



# “United Spirits Limited Investor Update Conference Call”

**June 25, 2020**



**MANAGEMENT: MR. ANAND KRIPALU – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER, UNITED SPIRITS LIMITED**

**Moderator:** Ladies and gentlemen, good day. And welcome to the United Spirits Limited Investor Update Conference Call. This call will be for 30 to 45 minutes, depending on the questions. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anand Kripalu – CEO and Managing Director, United Spirits Limited, for his opening remarks. Thank you and over to you, sir.

**Anand Kripalu:** Thank you very much. And very good afternoon, everyone. Thank you for joining this relatively brief call. First and foremost, I just hope that each of you and your families are really safe and doing well at this difficult time.

Now, the purpose of today's call is to update you about our latest initiative called 'Raising the Bar'. And that is something that we announced yesterday. Just to be clear, on today's call we are really not looking to provide a business update, as we will share more colour on that when we announced the June quarter results next month. Some of you may have seen from the press release and media article, 'Raising the Bar' is a program meant to support the revival and recovery of qualifying bars, pubs and restaurants that serve alcohol in the aftermath of COVID led lockdown. As you would realize that the first phase of COVID was all about health, safety and security. But as things have progressed now, I think it is the economic restart that is a primary importance for many, many people in Country.

Now as far as COVID is concerned, Diageo India has been at the forefront of supporting our communities ever since the crisis started. In March, you are aware that we repurposed 15 factories through sanitizers, at a time when there was acute shortage. And we donated that as well as 150,000 masks to healthcare workers, health departments, as well as the Indian Military. We also supported the hospitality sector with the Rs. 3 crores health insurance meant for bartenders who are really in jeopardy of losing jobs. And I don't know if you know this, that our employees have also come forward personally, right, as many as 500 of them, and contributed and raised Rs. 40 lakh, that is going to the PM Cares Fund. So really, this is a time when both the company and our people are trying to stand up and do their little bit to make a difference to the communities and the environment within which we operate.

Now, the ongoing pandemic has obviously changed our lives in many, many ways. And despite the lockdown measures, restaurants and bars continue to remain disproportionately impacted. The F&B industry or, in fact, even the larger hospitality industry is the home to several entrepreneurs and MSMEs, and they are facing unprecedented challenges, challenges that are questioning their very survival. These restaurants, bars and pubs are an integral part of our communities, and obviously a significant contributor to the economy, be it in terms of employing millions of people, or in fact their contribution to the GDP itself. They are also a vital platform for us to engage in the company with our consumers, and this is the channel where we can sample a product, bring our brands alive, create exotic cocktails, and really build many, many of our brands. So it's a critical sector for our business, as well as a critical sector for the economy.

Now, what we have learned from other markets that are ahead of us in the COVID curve, is that people are quite tired of lockdown, right? And I am sure many of you on this call must be tired of lockdowns too. And they are keen to come together and socialize once again. But obviously, they are concerned about their safety, and rightfully so. And hence to ensure the safety of consumers, which obviously is above everything else, and to support the recovery of the F&B sector, which is to provide a safe place for consumers to come back and socialize, we are providing Rs. 75 crores in this program. And this is targeted at non-cash support to qualifying outlets across major cities over a period of up to two years, starting July 2020.

Support will be provided in the form of measures tailored to local circumstances and needs, across three broad areas; social distancing, and help with equipment and skills on social distancing, hygiene equipment like sanitizers and other stuff that you may need, training for the bartenders and the employees there to make sure that they are able to execute and deliver products and service with the right level of hygiene. And finally, confidence building for consumers, including digital support, so that they are willing to come back. So this initiative will be owned and led by Black Dog, the Black Dog brand in India which is our premier scotch brand owned by USL. And really, this stands to be the biggest support ever extended to the Indian bar community by any company for sure. So by bringing international best practices, providing access to free digital support, technology, training and equipment, Diageo aims to help bars, pubs and restaurants that are serving alcohol to open their doors again, when the regulators allow them to do so.

Now in terms of simply the P&L implication, given the nature of this, which is a one-time cost and a quantum, the entire amount of Rs. 75 crores will be accounted for in this June quarter as a one-time exceptional charge to the P&L. Now, many of you who are investors or certainly well-wishers of our business, I hope you see this as a bold move of an industry leader doing its bit to ensure the long-term success of our business and our industry. We don't run this business, as you know, from quarter to quarter, we aim to be a going concern. And very often, what you do during a crisis determines how long and how successful your lifetime will be when you are on the other side of the crisis. And this is a move, aiming to achieve just that. So with that, we are going to open it up for question.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. We have a first question from the line of Abneesh Roy from Edelweiss Financial Services. Please go ahead.

