"Castrol India Limited

4Q and Full Year 2022 Earnings Conference Call"

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Moderator: Ladies and gentlemen, welcome to our 4Q and Full Year 2022 Earnings Conference Call for Castrol India Limited. Please note that all participant lines will be in the listen-only mode and can ask your questions after the opening statement. If you need assistance during the call, please press star then zero on your touchtone phone to reach the operator. We have with us Mr. Sandeep Sangwan: Managing Director of Castrol India Limited; and Mr. Deepesh Baxi CFO and Whole-time Director of Castrol India Limited.

I now hand over the conference to Mr. Sangwan. Thank you, and over to you, sir.

Sandeep Sangwan: Thanks. Good evening, everyone. I hope you can hear me clearly. And thank you for attending Castrol India's Fourth Quarter '22 Earnings Call. My sincere gratitude to you for taking out time and joining us at this hour. Due to some key business meetings, which are unavoidable, we had to schedule this call today in the evening instead of market hours on the next day, which has been our usual practice. Both I and Deepesh are joining you straight after our fourth quarter Board meeting. We've just disseminated our annual and fourth quarter results a few minutes back.

We are pleased to share that Castrol India Limited has delivered a resilient performance in the fourth quarter and full year ended 31st December '22. I would like to highlight that Castrol India follows the Jan to December calendar year for its financial reporting. Our fourth quarter '22 performance was in the backdrop of extreme forex and inflationary pressures arising from volatile crude oil prices, leading to rising costs of additives and base oil.

To safeguard our margins and deliver bottom line growth, we employed rigorous pricing and cost management decisions. The inflationary and forex pressures are likely to continue in '23, although we started to see some softening in base oil and crude prices. But our topmost priority will be to continue driving growth, protecting our margins, making our employees and business future-ready and strengthening Castrol's enduring legacy of innovative brands and reliable services with our customers and consumers.

To begin, I invite Deepesh to take you through our fourth quarter numbers and financial performance in detail. Deepesh, over to you.

Deepesh Baxi: Thanks, Sandeep, and good evening to all of you. I would also like to thank you for joining us at this hour and for your continuous engagement with Castrol India. Today, we announced our 4Q and full year results for 2022. Let me share some key financial highlights. In the fourth quarter of 2022, we have reported a strong financial performance. Our revenue from operations was INR 1,176 crores, which was up 8% compared to INR 1,091 crores in 4Q 2021. This is also 9.6% above the sequential quarter of 3Q 2022.

Our profit before tax was INR 248 crores. This was lower by 3% compared to 4Q 2021 and lower by 2.4% in the sequential quarter 3Q 2022. With our 4Q 2022 results, we have also recorded INR 4,774 crores as our annual revenue from operations for 2022. This is a growth of 14% compared to INR 4,192 crores in 2021. Profit before exceptional items and tax stood at INR 1,093 crores, marking a growth of 6% from INR 1,029 crores in 2021.

In addition to an interim dividend of INR 3 per equity share, the company's Board of Directors in the meeting held today have recommended a final dividend of INR 3.5 per equity share each for the financial year 2022. Of course, this would be subject to shareholders' approval. This INR 3.5 was compared to last year INR 0.50 higher dividend. Overall, we remain confident of our strong business fundamentals and long-term profitable growth in India.

I would now like to hand over the call back to Sandeep.

Sandeep Sangwan: Thanks, Deepesh. Apart from financial performance, I would like to draw your attention to some key business developments of Castrol India. In November '22, we announced a partnership with Ki Mobility Solutions, or KMS, to leverage each other's strength and expand India's automotive aftermarket ecosystem via myTVS, KMS' digitally integrated multi-brand service platform for 2 and 4 wheelers.

The all-cash deal included an INR 487 crores investment by Castrol India and acquisition of about a 7% stake in Ki Mobility Solutions, and this transaction was completed in January '23. With this strategic investment, we aim to expand our presence in service and maintenance for both internal combustion engine and electric vehicles and leverage myTVS' digital and operational capabilities. This alliance will also offer potential for Castrol and Ki Mobility Solutions to collaborate and partner in select markets beyond India.

Castrol's future-ready strategy focuses on an enhanced play in service and maintenance and a foray into new segments, including automotive aftercare and electric mobility. In fourth quarter '22, we expanded our service and maintenance network with 230 Castrol Auto Service centers, about 5,000 Castrol Bike Points and 40-plus Castrol Express Oil Change outlets across India.

