November 09, 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023
BSE Code: 532926

National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code: JYOTHYLAB

Dear Sir / Madam,

Sub: **Transcript of the earnings conference call for the quarter and half-year ended September 30, 2026**

Pursuant to Regulation 30(6) read with Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, transcript of the earnings conference call held on Wednesday, November 4, 2026 for analyst/ investors to discuss the Un-audited Financial Results for the quarter and half-year ended September 30, 2026 and the way forward, is enclosed.

Further, the aforesaid information is also available on the website of the Company at www.jyothylabs.com.

Kindly take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,
For Jyothy Labs Limited

SHREYAS PARAG TRIVEDI
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Shreyas Trivedi
Head – Legal & Company Secretary

Encl.: as above

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"Jyothy Labs Limited

Q2 and FY27 Earnings Conference Call"

November 04, 2026

MANAGEMENT: **MS. M. R. JYOTHY – CHAIRPERSON AND MANAGING DIRECTOR – JYOTHY LABS LIMITED**
MR. PAWAN AGARWAL – CHIEF FINANCIAL OFFICER – JYOTHY LABS LIMITED

MODERATOR: **MR. NITIN – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day. Welcome to Jyothy Labs Limited Q2 and FY27 Earnings Conference Call. This call is being hosted by ICICI Securities on behalf of Jyothy Labs Limited. As a reminder, all the participants' lines will be in the listen-only mode and there will be an opportunity for you to ask a question after the presentation concludes. Should you need assistance during a conference call, please signal an operator by pressing start and zero on your touchtone telephone.

I now hand the conference over to Mr. Nitin from ICICI Securities. Thank you, and over to you, sir.

Nitin: Hi, thank you so much. It's an absolute pleasure from ICICI Securities to host the management team of Jyothy Labs for Q2 FY27 earnings call. From the management side, we have Ms. Jyothy, Chairperson and Managing Director; and Mr. Pawan Agarwal, Chief Financial Officer.

I now hand over the call to Ms. Jyothy for her opening remarks. Thank you, and over to you, ma'am.

M.R. Jyothy: Thank you. Good afternoon, everyone, and welcome to Jyothy Labs Q2 FY27 earnings call. Our financial results and investor presentation are available on our website and the stock exchanges. I trust you have had the opportunity to review them. Consumer demand remained relatively resilient during the quarter.

Rural markets continue to outperform urban markets, although urban consumption is showing signs of gradual recovery. Modern trade and e-commerce and quick commerce maintained strong growth, while general trade remained subdued.

The FMCG sector continues to face a challenging operating environment with geopolitical uncertainty, elevated commodity prices and changing consumer behavior affecting both growth and profitability.

The ongoing conflict in West Asia has resulted in sharp increases in crude derivatives, chemicals and packaging costs, while the deficient monsoon has raised concerns around agricultural output, food inflation and rural purchasing power. The immediate challenge for the industry is managing input cost inflation without affecting consumer affordability and demand.

Against this backdrop, let me turn to Jyothy Lab's performance. Q2 was particularly challenging for profitability, although our underlying business continued to deliver healthy growth. Revenue from operations increased by 3.3% to INR760 crores, while reported volumes declined marginally, primarily reflecting the exit of the Pril and Fa businesses following the expiry of the brand license agreement in May 2026.

Excluding Pril and Fa, the company delivered a healthy 12.4% value growth and 8.1% volume growth during the quarter, supported by our core brands, selective pricing, new launches and distribution expansion. For the first half, the corresponding growth was 10.2% in value and 6.2% in volume.

These numbers provide a more meaningful assessment of our underlying business performance. Across distribution channels, general trade remained subdued, while modern trade sustained double-digit growth and e-commerce and quick commerce continued their strong momentum.

Our focus remains on improving distribution productivity and strengthening execution across channels. Coming to category performance, Fabric Care continues to lead growth, delivering 10.4% value growth. Detergent powders and bars maintained their growth momentum.