**Abneesh Roy:** Sir, it's a commendable step in the current scenario, wherein pubs and bars are suffering. I have three sub questions to this step. One is, why two years? Because most of the pain will be in the initial few months, especially once they start, anyway revenue flow will also be there, so why not do most of this in the first six, nine months so that the maximum impact is there?

Second is, is there any direct benefit to your brand, essentially in terms of shelf space or in terms of visibility? And third is, will you cut down on the other fee in any way, in the bar you would

be doing the normal stuff. So this Rs. 75 crores investment, does it mean that the normal events which were happening will not happen so there could be some savings there?

**Anand Kripalu:**

So, thank you Abneesh, for your questions. Why two years? Well, that just gives us the flexibility, right? If we need to do it earlier, we can do it earlier; if we need to do it later, we will do it later. The issue right now is, we don't even know, there is no formal announced date even, unlike in the Western world whether the date when bars and pubs can open. In India, there is no date. And given the way the disease is still spreading in India, we are uncertain on when this will open. I think we will use this money over this two years in whatever way we deem fit. We are providing for it now, so nothing stopped us from spending it earlier or spending it later, so that flexibility is there.

Will there be a direct benefit to the brand? Well, the whole idea here is that there is no quid pro quo. This is a one way commitment we are making. And indirectly, there will be benefits that will accrue to us, because there will be a benefit to the larger industry, and we are a key player within that. Now, whatever branding we can do with this initiative will be done on the back of the Black Dog brand, alright. So the visibility and saliency of that brand may get enhanced, and the details honestly are still being worked out on exactly how that is likely to happen.

Finally, are we going to cut down other expenses? So there is no sense right now that we are going to cut down other legitimate expenses or investments that we are going to make in the bar and pubs. So this will be in addition to that. However, our focus on cutting costs in the business, I just want to underscore this, if we were tough on cost in the last few years, and even in the last couple of quarters, we are going to be even tougher on other discretionary costs in the business world. What we are aiming to spend on is on investments that is going to resurrect the industry, our business and our brand, right? And we are going to make sure that we do whatever is needed for that resurrection, because that is what's going to pay back. And just to tell you this, if you go into corporate history, there are different ways in which people or companies and corporates have behaved during a crisis. Many people have used a crisis to come out stronger than ever before. And that has determined much more longer term successful for those companies. Many companies have taken a short-term view during the crisis, and that has really accelerated their decline. And I think we want to be like that former kind of company.

**Abneesh Roy:**

That was helpful. I am sure the brand will get a lot of benefit. But just last few follow-up on this. Why Black Dog? What was the thinking behind this? Why not some of the larger brands? And second, what percentage of the universe you have in mind in terms of targeting in terms of bars plus pubs? Is there any number or is it all fluid based on the requirements?

**Anand Kripalu:**

So it is fluid right now, I mean, anyone can apply who meets the eligibility criteria. So there are 30,000 bars and pubs in the country, and anyone can apply, and they will have to go through the eligibility criteria. And then city by city we will see how many outlets we can support through this exercise. So that is what we are doing.

Why Black Dog? Because A, we wanted to do it in a brand that is owned by USL specifically, as the listed company here. And a brand that best intersects with the nature of these pubs and bars. So if you did it with McDowell's Number 1 or RC or Signature, then the intersection would not have been as strong with the profile of these bars and clubs. So these bars and pubs are likely to be the middle to upper profile, and therefore we felt that Black Dog intersects the best with this profile of outlets.

**Moderator:** Thank you. Sir, we have next question from the line of Harit Kapoor from Investec. Please go ahead.

**Harit Kapoor:** Actually most of my questions are answered. Just one question was regarding the bars and pubs, clubs. Is there any indication, based on your conversations with the industry in terms of when you can see an opening, if you give me any anecdotes that whether any states are even thinking about it, etc.? Is that the thought process already there or it's too early to call?

