

August 18, 2023

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 023  <b>Stock Code: 533229</b>	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, 'G' Block Bandra- Kurla Complex Bandra East, Mumbai 400 051  <b>Stock Code: BAJAJCON</b>
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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 August 10, 2023.

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

Thanking you,

Yours Sincerely,

**For Bajaj Consumer Care Limited**

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

Encl: as above

**Bajaj Consumer Care Limited**

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“Bajaj Consumer Care Limited  
Q1 FY’24 Earnings Conference Call”  
August 10, 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 Bajaj Consumer Q1 FY '24 results conference call hosted by ICICI Securities.

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 this conference call, please signal an operator by pressing star then 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. Thank you. And over to you, sir.

**Karan Bhuwania:** Thank you. Good morning, everyone. It's our pleasure at I-Sec to host Q1 FY '24 Earnings Call for Bajaj Consumer Care. From the management today, we have Mr. Jaideep Nandi, Managing Director; Mr. Dilip Kumar Maloo, CFO; Mr. Richard Dsouza, AVP, Finance. I would like to hand over the call to Mr. Jaideep Nandi for his opening remarks. And then we can open the queue for Q&A. Thank you.

**Jaideep Nandi:** Thank you, Karan, for hosting this call. Good morning, everyone, and I'm pleased that all of you have joined in. Let me take you through the performance of the company for quarter ended 30th June 2023 before we open the floor for questions.

The overall hair oil market witnessed a recovery in both value and volume terms after 8 quarters and reported a value growth of 4% nearly and a volume growth of 3% in Q1 compared to the corresponding quarter of the previous year. The industry registered a growth of 7% in urban markets, as compared to 3.7% in Q4 '23. Rural markets, which have been depressed, was also flat this time compared to decline of 5.6% witnessed in Q4 FY '23. The market in Q1 saw a recovery across all categories of hair oils.

The company reported a consolidated sales of INR 265.7 crores, resulting in 8% value growth with a slightly higher volume growth, as compared to the corresponding quarter of the previous year. The hair oils portfolio of the company grew at 9% in the quarter, and double-digit volume growth. Standalone sales grew by 6.5% with a strong double-digit growth in international business. Consolidated gross margins for Q1 stood at 54.7%, similar to the corresponding quarter of the previous year. On a sequential basis, gross margins improved by 60 basis points, with softening of key raw material costs, mainly RMO.

The EBITDA in Q1 FY '24 stood at INR 49 crores, which is a 30% growth over the same period last year. The EBITDA was at 18.4%, which is an increase of 310 basis points against the same period last year. On a sequential basis, the EBITDA margin expanded by 100 basis points.

PAT for the quarter registered a growth of 36.4% at INR 46.2 crores compared to the previous year.

The general trade saw 5% value growth on a sequential basis. And it was flat on year-on-year basis after a long time recovering well. Urban continued to steer growth on back of wholesale and retail royalty programs which we have been running for the last 7, 8 quarters; and they continue to do well. Rural, on the other hand, saw recovery on a sequential basis with specific initiatives to improve distribution through LUPs in the rural markets. The sales capability-

building initiatives implemented last year as well as channel management programs have started yielding good results.

Modern trade continued its growth journey well, registering a growth of 34%, supported by customer-specific activation plans. E-commerce business also delivered a robust growth of 55% in the quarter. Our first-ever online beauty fest in partnership with Flipkart to build equity around almond drops saw excellent results. The channel has also been instrumental in further scaling up of the NPD portfolio.

International business has been scaling up well as planned and has registered a healthy growth of 42% over last year and 32% on a sequential basis. Robust performances were delivered by Middle East and Africa and the rest of the world regions. The appointment of new distributors led to strong growth in these markets. Local operations in Bangladesh is scaling up as planned, where NPD pipeline is being created to expand portfolio.

ADHO grew by 9% in value terms compared to the same period previous year, and 6% on a sequential basis. ADHO growth was well distributed across all packs. This is the second successive quarter with robust ADHO sales. ADHO was supported with strong media presence across quarter's, with HSM SOV of 17% versus 15% last year, supplemented with an increasingly higher digital presence. The TV and social media campaign with new ambassador Kiara Advani is being well received and is performing well across all brand metrics. We have also improved our visibility and continued with sustained investments on e-commerce platforms.

Harnessing artificial intelligence to paint a new picture of almond drop nourishment for hair and skin, we launched our first AI creative, which is a pioneering work in the hair oil industry. The creative has been receiving extremely good response and appreciation amongst the younger consumers in the social media space. The community marketing initiatives saw us reach 1.3 crores women across 348 online communities. The chatter on almond as an ingredient improved from 23% in March to 89% in June, with brand SOV moving from 49% to 67% in these communities. Influencer marketing with 70 key opinion leaders amongst dermatologists, nutritionists and lifestyle influencers helped us reach out to 38 lakh people. This resulted in approximately 78% uplift in glance views on Amazon and 7 lakh-plus views on Quora.

Almond drop extensions scale-up continues as planned, aided by digital media and visibility spends. AD serum was extended to select modern trade chains in the quarter and traction in this outreach. 2 new OT-specific SKUs of almond drop soaps are planned to be launched in Q2. The AD extension portfolio has been further expanded with 2 launches that have happened in this month, which is AD nourishing body lotion and AD anti-hair fall shampoo. This range, as we had mentioned earlier, will be continued to be expanded in the next coming quarters as well.

Consumer offtake and distribution buildup has been scaling up as per plans for coconut portfolio, resulting in market share gains. Bajaj 100% pure coconut was supported by TV media in Maharashtra and digital media in key HSM markets. LUPs are being rolled out in HSM to further increase distribution and trials. Amla portfolio grew by 16% on a sequential basis as HSM markets rebounded. Larger packs were supported with consumer offers. With material price

stabilizing, small packs are being activated in select states to drive further distribution penetration and growth.

Leveraging the Bajaj brand, the company launched its first offering in the personal care non-hair oil category under the Bajaj Ethnic range with the Bajaj 100% pure henna this quarter. The product has high lawsone content than leading national brands and is priced at parity with them. We'll see more launches under the Bajaj Ethnic range in the coming quarters.

