bajaj CONSUMER CARE

May 9, 2023

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 023 **Stock Code: 533229**	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, 'G' Block Bandra- Kurla Complex Bandra East, Mumbai 400 051 **Stock Code: BAJAJCON**

Dear Sir/Madam,

Sub: Conference Call transcripts (Scrip Code: NSE: BAJAJCON BSE: 533229)

Please find attached a copy of the Conference Call transcripts in respect of Bajaj Consumer Care Limited dated May 4, 2023.

The same may please be taken on record and disseminated to all.

Thanking you,

Yours Sincerely,
For Bajaj Consumer Care Limited

VIVEK MISHRA Digitally signed by VIVEK MISHRA Date: 2023.05.09 21:33:27 +05'30'

Vivek Mishra
Head-Legal & Company Secretary
Membership No.: A21901

Encl: as above

"Bajaj Consumer Care Limited
Q4 FY'23 Earnings Conference Call"
May 04, 2023

MANAGEMENT: **MR. JAIDEEP NANDI – MANAGING DIRECTOR – BAJAJ CONSUMER CARE LIMITED**
MR. DILIP KUMAR MALOO – CHIEF FINANCIAL OFFICER – BAJAJ CONSUMER CARE LIMITED
MR. RICHARD D'SOUZA – ASSISTANT VICE PRESIDENT, FINANCE – BAJAJ CONSUMER CARE LIMITED

MODERATOR: **MR. KARAN BHUWANIA – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Bajaj Consumer Care Limited Q4 FY23 Earnings Conference Call, hosted by ICICI Securities Limited. 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 star than zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Bhuwania from ICICI Securities Limited. Thank you, and over to you.

Karan Bhuwania: Thanks, Ryan. Good morning, everyone. It's our pleasure at ICICI to host Q4 FY23 Results Conference Call for Bajaj Consumer Care. From the management, we have Mr. Jaideep Nandi, Managing Director, Mr. Dilip Kumar Maloo, CFO, and Mr. Richard D'Souza, AVP, Finance. I would like to hand over the call to Mr. Jaideep Nandi for his opening remarks, post that we can open for Q&A session. Thank you.

Jaideep Nandi: Thank you, Karan, for hosting this call. Good morning, everyone. I am pleased that all of you have joined this call taking time out. Let me now take you through the performance of the company for the quarter and for the full year ended 31, March 2023 before we open the floor for the questions.

Starting with the market, the overall hair oil market saw a margin decline of 0.8% in terms of volume and a similar value decline compared to the corresponding quarter of the previous year. Urban markets recovered to register a growth of 4.1% in volume and 3.7% in value. While rural markets are showing signs of recovery, but still remain subdued with declines of 6.2% and 5.6%, respectively, for volume and value, which having improved from the previous quarters. Quarter 4 hair oil market trend is better than compared to the earlier quarters, declines in premium categories like ayurvedic and LHO has also reduced. On a long-term basis, MAT March '23, the gradual recovery is also visible with the market decline reducing resulting in overall value decline of 2.8% and volume decline of 2.5%.

The company reported quarterly standalone sales of INR 241 crores, resulting in an 11.7% value growth and a 9.9% volume growth as compared to the corresponding quarter of the previous year. For FY23, reported sales stood at INR 938.1 crores, delivering a growth of 8.4% in terms of value and 5.6% in terms of volume compared to the previous year. On a consolidated basis, revenues grew by 9.5% in FY23 with international business registering a strong growth of 56%.

Gross margin for the quarter stood at 54%, which was lower by 210 basis points compared to the corresponding quarter of the previous year, mainly owing to commodity price inflation. Sequentially, however, over Q3 FY23, gross margins improved by 110 basis points, with softening of key raw material costs in the recent past. For the 12 months ended, gross margin stood at 53.4%.

LLP prices for the quarter was higher by 9%, compared to the previous year. However, on a sequential basis, LLP prices were lower by 7% on account of benign demand scenario. RMO prices saw a decline of 22% compared to the previous year and on a sequential basis, about 12% on account of good harvest crop and overall correction in the edible oil complex.

While inflationary pressures have softened compared to the previous quarter on account of the easing in commodity prices, we see the same remaining range bound in the quarter. Our continuous focus on cost-saving measures through implementation of various initiatives has helped us bringing structural reduction in natural cost on average.

A&P spend for the quarter was at 17.2% of sales, with the absolute spend remaining at the same levels as compared to the corresponding quarter of the previous year as well as sequential quarter as well. For FY23, A&P spends stood at 18.2% of sales translating to an increase of 18.9% in absolute terms over the same period last year. The significant increase in A&P spends is on account of increased investments in NPDs and digital media, which is part of our long-term strategy of diversifying our portfolio beyond ADHO.

EBITDA for the quarter was at INR 43.3 crores, which is a 12% growth in absolute terms over the same period last year. EBITDA margin for the quarter was at 17.9%, which is an increase of 280 basis points and 27% in absolute terms sequentially over quarter 3 FY23. PAT for the quarter was at INR 40.7 crores, and for the 12 months ended, EBITDA was at INR 146.2 crores and PAT at INR 140 crores. In Q4 FY23 general trade registered a growth of 6% year-on-year and around 7% on a sequential basis over quarter 3. The Rural demand continues to remain subdued in quarter 4 FY23, though it has been showing signs of recovery. High-teen growths in urban offset the decline in rural, resulting in an overall 7% growth in general trade as mentioned.

Urban initiatives of top city approach, both 10 lakh population and 5 lakh population, strengthening distribution reach in metros, top-end retail focus with investment in store visibility have now started bearing fruit. Wholesale loyalty programs in key urban markets with specific focus on entities have also worked very well. This has resulted in both retail as well as wholesale registering double-digit growth.

Modern Trade and e-commerce continued to report strong growths in quarter 4 as both channels continued to scale up well on a year-on-year as well as sequential basis. Significant market share gains have been made in key accounts, both in Modern Trade as well as e-commerce. Modern Trade grew by 51.4% in quarter 4 FY23, compared to the corresponding quarter of the previous year and now contributes about 9% of our total sales. Modern Trade business has scaled up 2.2x over the last two years.

Increased investments in visibility, merchandise and support, better on-ground execution has helped consistently scale up our business. In Modern Trade, we saw good sale happening in the Republic Sale Week where we saw good footfalls in major Modern Trade chains. E-commerce business is scaling up well. It recorded a growth of 63% in quarter 4 FY23 compared to the previous year and more than doubled in FY23 over last year. E-commerce business now contributes to about 7% of our total sales. This channel has also been instrumental in scaling of our premium NPD portfolio in the year.

Consolidated international business reported a robust growth of 151% in quarter 4 FY23 compared to the same period over the previous year. On a full year consolidated basis, international business has been scaling up well with a 56% top line growth compared to the previous year. New channel partners appointed in major countries in Middle East and Africa have started generating good results. Local manufacturing has commenced in Bangladesh in quarter 4 while manpower upgradation and distribution expansion in that country is under progress. The country reported good growth in quarter 4, albeit on a low base and will remain a focus market for us in the coming year. New countries and product introductions have also led to strong growth in the rest of world geographies.

