhyay:

Okay. Just one follow-up here, Dhirup. Thanks for the detailed explanation. Why I am trying to understand the competitive landscape is because if I understand and I think over the calls, the way we have understood Parador is like, Parador is the leader in terms of the new designs and the design people, which Parador has tie-ups with-- Parador is able to get the best product at the best time in the fastest way in the market. But in the environment where we are in, like, where prices are so high, or like 15% price increase we've ourselves have taken, is the influencer decision of moving away from the design to the price, or they are still sticking with design, which means that the competitive landscape or the advantage, which the moat, which we talk of Parador has created sustained. So just trying to understand, has there been any change in the influencer decision making, because of so high price increases, which have happened?

Dhirup Roy Choudhary:

Again, a very, very good question, Nikhil. Thank you for asking this. It gives me an opportunity to explain. Let me again segregate the business of Parador into two. One is residential and one is commercial. Commercial businesses are all done by influencers, the interior designers, their own consulting groups, external consulting groups for big projects, malls and hotels and other things. They are completely done on design. They want new designs. They in fact, sometimes come and jointly work with us for design. So design becomes a very, very imperative part and then comes the quality and price and quality is mostly given. So it's design and price.

When it comes to residential, they buy some DIY. So there it is, a) design. b) price, but mostly it is the technology. That means, if there is a bathroom, they can't get wood there. So they would need a vinyl where the waterproofing is there and things like that. So it's more about where to get what type of product. That influence. What is changing as we see fast is also the e-business. So a lot of this e-business is coming in where they are ordering from the net, but those ordering are with cheaper products from China, and that's something we don't operate anyway. So we have our own business store at the Internet. We have started that about a year back and that's doing very well. This actually did very well during the COVID when we were doing shipment from our factory to the customers directly. I don't see a big change there. Design and brand will still play a good role and Parador has its way to go through that.

- Nikhil Upadhyay:** Sure. Thanks for this explanation. Just one last question I have. On the AAC blocks and I was taking a call of few listed companies and even talking, and there is a significant market shift, which is happening from the red bricks to the AAC blocks and there has been some price increases as well. Are you witnessing a similar kind of a scenario for our AAC blocks or do you see that the market shift is still not happening or how do you see that scenario evolving? Because, three to four years back.
- Dhirup Roy Choudhary:** Very strong market shift, let me tell you and more so if you are agile and you've been able to move from the A-class cities to the Tier II, Tier III city, which we have done. There's a lot of construction work that is happening there. And therefore, we are trying to get that benefit. We have raised our price a good bit in December, and it has sustained, and that's going to help us in the Q4 as well. So yes, we see a good benefit. Our plants are 95%, 96% full. Actually, if we have more products to sell, we can sell it. We are getting good traction on that.
- Moderator:** Thank you. The next question is from the line of Manish Dhariwal from Fiducia Capital Advisors. Please go ahead.
- Manish Dhariwal:** Yeah. At the outset, let me say that listening to you, I think is one of the best experiences that I personally get each quarter and I make it a point that I attend your call and the conversation that you conduct. So, thank you very much for that.
- Dhirup Roy Choudhary:** Manish that's very kind of you. Let me tell you from the point I come from, I work for you and I work for the company where you want to invest, or you are already invested, and therefore, I have to do my job by being transparent and I only bring out facts on the day. Thank you.
- Manish Dhariwal:** That's wonderful. And that actually adds to the whole thing. Now, see, Dhirup, we've been like very expressive on the fact that we are on the way to becoming a US\$ 1 billion enterprise and basically concentrate on the building solution side. So that now you are chasing sales growth. We also had a leadership on the profitability and thereby the return ratios, which I now see is getting impacted because the new businesses that we are kind of getting into are obviously like lower margin relatively compared to the original business of asbestos sheets. So, basically over a period of time what's going to happen is that our operating ratios are going to weaken at a consolidated level and thereby the return ratios are going to get impacted. That's one. The second thought that I had was that the new products that we are getting into, like pipes, like water tanks, like some sort of chemicals and some like these blocks, etc. Other than Parador, which obviously I would say certainly not commoditized because there's a strong design element there and there is a price point that you basically work at that is the number one brand, but then the pipes and the water tanks, etc., meaning they are more on the commodity side, which obviously will basically lead the organization to pressure on pricing, on the volatility of the raw material movement, etc. So if you could kind of share with us some perspective on how you are seeing the organization over a period of time on the subject of profitability and thereby the return ratios?
- Dhirup Roy Choudhary:** Thank you, Manish. I will be very honest with you again, and let me give you my mind if you like it, excellent. If you don't, please call me back later and we can have another set of call on this. Look, if I had to grow HIL, what I found HIL to be was a great company when I joined it five years back, but Rs.1,000 crore with an Rs.100 crore EBITDA and for 70 years that it had already settled in. This is the 75th year of the company. 70 years when I came in, I didn't think it has done its worth. The question was, should I continue on roofing as we had, because we had 86% dominance on asbestos roofing during that

time. We would still be reaping as number one, we would have an excellent profitability, give or take 20%, 18% EBITDA. That was one aspect.