Liquid detergents grew by over 50% year-on-year, driven by Henko, Ujala, MoreLight and Mr. White. Our fabric conditioner, Ujala Young & Fresh continues to perform well, reinforcing our confidence in these emerging formats and their long-term growth potential.

Excluding Pril, the Home Care segment grew by 15.3%, driven largely by volumes. In dishwash, Exo delivered an encouraging 23% growth, supported by new variants, liquids, wider distribution, and brand investments.

Our campaigns featuring Yami Gautam and Keerthy Suresh have helped strengthen consumer awareness and interest. In HI, profitability improvement remains our priority while actively pursuing growth in liquid vaporizers format.

Coil contribution now stands at 30% to 35% of the HI portfolio compared with 43% to 45% a year ago. We continue to strengthen our presence in liquid vaporizers, aerosols and other formats. During the quarter, we introduced Maxo Agarbatti with a government approved formulation.

This completes an important part of our portfolio expansion, and our focus now is on scaling these newer formats to more to support more profitable growth. Personal Care delivered a little over 11% value growth, supported by pricing actions in Margo and a favorable base following last year's GST transition.

We also launched Margo Gentle, a glycerin bathing soap in argan oil and moringa oil variants in select markets. However, sharp increases in palm oil, neem oil and other ingredients affected profitability. Despite price increases of approximately 10% to 12%, the cost escalation could not be fully absorbed.

Our priority remains strengthening the Margo franchise while progressively restoring category margins. Let me now turn to our financial performance. Revenue from operations stood at INR760 crores compared with INR736 crores last year.

The most significant challenge during the quarter was the unprecedented increase in raw material and packaging costs, which compressed gross margin to 34.8% compared with 48.1% last year and 38.5% in the preceding quarter. Inflation was particularly severe in crude derivatives, LABSA, SLES, soap noodles, palm oil, and packaging materials.

HDPE and polypropylene prices have increased by approximately 55% to 60% over levels prevailing before the West Asia conflict, while packaging costs now account for approximately

18% to 20% of our cost base. The crude-linked inputs constitute nearly 60%, 65% of our consumption basket.

And given the abnormally high persistent inflation in crude and crude derivative inputs, it has impacted the gross margins of the company in a material way over the past few months. The consumption of high-cost finished goods kept in inventories earlier continued to affect margins in the quarter, even though at the beginning of the quarter, there was some softening in commodity prices, particularly in July and early August.

However, the renewed inflationary pressure seen in October has added to near-term uncertainty. Although we have taken pricing actions of around 4%, reflected in the business during the quarter, these measures could not fully offset the increase in input costs. We are evaluating further selective pricing and grammage adjustments, particularly in lower unit packs, while remaining mindful of consumer affordability.

These measures are being supported by procurement efficiencies, value engineering, product mix improvements, and cost discipline without compromising product quality. Employee costs increased by approximately 5.7% year-on-year and stood at close to 12% of revenue. Advertisement and promotion expenses were 7.4% of revenue, around 100 basis points higher sequentially, reflecting our investments in new launches and brand development.

Other expenses stood at approximately 13% of revenue compared with 12.1% last year, primarily due to higher freight and logistics costs, including significantly higher export shipping costs and general inflation in various operating cost items. Consequently, operating EBITDA margin declined to 2.5% compared with 16.1% last year.

Operating EBITDA stood at INR19 crores, while profit after tax is at INR10.6 crores. We recognize that this level of profitability is significantly below our expectations. Our immediate focus is on recovering margins through calibrated pricing, cost efficiencies and improved product mix, while sustaining the growth momentum of our core businesses.

Given the prevailing commodity environment, margin recovery is likely to be progressive rather than immediate. For first half FY27, revenue from operations stood at INR1,533 crores, representing reported value growth of 3.1% and a marginal decline in volume. Excluding Pril and Fa, value and volume growth were 10.2% and 6.2%, respectively.

Gross margin for H1 stood at 36.7% compared with 48% last year, while operating EBITDA margin is 5.5% against 16.3% in the corresponding period. The effective tax rate for H1 is 28.4%, and we expect it to remain around 25% to 26% for the full year.