In Q1, we also launched 2 new variants under the Nomarks brand directed towards blemish removal, which overlaps with core benefit and will be marketed based on trending ingredients known for their efficacy. In this case, it has been the pore-clearing face serum based on salicylic acid and skin-clearing face serum based on niacinamide. The variants were launched in e-commerce, with initial listings happening on Amazon, Flipkart and Nykaa. The ad spend for the quarter was at INR 44.2 crores, which is at similar levels on an absolute basis as compared to last year. We will continue to invest in ADHO and NPD portfolio, with an increasing focus on digital media to capture our new-age customers.

The consumption prices for LLP were higher by 16% for the quarter, as compared to the same period last year. There was a slight increase in LLP prices in April and May compared to Q4 FY'23 on account of refinery shutdown in Southeast Asia and increase in crude prices with slight correction being witnessed in June. RMO prices continued to decline on a good harvest crop in mustard and overall correction in global edible prices.

On key raw materials, while glass prices were up by 10%, PET prices have decreased by 8%. Multiple initiatives were undertaken in both raw material and packing material through a combination of optimization of specifications, alternate vendor development, development of alternate material to reduce material cost. These initiatives led to a saving of INR 2 crores in the quarter. Productivity improvement in operations was achieved through a combination of initiatives in lean, automation and process improvements.

Our commitment towards environment and sustainability and governance continues as we constantly strive to minimize our carbon footprint and greenhouse gas emissions by focusing on resource optimization and reduction of wastages. Major initiatives, including ETP water reuse project execution in Guwahati, STP commissioning in Paonta Sahib and sustenance of water conservation led to reduction in water consumption by 15% in Guwahati and 68% in Paonta Sahib plant.

Efficiency and productivity improvement initiatives in manufacturing led to reduced energy consumption, with 26% improvement in Guwahati and 9% in Paonta Sahib. Machine automation helped reduce laminate wastage by 35% in Guwahati and 40% in Paonta Sahib.

Looking ahead. With the scale up of our existing portfolio, new launches under the Bajaj almond drop extension and the Bajaj ethnic range, along with strong execution and robust channels, will be the leading factor for driving top line growth and expansion of portfolio.

Additionally, our continuing journey on costs optimization, automation and digital transformation will continue to bring about improved efficiency in operations. With that, I end the opening remarks and open the sessions for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama Institutional Equities. Please go ahead.

**Abneesh Roy:** Thanks and congrats on a good set of numbers. My first question is on the modern trade and e-commerce. You have seen very high growth, so I wanted to understand from a product mix perspective and your profitability from these two channels versus kirana. How does this compare and medium, long term, do you see this as almost 20%, 25% of your business because most other consumer companies are already there. So, where would you see this number as a percentage of India business?

**Jaideep Nandi:** Thank you, Abneesh. I think, a fair question. In modern trade and e-commerce both, as you are aware, we are under-indexed for quite some time. And in the last six, seven quarters, we have been continuously scaling up. Both the segments have quarter-on-quarter been delivering pretty strong growth.

At this stage, if we look at between the both the channels put together, we are having a saliency about 17%, modern trade being a little higher than e-commerce. And this, we expect, as you rightly said, between 20% to 22%, is clearly we see happening in the near short term because what has happened worked for us, very different things happening at modern trade and e-commerce.

In e-commerce, I think, if we look at we have had very, very strong joint business plans with all the big players like Amazon, Flipkart, Nykaa, etc; and I think, with very clear directionally what we want to do both for almond drops as well as for the new products portfolio. So, the new products portfolio have actually been delivering pretty strong numbers, as far as e-commerce is concerned.

Profitability wise, modern trade and I think this is pretty well known. Modern trade is at times higher than general trade and at times at similar levels with general trade, very rarely going below general trade. So, modern trade is actually a pretty profitable business. E-commerce obviously is a little lower, but still decently profitable now that the scale-up has happened and almond drops still remains a very significant contribution, as far as e-commerce is concerned.

Some of the specific e-commerce/modern trade SKUs that we had launched in almond drops, just to ensure that the interplay between general trade and modern trade is reduced, have worked extremely well, some of the larger packs. So, in fact, this is a nice position we are sitting in where we are launching newer SKUs in almond drops, larger SKUs in almond drops in general trade, when today actually general trade has a larger SKU than a 700 ml SKU has been launched in general trade, which is getting fantastic response.

As we are aware, 650 ml was launched in almond drops just to ensure that it has a different SKU in modern trade and e-commerce and now we have a 700. Both the SKUs are actually doing

pretty well. So, in that sense, it's a win-win situation for us where we have added newer SKUs and there is much lesser conflict between the two channels. So this is where we are.

**Abneesh Roy:**

My second question is on coconut hair oil. So copra, obviously there has been a big deflation. You are a small player there. I see a lot of promotions from you, especially on modern trade e-commerce. So, would you see this deflation in copra as a very big opportunity from a 3-year, 5 years perspective or the incremental approach essentially in the existing distribution tried to get some share. Incremental kind of approach would be there or you see that this could be a very big opportunity over the 3 years, 5 years, even in the kirana. Modern trade commerce is easy to do "buy one plus one" offer, but I want to understand from a kirana and profitability and market share overall holistic perspective, longer term, where do you see coconut hair oil business?

**Jaideep Nandi:**

As we have said even in our last call, that coconut actually gives us a double-digit EBITDA, the way we have done our sourcing and the way we have been able to get the product out in the marketplace. So, focus has always been to initially get into modern trade e-commerce, get the product on the shelf and then basically expand into digital. It has been a little bit of a reverse flow.

So, modern trade e-commerce actually started about 6 quarters back. The launch the real national launch of coconut happened for us 4 quarters back, exactly this quarter last year. It has been scaling up well. HSM markets have been doing well. Now we have identified few specific markets where we feel that strategically we can do a lot more, as far as coconut is concerned. Initiatives are being taken there and that's how you see a now a TV ad, as far as coconut is concerned. So we are getting a little aggressive, as far as coconut is concerned, because that's a large market and we feel that there is enough and more to be placed.

Our product one of the key things that has been liked by the customers is that our product is seemed to be extremely good in terms of quality, maybe better than some of the other players which are there in the marketplace. So, that has been a big USP which has been liked by the consumers, and we think that there is a good potential.