**Anand Kripalu:** I think it's too early to call, because I am not deciding this and somebody else is. And unfortunately, the whole COVID thing has been two steps forward, one step back in many, many places. And therefore, it's a very, very dynamic and unpredictable environment there. And even where they have allowed the on-trade to open, they haven't allowed serving of alcohol, and there are huge restrictions about early closing. So I think as we get more noise of these kinds of outlets opening up in other COVID related countries, I think that might provide a lead indicator of when our government is likely to do it here. So, I would think that it is going to take some time, Harit, I don't think it's going to happen overnight, but rather bit by bit. And hence the context of also the two years which gives us enough space to deal with it. So unfortunately, I don't have better news than that. And we are not hearing anything more tangible from the ground either.

**Harit Kapoor:** That's very helpful. Sir, kudos to you on this initiative. Thank you.

**Moderator:** Thank you. Sir, we have next question from the line of Manoj Menon from ICICI Securities. Please go ahead.

**Manoj Menon:** Anand, first of all, yes, congratulations on a good initiative. Second, two parts to the question. One, if feasible, if you could just help us understand some of these eligibility criteria? I am just trying to understand what are the constraints we are looking at. Secondly, does it also include some sort of an exclusivity and some kind of some real long-term benefits?

**Anand Kripalu:** So your second question, first, Manoj. There is no exclusivity here. So this is, as I said clearly, no quid pro quo. This has got no "I will get this back in return directly, this volume commitment or my brands must be exclusive during this period" and so on. So, you have to look at this as really a leadership move in the most magnanimous way of doing what is right at an absolutely unbelievable crisis time that nobody could have anticipated. Now, will indirect benefits come over time? Do we think our relationship with these on trade stores will be better, will those owners feel better towards Diageo as a company that come out and supported them, etc., etc.,

etc., right, those are all possible, and those are indirect benefits. But there is no clear, I am giving you this and you will give me this kind of contract.

As far as eligibility criteria is concerned, there are some and I would encourage any of you that has the time to go on to the Diageo Bar Academy global website, it is diageobaracademy.com, and go into the section on 'Raising the Bar', right. So, outlets across the world are going to be going on to that website. Now, the kind of criteria are, they must be registered legal entity for tax purposes or whatever is equivalent, in each jurisdiction they must have operated for a minimum of 12 months before the introduction of any national local lockdown restriction. They must be licensed to serve alcohol, obviously. They must demonstrate at least one way in which they are themselves raising the bar in their community, like including promoting inclusion and diversity or job creation or providing training and skills for disadvantaged groups of society, promoting positive drinking or tackling harm or anti-social behavior, right, focusing on sustainability or community support. So we want also the outlets to be doing their little bit in the communities within which they serve. Also, in service of the larger good. So that's also a little bit of a criteria there. And if nothing else, it also cajoles many of these outlets to do the right thing in their small way, and if thousands do the right thing in a small way, what starts as droplets can become a sea or an ocean. So that is how we are thinking about this whole thing for now.

**Manoj Menon:**

Understood. Just one last thing, just trying to understand the thought behind Black Dog, because you could have also looked at a scenario of multiple brands for multiple regions rather than one brand. Because the logical extension of seeing Black Dog would mean it appears very much a Class A, or an A plus sort of an outlet would be the key ones where you would be doing it. Because the brand also need to have some relevance or you are not really looking at from this construct?

**Anand Kripalu:**

So, I think the brand will have relevance. I think there is no brand that has relevance across tiers, right? So you have to choose, and we have chosen one brand that we believe as the best fit for now. And the idea was to do this behind one brand and not fragment and be defocused about the entire initiative at all. So choose a brand. And by the way, different brands have been chosen in different countries. So it is Guinness in some countries, its CÎROC in some other countries, it's Don Julio, Tequila in some other countries, but we try to stick to one brand. And obviously, we have a choice of brands that are owned by USL. And you see, I think at the end of the day, there are very few bars of this kind that will not serve Black Dog at all. The volume may not be huge, it may be bigger in some and smaller than others. But the opportunity for consumers consuming something else, do once in a while upgrade and bring something better, that exists and that's in line with strategy. So I think, having to choose one, then like I said, this is the best intersection that we had in our portfolio.

**Moderator:**

Thank you. Sir, we have next question from the line of Niraj Prakash from Napean Capital, please go ahead.

**Niraj Prakash:** I just wanted to know what percentage of sales goes towards bars and restaurants considering you are spending a substantial amount of money, just wanted to understand what is the revenue contribution from them versus let's see home consumption?