During the quarter, ADHO registered a growth of 11.4% in value terms compared to the corresponding quarter of the previous year and also 10.4% sequentially over quarter 3. Continuous media support has been provided for ADHO across TV and digital. Kiara Advani, our latest brand ambassador for ADHO has featured in a series of high-energy marketing campaigns and events. The social media activity towards the ADHO campaign Daro Nahin Dare Karo registered over 1 crores views. The Almond campaign, Super Food for Super Hair has been gaining momentum. Through community marketing, 24 lakh people were reached out in 180 online communities with SOV registering an increase from 17% to 23%.

The new product sales doubled in FY23 to INR 113 crores and now contributes 12% of our overall savings. Considerable growth and distribution penetration has been witnessed in Almond Drops Extensions, that is Almond Soaps, Almond + Argan as well as Serum with Oil, which has been encouraging. Almond Soap was supported through TV media as well as sampling to drive trials. Almond Argan and Almond Serum with Oil were available on all key e-commerce platforms and also got listed in select Modern Trade chains in quarter 4.

The AD Extensions were supported with off-platform digital activation to build awareness and on-platform spend to drive conversions. Our digital brands, Bajaj 100% Pure and Natyv Soul continue to be supported with Visibility on e-commerce platforms. Natyv Soul portfolio is now being consolidated with hero ingredient, Argan Oil based products in conditioner shampoo, hair oils and serum to ensure focused marketing spends. We remain committed to build our digital portfolio steadily in the premium personal care space.

Our Coconut portfolio continues to perform well. Consumer offtake and distribution build-up over the year has been yielding results. Print media support was provided in select markets to provide awareness. Coconut continues to do well, and the share of Amla portfolio remains steady in mid-single digits across all India level.

As far as the ESG is concerned, we continue to work on our ESG agenda and are driving our improvement in various areas of our operations. We continue to work towards reduction of carbon footprint and GHG emissions and strive to reduce its impact. Steps have been taken to reduce consumption of packing material per litre of oil sold by optimization of usage and specification. Initiatives have been taken at our plant to reduce energy consumption. The company has ensured that commitment as per the EPR are met. Water conservation and replenishment of auto resources are key imperatives for our plants, and we have made significant progress in this direction.

As far as our strategic pillars are concerned, we have made decent progress in most of the strategic pillars of growth in FY23. The increase of distribution in urban, including both retail initiatives and wholesale activation as well as specific pack group level interventions have helped ADHO regaining momentum and steering strong growth across all channels in Q4. Expansion of our hair oil portfolio has helped us to drive top line for Coconut and Amla portfolios. Almond Drops Extension in hair and skin care categories are scaling up as per plan. They are being supported by Visibility on digital, both on and off platform. Further launches in AD Extensions are planned in a graded manner in FY 24 as has been informed earlier.

Our digital-first brands continue to witness steady growth, and we will keep supporting them through digital media as well as continue to make forays into the premium personal care space. The International business, which is also another focus area for the company, registered all around strong growth in Middle East and Africa, Bangladesh and Rest of World, and this thrust will further be taken up in FY24.

Moving ahead, summarizing, scaling up of our existing portfolio, new product launches across new product launches along with focus and execution across channels will remain our key drivers for top line growth in FY24. In addition, the company will continue to drive for premiumization of portfolio, rationalize cost structures, drive automation and digital transformation initiatives to deliver growth with healthy margins in the coming quarter.

With this, I end the opening remarks and open the session for questions. Thank you.

Moderator: Thank you. Our first question comes from the line of Percy Panthaki from IIFL. Please go ahead.

Percy Panthaki: Hi, Percy here. Sir, just wanted to understand on the margin front. I mean in the past calls, we have been a little sort of conservative and said that, do not expect any significant margin expansion in the near term. But now our margins have gone from around 14%, 14.5% to about 17%-plus. So just wanted to understand, are we confident of retaining high-teen margins here on, or is this sort of a blip in the continuum?

Jaideep Nandi: See, I think, Percy, we had continuously maintained that for this year, we had taken a major investment, both in terms of the new product scale-up in terms of marketing as well as gross margins were specifically impacted because of the very steep LLP and RMO, which possibly our raw material basket was even worse affected than the overall market other than may be soaps. And I think we had given a guidance that anyway, we will be targeting 18% to 20% in the very near to mid-term kind of a number. So this is something that, anyway, we are committed to because below 18% is something anywhere we're never looking at it. Yes, I agree that last year was a little bit of a difficult year in the first three quarters, but 18% is kind of a bare minimum we are looking at, and we wanted to reach that 20% kind of a number by the mid-term. So that is something that we remain committed.

Percy Panthaki: And the ad spend that you have done this quarter, would you say that's a normal kind of number, or is there some phasing issue which has driven it lower, or you feel that this level of ad spend is sort of okay?

Jaideep Nandi: So, if we look at the ad spend, the specific amount that we have spent, that's close to that INR 42 crores kind of a number. I mean that is something that we would like to remain and it has remained consistent across the years. So as a percentage falls, the top line goes up. But that is a number which is what we were looking at in terms of the SOV coverage we wanted for ADHO, the digital build-up that we have done in terms of now the digital part of our investment itself in ad spend is about 25% slowly scaling up may be towards 30% and the ones that we spend on the new products. So this is something that we'll roughly keep it at that level. So ad expense will not go down as an absolute number going forward, but as sales scale up, we feel that as a percentage, it will go down, yes.

Percy Panthaki: Right. And last question, how do I basically interpret or look at your growth, while on a Y-o-Y as well as sequential basis, the growth is very healthy. But if I look at the last normal Q4, which was Q4 FY19 versus that more or less we are in the same range on a four-year basis. So my question here is that once the base sort of normalizes because this year, on a Y-o-Y basis also, our base was very favourable, right? Q4 FY22 was a minus 10 kind of a number. So once our base stabilizes, how should we look at growth going ahead? Because the overall industry numbers are reviving, but they are still pretty lacklustre. So what gives you confidence of maintaining this double-digit kind of top line?

Jaideep Nandi: See, two, three things. If you look at between, let's say, quarter 2, quarter 3, quarter 4, the progression that is happening. And that is exactly what we have been talking about that the corrections that we are making are a little more mid to long-term in nature and you would not see short-term results. And that's what we have been talking in the last two years.

And now some of the investments that we have made, both in terms of back end, in terms of automation, in terms of corrections, in terms of overall cost structures on one side and in terms of investments, in terms of our product marketing. And now slowly, they are starting to bear fruit, whether the AD extensions, whether it our expansion in hair oil portfolio and maybe another range that will be coming out this year which is something that we are contemplating, which is a little higher in gross margins. I mean, those are things now at least we have a back end which can support that. So I would like to think that in the last two year, three years, it was more consolidation and constructing the base for getting into this. And now slowly, we are seeing results coming out of whatever we have been trying to do in the last two year, three years.

Percy Panthaki: And just a couple of data points if I might ask. Firstly, on the ADHO contribution to the overall sales for the quarter as well as for the year. And secondly, in terms of your direct distribution, what you have reached at the end of FY22 and how it has compared versus, let's say, a year or two ago?