Net working capital increased to 23 days as of September 2026 compared with 15 days in March, primarily due to higher inventories. The inflation in the material costs have resulted into higher inventory levels in value terms, while inventory volumes have remained broadly consistent. We expect working capital to gradually return to our medium range of 18 to 20 days as conditions stabilize.

Importantly, our balance sheet remains strong with approximately INR846 crores in cash and 0 debt, providing financial flexibility to support our growth priorities. I would now like to briefly address an important capital allocation decision taken by the Board.

The Board has approved a share buyback of INR147 crores through the tender offer route at a price of INR215 per share. We believe the prevailing market valuation does not adequately reflect the underlying strength of our brands, growth potential and financial position. The buyback reflects our confidence in the company's long-term fundamentals and our commitment to disciplined capital allocation.

Importantly, the promoters and the promoter group, including persons in control, will not participate, allowing eligible public shareholders to benefit from the buyback subject to applicable regulations. Investment in profitable organic growth remains our priority.

We will continue to evaluate complementary acquisition opportunities, maintain our dividend payout policy of 35% to 50% of profit and preserve a strong debt-free balance sheet. The buyback is expected to support financial metrics, including earnings per share and return on equity. Let me conclude with our outlook for Q3 and our priorities in the near-term.

Sustained growth in Fabric Care, particularly liquid detergents and fabric conditioners, while building on Exo's strong momentum, improve HI profitability by strengthening the product mix and scaling newer formats, particularly Maxo Agarbatti.

Strengthen Margo through innovation, calibrated pricing and distribution expansion with a clear focus on margin recovery, continue investing in our brands, new launches and distribution capabilities across traditional and emerging channels; progressively restore profitability through pricing, procurement efficiencies, value engineering and disciplined cost management.

We expect the underlying business to sustain healthy growth during Q3, led by Fabric Care and supported by our new products. However, gross margins are likely to remain under pressure and a full recovery in H2 cannot be assumed unless the commodity prices moderate and remain stable.

The past 2 quarters have assessed our profitability, and we recognize the seriousness of these challenges. Our teams are addressing them with urgency and discipline. At the same time, the healthy growth in our underlying business, the continued strength of our core brands and the encouraging performance of new launches gives us confidence.

Our balance sheet remains strong. Our brands continue to enjoy consumer trust and the long-term opportunities in Home Care and Personal Care remain intact. Our immediate task is to translate this business strength into better profitability. While the near-term remains challenging, we remain confident in our direction and committed to building a stronger, more competitive and profitable Jyothy Labs.

Before I conclude, I would like to thank our employees for their commitment, our trade and distribution partners for their continued support and our investors for their trust and constructive engagement.

Thank you for your time today. We will now be happy to take your question.

Moderator: Thank you very much. Now we begin the question-and-answer session. The first question is from the line of Rushabh Shah from BugleRock PMS.

Rushabh Shah: My first question is that on the calls, you have mentioned that your goal is to go back to the previous margins what we were. So just wanted to know what steps are we taking to get to the previous margins which we were commanding leaving aside this, like, raw material fluctuations.

So, what are we doing? Are we introducing new products or do we have any new pipeline of new product introductions? And if yes, then in which category are we going to introduce those products or are we increasing our stands on the advertisements?

M.R. Jyothy: So Rushabh, yes, part of it is the NPDs, which has a better margin profile. As you know that detergents largely the margin profiles are not so very encouraging. And on top of it, when the raw material prices hit, it hits really hard. That is one. And second is the product mix that we sell, right?

So, while for us, the LUPs have been a strong part of our overall portfolio, especially to reach to have large-scale distribution and it helps us reach further in the country in terms of traditional trade and all of that. So, when it is an LUP, you know, there is a certain it is a fixed price and thereby the hit is even higher.

So, we are trying to see how to manage those the overall product mix in our portfolio. So yes, one is so these are the two actions. Rest is all the cost efficiencies that we are trying at the back end.