Pricing-wise, those will be more tactical. I mean it will always be cyclical. Any commodity will be cyclical, so whether copra prices go down or go up, I think in the long term it will just impact the EBITDAs for those particular quarters, but on an overall basis I think we have a long-term aspiration, as far as this product line is concerned. Anyway, it fits in well with our entire oils portfolio. And it being the largest category, we saw that there is enough opportunity for us and in the last 6 quarters, results have been encouraging to be able to invest more in this brand.

**Abneesh Roy:**

So, thanks. That's all from me. Thank you.

**Moderator:**

Thank you. Next question is from the line of Percy Panthaki from IIFL. Please go ahead.

**Percy Panthaki:**

Sir, I just wanted to understand your gross margin movement. On a Y-o-Y basis, both LLP and vegetable oils would be down quite materially, but on a Y-o-Y basis, the gross margin is relatively flat. So what is the reason for that, sir?

- Jaideep Nandi:** Yes. So if you look at yes, you're right. LLP has gone down. We have also looked at if you look at our actually, on a consumption price basis, LLP is higher by that is what I also mentioned. LLP prices are higher by about 16%. It is RMO which has gone down. Compared to last year, this quarter, LLP is higher by 16%. RMO is down by about close to 20%, so...
- Percy Panthaki:** So is this just some vagaries of your stock, that you are consuming high-priced stock or something or I mean, is that true even on a spot basis, that LLP is higher than last year?
- Jaideep Nandi:** So, this is on consumption basis. Next quarter, you will see our consumption prices for LLP will be lower because, anyway, it will have a lag price. So, purchase price versus consumption price, there will always be about a quarter lag.
- Percy Panthaki:** Right, right, but I mean forgive my ignorance on this, but because LLP is a crude derivative, does it exactly move in line with crude or they have very different demand, supply drivers; and therefore doesn't always move in line with crude. What because see, crude is down like 35% on a Y-o-Y basis, if I'm not mistaken, so would we once your high stock inventory gets exhausted, should we be expecting a similar kind of decline in the consumption of your LLP prices also?
- Jaideep Nandi:** Okay. So firstly, just to clear the first point. Like the movement of LLP prices went up last year and the reduction happened in Q2. So, you will see the Q2 the LLP prices correcting, as far as consumption is concerned. As far as LLP-to-crude ratios are concerned, if you look at long-term graphs of 5 years, etc, yes, they do replicate, but obviously LLP is not a direct derivative. It's a very small component of crude itself.
- And hence, based on the demand-supply equation of dynamics of the demand-supply itself, there is a lot of variation of the LLP prices. So, it will not always, at least on a short-term basis reflect the crude prices more. So it can would be favorable as well as unfavorable. In this stage at this stage, it is decently favorable, so we should see some improvement in quarter 2.
- Percy Panthaki:** So would it be fair to say that quarter 2 on a Y-o-Y basis, your consumption price will be down like 20%, 25% types?
- Jaideep Nandi:** No. I don't think those kind of very high numbers would be looked at, but we see that trend. It will also be a function of because we are sitting just about 40 days into this quarter and there is another 80 days in this or whatever, 50 days in this quarter still left and I think the purchase price of LLP for the next two months also need to be looked at. So, it will be difficult to predict what it will be at the end of quarter 2 at this stage.
- Percy Panthaki:** Sure, sure, got it. Secondly, I wanted to understand your product mix. See, ADHO has grown on a Y-o-Y basis 9%, which is higher than the overall company growth rate, which means that ADHO's percentage contribution to the total sales has actually increased on a Y-o-Y basis. So, just wanted to understand why this is happening because the other products are very nascent and they should be growing at a very fast clip at this point of time and the ADHO contribution should be actually falling rather than increasing?
- Jaideep Nandi:** So if you look at on a Q-on-Q basis, the new products have grown by 23%. If we were to just trace back last 4 quarters there were a few events that happened for us. One is we had the launch



of soap, we had the national launch of coconut and we had also launched the coco onion in March where invoicing, large part of the invoicing happened in Quarter 1 of last year. So, last year lot of new products, lot of large new products where we made investments also as far as the brands were concerned happened in quarter 1. So, that's why the base for quarter 1 of last year was very high. On a quarter-on-quarter basis, it has been tracking well. All the products have been growing and hence you have that 23% growth on the new products portfolio.

- Moderator:** Percy do you have any follow up question.
- Percy Panthaki:** The management line went blank for the last one and half minute we could not hear anything.
- Jaideep Nandi:** Okay. So, till what point did you hear because I had been speaking.
- Percy Panthaki:** So, the only thing I heard was that on a Q-o-Q basis it is up 23% after that I couldn't hear anything else.
- Jaideep Nandi:** So, basically what I was telling you is about last quarter this year sorry last year this quarter. We had three launches that had happened. We had done the national launch of CNO in general trade. So that had a high base. We also launched almond drop moisturizing soap in April. And we had the launch of the coco onion in March, which had that base as well. So, that's where last quarter last year, this quarter, the bases were very high, but on a sequential basis, if we look at all the products have been tracking pretty well. I mean CNO has been growing. Amla portfolio has grown. The smaller SKUs of almond serum, argan etc have been also doing well, so that track continues to go. So NPD continues to grow.
- Percy Panthaki:** So what is the ADHO percentage contribution this quarter, sir?
- Jaideep Nandi:** So it is about 85.5%, about close to 86%.
- Percy Panthaki:** Okay, sir. That's all for me. Thanks and all the best.
- Jaideep Nandi:** So those numbers have gone up from 93% used to be ADHO contribution. It went down to 85%. Now it's at 86%. I mean that trend will continue. I mean a percentage here and there. We are not really worried. I mean we also wanted ADHO itself to grow robustly, so, yes.
- Moderator:** Thank you. Next question is from the line of Tejash Shah from Spark Capital Advisors. Please go ahead.
- Tejash Shah:** Congrats on a good set of numbers. Sir, you called out rural recovery in your comments this time. So in past four years, five years, we have seen for FMCG sector there has been many false starts on rural recovery. So how do you see rural recovery this time? And how sustainable you feel this can be?
- Jaideep Nandi:** So having said that rural has recovered, I would still watch out on rural. I think, well, what you can see in urban, clear, robust growth across markets, etc. Rural, it has been sporadic. Some of the numbers that have come for us are also based on certain initiatives we take. So rural, I still say that it is still a watch-out situation. It's not a recovery that is very, very strong that has happened. Yes, it is the major declines that we were seeing quarter-on-quarter seems to have

flattened out. It is now tracking on base, but if you look at robust recovery, it is still not there, at least not that we can witness it immediately.