Jaideep Nandi: See, if you look at the overall contribution of ADHO back earlier, which was about 93% is now down to about 86% in terms of overall saliency and the traditional range that we have, which is basically the other products Cool Almond, Jasmine, Brahmi Amla. That is about 2% and 12% comes out of your new product as a new product block that we have created, which I'm including the Amla aloe vera which was also a relaunch so that gets included in this. So that today forms about 12%. And the direction that we have said is that this range needs to go about 30% or so going forward. So overall, ADHO saliency. We keep pushing for growth for ADHO, but we look at our overall saliency of ADHO coming down to about 60% or so, more long term and in the near term, maybe about 80% or so. So there, we are on track as far as the business is concerned.

As far as the distribution is concerned, that number has gone up to about 8.5 lakhs while we have taken up the number, which directly, we were covering about 6.5 lakhs through our direct coverage. Our van sales had increased the number to about 8.5 lakh, which is where we are, but in terms of quality of distribution, I think in retail, the distribution expansion has been very good, especially urban. And I think the numbers have while in number terms, it is just about adding about 50,000 more, but in terms of the quality of distribution, it has been a very good quality of distribution that you have seen. And in spite and that is bearing results from the fact that in spite of so much of difficult times as far as urban is concerned, you are seeing that retail growth has been consistently steady as far as we are concerned, we have been continuously reporting about 10.5%, double-digit growth as far as retail.

Percy Panthaki: Right, sir. That's all from me. Thanks and all the best.

Jaideep Nandi: Thank you.

Moderator: Thank you. Our next question comes from the line of Tejash Shah from Avendus Spark. Please go ahead.

Tejash Shah: Hi, sir. Thanks for the opportunity. And congrats on good set of numbers in this environment. Sir, just first question pertains to margin guidance that we set at the near-term goal will be to kind of revert back to 20% kind of margin, so just wanted to know, there are macro environment, there's a lot of volatility, both on growth and on margin spend and raw material spend, so this 20% is assuming normalcy coming back or irrespective of that you believe this raw material tailwind is in our favor we should be able to do that?

Jaideep Nandi: See, we are looking at as of now, our LLP and RMO looks range bound. So I don't think there is a major bearish trend on either of these products at this stage. So we are looking at raw material prices and as a scenario, we're looking at a 17% to 20% kind of EBITDA margin, which is what we are targeting. Now 20% is not near term, 20% is more mid-term, a little more corrections are being done as far as our cost structures are concerned, beyond gross margins, some more cost structure optimization, we feel that there is an opportunity. We are looking at that. And that's where we say that 20% is what we wanted to reach in the more on a mid-term basis, more like 17%, 18% and going forward that kind of number for the near term.

Tejash Shah: Sure. And sir, so the structural correction that we wanted to do in the business model, which was dependency or over-dependency on one product, at one brand, do you believe that with this kind of margin range, we can continue in that journey. And still now there won't be further deceleration or contraction in margin if we want to achieve this goal as well in terms of diversification?

Jaideep Nandi: So just to give you some insight on numbers, as we crunch our numbers, we see that because of our entire change in portfolio, the margin dilution has been overall impacted by about a percentage point. That's about the impact that has happened. And most of the impact has happened because of the raw material price inflation, and our inability in the industry to take price increases. We see that in a similar situation in the soap industry, we're able to take price increases. Somehow, in our industry, the company is here in because of the growth, they have not been able to take the kind of price increases. So our inability to pass on the price is where the gross margins got impacted. I think both of them are normalizing as the demand scenario you see are improving, we should see some bit of price corrections from our side as well going forward in terms of passing on the price increases that has happened in the past to the consumers.

So this is something that you will see. This is one side of it. On the other side, as a company, we have also taken a decision that products that we launch should only be launched at gross margins, which are closer to ADHO. So I mean there might be marketing spends that we will be doing on these products, but gross margins of these products, we are going to have a no-no kind of a situation for any product which has got gross margins, let's say beyond, below 40%, 45% kind of a number. So this is something that we are going to strictly adhere to going forward.

Tejash Shah: Sure. So, sir, margin is very much clear. Just last one on the growth, not guidance, but just a very subjective outlook that you can share – like, after all the corrections that you have done in the business part, and then looking at macro environment, where do you see our sustainable growth rate kind of stabilizing? Will it be mid-teens or low-teens or high single digit. Where do you want this business model to now gravitate towards?

Jaideep Nandi: See, for the next five years, anyway, you will have to look at as a company, we'll have to look at a sustainable double-digit kind of a growth rate, I mean, preferably quarter-on-quarter, but at least year-on-year for sure. So certain key corrections that were required, we have been in that journey for. So one is our presence in urban itself was poor in terms of retail presence was not very strong. So that is something that has been continuously getting dialed up. So, we are seeing progress in that.

In terms of deep rural some work had happened; I think further work is required as far as deep rural is concerned. At this moment, we are not spending too much money in rural because we want the rural to recover completely and then may be especially target that. But we have -- we do have some plans on that.

The third is, again, back to geography. There are certain clear geographical gaps that we have, and now we have some understanding where we can go and what we can do in each geography, so some action points have been triggered as far as some focal geographies are concerned that we should see coming up in the quarter. I don't want to talk of it because we want to get into that.

So as far as that part, what we envisaged maybe 2, 3 years back, slowly, at least we see some action happening. As far as the product portfolio is concerned, so we clearly wanted to be on one side, complete as far as the hair oils portfolio is concerned. On the second side, get our credibility slowly started getting established in the personal care space, both in hair and skin care in the more on the premium range.

So our journey has just begun. I would not say is anywhere begun in a big thrust, but at least clearly directions are there and some more product launches in that direction, consolidation our entire media approach, etc, you will see that open up as we go forward. And that is something that we have been talking of a year.

A third range of products, which we are seeing that there is clearly an opportunity for Bajaj to get in this space itself, there is an opportunity for us. It's something that we are looking at actively, and we should see some progress in that in the next 1 or 2 quarters also. So this is as far as the domestic market is concerned.

International, it was clearly a low-hanging fruit, but obviously, a lot of groundwork was required in that. And I've been saying that in the previous calls that I mean I would not want to talk of International, but this is clearly a thrust area. This year, we have had a modest 55%, 56% growth. These bases are getting created. But now at least we have a team that is working specific country teams have been worked upon so a few countries are clear focus areas. And we see International being one of our key drivers also in the next few years.

Tejash Shah: Very clear, sir. And sir, if I may squeeze in one book-keeping question. How should we budget for tax rate for FY24 and FY25.

Jaideep Nandi: Tax rate for FY24 and FY25 should be the same and continue with MAT

Moderator: Thank you. Our next question comes from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

Shirish Pardeshi: Hi. Good morning, Jaideep and team. Thanks for the opportunity. Three questions from my side. If I look back over five, six quarters, HSM market has been our pain point. And now the growth, what you mentioned, 9% on volume growth in ADHO is very strong. Could you talk something about how the scale-up or the offtake or the demand situation over last 2, 3 months, you are experiencing in the HSM market and spend a minute or so on the wholesale because you mentioned in the beginning that you have run some wholesale loyalty program. So what is it that, it is for a short term, it's a long term or are you tying up with the volume or value?