Rushabh Shah: Okay. My next question was on the dishwash segment. So, since we know that Pril was a premium product in this segment, and now we are showcasing Exo and also launched Exo premium product for the replacement of Pril. Do you think that Exo, which is already in the minds of people which we have, which we used to showcase as a less premium brand compared to Pril. So, can it take the place of Pril in the premium segment, or we should look out for a premium brand in an inorganic segment completely different than Exo?

M.R. Jyothy: Yes. So Rushabh, while Pril was premium, Pril was premium to any brand in the market. It is only that, that the brand is not there. The rest, we are at par with competition. And so now after Pril, it is the competition and us in the segment.

So, there are no premium brands now in this category right now. So that is one. And when you say premium, it is not that it was very highly premium compared to us and the competition. It was marginally better because that was the first brand to enter the country and it had a premium image. We continued with that.

But having said that, Exo has a much bigger equity compared to the brand the other brand. And hence, we are very confident of delivering much better in the future.

Rushabh Shah: Okay. And my third question is on the brand building. We have been in this business for ages and have created brands in the dishwash segment and the detergent and the liquid washes. So, but we are not able to replicate the same in the Personal Care segment, the Margo brand itself.

So just wanted to know what kind of challenges we are facing in creating a brand out there. Just wanted to know your thought process on it because we have very successful brands in the other two segments. But Margo we are not able to crack...

M.R. Jyothy: Yes, Rushabh, I got it. It is not that we are not able to crack Margo. When we got the brand Margo from when we acquired the brand, the brand was really at a different stage to where it is now. Margo has done really, really well in the last so many years that we have got. It is the next stage for Margo to get into different segments.

While it so this brand has its strength in many parts of the country, and it is held in very high respect. It is a brand that has sustained over one hundred years. So that is the strength of the brand that speaks for all for itself. We are trying to exploit the brand further, and you will see those examples coming in the future.

Rushabh Shah: So, ma'am, so exactly my question was, since the brand has been there for 100 years, but margins which we should command over that 100-year brand, are we like looking to command such margins like we are doing in the other segments?

M.R. Jyothy: See, it was the brand has had higher margins. It is the current situation that every brand is now undergoing that the issue of the prices, the raw material prices that has gone up. Otherwise, the brand is well poised for the next phase of growth.

Moderator: The next question is from Amit Purohit from Elara.

Amit Purohit: Just on the margin side, I just wanted to understand what is the kind of cost inflation that you have seen? And it seems to be a very sharp even higher than what it was during FY22, '23, where the margin decline was there, but this has been much more severe. And our price increase is just about 4%. So just want to know what is the amount of price increase that we now need?

And also, why are not we able to take a significant price increase because we see other players have been taking price increase, especially in the Fabric Care Segment and even the Home Care Segment. That is my first question.

Pawan Agarwal: Thanks, Amit, for the question. So, the margin erosion that we see year-on-year, the RMPM has contributed close to 18% in quarter two. And this was partly offset by about 4% of sales price increase and a little bit of mix. So that is a net effect of 13%, 13.5% impact on gross margin in the quarter.

The price RMPM price increases, what we witnessed is across all key raw material and packaging material, including LABSA, SLES and soap noodles, neem oil, chemicals, we saw inflationary trend in all the critical raw material.

And as we mentioned in our opening remarks, our 60% to 65% of cost base is crude derivative linked. So, it has hit us harder. Now while on your second point of price increase pace. So first of all, we would like to clarify that we do not see a structural deterioration in the economics of our business. It is a temporary issue, which is caused by inflationary trends in our key raw materials and packaging materials.

We took as I said, we took about 4% price increases across our portfolio and the price increases degree of price increases varies across segment, brand, SKUs, geography, etc. The reason we decided not to take a higher price increase in 1 quarter or 2 quarters is that we didn't want to jeopardize consumer affordability or market share through indiscriminate price increase taken in a hurry burry.

While we understand that growth has to be profitable. But again, the objective is that we take calibrated pricing. And in this approach causes short-term pain, but the long-term franchise and the brand credibility remains intact over a long period of time.