The second was how do I grow this company? Now we decided to take the building solutions route and say, we want to be a house name, we want to be a one stop solution. We want to be so-called the leaders in this segment in times to come. And a vision of US\$ 1 billion was not mine. It came from the team where we did a celebration together. We were US\$ 140 million then. Rs.1,000 crore was US\$ 140 million that it was. So from there, we've now come to, I don't know, this year we should close Rs.3,400 crores plus. So Rs.1,000 crore to Rs.3,400 crore, that's the ramp up that we have done.

Now we have to ramp up in newer products. Pipe is a vast business cycle. You look at it as a commodity, I don't look at it as commodity, sorry, pardon me for not agreeing with you, because look at all the big players there. A commodity is where you will have a constant single-digit profitability, unless you are monopoly and the market cap will be designed only by what you have. There'll be no bias from you because you are monopoly there. Pipes is not that. Look at the valuation that Astral has, that Prince has. I mean, the market is booming with valuation. What I decided for you and for HIL was we have to have a profitable model at a steady state version. So we will always start with a single-digit, but we'll ramp it up to a double-digit, that was the idea. And also see the benefit of the market accepting it and pipes definitely will be a good segment that you should look at growth versus profitability versus valuation.

Similarly, now the other part of it, roofing, we will leave out -- sorry, flooring, we will leave out with because you left it also. Let's talk of chemicals and other things. What are the adjacencies? Where do I go? Should I get into a sanitary ware? Should I get into tiles? Should I get into carpets? All of this has been worked out and we found that possibly the huge network that we have around the country of retail footfall, each of these stores sell chemicals in some fashion or the other. So can we get into that and we looked at how the market reads it and some of the big companies which are doing wonderfully well at 14%, 15% EBITDA. We said that really looks good and that's something that we want to be because it is also a brand play for us. There is no chemicals with Birla brand, can be moving to that. All of that has been considered in order to provide for this.

Look, whenever you get into any new business, the profitability will be low sir, but when you really ramp up the business and come to a steady state, you will come to - and my aspiration is not very high, so it'll be about 12% to 14% EBITDA. I think I'll be very happy with all the businesses being there.

Manish Dhariwal:

Thank you so much to share your perspective with us. I understand the challenges and obviously the thing. So wonderful. Yes. I get the perspective. Thank you so much.

Dhirup Roy Choudhary:

Manish. You may not agree with me and you have all right to do it. And as an investor, please call us back and give us your input and if there's any other vertical that you want HIL and it makes meaning, we will do that.

Manish Dhariwal:

Wonderful. I would take this opportunity very seriously. And thank you so much. I will get in touch. Yes. Thank you. Thank you so much.

- Moderator:** Thank you. The next question is from the line of Sathis Kumar M, an individual investor. Please go ahead.
- Sathis Kumar M:** Yeah. Good afternoon, Dhirup Ji. Congratulations for the good revenue growth in the challenging time. My first question, sir, crude oil prices are increasing nowadays, will it impact our raw material price? That is first question. And second one, so there is an extension of PMAY scheme, central government scheme, will it benefit our company, especially in roofing segment? So, first two, these two questions, Dhirup Ji.
- Dhirup Roy Choudhary:** Thank you, Sathis Ji. Many thanks, you joined the call and thank you for interested in HIL. So yes, crude oil will have an impact on raw material and I don't think any company will tell you otherwise. This will have an impact on the shipping prices. We are almost double at the shipping costs, depending on which zone to which zone, you're talking about. It'll have impact on the local freights in the country. So we can't avoid that. It'll have impact on polymer business, which is linked to oil, chemicals. So all of that is there, but we have to find a way. So business is all about looking at the strings, having a very clear charter of the challenges and working out a dimension, how you'll be still successful. And I think that's what the team is trained for and we have a fantastic team on the ground sir. Rest assured; we will take all actions that's needed to keep your company safe.
- Your second question was on the government policies and other thing. It is definitely good for us and we are taking all actions that are needed at state levels in implementing it and ramping up our product businesses through it.
- Sathis Kumar M:** Thank you, Dhirup Ji. Last and final one, I think our promoter holding is not that much great. It's around the 40%, can we consider buyback in near future?
- Dhirup Roy Choudhary:** I would very honestly say I'm not the promoter. I'm working for this company. So that decision I can't make, but the Board will do it. Thank you. I will put up your point to our promoter.
- Moderator:** Thank you. Ladies and gentleman, we take the last question from the line of Chirag Shah, an investor. Please go ahead.
- Chirag Shah:** Good afternoon, sir. Congratulations on a good set of numbers. Sir, I had a few questions on the building solution segment. Is it possible to give a breakup in the revenue of the AAC blocks, boards and panels separately? That means the three segments.
- Dhirup Roy Choudhary:** I could, but I don't have the numbers here, number one. And number two, it is not fair because we take this as one business now. So plants are also common and therefore, the costs are all divided. Therefore, we normally take it as one block, but you can take it that about 60 odd percent, would be blocks and balance panels & board.
- Chirag Shah:** Okay. And, who would be say the market leaders in these three segments?
- Dhirup Roy Choudhary:** So in blocks, we have about 50% of the market, which is unorganized, which are small players, mostly supplying AAC bricks, not blocks, which means it doesn't go through the autoclave and the other 50%, we are number one. So we have about a market share of about 19% overall and 38% if you leave out the unorganized sector. That's in the blocks, we are number one. In panels, we are again number one, the total market for cement-