**Anand Kripalu:** So the revenue is, let's say, about a fourth of the industry's prestige and above revenue. So about 25% odd, give or take a few points. And the rest is really what is picked up in the off-trade. So one is the revenue part, but I would also urge you to think about in a media dark industry like ours, the role of the on-trade is brand building, creating cocktails, being able to get bartenders to communicate with consumers, being able to do marketing of your brand at the on-trade store. And that has a ripple effect in the off-trade, because when you get exposed to certain things in the on-trade then you take that away. And then when you want to consume that at home, you go and buy it from the off-trade. So actually the revenue contribution is obviously one important criterion and you can look at, does that make sense and so on. But think also about the long-term value of that channel in a media dark industry like ours, where you cannot actually advertise the product and show the product being consumed.

**Moderator:** Thank you. Sir, we have next question from the line of Kiran Naik from Modi Fin Cap. Please go ahead.

**Kiran Naik:** Sir, the Rs. 75 crores, how we are going to spend?

**Anand Kripalu:** How in the sense, so I explained that in my opening comments that this is going to go towards making the outlets safer when consumers start coming back. So once the regulators allow the opening of these bars, pubs and restaurants that serve alcohol, we are going to provide equipment and know-how to guide those outlets to become safer for consumers and even support in communication terms - the fact that these outlets have now implemented certain safety procedures, so they are relatively safer for consumers to go back to. So like I said, consumers want to go back when the regulators allow the opening, they will only be worried about should I go or should I not go because what if the place is not hygienic and safe. And this will provide that reassurance. And also the training and the equipment for those outlets to ensure that they can run up relatively safe establishment. The money is going to be spent on that.

**Moderator:** Thank you. We have next question from the line of Ajay Bora from Edelweiss. Please go ahead.

**Ajay Bora:** Sir, I just want to understand your perspective on this whole home delivery thing, which is getting initiated. So firstly, in terms of how do you see that panning out? And eventually, what is your perspective on what sort of boost it can provide to the whole industry?

**Anand Kripalu:** So, if you compare the alcohol industry in India, with pretty much any of the other countries in the world, the per capita number of outlets where you can buy a drink, or have a drink is amongst the lowest in the world. For a country of 1.3 billion people, there are only about 75,000 to 80,000 places where you can buy a drink or have a drink. So accessibility as we know it, like distribution, right, accessibility, we believe, is one of the biggest barriers to consumption.

Now, opening physical stores has always been a politically trying subject. Now, with the advent of technology, the opportunity to do what other ecommerce and home delivery players have done, could open up a big opportunity for this industry, and remove the biggest barrier of accessibility, both for people in general but let's say to women. Women don't want to go to a retail store, they don't feel comfortable going to a retail store in India in many places, in many cities, they can sit and browse and buy. And we all know that when you start buying on any of the online platforms, you end up buying better products, you end up buying more things, right? Because you are just sitting in the comfort of your home, sitting and browsing and you choose what you want to buy. And you always buy more than if you are just walking to the next store and buying something over the counter. So I think that's the vision of possibility.

Now, we have been trying this for a long time, that's why we invested in Hipbar, recognizing that long-term this is an important thing for us to crack as an industry. And sometimes in life, what you cannot crack during peace times, you are able to crack during wartime. And I think because of the concerns about social distancing and crowding at store and so on, states have started selectively allowing this to open in a formal legal way. And still a few states only, and still very small in terms of contribution. Our objective right now is to partner with the states to get stability and try and make sure the models here stabilize and then becomes here to stay. Scale of opportunity is step two, first is to create proof of principle properly on the value that this can generate for the state, for the consumer and what it can provide in terms of safety at a time like this, of ordering from your own home. So, once that happens, I believe that more and more states will pick it up. In the past no state did it, whichever states did it had to pull back. But now that states have done it, and we know COVID is here to stay, it's not running away tomorrow. If these things stabilize, and I think we will have the benefit of time to make it stabilize in a few states. I am hoping that the resistance from other states will break down and more states will be open to that. And if that happens, I think long-term, it can be a big unlock to this industry, because one of the biggest barriers to shopping in this industry and buying in this industry would be removed.

**Ajay Bora:**

So sir, just two things on that. One is, what is the reason why states are having so much of resistance? And secondly, generally, how are you seeing the early progress in the states where you have got the approval with the partners like Amazon?