The third point that you raised was how much more pricing increase is required, etc, to restore historical margins. So, see, further pricing actions are being taken across product categories and SKU within our portfolio as we speak. However, pricing alone cannot bridge the entire inflation gap of 13%, 14%.

The margin recovery has to come from multiple levers, not just pricing alone. Pricing, procurement, value engineering, mix and operating leverages, etc, are all important levers for margin recovery for us.

We will balance basically 3 things: input cost recovery, competitive pricing and affordability. And this recovery is going to be progressive as we have been maintaining, till the time the commodity prices stabilize, the margin recovery is going to take time, and it will be progressive. Slowly and gradually, it will inch up. And there are a lot of actions that we are taking besides price increase.

Amit Purohit: Sure. And just 2 follow-ups. One, I wanted to know whether the mix has deteriorated in any ways where the margin profile of the fabric wash segment has kind of come under pressure versus because I presume that the liquids would be doing well. So effectively, the does this improve our margin profile of the category or it is a neutral kind of thing?

Pawan Agarwal: No. As we have indicated earlier also that liquid detergents currently carry somewhat different economics because the category is still scaling and requires investment in consumer conversion. But the strategic opportunity for us is significant.

Higher penetration, scale benefits, procurement efficiency, richer mix, etc., should progressively improve unit economics in liquid detergent. And given the rate at which consumer adoption is developing, not participating aggressively would be substantially greater strategic risk.

So yes, liquid detergents are currently commanding a lower margin compared to powder. But other than and it is a growing category; it's growing at upwards of 50% every quarter. So that

has some bearing. But largely, the impact that you see in Fabric Care segment margin is largely due to the input cost.

Amit Purohit: Okay. And, lastly, how should we think about the balance of FY27 or some kind of a road map? Because I understand it's a volatile period, but just to get a sense on how do we think second half margin? You indicated gradual, but would it be like exit reaching to double digit or which should be high? And how do we think about it?

Pawan Agarwal: See, our internal aspiration is to continue to deliver double-digit growth even in the current volatile situation, which we are geared up. FY27 should be treated as an aberration year given the external environment, geopolitical situation and the input inflation, what we are seeing, what we are witnessing, which is unprecedented.

So, giving any kind of guidance at this stage is difficult for us looking at the situation, but rest assured that we are working towards maintaining the growth momentum and the performance of our categories and brand Ex, Pril and Fa gives us confidence that we should be able to do that. Margin is a tricky one. It's largely influenced by the external factor.

So, depending upon the stability on the commodity prices, the margins recovery should begin. So that's what we are looking at in H2 at the moment.

Moderator: The next question is from Vishal Gutka from ASK Investment.

Vishal Gutka: This is Vishal here. Madam, I remember medium-term aspiration of revenue growth target of INR5,000 crores, right? That was around 3 years, 4 years target that was there. And one of the media interviews had mentioned that M&A for time is putting on hold, and Pril also not being there in the base now. So how do you plan to achieve that number?

Because for that number, I think you are at INR3,000 crores kind of run rate now. To achieve that number in next 3 to 4 years, I think 15% to 20% kind of run rate for that number to be achieved. Just wanted your thoughts.

I think a couple of times you mentioned that personal care is a space where you would like to do much more. If you can broadly highlight in the context that Pril not there and M&A been put on hold as of now, how would you plan to achieve that number?

M.R. Jyothy: So, first of all, Vishal, INR5,000 crores is definitely, that's still our aim to do, right? I do not know from where you got the thing about keeping M&A on hold. It is not on hold for this thing. We are waiting for the right opportunity, is what I would say. So holding is a very wrong probably there, I do not know from what gave you that idea.

It is that we are not in a hurry to do an M&A just for the sake of it, right? It is not a 1-day news that we have to manage with the news, we have to manage the company or the brand that we will be acquiring, and in a way that it is profitable to the overall company in a good way, that the brand grow, and then that there is a good runway for the brand to grow.

So, we are not looking at any short-term news-making kind of a thing. We are looking anything at a long-term with a long-term objective. In that scenario, we are constantly evaluating lot many opportunities that are coming.