**Tejash Shah:** Sure. Sir, second question pertains to gross margin. And then you partly answered Percy's question. So sir, theoretically, most of the FMCG companies are now very optimistic about raw material or input scenario turning into tailwind in coming quarters. And I believe the same could be true for us also, so in that scenario, would you -- how would you kind of play that tailwind? Would you pass it on to consumers? Or would you kind of repair the margin damage that you have seen in last one or two years? Because of input inflation, you will prioritize that over passing it on to consumer. So that's the question one.

**Jaideep Nandi:** So we will look at it a little dynamically and dynamically, strategically, and tactically, all three. So in terms of dynamics, we'll be also observing what is happening in the competitive landscape and if we need to react at certain stages. Strategically, I think we see some opportunities in a few SKUs for increase of price. And maybe we'll look at some price increases in certain SKUs in ADHO in the second half of the year. It may not be this quarter but at least in the second half of the year.

And thirdly, in terms of tactically, we might react in a few strategic markets and look for a little stronger consumer offers in certain specific SKUs where we feel that there is chance for both of us to improve our distribution as well as improve consumer offtakes for us and create consideration for our brands. So all three. We'll be doing a mix. Overall result will be a result of what successes we see in each of these, but these are the three things we will do, as far as our looking at prices are concerned.

**Tejash Shah:** Sure. And sir...

**Jaideep Nandi:** It will also be a function -- sorry. I'll just complete. It will also be a function of the demand scenario. I mean not only competitive space but also demand scenario. If we see demand scenario easing out and we are able to pass on stronger price increases, we might even be looking at that, yes.

**Tejash Shah:** Sure, but sir, versus pre-COVID, when I look at our margins, we are almost on trailing 12-month basis also, we are at 50% of where we were, 13 to 16 now on TTM basis. So from that perspective, do you think that there will be also some sort of priority to rebuild the margin profile also? Because there has been a very sizable erosion in our numbers which will happen on profitability front.

**Jaideep Nandi:** So we look at both. I mean, in fact, if you look at maximizing profitably at certain point of time, I mean, at that point of time, the focus was only on ADHO maximizing profitability. And some more investments possibly could have been done to make the business a little more robust. So while we have embarked on that journey, the raw material prices have hit us. And I do not see the 15, 19, the kind of benign scenario that was there, as far as raw material was there, to be replicated anytime soon.

So there will be a bit of I don't think going back to those kinds of numbers seems very realistic, but clearly the focus will be on improving the margins finally. At the end of it, that's what we'll

call out. And that's the direction we have taken but, at the same time, also improve our portfolio coverage. I mean today we are at that 14%, 15%, as far as Non ADHO is concerned. And we have called it out, that we'll look at a 30%.

Because as we have been continuously saying, it is more on absolute EBITDA number that we'll continue to look at while we have not yet been able to surpass the numbers, as far as EBITDA is concerned, but I think directionally we are going there. And we will be more focused on improving our overall EBITDA number with a top line consistent top line growth rather than look at a percentage EBITDA as one of our key targets.

**Moderator:** Thank you very much. Next question is from the line of Kaustav Bubna from BMSPL Capital. Please go ahead.

**Kaustav Bubna:** Great. So, I have two questions. First is on the coconut oil market. Could you just share with us what's the total market size and what rate is the market growing here? And who are the big players in the coconut oil market which Bajaj will now be competing with? And in the next three years to five years, where do you see Bajaj's market share in this coconut oil space?

**Jaideep Nandi:** The coconut market is a pretty large market. In terms of Nielsen numbers, it's close to about INR 5,000 crores. So that's on an MRP basis. So if you look at net sales, it's about INR 3,500 odd crores. It's a pretty substantial part of the hair oils market. The market has been growing decently well. It's about close to 40% saliency, as I said. It's a MAT growth of about 1.3%. So, the overall market actually de-grew. And in terms of quarter 1, it registered about a 5% growth overall, as far as all India is concerned. So coconut has been having a healthy growth on a regular basis.

As far as we are concerned, we are still a very small player. We have some aspirations. I do not want to call out the market share numbers, but we have seen that, with our equity both the products that we are offering and the brand Bajaj, it has seen good traction in the initial stages, so we feel that there is clear scope for our distribution expansion as well. So many markets. So we have identified two focus markets where we are taking out the product in a big way. And maybe we'll see how that scales up. So two new SKUs in the low-unit packs are also being launched in coconut so that we can scale up distribution even in our stronger markets. So in the next few years, I think coconut is a decent product for us.

**Kaustav Bubna:** And my next my second question is when you were giving your EBITDA margin of 18% to 20%. What were the assumptions you were taking for your raw material prices? Because I'm, just trying to link, I don't know if this is the right way to do it, but if you could just provide some perspective. I'm trying to understand how to relate crude to your RM prices. Because in the last many weeks, crude has actually jumped back recently from its lows. So was wondering. How do we relate crude to LLP and RMO, if you could just provide some help on how should I look at this.

**Jaideep Nandi:** Absolutely right. So crude clearly is range bound now. I mean it was showing clear deflationary trends. It has been range bound now. So we take some assumptions based on, at any point of time for the next three quarters to four quarters, what kind of raw material prices indexes that we'll have. Based on that, we'll decide our strategy and put our numbers. So based on what we

had estimated, as far as crude and RMO is concerned, RMO has been tracking on that. And crude, actually speaking, is also tracking on similarly. So based on that, we feel that 18% to 20% this year is doable; and that's where we would like to keep it at, yes.

**Moderator:** Thank you. Next question is from the line of Nisarg Vakharia from NV Alpha Fund Management. Please go ahead.

**Shubham:** Hi, Shubham, here from NV Alpha. My question was that if we heard right, we've spent INR 44 crores in advertising in this quarter, which roughly amounts to around 18%, 19% of as a percentage of sales. Was this number flat line at some point of time? And will we start to see trading leverage coming in? Or is this the kind of spend that we envision in the short to medium-term?