Jaideep Nandi: So, okay. So two, three questions. I'll answer them in that order. So first thing is in terms of HSM markets. Unfortunately, the HSM markets still have not completely recovered. Their recovery is still a little slower. I mean, we are looking at some of the food companies where the HSM markets are doing well, in our case, unfortunately, personal care, they still remain a little subdued. And we look at the numbers, especially we typically look at numbers for UP because that's a decent benchmark for us and we look at both in terms of soaps, shampoos, while shampoos have recovered a bit, soaps, etc, still down in terms of volume. Hair oils actually are performing better than soaps in terms of volume are concerned. Obviously, value term soaps are still double digit because of the price increase they have taken.

So this is clearly still a pain point. But again, as I said, from quarter three to quarter four, as I look sequentially, the improvement is clearly there. So there were high mid-teen declines that are happening in markets like UP, now it has become single digit or just about low double digit to single digit kind of a decline. So this clearly, we are seeing slowly coming back and going forward, we are very bullish.

Where the growths have come from. As I said, we were clear that there are, we need to make ourselves both a little ADHO independent as well as a little HSM independent. So I think in that strategy, good work has happened. One is obviously Modern Trade and E-commerce has done a fantastic job for us helping us put us back online. But clearly, GT needs to perform and GT, there have been other markets beyond this HSM markets, which are now slowly showing traction. At this moment, again, as I said, nothing huge, but clearly in the direction that we would want to go to. So qualitatively, that's pretty good direction that we have reached. So this is as far as the markets are concerned.

As far as questions about retail and wholesale is concerned. Retail, as you are aware, I mean, we have talked about retail has to be one of our focus areas, and that's where we see our new products, etc for a lot of strategic value, retail would be useful for us. And retail, we had anyway not a very strong presence. So that a lot of work has happened in terms of activation, in terms of working with customers out there, etc.

As far as wholesale is concerned, it is more loyalty programs of more long-term in nature. There is no short-term nature. We have completely come out of this short-term approach where there'll be top-ups given at the month end, etc, we have completely closed that because that is something that we have stopped about 1 year, 1.5 years back, and that's where we have taken some kind of beating also from the market. So and if you look at if you were to go to the market today in terms of market dynamics as far as the Almond Drops is concerned, the prices of Almond Drops across the country remain very similar. There is very few cross-border inflows, etc. So that we had taken that pain in the last two, three quarters, we are clearly seeing that advantage coming. So that comfort and confidence to the wholesaler is also back, and we have now tied them for long term with the volume numbers so that these are the numbers they have to so this is more creating as far as the wholesale loyalty program.

Shirish Pardeshi: So one follow-up here, Jaideep. What is the FY 23 wholesale contribution you have settled in urban and rural?

Jaideep Nandi: So it's again, we have come back to that very standard this thing of 25%, 25%, 50%, kind of a number on a very, very this thing. Retail is now at 25%, which used to be 20%, 30%, 50% kind of a mix. So retail is now 25%, wholesale is now about 25% or similar plus/minus there. And wholesale is as above, and rural is about 50%. Actually, rural is a little lower. Last year, rural was 52%, and urban was 48%. This year, it's been the other way around, urban is 52%, rural is 48% overall.

Shirish Pardeshi: Okay. My second and last question on the NPD. You said aspirationally, you are looking for the contribution to move from 12%, 13% to 30%. What time frame and what are the initiatives would take you there without next whatever time frame you are aspiring?

Jaideep Nandi: So again, so this is something that we have not -- in fact, if you look at any of the initiatives, all of them remain exactly the same that we had stated 2 years back. I think none of them we have changed in terms of directionally what we wanted to do. So in terms of new products, as we said, first and foremost, we wanted to complete our hair oils portfolio, we are still not there. We have introduced four products, which is two in Amla range and two in the Coconut range, but we are still not there because there is something a little more ground to cover when and how we'll cover is something that we'll continue to look at.

We felt that Almond Drop extension, clearly, there is scope for us. The three products that we have launched are showing good signs, taking traction in new categories, which were not there. And now this year, you'll see another set of launches that will happen, which will keep expanding our Almond Drops umbrella, which is again something that we have stated.

The third, we have said is that we'll be looking at a range of products where Bajaj can be, Bajaj's relevance can be used, which is basically the trust of Bajaj, the Indianness of Bajaj and the distribution strength of Bajaj, which is basically NPD-centric. Because finally, if you have to make money, it has to be a little more GT-centric product. So that's a range of products will be coming up and products where, as I said, gross margins, the two, three things that we look at gross margins and basically the competitiveness, now that is there and expected. We have identified a set of categories where we can go where Bajaj is relevance. We have done our consumer testing accordingly, just like we have done for our Almond Drops Extensions. And we see that, that is a range and that is a range which will also be coming out this year.

So with this, overall push, I think, and basically on ground execution, which is finally at the end of it, the final answer, which is slowly now improving in the health quality of people that we have been changing across in the GT overall, our approach to GT, etc, I think we are pretty confident that we are on track to go in that direction.

Shirish Pardeshi: So one follow-up here. You said 30% which is really heartening, and it is 2.5x what you are currently holding. So question here is that are you banking on the distribution scale up and strength or you're releasing that the consumer proofs test is done and more channels we will open and that will drive the growth.

Jaideep Nandi: In fact, it will be a combination of both. As I said, distribution scale up, clearly certain geographies there is, I mean, every geography, we have distribution opportunities, but certain geographies more so. And now that relevant products are slowly coming in, and we think some more relevant products specific to geographies we might introduce, we feel that distribution expansion clearly will be one of the big pillars for that.

Other than that, obviously, the channel statements that you made will obviously hold true as well. So both in terms of channel relevant products as well as distribution expansion in a little unexplored geographies as well as in existing geographies where we see expansion happening.

Moderator: Our next question comes from the line of Kaustav Bubna from BMSPL. Please go ahead.

Kaustav Bubna: Just two questions. So the first question was really on the ADHO market where we're speaking about new product development and that's excellent. But on this ADHO market, can you just give me your sense on how you see this market shaping up in terms of volume growth over the next 3 to 5 years? Where do you see the industry in terms of market size versus today?

Jaideep Nandi: See, as we said, I mean, hair oil industry is not neither going to really slump big time nor is it going to expect a big growth, etc. Yes, this year has seen a blip in terms of the hair oil industry because in discretionary, we have been one of the worst affected, but I think going forward, a reasonable expectation of a 3% to 5% growth as far as volume is concerned, would be expected is a reasonable expectation to have as far as the hair oil industry that's a, let's say, an estimate we operate with.

Kaustav Bubna: But my question is more on the Almond side versus the overall hair oil?

Jaideep Nandi: I'm coming to that. You wanted overall hair oil as well, so I'm just taking the hair oil part first. So that 3% to 5% is what we expect. Within that Almond, it's also a question of how we place Almond, Almond being one of the leaders, what is the aspirational value you put to Almond, and what kind of product, so rather than just say how much Almond will grow, I would rather say, how much will be the premium oil segment will grow that ayurvedic, LHO, that block. And I think there is enough proof in the marketplace that if there is enough aspirational value that can be put to the brand in terms of what we are offering in terms of the requirements of the product, those brands also have the capability to grow.