But it has to have that we have a certain checklist for why one should go for an acquisition or why we should back out. So, we are strictly adhering to that. So that's why this so when an opportunity comes in the right way that we want, we will be definitely looking at it.

Having said that, we are also trying to fuel the growth by we have a lot of NPDs in the pipeline as well. So that will also be part of the INR5,000 crores growth journey and trying to build or make brands that will have a better margin profile in the future so that your overall margins on an average kind of goes up. So that is the intent. So, there's nothing on hold as such. It is that we are waiting for the right opportunity.

Vishal Gutka: Got it. And madam, if you see in the past, detergent and MoreLight have been a blockbuster success, and maybe to some extent, Ujala Young & Fresh has done well. So, what more could be done because this incremental revenue is going to be INR2,000 crores incremental you need to put up in the next 3 to 4 years.

And the existing categories that you are there, maybe liquid detergent and maybe dishwash and everything is happening. Most of the categories seem to be well-consolidated. Just wanted your thoughts that how do we achieve this number? NPDs are definitely that one is available to you, but within NPD, if you can broadly elaborate, what are you trying to do?

M.R. Jyothy: See, right now, I don't want to we have identified a few categories. And you will see those kinds of things happening in the next year. So, I would restrict myself right now to not give out any category indications. But yes, it will be in a better profile and this thing. So, the best part is that we have kind of all our new launches that we have done in the last 2 or 3 years have met with reasonable success and in fact, doing well.

So, we are continuing on that momentum. And we are also hoping that our next line of NPDs will also deliver. The team is ready. The distribution channel is there for us. The brand building stuff that we were doing continuously.

Those things are there with us. We have the team with us. So, the right things to be there for a successful mix and the launches are all there with us. It’s whatever we are right now facing is a temporary phase. But in terms of growth, the fundamentals, all of them are in place. So, nothing to worry there. We have a good lineup of stuff that's going to happen.

Moderator: The next question is from the line of Navin from ithoughtpms.

Navin: Yes. First of all, congratulations on resilient performance in tough times like this. So, my first question would be on Margo. So just want to maybe bounce this one thing regarding the overall market perception that I've seen. Please feel free to correct me if I'm wrong.

But over the last decade or so, there's been a transition from the natural herbal kind of products towards science-backed and transparent formulations-based personal care products. So, I just

want to understand your views on this whole dynamic and since Margo operates in the less favored segment in this dynamic, how you view its market position and how favorably or unfavorably it is placed right now?

M.R. Jyothy: So, Navin, you're right that way, but it is not that the natural space has become vacant, right? And not that all of the consumers have moved to the other part of the segment or the new age thing that you're talking about. Margo is very well entrenched or very well known for its natural properties, especially the name. But having said that, we are and that's going quite strong. There are loyal consumers still and at the young age group continuing.

We had a tremendous success, which we saw when we did the Durga Puja activity in the home state, right? All of the young consumers where it has Gen Z and all of that, they all believe in the brand, right?

So that shows that there is a space for natural still very well there. And while having said that, we have also launched the new age Margo into in the glycerine segments with Moringa and so those are the ones which are new age ingredients in the natural space that we have launched. One is, you Margo is very well known for its natural space.

You cannot leave that space, right? So, we have to hold on to what we are strong at. We have to work on our strength. So, Margo will continue to grow through that journey. And the other opportunity, we will be addressing through other brands or some other new brand, not under Margo.

So, Margo still has and natural space still has a lot of consumers and a lot of acceptance still. So, everything has a certain phase, it comes, it goes. That's all my point of view is while everything has a place and it's not completely zero yet. So yes.

Moderator: The next question is from Harshad Sheth, ICICI Securities.

Harshad Sheth: So, ma'am, couple of questions. So firstly, say, with Pril and Fa exiting, distributors would have lost 2 meaningful SKUs from their basket. So how has that affected distributor ROI? And have you changed the terms of trade, whether higher margins, schemes, or extended credit, to keep them engaged while Exo Liquid scales up? I ask this because working capital days have kind of moved from 15 in March to 23 in September. So how much of that is receivables versus high margin inventory?