**Anand Kripalu:**

So, the resistance is coming, generally wherever there is resistance, it's from the retail trade. And they are worried that any of these national players will then circumvent them, build their own national warehouses and start serving consumers directly. And they do not want to lose two things, one is the direct touch and the relationship to the consumer that they have. And second is, many cases they paid high license fees and it will mean loss of business. So wherever the resistance is there, it's from that. Now wherever it is beginning to work now, the retailer is part of the solution, even the license that Amazon has got in West Bengal, they have to pick up from the retail and supply, they cannot pick up directly from the company like it's happening in many other sectors. They have to buy from the retailer, they cannot even buy from the corporation depot in West Bengal directly. Okay?



So the retailer is part of the solution, then the retailer may see far more traction of business because many more people now are buying and that retail store is servicing them. So that's really what is the reason for some level of resistance. Now what is the flavor right now, it's just too early days and it's right now more at a pilot stage. Now there are some states where retail sales are not allowed like Orissa or Mumbai, only home delivery is allowed. There, obviously, 100% of whatever is selling is home delivery, because you cannot go to the retail store to buy. In other states, it's a smaller contributor. But these things also take time to build and establish, and literally it is weeks since a start has happened in a few states. So you will have to watch this space. We are watching this space closely. Our industry association has created a task force to then partner with state governments to help the state governments to work their way through this. So we are doing everything we can to make sure that it succeeds and stabilizes.

**Moderator:** Thank you. Sir, we have next question from line of Suresh Pardeshi from Centrum Broking. Please go ahead.

**Suresh Pardeshi:** This reminds me your Amitabh Bacchan moment in Cadbury, and really congratulations from my heart. It's a good initiative. Just two questions. You mentioned that these 13,000 outlets which contribute about 25% of prestige and above, this is for the whole United Spirits basket or it's all the prestige and above?

**Anand Kripalu:** So it is prestige and above the industry. I mean, the United Spirits' contribution will not be very different, and it's not 13,000, it is 30,000, thirty thousand.

**Suresh Pardeshi:** Okay. And out of 30,000 outlets what you have just mentioned, how many in your assessment are open now?

**Anand Kripalu:** Open to serve alcohol, almost zero.

**Suresh Pardeshi:** So across the country they are not open?

**Anand Kripalu:** Yes. Even in states where F&B outlets have opened, they are not allowed to serve alcohol, and they in any case are forced to close by 8pm or 9pm, depending on lockdown timing. So they are still not open. So you can't go out and have dinner and have a drink together right now.

**Suresh Pardeshi:** So that's why, if I if I understand correctly, you said from July you are hopeful that some partial relaxation will happen and they will open partially?

**Anand Kripalu:** Well, I haven't said July, because I don't know honestly the time. But I think with each passing month, like everyone else wants some semblance of normalcy to come back, accept in places where the situation is still not fully in control and are still increasing, I have to believe that in other places slowly and selectively it is a start. Whether it will be July or August or September, honestly, I don't have the data point to give you a better idea of that.

**Suresh Pardeshi:** Got it. And just last question, on these five top metros, Bombay, Delhi, Calcutta, Madras and Bangalore, what is the 30,000 outlets' spread?

- Anand Kripalu:** I don't have the numbers handy or whatever is the contribution.
- Suresh Pardeshi:** Would it be one-quarter or one-third or maybe one-fifth?
- Anand Kripalu:** No, I am not going to give you a number because it might be wrong. I mean, it would be a very material part, because obviously these are the major cities and they are the large contributors. But you see, we have said metros in key cities, we have called out in the specific announcement, we have said Mumbai, Delhi, Bangalore and key cities, but we will be happy to do it in NCR for instance, which mean Gurgaon or Noida. We are happy to look at other cities where people come and apply and selectively we will decide on what best we can do. The idea is, whenever we do it, we have to do it with quality and make an impact from it, rather than just spread yourself so thin and do a little bit everywhere and you make no impact at all. Because ultimately even though Rs. 75 crores is a large amount, resources will be limited. And therefore you have to be choiceful.
- Moderator:** Thank you. We have next question from the line of Vishal Punia from Nirmal Bang Institutional Equities. Please go ahead.
- Vishal Punia:** Just adding to the previous question. You mentioned that the program would be focused in the key metro cities. So what would be the on-trade consumption percentage for these cities? Because the 25%, 30% would be pan-India, right?
- Anand Kripalu:** The 25%, 30% is definitely pan-India. I don't have offhand the specific contribution of the on-trade in each of the cities, that's micro information. I mean, I just don't have the data.
- Vishal Punia:** Would it be very different form the 30%?
- Anand Kripalu:** I don't want to hazard a guess, honestly, because I just might give you the wrong information, I would not like to do that. But what we can do is, we will get a judgement of what is the industry contribution in at least Mumbai, Delhi NCR, Bangalore. What is the on-trade contribution for the industry, we will see if we can pull that out. And if it's fine, then we will try and share that information offline. If it's really important for you, we will try and get at least some guideline we will try and get for you.
- Vishal Punia:** So secondly on the number of restaurants that you mentioned, 30,000, do all these restaurants have a hard liquor license or they are a mix of hard liquor as well as beer plus wine?
- Anand Kripalu:** No, there are hardly any outlets that are only beer now, and that do not serve spirits. There are hardly any with no overlap. So, basically it's the same number.
- Moderator:** Thank you. Sir, we have next question from the line of Santosh Kumar from Spark Capital. Please go ahead.
- Tejas:** Sir, this is Tejas from Spark Capital. Sir, just on your online sales point, so do you think that online sales in longer and not necessarily near them can neutralize to some extent the distribution