And as the market situation improves, as demand conditions improve in terms of economy, you will see those markets those categories also bounce back pretty strongly. As we have already started seeing. I mean, the last 3, 4 quarters, 5, 6 quarters, these ranges were the worst affected, now they are clearly showing signs of recovery. And we expect that if the market were to have the 3% to 5% growth, there is no reason to believe that Almond and its ilk will have a growth, which is less than that.

Kaustav Bubna: Okay. So that's great. So basically, when we look at over the next few years, when we look at NPD going up to 30% of the total portfolio, that shouldn't mean that our ADHO falls, right? ADHO will continue grow, right?

Jaideep Nandi: May not be 2 years when that 30% is achieved. So that 30% expectation of NPD in 2 years may not happen organically.

Kaustav Bubna: Okay. And the next question is RMO and LLP prices have cooled off from highs. So what is our inventory holding period for these raw materials? And when will the reduction of prices start showing more meaningfully in our margins?

Jaideep Nandi: So typically, we hold about 20 days of inventory. So yes, there will be some flow that will happen in Q1 as well, yes.

Kaustav Bubna: Okay. And any guidance for NPD revenue growth in FY 24?

Jaideep Nandi: No. I mean there's no guidance.

Kaustav Bubna: And could you just give us an update on the buyback, what's happening? Sorry if I may, I mean I am just misinformed there. Could you just.

Jaideep Nandi: Absolutely fair question. So buyback, we had taken a book size of INR 80.89 crores as far as buyback is concerned. We ended up buying back INR 80.88 crores of stocks, which was equity worth number of shares was 14.26 crores, which we have subsequently extinguished. Sorry, sorry, 49.14 lakhs, which we have subsequently extinguished and now we have equity base of 14.26 crores. From 14.75 crores, it has gone down to 14.26 crores. So this is what the buyback status is. And just to get a sense of the promoter holding, it has gone up from 38.04% to now about 39.35%.

Moderator: Our next question comes from the line of Anuj Jain from Globe Capital. Please go ahead.

Anuj Jain: Congratulations on the wonderful set of numbers. Just a couple of questions from my side. First one is, I mean, what kind of an ad spend we are looking for this financial year?

Jaideep Nandi: So as I said, in absolute terms, we'll strive to ensure that the numbers remain similar. You might see a little bit of a percentage drop if the sales go as per plan, then you might see a little bit percentage here and there as far as percentage is concerned.

Anuj Jain: Okay. Ranging between 16% to 18%, I can take.

Jaideep Nandi: Absolute terms, we would like to keep it in a similar range.

Anuj Jain: Got it. And my second question is, I mean, like for this Q1, we have now in the second month, right? So how is the rural recovery shaping up like for the month of April? I mean till Q4, you have given all the picture. So I just wanted to understand, for the month of April, how the rural recovery has been shaping up? As well as the RM and LLP prices, what kind of trend we are looking for post Q4, I mean, for the month of April and in itself.

Jaideep Nandi: Let me cut this short quickly. So no guidance on April, but rural economy is going, the trend that you are following both in terms of the rural economy, the commentary that I made remains very similar as far as this quarter as of now, we see. But in terms of guidance, I won't be able to guide you as far as how it will be.

Anuj Jain: No, I'm not asking for guidance. I mean what kind of recovery you're looking at by looking at the numbers and the LLP prices and RM prices for the month of April, how they are shaping up?

Jaideep Nandi: As far as rural is concerned, as I said, we are seeing that gradual recovery slowly happening, but yet not recovered in the way that you would like to have happen. And LLP, at a point of time, it has really gone down. It has now become a little range bound. It has more or less steady. So again, the commentary that you saw in Q4, which is that RMO prices have come to a pretty decent price in terms of a lower price. That is where it has remained, and LLP is also more or less stabilized as the prices that we ended quarter 4 at. So it has remained more or less range bound. We have not seen any further either increase or decrease from where we started.

I'll qualify it by saying it remains range bound. So it is no indication of quarter because the market still remains volatile as far as LLP is concerned. So we'll have to keep watching the space to see how it goes.

Moderator: Our next question comes from the line of Varun Bang from Bryanston Investments.

Varun Bang: Hello. Congrats on good set of numbers. Just what we see is we have a long range of offerings on both Natyv Soul and Bajaj 100% Pure side. Do you don't see the need to narrow down focus in terms of a range of offerings on both these brands?

Jaideep Nandi: Good question, Varun. In fact, if you heard the commentary in my opening remarks, I actually touched upon that point. You are absolutely correct. So that was our first year of this thing, and our learnings are also being now fully put back into effect in terms of what we wanted to do. So we feel that maybe we went a little too overboard in terms of number of hero ingredients, we wanted to establish in the mind of consumers as far as Natyv Soul is concerned. So that now you are now spending our entire this thing, to take on Argan as a product to support Natyv Soul with the entire range of offering in shampoo, conditioners, hair oil, everywhere. So that is where we will focus. Argan being our hero in region so that people can relate Natyv Soul with Argan oil and Argan being supportive.

So that is what we are trying to rationalize Natyv Soul as. While you will have the other products, but this will be the main focus in terms of marketing, digital, etc.

As far as pure oils are concerned, there are only 5 that we have in the offering, and that is something that we don't need to scale down because that is something that we are seeing good traction. One or two of them have not been doing as well as the others, and that we will keep rationalizing based so nothing to rationalize the product, basically it is the marketing investments will be proportionate to the sale that we have. So the products like castor, olive, etc. are giving better responses. So we'll be investing more on those rather than final products.

Varun Bang: Okay. So from here on, how are you prioritizing investments between a variety of brands that we have, if you can just share your thoughts around that. I mean percentage mix between ADHO and non-ADHO, within non-ADHO, Natyv Soul and Bajaj 100% Pure, if you can just share.

Jaideep Nandi: So, basically, what we are trying to do is, as we said, two, things that we are continuously going to scale up. So, in terms of ADHO, the non-ADHO part of the investment in terms of, I mean, marketing spend, we are slowly and gradually creeping up. And the digital part of the, versus the conventional media, that is slowly we are scaling up in both. So, that is a mix change that is happening. And as you see now, ADHO is about, if you look at the quarter, ADHO now contributes to about two-thirds of the investment or rather more like 60% of the investment is now on ADHO as far as digital is concerned, where about 40% of our investment happens in the NPD.

In fact, of a full year, if you look at it, it's nearly getting closer ADHO and NPD, while if you look at the overall, this thing, obviously, they're still heavily on to, on just the TVC if you look at, it is heavily still ADHO based.

Varun Bang: Thank you.

Moderator: Thank you. Our next question comes from the line of Abhijeet Kundu from Antique Stock Broking. Please go ahead.

Abhijeet Kundu: Thanks a lot. My question is on full year results.

Jaideep Nandi: Abhijeet, you are not clearly audible. So, can you speak a little closer to the mic or the phone?