With the EV space evolving rapidly in '22, we supported 200 top-tier car and bike mechanics in Delhi and Chennai with our Automotive Skills Development Council certified EV readiness training. This year, we plan to extend our training to mechanics in other cities across India and help create an ecosystem enabled to serve EVs better. In '23, we will also launch our Castrol ON range of EV fluids for the aftermarket and collaborate with 2-wheeler and 4-wheeler OEMs to support their EV transition.

On the brand side, Castrol Activ is one of our leading premium engine oil brand that is trusted by consumers. In fourth quarter '22, we launched a new marketing campaign, CompromiseMehngaPadega, for Castrol Activ, demonstrating Activ's superior protection for bike engines and how it shields bike owners from expenses related to engine breakdown.

Health, safety, security and compliance are some of the key pillars on which we operate our business. I'm pleased to share that Castrol India was authorized by the Directorate of International Customs as an Economic Moderator: Tier 2 certified organization in recognition of the high safety, security and compliance standards demonstrated by us.

On that positive note, I'd like to thank you for your attention and would like to open the session for your questions, feedback and views. Thank you.

Moderator: The first question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: If I look at full year number, is it fair understanding that the larger -- see, top line has grew almost 13%, 15%. So large part of the growth has come because of price or volume, both? And second, on core business, we were working on to enter into CV mark -- CV, OEM and so what is the status of that? I have a second question, I'll come back in queue.

Sandeep Sangwan: Yes. So I can take that. I think you're right, the top line growth has largely been driven by pricing, but there is volume also in. So our volumes have grown versus '21. And in fact, if I take the pre-pandemic normal year 2019 also versus that we've grown our volumes. But given that it was such an inflationary environment where cost increases are hitting us month after month, especially during the first 9 months, the priority was to balance margin protection and volume. And I think we've managed that very well, delivering a bottom line growth of about 8%. So that's the first bit.

I think as far as commercial vehicles are concerned, your second part of question, we play very actively in the commercial vehicle segment, okay? We have some OEM relationships that we have established. And I think our strategy is to continue to be a premium branded player, which will continue to grow and support our commercial vehicles category with innovations with new products. So for example, all our products are BS-VI compliant. We also introduced a product which is relevant for one of the large OEMs and CVO market. So we'll continue participating in the commercial vehicle segment.

Bharat Sheth: I mean taking forward to your first answer, is it possible to give some kind of a broadly volume and value growth, if you can, I mean, how much is because of the volume and how much is the pricing? And currently, what is CV contribution in our overall business?

Sandeep Sangwan: Yes. So commercial vehicles contribute to about, let's say, about between 25% to 30% of our business from a margin perspective, the volume contribution is much higher because margins are better in personal mobility sector. And I think on volume and turnover road, Deepesh, do you want to take that question?

Deepesh Baxi: So I think on a full year basis, we have grown volume from 208 million liters to about 210 million liters. What we have -- as Sandeep explained, a hit by is the cost inputs increase, and that increase on a full year basis is almost by 20% on a per liter basis. And that is what we have tried to recover during the year through pricing intervention.

Moderator: We'll take the next question from the line of Hemal, an individual investor.

Hemal: Just want to clarify, so just based on that the October-December volume would be around 48 million approximately, is that accurate?

Sandeep Sangwan: Yes, that's right.

Hemal: But are there like a 10% volume decline year-over-year. Is that also accurate or?

Sandeep Sangwan: No, that won't be accurate. I think the volume decline only in the fourth quarter, I would say, is in the range of 4% to 5%.

Hemal: 4% to 5%. Okay. The other part of the opening remarks was that the base oil price seems to be stable, but the additives price costs have continued to increase. So have you taken any -- are you continuing to take any price rise going forward in January, February? Or do you think the price rises have now peaked is what -- like if you can throw some light on the reality of the competitive market space that you're playing because the EBITDA margin obviously suffers because of that? So is price rise a further possibility in our business going forward?

Sandeep Sangwan: So let me answer that question. First of all, I think in the year 2022, given the strength of our brand of Castrol and Indian tractor consumers put in our brand, we've been able to protect our per liter margin. So that's the first kind of fact I love to put on the table. And as I said in the beginning, our intention was to protect our margins and balance our volumes.