based panels about Rs.120 crores or something, and our business is roughly about Rs.90 crore. So we are again market leaders in panels. Boards, we are not market leaders. There are others who are doing a good job, but we are very clear what our strategy on this is.

Chirag Shah: Okay. And sir, what would be even the approximate number, if you could share? What would be the market size of each of these segments?

Dhirup Roy Choudhary: That's a difficult question, but, yeah, so if we are, let's say, how much, in blocks we would on an annualized basis, roughly, Ajay, just to preempt me.

Ajay Kapadia: Yeah. It's Rs.200 crore.

Dhirup Roy Choudhary: Rs.200 crore. So Rs.200 crore divided by, let's say 0.19, how much is that?

Ajay Kapadia: It's Rs.1,000 crore roughly in organized player.

Dhirup Roy Choudhary: Yeah. So Rs.1,000 crore in the organized player, or little less than that, Rs.800 crore.

Chirag Shah: Okay. And sir, boards and panels, if you could also share the number?

Dhirup Roy Choudhary: I told you about the panels, Rs.120 crore or something. Board would be what about Rs.500 crore or Rs.600 crore in the country.

Chirag Shah: Okay. And sir, these three segments, in the next couple of years at what rate would you think that it'll grow?

Dhirup Roy Choudhary: Chirag, we will take this business, which is presently around what Rs.300 crore levels to about Rs.750 crores in the next three and half years' time.

Chirag Shah: And again, you would say that there would be equal contribution from all three segments or that might change?

Dhirup Roy Choudhary: We would aim to keep it there because it's doing well this way.

Chirag Shah: All right. Sir last question, -- sorry probably one more question. Are there any scope for exports in the boards and panels segments?

Dhirup Roy Choudhary: There is. There is. Thank you for asking this question. Definitely, there is. Our quality is far excellence. So we are looking at that as well.

Chirag Shah: Okay. And would it be to the neighboring countries or beyond that also to the developed countries?

Dhirup Roy Choudhary: If the manufacturing is from India, it'll be neighboring countries. If we have an opportunity setting up manufacturing elsewhere, then naturally we can go anywhere.

Chirag Shah: Okay. So last question, sir. You mentioned that you're facing some raw material headwinds in this segment also. So what specifically would it be besides, say, transport and fuel cost?

Dhirup Roy Choudhary: Cement continues to be a problem for every one of us, I guess, because they have their own way to deal the market. Fly ash, we had a problem with couple of our factories because due to COVID, some of the power plants were getting shut down and as you know, earlier fly ash was coming free from the power plants, but now they have started bidding there because there's a much more demand than supply from the power plants. So that's another issue.

Chirag Shah: Okay. Sir, in the boards and panel segment, do you also use fiber, which is imported from Russia or Siberia or it's locally procured?

Dhirup Roy Choudhary: There is a small sector of it, which uses fiber definitely.

Chirag Shah: Okay. Sir, is it possible to procure the same locally or the supply is not available at all in India?

Dhirup Roy Choudhary: Fiber is international. You're talking about asbestos fiber. It's always procured from outside. So, we buy it from Brazil.

Chirag Shah: All right. All right. Thank you so much, sir. And best of luck for the future.

Dhirup Roy Choudhary: Thank you, Chirag Ji. Stay safe.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

Dhirup Roy Choudhary: Thank you very much. Stanford, you've done a great job. It has been a pleasure interacting with all of you on this call. We thank you for taking time out and engaging with us today. I hope I could do justice to this call and to all your questions. We value your continued interest and support in your company, HIL. If you have further questions, or would like to give us a suggestion, please don't hesitate to reach us out at our investor relationship desk. Thank you. And, stay safe. Jai Hind.