**Jaideep Nandi:** So with ADHO see, with ADHO remaining a focus, even if you see even if you were to compare with last year, just to give you a quick clarity, if you were to look at the numbers from last year versus this year, you will see there is a drop of about INR 2 crores that's in absolute numbers and in percentage numbers as well.

Now percentage numbers exactly, that's the trend we would like to keep it at. As the sales starts moving up, we would like to keep the absolute more or less similar to these numbers so that the percentages keep, that thing. I mean that's how you would have your economy of scale.

ADHO, on the other hand, just to clarify, we have not dropped. In fact, ADHO has been slightly higher than last year. Last year, if you look at, at this time, there were two national ads happening for coco onion as well as soap. Now most of them have moved into the digital space, so where the spends are much lower.

So ADHO investments, as far as both TV as well as digital, will continue. The percentage will continue to remain as far as ADHO is concerned. So if ADHO keeps growing, we would like to. So there, you will not see too much of economy of scale. We would keep on investing as the brand size is. While in the other brands, there will be some scale that will come up to our advantage. That's what we see as the overall picture today.

**Shubham:** So out of the many products that we have launched over the last one year, 1.5 years, which product portfolio do you think has got maximum potential, now having tested the markets or which can drive these sales of new product portfolio on a much larger scale?

**Jaideep Nandi:** I think both the hair oils category that we have launched with the amla, both the two products in amla and the coconut, both of them, the Amla coconut portfolio is both have been tracking well and we see good potential there. In some of the Almond Drops extension, they are still restricted to modern trade and e-commerce. We see now we are looking at slowly getting them in GT and we are getting the larger products as well as the Almond Drop extension in. We think Almond Drops extension has a good potential as far as our expansion is concerned.

Our digital ad has also now shifted towards more from almonds for the hair to almonds for both hair and skin. So that is the agenda we are pushing. We also feel that the ethnic range that we are launching, and we'll keep on we just launched a small product just to test out the some of the

premises that we wanted to test out. Some of the larger products are coming up in the next three quarters, four quarters as far as the ethnic range.

We feel that with the Bajaj equity, there are some spaces for us with the Indianness kind of products that we launched. So we see that even that has a good potential to scale up. So just to reiterate, in the hair oils other than ADHO, both the coconut, amla on one side, few products on the Almond Drop extension range. And lastly, the ethnic range, we feel that there is good potential for us to grow.

**Moderator:** Thank you. Next question is from line of Shirish Pardeshi from Centrum Broking. Please go ahead.

**Shirish Pardeshi:** Hi, Jaideep, Maloo sir, Richard, thanks for the opportunity and good morning. I will start with the core slide number four, where you have given some numbers in terms of value and volume. Although it is good that we are seeing some recovery in the rural, but my question is, what is happening on ground in our core HSM market because that's the key to our business. So this data at the national level looks promising. But is that is reflecting a good recovery in the HSM market? That's my first question.

**Jaideep Nandi:** Would you want to answer -- would you want me to answer that, Shirish?

**Shirish Pardeshi:** Yes.

**Jaideep Nandi:** Yes. So if you look at the commentary that we were giving for the last maybe four, five quarters, while the hair oils markets were down, the HSM market, especially the, let's say, the poorer markets, if I can call it, "UP, Bihar, MP" were far worse than the overall thing.

As the markets are recovering, we see a sharp rebound also happening there. So those markets are also recovering well. So that is what is also getting reflected in our kind of so in the commentary, I also mentioned the HSM markets have rebounded. So now the difference between the, let's say, the more-wealthier states versus these states have also bridged quite a bit. So we see there is some recoveries happened there, is also reflecting our business.

So we feel going forward, while as we called out in the last year, this thing, while rural has recovered, we don't see completely buoyant rural at this stage at least. We see urban tracking pretty well. And overall, in the basket, I think Q2, Q3, we should see good numbers from now.

**Shirish Pardeshi:** So one follow-up here, when I read your slide, value growth in rural is minus 0.3% and volume is minus 1.6%. So is this number in the HSM market will be higher in terms of negative growth or it is positive?

**Jaideep Nandi:** So you're right. So it will still be a little higher in the rural markets. But earlier, the gap used to be much, much more. Now it has substantially reduced. So that narrowing has happened clearly.

**Shirish Pardeshi:** So you think quarter 2 onwards, this will be in a positive territory in terms of volume?

**Jaideep Nandi:** That will be very difficult to predict. I mean, that is getting into prediction zone. So I would not like to predict that. But indications are that the market recovery is happening. Urban is still going

well and rural negative has now flattened out. Now whether it will get into the positive territory or whether it will be hovering at similar levels, it's just a conjecture.

**Shirish Pardeshi:** Okay. Second question is on can you specify what is the non-ADHO contribution in terms of NPD? You said 23% growth, is correct. But what is the contribution? And second part to it, what is the volume growth? Because you said that the revenue growth or the value growth in ADHO is 9% but what is the volume growth?

**Jaideep Nandi:** So both are about say, if you look at both, overall company as well as ADHO, it's about 100 basis points to 150 basis points higher as far as volume growth is concerned compared to value growth. So both of them are that.

As far as your contribution is concerned, I answered that question. It is about roughly about, little higher than 14% is our NPD contribution. At the higher stage, we had reached about 15%. So now we are looking at about a little more than 14% as far as all your all the non-ADHO is concerned.

**Shirish Pardeshi:** Okay. My last question on ADHO extension. We saw that this quarter, you have launched a serum in the e-commerce. So it's similarly about 15 days, 20 days before you launched lotion, and these are the large packs at 400 ml and 600 ml. So just wanted to understand, if you do these kinds of experiments over next two, three years, which what is the whole strategy?

I mean, though, we have a very strong equity, right. I'm asking this question, this ADHO equity is very stronger in the north. But when you are doing this product extension, these are more suitable to the urban markets. So is that urban market is going to drive the different SKUs and the rural or maybe semi-urban markets, you will still work the ADHO. Is it a vice-versa strategy, which we're trying to explain?