Coming to the cost pressures on additives, I think cost is a combination of multitude of factors. There's base oil, there's additive, there's forex involved. And we have a pricing strategy, which we adhere to, and we are a premium branded player. Now depending on where the cost environment is, we will take pricing actions in line with our strategy, but our intent is to continue delivering value to our consumers and customers. So I cannot say for a definitive answer, then further price increases decreases, I think we'll continue monitoring the environment. As we've done in '22 and take appropriate pricing actions that help grow the business, but also deliver value to our consumer and customers.

Moderator: The next question is from the line of Abhijeet Bora from Sharekhan by BNP Paribas.

Abhijeet Bora: I missed upon the annual volume number. Can you just share it again?

Sandeep Sangwan: Annual volume is 210 million liters.

Moderator: The next question is from the line of Douglas Turnbull from Invesco.

Douglas Turnbull: My first question is just I wonder if we could get a bit more of your expectations for the coming year in terms of -- I know you've already commented on price, but it really depends on the cost case. But in terms of your volume growth expectations and how you see that sort of balanced against the ability to regain some of the margins that we have lost over the course of this year? That would be my first question. We just be some more forward-looking colour coming year, please.

Sandeep Sangwan: Yes. So Douglas, thanks for your question. So I think the way I would like to share the answer with you is the lubes category, we project will grow at about 4% next year, okay? And there will be differential rates of growth amongst personal mobility, commercial vehicle, but overall, the market should grow at about 4%, that's our projection. And typically, we want to grow ahead of the market. So you can hope a couple of percentage ahead of the market. So that's what our intent is, okay? But we'll also have to see how the environment plays out.

And the second is from a margin perspective, I think as I said in my answer to the previous question, we've been able to, given the strength of our brand holdout per liter gross margin level and intent would be to continue making sure that we are holding those margins or improving those margins, that's what our intent is.

Douglas Turnbull: Understood. Historically, you've spoken a little bit about maybe being willing to exchange a bit of gross margin in terms -- in order to gain some incremental market share and exchange a bit of margin for volume. Obviously, in a high cost inflationary environment that's challenging, but perhaps you could put in -- put just a bit of colour around strategically how you're thinking about that volume versus margin trade-off as we look forward?

Sandeep Sangwan: So I -- while I don't want to speculate on what our future plays are going to be, but definitely, our intent is to kind of make sure that we are a growth business, and we grow both volumes and top line is not only a margin play. To give you an example, last year, we introduced a product called Activ Essential, okay, which was at a slightly lower price point than we traditionally played in the 2-wheeler category, and that's given us a good growth in a very challenging environment. So we look at all the opportunities that are available depending on where the white space in the category is and where we find the person to grow. So definitely something that we continuously think about.

Douglas Turnbull: My second question is on the Ki Mobility side. Again, I wonder if you could just give us a little bit of colour of how you see that business evolving? What the business model looks like there and how that -- and when that might start to contribute noticeably to our financials?

Sandeep Sangwan: So on Ki Mobility, I think the first thing I'd like to say is the coming together of 2 trusted brands in the Indian environment to certain customers. So TVS is a very trusted brand by consumers, Castrol is a trusted brand. And we find enough synergies and good synergies between our 2 businesses to grow the Indian aftermarket ecosystem and make that, first of all, you get better consumer experience to customers.

And the second is also digitize that ecosystem. So for example, Castrol has good lubricants. TVS, myTVS has good spare parts capability and logistics capability. myTVS historically has been strong in Southern India given their nature that they're based out of Chennai. Castrol is a national player with large scale. We can leverage those capabilities in both the areas.

And the third is they're developing digital solutions and systems, more for the workshops, but also from a consumer traffic perspective, which Castrol can leverage. So it's a creation of a network of service and maintenance, where consumers can get trusted services by combining the strengths of both the brands and the organization. I think that's what the intent is.

Moderator: We'll take the next question from the line of Vipul Shah from Sumangal Investments.

Vipul Shah: So taking the previous question forward, would you elaborate how that partnership with TVS Group is going to benefit Castrol because I'm still not understood how that partnership will work and how it will benefit Castrol?

Sandeep Sangwan: I think it will benefit Castrol in multiple ways. First is, it will give us lubricant supply in Ki Mobility's network. They have a network of workshops. If you remember 2 years ago, they bought the Mahindra First Choice business also, which is a part of Ki Mobility Solutions. So first of all, it extends our workshop reach in terms of selling our traditional lubricants businesses.