Abhijeet Kundu: So, on the ADHO portfolio, I mean product, you have shown about a 9% volume growth in the quarter, so when we look at the overall hair oil growth, it's still, compared and whereas 9% volume will be pretty strong in that case. And you must have gained market share. And I believe a major part of that market that also coming is because you have improved your presence in the urban markets, so if I have to do my numbers. I mean I am trying to extrapolate this for the next year 8%, 9% earnings growth.

What gives you, I mean, what should give us the confidence of this repeating this 8%, 9% growth? Because yes, on a four years as it is flat, all of that is fine, but at the same time, after going down, coming back, reviving to this level also is pretty commendable, so to continue from, to grow over Q4 FY19 and at this rate. What is the level of confidence you have? And how would be that driven? Rural, we still don't have that clarity how much time it will take to improve. But urban, at least we have seen that, in fact urban also was outperformed. So, there are reasons for it. And those reasons should continue.

Jaideep Nandi: Yes, fair enough. If I have understood you correctly that what is the confidence of, I mean, your voice was breaking. So, I'm just trying to summarize what I understood. Basically, you're asking what is the confidence of this kind of growth coming back. And having come back from down, I mean, that's good enough. So, that is a range. And what is the confidence that this track will continue. So that's a fair question. Let me try and answer that again. So, if you look at the last two, three years, exactly the same thing that we are beginning over and over.

If you were to ask me what specifically did we do in Q4 versus the previous quarter, I would say nothing. nothing was done in Q4, which was different from Q2 or Q3, etc, I think as we said that as you have to build up our organization as we are making a shift happen, it will slowly happen and then it will start getting momentum. And I understand that initial years were difficult years for all of you to take on. But that is something that anyway will happen as you make a transformation, and we are still in that drive. But some of the, let's say, levers that we are pushing and some of the initiatives that we are taking and now slowly starting to bear fruit.

Let's say, this entire talk of retail that we have been talking about, the double-digit growth, etc, now it's catching momentum, and as you see results of it coming in. All the corrections that we are making in GT in terms of the dynamics, price dynamics, etc, those are now bearing fruits. In terms of expansion into geographies that we were not strongly present, slowly work has started happening. I would still not say that the journey is anywhere close to completion. It's just about started. But at least we are seeing momentum in that.

In terms of the new products that we wanted to launch, we will get in where the investments initially was much higher than the results that we are getting in. So, the marketing expenses are equal to the sales or even more. So, those are now slowly trying to improve. So, I would rather say that most of the steps that we have taken were in the direction where we wanted some long-term results or rather mid-to-long-term results. And now slowly we are starting to see results of it. So, I would think the team, and the biggest thing is the team itself is, now a much stronger team that you would have and maybe whether be it and it is not only in sales and marketing.

In my view, the entire back end also needs to be equally, equally strong, whether be it, IT, whether be it your manufacturing, supply chain, etc. I think a lot of this credit also would go to that team. Obviously, the marketing and sales team will be in the forefront, but they have now become far, far stronger than this organization had ever seen. So, I would think more or less, the basics are in place now to see this company go in a particular direction.

Abhijeet Kundu: Okay. So, basically, Q4 is not a flash in the pan. There is, I mean, a steady at least 7%, 8% volume growth should be possible?

Jaideep Nandi: I said, I cannot comment on guidance Volume growth what it will be there. But I'm saying that the initiatives that we have triggered off are slowly now starting to bear fruit is how I would like put it.

Abhijeet Kundu: That's it from my side. Thanks.

Jaideep Nandi: Thank you.

Moderator: Thank you. Our next question comes from the line of Gaurav Gandhi from Glorytail Capital Management. Please go ahead.

Gaurav Gandhi: Hi, sir, congratulations on a good set of numbers. As most of my questions are already answered, I just have one question. Sir, what are your thoughts about competitive intensity in the market and our efforts in the modern retail category to highlight our products. Because we see a lot of our products, our Almond Hair Drops Oil and all, apart from that some other competitors are coming in the market with same bottle, same color. But to highlight our product in retail market, what are our efforts? And what do you think about the competition?

Jaideep Nandi: That's right. Look we cannot control the competition as a company. So, we don't operate on how the competition works. Obviously, we are aware, that with who we have been competing. We keep a close watch on that but we decide in some matters that if there are any structural changes then we support them product wise rather than go and react to competition. So, reacting to competition, especially on flagship brand is clearly not a path for us. And we have seen that competitive intensity on Almond from others, even earlier, this is not a new thing at least since I have come in, say since three and half years I am sure, before that, also it was there.

And I think in the places where you see this competitive initially, those are the places where Almond has also grown very well. So, I would like to leave it at that. In fact, we are taking a step on the other direction where we have said that just for value volume growth where there are no margins we won't get into that. So, one of the classic cases in this year that we had decided, which will now come back because we have been able to get some structural corrections and LLP prices have also improved.

This year pack of Amla INR 10 and INR 20 INR 10 or INR 20 pack is clearly a very, very low margin range, which we were there earlier. We had decided to do some structuring. Whatever is there in the market, even if our distribution penetration falls down, we accept all that but we don't want to get into where you don't make any money. In fact, you will be going at nearly zero gross margin to 5% gross margin.

Gaurav Gandhi: In modern retail, you highlight a lot of products when we enter. Do sales get impacted? Is it effective to promote sales?

Jaideep Nandi: Of course, it effects and some of our products where we have highlighted, some new products as well but we ensure that our double-digit EBITDA or at least cross the double digit so that is what we ensure. So, some of the products that you have seen wherein modern trade, we have highlighted that and increased sales. But we make sure somehow we have to ensure that the profitability of the product should remain. That's what we have ensured and even in modern trade the product.

Gaurav Gandhi: Sir, last year, Almond Drop soap that was launched, what is the sales response in the market?

Jaideep Nandi: See right from the beginning as we already told that this is one of the largest categories, most cluttered category. So, to establish products in this, there won't be immediate magic. But our progress, the distribution that is increasing slowly, the repeat orders that are coming slowly, in this, we are very, very confident that we have actually come into the right range of products. And as I said, Almond Drop Soap is not a soap in isolation. It was not a soap launch. It was more of Almond Drops, the skincare category. And this year, you will see more of the range of products that will come in Almond Drops, in skincare as well.

So you will see that Almond Drops will gradually become a portfolio. And in the next two, three years, then you will have a full basket portfolio, a comprehensive portfolio of Almond Drops, in which our advertisement will also help, because Almond Drops is now called the super food for hair, Almond Drops is the super food for the body. Or, wherever we take that direction, I don't want to get into it. So, that's what we are thinking. So, that's the direction.

Gaurav Gandhi: Thank you.

Jaideep Nandi: Thank you.

Moderator: Thank you. Our next question comes from the line of Nikhil from SIMPL. Please go ahead.

Nikhil: Hi good afternoon. I have two questions. One is a clarification. You mentioned at the beginning of the call that the Almond category as a part of the total business will come to 60% or 70% that will involve all the line extensions and all the combinations of Almond, which we are launching or they are outside of it.

Jaideep Nandi: Almond Drops sorry, in just Almond Drops. Almond Drops hair oil, ADHO.