**Jaideep Nandi:** No. So I'm not sure how the urban, rural discussion comes in. HSM and urban, rural are not contrary to each other. I mean, HSM is not equal to rural, if I can just add. There are large urban markets in the HSM territory as well. Having said that, this strategy is a completely different strategy from Almond Drops on its own, Almond Drops' equity, we saw, we have done enough research to see that among some end consumer. They see this brand, we're having a right to win across many other categories in both body and hair care, that's how the products are getting launched. It is not serum that was launched, serum was launched last year.

This is basically shampoo that we have launched this year. So lotion and shampoo are coming up this quarter. And the pricing that we have looked at in both these products are in comparison with the larger players. For example, if you look at the nourishing lotion, it is just a little higher than let's say, Vaseline, a little lower than Nivea. And as far as, let's say, the shampoo is concerned, we have kept it a little lower than Dove but similar to Pantene and TRESemme. So this is the level that we are playing at. At the premium, not maybe absolutely at the with the leading player in terms of MRP but just about below that.

And we see that slowly with our digital spends that we are having, we are seeing a lot of chatter happening as far as these products are concerned. We have launched the smaller products of serum and argan oil, etc. Now we see that there is some good traction happening as well far as

Bajaj Almond Drops' non-ADHO range. So now we have that these products are getting launched. We feel that these products have a good potential to grow at a decent gross margin and that's where we will continue to invest in.

**Shirish Pardeshi:** That's helpful. But let me no, let me complete the question.

**Jaideep Nandi:** Let him complete, yes, please?

**Shirish Pardeshi:** So I'm only saying that though it is happening that you're doing product extension and trying to squeeze the or extend the brand equity. But is it not lotion and shampoos is the too cluttered category. On one side, the traditional or the players which are existing in the market are struggling and all the market leaders are struggling. And on the other side, you have seen the D2C is also hitting one side.

So I was just more curious that I mean, I understand this is a relatively very small market you are targeting in the modern trade. But a little longer view, I think little two categories looks very cluttered. So that's why I'm stretching this question. Maybe in the call, you can answer this.

**Jaideep Nandi:** So I'll just quickly answer that. This is the same question that you had raised when we had launched the soap. That was the maximum cluttered category, being the largest, INR 20,000 crores largest category. At that time also, the same point was made that we are not looking at just launching a particular soap or a lotion or a shampoo, it's more the range or basket, or bouquet of products that we are offering to the Almond Drops' loyal user. And we are seeing already seeing some traction as far as that built is concerned.

That is what we will built-up. And we want to offer a basket of Bajaj Almond Drops premium range of hair and body care products as far as the customer is concerned. And I think in that journey, these products do fit in, and we see a good potential as far as that strategic direction is concerned. This is just one of the legs of our strategy, but we think that is a substantial one.

**Moderator:** Thank you. Next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead. Please go ahead.

**Ankush Agrawal:** Sir, would it be possible for you to build up absolute numbers for NPD for this quarter and same quarter last year?

**Jaideep Nandi:** Absolute numbers?

**Ankush Agrawal:** Revenues for NPD portfolio.

**Jaideep Nandi:** In the overall numbers, right?

**Ankush Agrawal:** Yes.

**Jaideep Nandi:** Just give me a minute. Let me just take the numbers out. It is about INR 31 crores in this year, in this quarter.

**Ankush Agrawal:** In this quarter. And same quarter last year, it will be how much?

- Jaideep Nandi:** Same quarter last year, it will be about close to INR 28 odd crores.
- Ankush Agrawal:** Okay. And just a clarification from what you mentioned in terms of subdued growth for NPD during the quarter. You've stated that last year, we had some major launches in the same quarters. Sorry?
- Jaideep Nandi:** Sorry, I was just completing the thing. Q4 was about INR 24 crores. And this quarter is INR 32 crores
- Ankush Agrawal:** Q1 FY '23 was INR28 crores, you said, right?
- Jaideep Nandi:** Yes, that is correct because we had launched three products at that time. There was a coco onion launch, coconut, there was a national launch for coconut, as well as Almond Drops soap we had launched in that quarter. So that's a...
- Ankush Agrawal:** Yes. So what I was saying is that, as you stated that there was initial launches of these products, so obviously, there would be some inventory push in the channel. So would it be fair to assume that the subdued goods, is primarily because of inventories issue between the primary and secondary? And just secondary, would have still grown at a much higher pace during the quarter for NPD?
- Jaideep Nandi:** Yes. If you look at secondary, I would not like to quote the secondary exact numbers. But yes, secondary obviously, these are all just from primary pipeline last year. Now that you are seeing, there are no real large launches that have happened, large product launches. So these are all more secondary, that is being tracking with primary.
- Because one of the things that we have done last year itself is that clear focus for most of our incentives, etc, have been shifted -- at the frontline has been shifted to secondary. Earlier, it used to be on primary, it is now completely on secondary. So secondary products becomes far more as a this thing because of the health of the inventory. So that has been doing pretty well. So this secondary is clearly far higher than primary.
- Moderator:** Next question is from the line of Varun Bang from Bryanston Investments.
- Varun Bang:** Congratulations for steady improvement and great to see bunch of new launches. My question is, what has been the thought process around launch of new products? How and why are we choosing these products? And what are the parameters? And secondly, on body lotion and henna, what would be your strategy in terms of scaling both these products, if you can just highlight?
- Jaideep Nandi:** Okay. So see, most of the strategy or direction that we are doing is, there has been actually no change in our strategy or direction or whatever we are doing since the last 8 quarters. We are very, very clear that we wanted to expand in the beyond the Almond Drops portfolio. First thing that we wanted to do is, build a much stronger team in terms of process, system, automation, IT, etc.
- I think we have achieved that. I think one of the things that we are seeing in the last few months is better execution capability of the organization, which is what we wanted to build up. I mean,



you don't do that overnight. So that is something that has got built up and we think that's a sustainable thing that we have been able to do for ourselves.

Strategically, as far as we are concerned, a few tracks we wanted to complete. Again, exactly the same thing that we have been talking in the last 8 quarters. One is expansion into the various hair oils category, which we have done with our amla and the coconut portfolio, maybe one or two products still left, we'll see whether gross margin wise, there is enough money to be made in that, if so, then we'll go there.

Second thing, we wanted to expand is the Almond Drop extension. We said that we will do that for the next 2, 3 years in phased launches of products where we wanted to exploit the equity of Almond Drops. I've just explained that in the last question. So that's the direction we are taking.