The second is, as I said in my opening note, we're also creating a network of workshop, we have 230 Castrol Auto Services. We have about 5,000 Bike Points that we serve in India. And we just started our journey on express service on Jio-bp outlets. There's about 40 of those. So with Ki Mobility partnership, we also get capability to supply spare parts through Ki Mobility to our network of workshops.

And the third is we will drive joint marketing programs to deliver better services to consumers, either in the Ki Mobility network or our network. So that's how the ecosystem is evolving, plus both of us have maybe good digital tools that can leverage capabilities of each other in terms of serving consumers. And the other thing I'd like to state is everything will be respective competition laws, so within the regulatory gamut of the country.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: So now taking forward these Castrol Auto Services, where we have been expanding also and what kind of expansion plan do we have for future? And how do we see this with the Ki Mobility synergy? And how much additional interest -- what is our expectation of taking this whole additional volume growth of what kind of percent if you can give some kind of a sense? And this is largely for 2-wheeler, passenger vehicle or CV, if you can give a little more colour on that also?

Sandeep Sangwan: Okay. So I think on Castrol Auto Service, we have 230 workshops now. These are workshops which are not owned by Castrol. These are entrepreneurs who run these workshops, but we give them branding support, training support and making them more professional where consumers can get trusted service. And our effort is to continue expanding this network. At the same time, we're confident that this has to be a quality network rather than this year number. So we're very focused in terms of the kind of workshops we enrol in this program.

The second is this the 2 segments, Castrol Auto Service is for 4-wheelers, passenger cars, okay, whereas on 2-wheelers, we have something called Castrol Bike Point, okay, which tend to be 2-wheeler workshops. So right now, we're focused on building those. And on Jio-bp side, we are focused on building Express Oil Change centers, like I said, we have about 42 of those. So that's the kind of expectation. And I think when we enrol these workshops in our network, they tend to use our products because consumers see Castrol signage on outside of the workshop, and that gives them the trust of saying that in this workshop, I can get a quality lubricant. So it extends our volume gains by selling more products in these workshops and our share of lubricants tends to be pretty high in these works. So that's the whole play.

And I'd like Deepesh to add -- Deepesh, do you have anything to add on this?

Deepesh Baxi: Yes, Sandeep, thanks. So just one more build, I think you also asked, so what are the workshops in Ki Mobility? In Ki Mobility, they have both 4-wheeler and 2-wheeler workshops. So in terms of the lubricant supply that we spoke about earlier, we will supply lubricants to both kind of workshops.

Bharat Sheth: Yes, how do we see synergy between this -- our own initiative Castrol Express for the 2-wheeler then Castrol Auto Service for 4-wheeler and Ki Mobility, what kind of a synergy again? And so largely since we will be playing in Southern India market through Ki Mobility, so is it fair understating that this Castrol Auto Service will focus on North India and other parts of the country?

Sandeep Sangwan: No. So there is no restriction on focus on where Ki Mobility plays and where we play. I think both networks will play across the country. What I said is historically, the development of myTVS brand has been from Southern India, but there's no restriction of any sorts on where we will participate. I think both are independent companies and will continue participating.

The synergies is about partnership and where we have capabilities that complement each other and delivering better value to customers. So -- and there's enough space in the Indian market -- the Indian aftermarket to both of us to play competitively to create service and maintenance networks.

Moderator: The next question is from the line of Abhijeet Bora from Sharekhan by BNP Paribas.

Abhijeet Bora: If I do the back calculation, your Q4 number works would be around close to 55 million. But that shows around 8% growth on a Y-o-Y basis. So is that the correct calculation because in the earlier remark, you mentioned that it will decline of 4% to 5%?

Sandeep Sangwan: Yes, I think Deepesh answered that question in terms of what the volume -- the volume was about 48 million liters in fourth quarter. So I don't know how you get to a 55 million number, but maybe you can take that offline.

Abhijeet Bora: I just did the back calculation from the earlier volumes.

Deepesh Baxi: No. So let me just come in -- our 4Q number is roughly 38 million liters, 4Q '21 was around 50 million liters. So that is a drop of about 4%, 4.5%.

Moderator: The next question is from the line of Danesh Mistry from Investor First Advisors.