Nikhil: Okay. Second, sir, on e-commerce, and if I add two, three data points, one is like if we look at our new products, which is now close to INR 100 crores and the e-commerce business grew 100% from INR 35 crores to probably across INR 70 crores. Now if I have to understand the traction, there are two things which you have mentioned in the slide. One is the digital-only brand and also the listing of the existing brands on the digital media. So is it like on the e-commerce, the higher growth, which we have seen is from the digital-only brand? Or is it more traction from the digital listing of the existing brands, which have given us this growth.

Jaideep Nandi: So, it is both. It is both. So, both are happening at the same time. The digital-only brands. It's not only the digital-only brands. There are also brands which are let's say some of the extensions only launched in the digital today, but it can go further into GT tomorrow. So, like serum etc, we have started with only the e-commerce. So, that range is obviously there as well as in terms of ADHO itself, which is also into that. So, it's a combination of both the regular GT brands as well as the digital brands, which has led to the e-commerce growth. It is not fueled by one of them.

Nikhil: Okay. And last question. If you look at, you mentioned that whatever brands we are launching, their gross margin profile should be equivalent to what Almond does?

Jaideep Nandi: A little lower, maybe a little lower maybe in certain cases.

Nikhil: Yes, approximately similar. Now if you look at on INR 100 crores of new product sales, and you said almost 17% is our ad spends, ads and promotion and if I bifurcate our P&L into Almond and the new products. So would it be right to say the investments of A&P behind the new products would be significantly higher. As a result, they would be not contributing anything on the profitability as of now?

Jaideep Nandi: No, that would not be correct. So, first and foremost, yes, we can obviously split the P&L in ADHO and non-ADHO. We split it a little more in terms of blocks of product category. So let's say, hair oils, we would look at hair oils, non-ADHO hair oils, then digital first only then AD Extensions. We'll rather split the P&Ls in that. I mean obviously, we do it at product level, but at least at the gross level, that's the minimum we look at. We don't do just ADHO, non-ADHO So, this is one.

Two is, your spending is not disproportionately higher in the non-ADHO packs, a lot of this money has still got into ADHO, which I said. The digital money that we have spent, a lot of it has gone into the non-ADHO brands. But most of the TVC money, which is basically conventional media has mostly gone into ADHO. Yes, there have been soap launches, so we had put money on the soap, TVC, Coco Onion. So those products have got TVC ads, but most of it has still got into Almond entity. So Almond Drops TVC still remains. Almond Drops overall media support remains very strong. Yes.

Nikhil: Sure I'll come back in the queue.

Moderator: Thank you. Our next question is from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg: Sir firstly, I want to thank you for the share buyback. And sir, I hope that this is not a one-off and you continue to do share buyback. Sir, I wanted to understand that the new product that we had launched I was just comparing that our 200 ml castor oil, we are selling for INR 250, whereas Dabur is selling the same 200 ml castor oil for INR 299, so they are selling at a 20% premium to us. Sir, whereas we, our Almond Oil, the main brand is the premium segment brand. So, is it a conscious strategy to penetrate the mass market? Or sir, I just wanted to understand the positioning of our non-Almond oil portfolio. That, sir, is it mass market? Or is it premium? Or how exactly are we positioning it?

Jaideep Nandi: Okay. So, coming to the specific example. So, clearly, let's not compare Almond in this category. So, these are categories where we have decided that we will compare with what the market is selling and not any specific competitor. If you look at the range of pure oils that we are selling, obviously, the names that you are mentioning or the existing companies are not existing hair oil company are not the leaders in this category or this market segment or in this customer mindset. So, in the customer mindset, the companies that are leaders right from Ray and other companies, which are there.

So, we try and benchmark and position ourselves both from an EBITDA standpoint as to what we want to look at or rather gross margin point of what we want to look at and what the market leaders are doing. So, if you look at this particular product, the market leader is selling at INR 190. We have also taken a price increase, but that's the benchmark we look at. What are the market leaders looking at because one-off looking at a competitor who's not a large relevant player in this category is not really the right way to look at this.

Keshav Garg: Sure. Sir, and lastly, I wanted to understand that our peak EBITDA in FY16 was INR 274 crores, which last year, FY 23 has approximately halved, and it is the lowest in the past decade. So, we understand that the company is in brand building and investment mode. So, but still, there is some time value for money. So, and in the past six, seven years, we have spent approximately INR 1,000 crores cumulatively on advertisement and sales promotion. So, but it is not really reflecting in our top line growth. So, do you expect that going forward, now that the base building has already been done, the foundation has been made, so the growth will accelerate going forward?

Jaideep Nandi: Yes, I have answered that question in multiple of the previous questions. So, as I said, we are putting the levers for growth in place. Some of those are working well, have started working well. Some of them have started. We'll see how it is. And that's what we can do as far as the company is concerned. Have a strategic direction, remain with that and then hope that the market, etc. will also be more or less comfortable for you to be able to grow that because the question that you're asking a lot of other macroeconomic factors would also impact that, which will also impact other companies.

So, taking our company in isolation and looking at it might be a little difficult to answer this question. So, yes, at different points of time, different companies have been at different this thing. We can only talk of how the future is. And I just try to lay out for you as to what we are looking at the future, what growth drivers we are pushing and where we think our growth will come from.

Keshav Garg: Sure sir. Thank you very much. Best of luck.

Jaideep Nandi: Thank you.

Moderator: Thank you. Our next question comes from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

Shirish Pardeshi: Hi Thanks for the opportunity. Just two follow-up questions. On the price front, have we taken or do we anticipate there is some pricing action correction is required in the market to boost the demand at this time?

Jaideep Nandi: So, we have not taken any price corrections in the past year. And if we take price corrections, it will be only in the northward direction, not southward direction.

Shirish Pardeshi: Okay. And second question on the new product portfolio, which you have deployed. So there are two follow-ups, one here, which product you think which looks promising crossing INR50 crores mark in the next two, three years? And on the Natyv Soul, I think in our discussion, you sometimes mentioned that the product has worked well, and now we are looking at the expansion into the Modern Trade. So is that journey is on or is completed or now you're banking on that the growth will be very strong.

Jaideep Nandi: Natyv Soul question, I understood. What was the first part of your question, Shirish. I missed that.

Shirish Pardeshi: So on the digital part, we have said that there is a new product contribution, which is there. So the question there was which product you think promising crossing INR 50 crores mark in next 2, 3 years?

Jaideep Nandi: As far as the digital brands are concerned?

Shirish Pardeshi: Yes. All the new products I'm saying, total new products?

Jaideep Nandi: For new products, I think quite a few products we see have a potential or will cross or have crossed INR 50 crores. So I think in terms of that, we see quite some of them having that potential. We look at INR 100 crores as the number where we would think that it has been a successful launch. If it remains at INR 100 crores for 2 years in consistency, I mean we think 1 or 2 products can easily reach that level this way. So that's where as far as...

Shirish Pardeshi: Would it be Coconut?

Jaideep Nandi: It will be combination -- we have laid out for you all the products that we have. So you can more or less get a sense of which are the products we have. Once these products reach a certain size, we'll also be reporting as to what kind of numbers these products are there. They are all in a nascent stage, so I don't want to pick out a specific product and talk about specific products. There is Coconut, there is Amla, which are all in a good space that is there and some of these new products, which are slowly picking up. So really speaking, I would not call out any of the specific products.