Third, we said was, basically looking at our digital brands, some of the digital brands we're pushing. We'll also look at the investments and how do we rationalize the digital brands, is the third leg. The fourth leg, we see that with the Bajaj equity that is there across markets, across the consumer mind space, we see that the Indianness products, Indian products, which is more the ethnic range that we have started with the henna launch.

Again, it will not be just a henna launch, there will be more such products. And that's the portfolio we wanted to build up, where we see that most of them will be GT-focused SKUs, there is enough and more that we have because of our distribution.

And the fifth leg, which we have been pushing and we had said that we'll push it only from last year, for the last 2, 3 quarters, we have been pushing is our international business. International business used to be about 2%, 3%. Now it's gone up to 5%.

We see there is a huge potential for that international business to be a good profitable international portfolio for us. So that is something that we have been pushing and that's the other track that we're taking. So these are the four-five things we have been looking at and with this kind of strategic reasons.

**Varun Bang:** Okay. And I think one of our manufacturing facilities is still under tax holiday period. When are the benefits of low tax rate going to get normalized?

**Jaideep Nandi:** 2027.

**Varun Bang:** '27. Okay.

**Moderator:** Next question is from the line of Reshab Sisodiya from Sameeksha Capital.

**Reshab Sisodiya:** Congrats on a good set of numbers. I have few questions. So on the direction, side. As we have earlier mentioned, we want to grow in a double-digit trajectory and double our revenues for the FY '28 - '29. So do we still maintain that target? And is it purely based on growing by adding newer products to the portfolio? Is the guidance based on that?

**Jaideep Nandi:** So it will be a combination of multiple things that I just answered in the previous question. So one is, obviously, your core needs to keep growing. I mean, if ADHO gets stagnated with that

kind of higher base, it will be very difficult for you to grow at those kinds of numbers. And even if you were to grow then the kind of EBITDA that will churn out will be a little difficult to digest.

So ADHO, the focus for us has been to on ADHO, both in terms of distribution. I think there is still enough and more for distribution to be done. Last year, the market conditions were difficult but the base work that has happened, I think has slowly starting to reflect. So we have seen some two good quarters of ADHO. And going forward, I think we are quite buoyant about what ADHO can deliver.

In terms of distribution, there is still more work that is required. Urban, good work has happened, I would think, as far as this company is concerned but rural is there's still more work to be done. I think that will now slowly shift for us as a focus. Nothing to do with the market conditions as such, more for internally, I think there is some scope for us.

So ADHO will still remain a good growth driver for us, and we would like to continue to focus. The other thing that we have done on ADHO is make it one of the key things is that brand has become stagnant in the mind of the customer. Can it become a little more vibrant? I think that attempt of getting into digital space and now getting into AI, pioneering work as far as AI is concerned, all that is slowly starting to move the needle a bit in terms of new customers, new age customers coming back.

So we see a good traction as far as that is concerned. All these new products that we talked of will obviously be form a part of our strategy. International business, clearly, we see will be one of the growth drivers as far as this number that we are talking about. And the fourth and which will always be, as and when it happens, if it were to happen, would be the inorganic growth, which we will continue to pursue. But we have our own parameters of measure, within that if you are able to get in something, we'll also pursue that. So all these tracks are open, with the last being open but we don't know whether and when and how that will happen.

**Reshab Sisodiya:** Just a follow up to that, discussions, or any acquisitions that you are looking at anything has improved at any stage?

**Jaideep Nandi:** So that's why I said. So inorganic growth, we have a partner who is helping us look at targets. So in the last 1 year, we have evaluated a few targets. But some of them we took it to advance stage and nothing as of now has materialized. If something materialize, obviously, you'll get to know.

**Reshab Sisodiya:** Understood. And my second question is on the capex, on the ad spend run rate that we should look ahead with like, I don't think capex...

**Moderator:** Rishabh, sorry to interrupt you, your audio is breaking.

**Reshab Sisodiya:** Yes. So annual run rate that you look at and also the annual run rate on the ad spends, around INR170 crores, INR180 crores?

**Jaideep Nandi:** So as I said, 16% to 18% is what we have guided and that is what we are going to remain in the short term, at least short to midterm and that we will see, how it goes up.

As far as capex is concerned, we don't see any such large capex that is happening. We are a looking at our manufacturing footprint, as we discussed in the previous question. In '27, our tax MAT breakup stops in Guwahati. And we have to look at logistics, cost-wise, what is the best servicing depot, both in terms of incoming raw material logistics as well as outgoing FG logistics costs, which is the best located location to supply to our distribution centre.

So we are looking at a long-term strategic direction, also looking at automation, etc. So maybe a revamped facility. In terms of investment, it may not be a huge thing but there will be some investment involved. But that's a little midterm, if you ask me.

**Moderator:** Next question is from the line of Abhishek Jain from Arihant Capital. Next question is from Kaushik Poddar from KB Capital.

**Kaushik Poddar:** Yes. See, there is a line item in your profit and loss statement, which is royalty. Royalty, I guess, from the figures I can figure out that it's around 1% of the turnover. Is this true, number one, and number two, who owns this royalty? Does the Kushagra Bajaj family own the royalty or other Bajaj members are also part of it?

**Jaideep Nandi:** The Bajaj Resource. So Bajaj Resource which holds the trademark plus the royalty.

**Kaushik Poddar:** And Bajaj Resource is owned by Kushagra Bajaj family or there are other members of the cousins or brothers or whatever, they're also part of it?

**Jaideep Nandi:** No, it is held by the Kushagra Bajaj family.

**Kaushik Poddar:** So it's exclusively owned by Kushagra Bajaj family, right?

**Jaideep Nandi:** That is correct.

**Kaushik Poddar:** Okay, okay. And second thing is that I mean all these supermarkets and all these things, when I go to a, say, Reliance Smart Store, they have their own brands of, say, coconut oil and also almond oil. So to compete against the own brand in a supermarket, doesn't it become a difficult issue for you guys?

**Jaideep Nandi:** So again, very different products. If you look at Almond Drops, Almond Drops is actually not so much a specific-ingredient driven, it's not a straightforward product like coconut, which is 100% ingredient-driven product. So Almonds Drops is more -- sells more on brand equity.