Danesh Mistry: I had just one question regarding your gross margin. If you could just help us understand, I think this compares about 300, 400 bps. So obviously, there's some impact of RM here, but do you think that's abating now? And how do you see that playing out going forward?

Deepesh Baxi: So in terms of the gross margin, obviously, I can't share the exact numbers. But we've had some reduction in the gross margin compared to the last year, 4Q 2021. However, when you look at our full year performance, I think our gross margin has gone up. In terms of you asked, so how is it going to be looking forward? I think Sandeep had answered that question earlier. I think we would aim to maintain the gross margin. Of course, the focus is also on growing market share and balancing that with the response that we will have in the market depending on how the input costs changes.

As you know, forex continues to be challenging. We are seeing some softening on the base oil, which is an input cost, but some of the other input costs seem to be challenging. So it's going to be a wait-and-watch situation. Having said that, in the fourth quarter, given the challenge on the volumes as well as softening on the base oil, we did make a pricing intervention in terms of dropping the prices on some of our products as well. So that is a strategic pricing decision that we take looking at not just one quarter, but at least a full year view going forward.

Danesh Mistry: So when you said that you'll try and maintain the gross margin, is it the full year gross margin that we try and maintain or the Q4 gross margin that we'll try and maintain?

Deepesh Baxi: So I think we look at our P&L on a holistic basis. So it's not kind of saying, okay, month-to-month or quarter-to-quarter. We look at a full year and see what is the best for the business to keep growing the top line, but also balancing the margin.

Moderator: The next question is from the line of Harsh Maru from Emkay Global.

Harsh Maru: My first question is regarding the Q-o-Q, like Y-o-Y volume drop of about 4% to 5%. So if you could give us some colour on which segments didn't perform well? And the second question being, in terms of our after service expansion that we are trying to build in terms of auto service parts or the bike points, etcetera. So what is the kind of gross margins that we are targeting, say, is it roughly in terms of what the core business is or it's some few basis points like upward on, you could provide some colour on that? That'd be my second question.

Sandeep Sangwan: Yes. Harsh, thanks for that question. So on the volume change between Q-on-Q, in the personal mobility segment, we did quite well, which is our bikes and car portfolio. I think where we had the volume loss mainly in the industrial side, right, and some of it in the commercial vehicles as well. You had another question. So you just remind me?

Harsh Maru: Yes.

Sandeep Sangwan: Yes, your question was on auto services, what kind of margins we will maintain, right?

Harsh Maru: Yes, and what it was some kind of first revise element to the entire business besides the core lubricants? So if you can elaborate on margin profiles around that?

Sandeep Sangwan: Yes, sure. So I think on the Castrol Auto Service, the margin is not intended to be exactly in line with the core business. It is a volume that we are after more than the margin in that kind of not business model. Service element, that is the intent. I think it will be a transition and gradual phasing as we establish our business model as we ramp up, and we get the complete model right, we will start going into the service as well.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors.

Bharat Sheth: You said now service business, we are working on to establish the same and then we also like to have a debt service business a good margin. So can you give some colour how long is this process is 1 year, 2 year, 3 year? And when do we really see that it can start contributing to our top line as well as bottom line meaningfully? And second thing, what is our expectation over 2-, 3-year time from all, with Ki Mobility and to get additional volume as well as our own services?

Sandeep Sangwan: So I think Deepesh has outlined what we -- how we want to kind of grow our service and maintenance business and definitely take a few years whether it takes 2 years or 4 years, only time will tell, but the intent is to start creating revenue streams beyond lubricants. I think the first intent of us has been to create a network of workshops where consumers can get trusted service. I think once they start trusting those workshops or services, we can add on more quality services, both for the workshops and the consumers. So I think to give any projections on margin right now is very difficult because we are also in the establishment and growing phase. But our intent is to start generating non-lubes revenue in the coming years as the growth strategy.

Let me just kind of give you an idea is we've also been testing auto care range of products, okay, for example, is another source of revenue. And we piloted quite a few things in the last 2 years. And now we feel confident that we can also play in that auto care category, and we'll scale that effort from 10 cities to a national level this year. So that's one of the intents. The other is we started making our Castrol Auto Service networks educated about EVs also.

So for example, this year, we trained about 200 mechanics in Chennai and Delhi on EV training through Automotive Skills Development Council of India. So we are working on various programs to make sure that the business continues to grow and we keep adding non-lubes revenue.