As far as the Natyv Soul part of your question is concerned, yes, I mean we are clearly having now looked at all the e-commerce channel partners where we can with this product doing well because especially this kind of product, even in the channel partners, that is the e-retailers, some of them very clearly are the right guys to go to and we have been able to go there, so that traction has happened. And now slowly, we'll look at even Modern Trade getting these products slowly off the shelf. So this is something that we are trying to do going forward. Yes.

Moderator: Thank you. Our next question comes from the line of Anup Ramachandra from AMP Investments. Please go ahead.

Anup Ramachandra: Hi. You guys are doing exceedingly well, with respect e-commerce also. But I have one grudge with respect to your inventory management or supply chain with respect to e-commerce. The thing is and most of the products become a best seller, it goes unavailable. As in stock, it becomes like currently unavailable. Even today, Almond is the best seller on one of the most prominent website that's on e-commerce, but it's unavailable today. I don't know why this thing is happening frequently.

Jaideep Nandi: You're talking about Amazon today? Is it today in Amazon?

Anup Ramachandra: Yes.

Jaideep Nandi: So it's today in Amazon, you will not find that -- I mean, if you look at -- I completely agree and we are looking into it. But this is an extremely rare kind of opportunity because, I mean, retailers will also be coming strong and hard on us. So we are actually looking into it. But this, I can assure more of an aberration. I can absolutely assure you it is an aberration. It is not something that you would see. I mean, I would like you to -- if you can get somebody of you also to monitor both ADHO and other products on the e-retailers side, I think we have improved our fulfillment very, very strongly in the last 2, 3 years -- 2, 3 quarters, and that's how you see this growth. This is more of an aberration, I can assure you.

Anup Ramachandra: In this quarter itself, we have seen at least 5 to 6 times has gone out, currently unavailable.

Jaideep Nandi: I don't think that would be so because we -- our e-commerce team, our digital and e-commerce team, we have revamped very, very strongly. We continuously keep monitoring ourselves. I would like to...

Anup Ramachandra: Particularly Almond Drops, I'm seeing sometimes castor.

Jaideep Nandi: I'm talking about Almond Drops, we also monitor it. So today, you're absolutely right. I mean just unfortunately, it is today, but it has not been 5, 6 times in the quarter. I would at least because we keep taking report, I mean, our Head of E-commerce, himself takes a complete inventory of it. So this would not be what I would like to say, but having said that, if you have said this, we'll go back and check and see whether that's actually how it has happened.

Anup Ramachandra: Take a look from the whole portfolio.

Jaideep Nandi: Absolutely. I take your point.

Anup Ramachandra: Coco Onion was unavailable for a long time. Castor oil was for a while then.

Jaideep Nandi: Castor oil might have been because there were some supply issues. Coco Onion, we would like to think again was not unavailable. Coco Onion. Almond is something that, yes, today, it has gone out of stock, and that is not a very normal thing. Otherwise, you would not see this kind of growth. I mean, the retailer is also not supposed us, so wholeheartedly. I take your point completely. So we will look into it.

Anup Ramachandra: Yes. Second question rather is with respect to the buyback, I know the whole object was to give good returns to shareholders. But the point is what sort of -- did any made the shareholder exit during this buyback?

Jaideep Nandi: No, it was more retail investors that this thing. None of the institutional shareholders or a big individual shareholders exited. That sounds, no.

Anup Ramachandra: Because the reason why I'm asking is we spent almost INR 80 crores on this buyback, right?

Jaideep Nandi: Yes. INR 100 crores with the tax. Yes.

Anup Ramachandra: Yes, INR100 crores with the tax, we spent almost INR 100 crores with this buyback, where we did an open market buyback, which I don't know which shareholders got benefited from it, but we spent INR 100 crores going in open market buyback. I don't know what was the whole object of it if we do an open market buyback. I think we could have a tender offer if you have to really give any substantial return to the shareholders?

Jaideep Nandi: I think going forward, that would be anyway the only option that is left, I think that open market buyback is real story going on. So I take your point. I don't think there'll be any other option for any company to go for open market in the future Anyway, for us, the buyback window closes for the next 12 months from the last day of the last buyback. So this discussion will only open up in April of 2024, if we were to consider.

Anup Ramachandra: I'm saying we spent INR100 crores, we could have put that money for better use either as dividend or for A&P spend or whatever.

Jaideep Nandi: A&P already where you had matched. I hold a treasury of more than INR 700 crores, as you are aware. So anyway, it's not something that there is a debt in the market or we are leveraged or there is a specific immediate large capex requirement or inorganic growth that we need this cash to be burned down. So really speaking, this was one attempt to look at how this thing because we have to see that we were also doing a buyback for the first time. So this is also a learning cycle for us.

So, yes, the investors who are existing in, so we feel that they should see because if you were to look at in terms of the share extinguish 49 lakh shares have got extinguished so the existing investors as a percentage the holding has obviously gone up. And the market cap were to remain at the same levels, so they would have benefited by those few percentage points, which I understand. But it is also a sign of how we wanted to see how the promoter because there were questions on how the promoter is on this company. It is also a promoter remaining away from the buyback that was also another way to just report some confidence of the promoter in the company and showcase that to the market. So that was the combination.

Anup Ramachandra: No, I'm saying that confidence with respect to promoter, we would have felt more assured if you have bought it from the market instead of hiking stake through buyback.

Jaideep Nandi: I mean, both options were open. So I mean these are questions that can be answered by various reasons. I mean both have their advantages as well as disadvantages. We have gone one route. I mean we could have obviously gone the other route. We can go to the third route as you said the tender route. So this is one route that we adopted. And yes, I take your feedback on that.

Anup Ramachandra: I think you guys coming back in from Asian Paints which stands for...

Jaideep Nandi: Let's not bring in another company because that company has nothing to do with this.

Anup Ramachandra: I'm not bringing that. I'm saying that to look at it.

Jaideep Nandi: So I mean, that's a completely different company there.

Anup Ramachandra: No, I'm not brining it. I'm just saying the corporate governance may not look great.

Jaideep Nandi: I take your point.

Moderator: Ladies and gentlemen, we have reached to the end of the question-and-answer session. And I now hand the conference over to the management for closing remarks.

Jaideep Nandi: Thank you, everybody, for this interesting round of question and answers. I think as a company, as I said, we remain cautiously optimistic. Most of the steps that we have been taking now slowly starting to bear fruit, as you would have seen, and we would like to think that most of them a little more midterm to long-term corrections that we have done, which should hold us in good stead going forward.

Most of the key drivers that we have set. One of the things that I feel good about is that we have not really pressed a panic button in the last 4, 5 quarters and try to do any short-term corrections so that our long-term direction and the goal and vision is disturbed.

I think the team is committed as well as the stakeholders seem to be clear the direction that we are taking is something that we would like to stick on to. So we hope that in the coming year and the quarters to come, we should be able to deliver the kind of top line expectation as well as bottom line expectations, both you as stakeholders and interested parties as far as this company is concerned, as well as the internal management and the stakeholders within are concerned. I think we should be able to take that.

So thank you so much for joining us, joining in this conference and wish you a very, very good day. Thank you.

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