moat that incumbent like us enjoy? And it creates a kind of level playing field for new entrant on distribution front?

**Anand Kripalu:**

Well, yes, it could. But I will tell you one more thing, by the way. Distribution in India is not a challenge for most people. With 75,000 to 80,000 shops, distribution is not the challenge, we are able to see new brands from small local players get distribution. So that is not difficult, really speaking. I think what will happen is that online the role of brands becomes even more important, and the role of brand building becomes even more important and the role of understanding digital and specific competencies of that kind becomes even more important. And that you will find that many of the other players may not have those competencies that good. They can actually get distribution done, but just paying much higher trade margin and getting distribution done. But really getting brand preference through understanding digital and having the capability to do that and make sure that your brand is the one chosen on online platforms, brand building through online platforms, digital engagement, I think those are the areas where actually it may actually be advantageous to companies like ours who also can tap into global expertise and local expertise, can afford to buy and build centers of excellence of this kind compared to the other companies. That's how I would see it.

**Tejas:**

Sir, second, we picked up from media that Jharkhand has discontinued delivery home delivery of liquor.

**Anand Kripalu:**

Sorry, who?

**Tejas:**

Sir, Jharkhand Government. So based on your assessment of situation so far, as you rightly said that what you can't achieve in peace you perhaps achieve in wartime. So what are all the measures or changes you are seeing in government's approach to the sector? You believe it will stay with us once the situation normalizes or you believe it's too early to say on that count?

**Anand Kripalu:**

Well, it is very early to say. So for instance, we as an industry are trying our hardest to get some of the tax increases reversed on the back of what Delhi did. We are absolutely all over this. And let's keep our fingers crossed. Because we don't want very high tax increases to be a legacy of COVID in our industry. A few percent, 3%, 5% we can live with, but if it's very, very high percentage, there is going to be an impact on the industry. And we want to try and make sure that doesn't happen. So that is one of the negatives we want to try and revoke. And make sure it doesn't live with that. And drive home some of the positives, and one of them is the benefits of home delivery and ecommerce should live with us after the crisis. That is one of the benefits that has come out of the crisis. So I think we are trying to evolve this with every passing day. I mean, really, it's a very dynamic situation, everyone knows that. Nobody is also being very consistent on policies because they don't know what is going to happen, it is two steps forward one step back. But rest assured that we are doing everything we can to make sure that the industry comes out and stays healthy when we are on the other side of it. Thank you very much. And if you can take the last question now, please.



*United Spirits Limited  
June 25, 2020*

**Moderator:** Thank you very much, sir. We have the last question from the line of Pranav Bhavsar from ASA Capital. Please go ahead.

**Pranav Bhavsar:** My question was, do you expect any market share gains from this strategy or fortify your position?

**Anand Kripalu:** No, I am not going to comment on that really, because I am saying clearly there's no quid pro quo, right? If anything comes that like that's separate. But this is not being done with the objective of building market share. This is being done with protecting the overall business for the industry and ourselves in the medium to longer term. Anything else would be, I would say, an added benefit but not a targeted benefit.

**Moderator:** Thank you very much. And I would just like to thank everyone else for joining this call today. Thank you for your support, as always. And stay safe.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, on behalf of United Spirits Limited, that concludes this conference call. Thank you for joining with us and you may now disconnect your lines.