Bharat Sheth: And what kind of -- I mean, additional volume in our core business, like lubricant that we can expect from the all with Ki Mobility as well as our own care services?

Sandeep Sangwan: That is a function of how the network grows, okay, because network growth will lead to volume growth. We have internal kind of business projections, which I cannot share because we don't normally share our forward-looking statement in terms of how much volume will come from which segment, but the intent is to grow ahead of the category in the coming years.

Moderator: We'll take the next question from the line of Douglas Turnbull from Invesco.

Douglas Turnbull: Can I just get a little bit more colour around the volume decline in the fourth quarter. I think you said it was good in personal mobility. The loss was mostly on the industrial side and the bit in the commercial vehicles. And if you could just explain what caused that volume decline, whether that was the market shrinking? And if so, why, whether there was perhaps some loss of market share? Just help me understand what was going on here?

And so what perhaps we should expect for volumes, which I think you said you saw the market growing at 4% next year? How we get from a declining fourth quarter so that kind of great drivers are would be really helpful?

Sandeep Sangwan: Yes, let me take that, Douglas, I think there were two or three factors. What has happened is the national oil companies have their own pricing strategy. So their pricing moves have been much lower than the pricing that we've taken, and they traditionally have strong position in commercial vehicle markets. So that was one of the factors where we set up the price premium because of our intent to protect margins were on the higher side, and that's something that we are continuously watching, and we will take actions as required to make sure that we get our share back and volumes back.

The second is, I think the agricultural sector has been a bit soft, okay, while commercial vehicles have grown in the fourth quarter in terms of new vehicle sales, the agri sector has been a bit soft where we felt a bit challenged on volumes. So those are the two kind of key drivers of volume challenges on the commercial vehicle sector.

Douglas Turnbull: And so to get back to the 4% type volume growth for the market, where does that estimate come from to your mind? What are the drivers behind that?

Deepesh Baxi: No. So the category will grow. As I said, when I said 4% growth at the lubricants category growth that we're projecting for this for '23 calendar year. And I think we -- what we are saying is through our programs, notional efforts and pricing strategy, we should be able to grow ahead of that category to 4% on our total lubricants category basis.

Douglas Turnbull: Sorry, I was questioning why -- what is going to change that takes the whole category from shrinking a little bit in the fourth quarter or did it not? Just that we love to hear more of that.

Deepesh Baxi: No. The category has not shrunk. That's what I said. Commercial vehicles category was quite okay in the fourth quarter. We lost a bit of share because of our price positions, and we will take appropriate actions to get those back.

Moderator: The next question is from the line of Vipul Shah from Sumangal Investments.

Vipul Shah: What was our overall exit market share at the end of December '22? And what was the same at the end of December '21.

Sandeep Sangwan: First of all, we haven't got the December reports as yet. I think the market share report that we get take about, the lag of about 2 months. But our latest share is in the range of 20-odd percent. I think our exit of last year was at a similar level. So we've been around 20% share in some categories we gain in some categories we face challenges, but overall, we are at the same ballpark.

Moderator: The next question is from the line of Jagdishwar Toppo from Japa Investment.

Jagdishwar Toppo: I just wanted to understand if you can elaborate on your marketing and advertisement spend for the next few years as to how you want to invest in brand building, specifically in new digital channels such as YouTube or InApp? So if you can elaborate on how do you see this as a percentage of revenue, I mean, overall ad and marketing spend just because revenue has been increased because of interest in pressure also?

Sandeep Sangwan: Thanks for asking the question. I think, first of all, as I've maintained, we are a premium branded business. So we will continue investing behind our brands because that's one of the core strengths of Castrol. And if you remember, we continued investing even during COVID years in '20 and '21. We did not take a break on investments. So that's a part of our core strategy.

In terms of specific, how much do we invest behind our brand, Deepesh can kind of tell you -- can share the numbers with you. Typically, we stay in a range of investment that, Deepesh, if we spent about 3% to 4% of our revenue in marketing support, and we'll continue operating in that range. I don't want to say anything about the future, whether it will increase, decrease or whatever. But typically, you know the ranges and we've been consistent in our investment.

Digital is becoming a huge area of marketing investments and in line with the marketing in line with best-in-class brands, digital is also a part of our strategy for marketing investments.

Moderator: Ladies and gentlemen, on behalf of Castrol India Limited, I thank you for joining this call. You may now disconnect your lines. We wish you good day ahead.