So there, if you look at most of the stores who have launched almond, the other things. So now you mentioned one retailer but there are other retailers who have also done. They have not really faced much success. It has also not been faced by many other competitors who have also launched, some of them have even withdrawn. The almond is more a brand story rather than an ingredient story, so to say, where obviously is a key ingredient but that's not what it's...

**Kaushik Poddar:** The brand plays a much bigger role, right?

**Jaideep Nandi:** Brand plays a much bigger role. Absolutely.

- Kaushik Poddar:** Okay. What about, say, coconut oil, which is more a commodity end of the product?
- Jaideep Nandi:** Yes. So coconut, you're absolutely right. It is a commodity. It does also get sold on price. But we have observed and you're absolutely right, that there is a very large player, then there is a store brand and then you have a brand of yours, which comes in. We have seen that even in these interesting dynamics the brand equity of Bajaj somewhere holds good. One thing that comes up is, clearly is the quality of the product. On a little longer term, I think the consumer who's coming back for a repurchase clearly is coming back for the quality of the product.
- Now for the consumer in this particular case, it's a real little easy solution to make because they know it's a 100% pure product. They just need to determine whether that 100% purity is how, as far as they perceive it or not.
- Once they see that, that value equation comes clearly in mind. There, for some reason, we have seen that as hair oil companies or oil companies directly, they seem to have a little better equity than the store brands etc.
- Not at any moment am I saying the store brands don't sell but somewhere we seem to have a slight advantage over the store brands. So even where we would exist as a third brand or a second brand, whichever way you see it, against a store brand versus a very large brand, we still seem to be making good headway.
- Kaushik Poddar:** And this is a more conceptual question. See, you are a much smaller company than the bigger players, say, Marico, or whatever. I'm just taking Marico's name. So with the advent of, say, e-commerce and organized retail, you have the same reach, say, as Marico. So does it give you that much of a leverage to increase your turnover because your overheads are much lower than that of Marico. I mean is it a different dynamic with the e-commerce and the organized sector there?
- Jaideep Nandi:** As far as the overhead is concerned, it will be the other way around. You are a larger player; economies of scale will bestow on you rather than the smaller players. So overhead, we will not have an advantage. But yes, if you are talking of being a level playing field, yes.
- Kaushik Poddar:** At least in the form of a reach, it is the same, I guess, right, for a Marico Corp?
- Jaideep Nandi:** Yes. So as a level playing field, yes, the e-commerce and modern trade would be a little bit of an advantage. But what, on a strategic basis, if you want to really scale up the product and these kind of commodity products, if you want to scale up, then obviously, GT has to be one of your focus areas, which is where in the last 1 year, we have been scaling up pretty well, have got good responses from the thing.
- And we clearly see that distribution can play a large role in this, further scope as far as we're concerned. Because modern trade and e-commerce will hit some point some kind of a glass ceiling as far as these products are concerned.

**Kaushik Poddar:** And my last question, which is that the one growth vector you delineated was this is your international foray. So if you can say something as to how you're trying to differentiate or what is the game plan for this international foray?

**Jaideep Nandi:** See, international, if you look at, compared to any FMCG company in our sector, I mean, easily, you're looking at a 20% - 30% contribution coming out of international is not a really, really a large task. So task, it is, it in our mind was always a low hanging fruit. It always was. It's a question of prioritizing, with so many things to do, what do you prioritize.

So we had said that international priority, we will do once we have got our act together a little bit in the local markets, especially in terms of execution, in terms of capability building, etc, execution capabilities. Because execution capability is the most difficult as far as the building is concerned. That, now that we are a little confident that execution capabilities in domestic markets have become a little better, we see that international, we can look at.

So certain markets, the Middle East markets, we see there is a lot of potential. Middle East, and Africa. So there, we have been focusing. We have been getting great numbers as far as Middle East, Africa is concerned. So we have distributors in Saudi, getting into e-commerce in UAE and a distribution change in UAE. Other Gulf markets, Qatar, Kuwait, all of them now doing well, some, now forays into Africa.

So that we have started well. We look at whether we need to look at some inorganic growth there, etc. But at least organically, there is enough and more to be done as well as Middle East, etc is concerned. Rest of the world markets, through exports itself, we see a lot of potential that has been doing well for the last maybe 6 or 8 quarters. The highest profitable segment as far as we have concerned, much higher than general trade.

So that we are pushing, some new countries have been added in that, Malaysia has been doing. So some of that has come in. Bangladesh, we see is a large market dominated by a very, very large player. It'll be not an easy market to grab. So we have started our local operations there. We are scaling up, putting our people, entire thing is getting built up. So it will be a slow grind, but we see that also as a large potential.

So overall, if you look at, I think that number of 20%, 20% - 25%, a little more mid to long term is clearly doable and that is the direction we are taking. We have already scaled up from about 2%, 3% to 5% now. And I think this journey will just continue for now.

**Kaushik Poddar:** This 20%, 25% of the turnover, as in other players, that's what you're indicating, is it?

**Jaideep Nandi:** Nothing to do with other players. With our internal numbers, 20%, 25% of contribution coming out of international business on a long-term basis.

**Moderator:** I now hand the conference over to the management for closing comments.

**Jaideep Nandi:** Okay. Thank you, everybody, for joining in. I think this quarter, for the second time, we saw that our execution skills have little become a little better. And strategically or in terms of process improvement, systems, etc, I don't think we had any doubts on where we were going. It's just

that execution capability, we wanted to scale it up because we are now looking at far more robust business models with the newer products getting into newer channels, getting into newer geographies, getting into retailing much more, not just be more focused on wholesale and through...

So that in terms of change in people, both at the top as well as in terms of field force, in terms of training, development, lot of work, effort has gone in behind training of our field force. And I think slowly that has started yielding results, which gives us the confidence that going forward, we should be able to look at consistent growth as far as the organization is concerned.

And as we scale up our business, I think the EBITDA should anyway follow directly. So this now slowly, we are seeing the pieces slowly coming in place. And for the next few quarters, we would like to take this journey going forward in a similar direction.

So thank you. Thanks all of you for joining the conference and have a great day. Thank you.

**Moderator:**

Thank you very much. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.