Pawan Agarwal: See, Harshad, Pril and Fa departure hasn't affected the distribution terms, especially in general trade, modern trade. We haven't increased anything in terms of ROI, etc., is all as per the old level. We have not expanded credit. In fact, our debtor days have come down. If you look at March versus September, so the debtors' days have come down significantly.

The increase in working capital, as we mentioned in our opening remarks, is largely in inventory in raw material and finished goods, mainly in finished goods because of the higher material cost. That's the reason for increase in slight increase in the working capital. So basically, nothing has changed. And Exo liquid is shaping up really well. There are no issues around that. So Pril and Fa departure has not impacted the trade terms at all.

Harshad Sheth: Sure. And sir, secondly, just following on the comment on the Margo. So, you mentioned the focus for Margo is naturals. I mean that space is crowded with Santoor, Medimix, Patanjali and Himalaya at mass and several new D2C brands at premium end. So, what gives Margo the right to win there?

Is it the neem heritage, price point, or regional strength? And secondly, is this a play you're willing to invest margins behind with dedicated A&P and new formats like Margo Gentle, or will it be scaled gradually within the current margin structure?

Overall, in next 3 years, what would success look like in terms of, say, market share or segment size? I'm asking this because personal care, even including Fa, has been witnessing a flattish kind of growth over last 3 years.

M.R. Jyothy: See, Harsh, the thing is the very reason that Margo has been growing continuously. If you see last year, we had very well done on the brand. We have consumers who believe in the brand totally. The rest is how we take that brand to the next phase of growth is through extensions and things like that, which we are as a team working on already. So, Margo still has a lot of potential.

It's a very well trusted brand. And yes, that's all. We have a lot of plans on the brand. Having said that, that is one of the brands in Personal Care that will grow in a certain way. We have other plans for the Personal Care segment as well. Not everything will be under Margo. So, I think that should answer your question.

Harshad Sheth: Sure. So just lastly on you have, say, about INR850 crores of cash and you're doing buyback and you also flagged selective inorganic growth. So how should we think about capital allocation between return in cash and acquisitions? You did mention that M&A plan is not on hold. And say, if you do look inorganic, would it be new adjacencies like in D2C BPC spaces or deepen existing categories? And what deal size or return thresholds would you consider?

Pawan Agarwal: So, Harshad, this capital allocation matter is evaluated by Board from time to time. And today's decision of buyback was an outcome of the deliberation at the Board level. While the M&A, we continue to pursue M&A opportunity, and we are looking for right fit. We are cognizant of the cash generation ability of the business. And accordingly, the utilization of cash will be decided time to time.

The dividend payout ratio and dividend policy of the company remains valid, and the dividend will continue to be paid out to the shareholders. So largely the dividend, the acquisition and investment in the new products and NPDs and new categories is what is where the cash will be deployed.

Moderator: The next question is from the line of Navin from ithoughtpms.

Navin: So, I just wanted to ask how you look at crude as the dependency on crude rather. So, you just highlighted that around 65% of our total cost depends on crude, right? So, do we view this as a major threat? And are we working on something to kind of reduce this dependency on a single raw material or is this not something that we occupy ourselves with, and we are more focused

on like maybe a new brand or new products? If you can just throw some light on that, that would be great.

Pawan Agarwal: See, in the short-term, unfortunately, the crude dependency is there, but we have stated in earlier call also that our NPD pipeline is strong, and we are working on different types of products where crude dependency is much lower and margin profiles are better. So, we understand that this unprecedented increase in crude prices has affected the profitability of the business.

And this product development work has been going on for quite some time. So hopefully, next year, we would see we should see some good products which have lower dependency on crude.

Navin: Got it. That's very helpful. Just one more question. I just want to get your thoughts on like building a new brand organically from this point. So, I understand that they're looking for brands via M&A and we are doing NPDs. But just wanted to get your sense on whether we are even evaluating the idea of developing a brand in-house from this point.

M.R. Jyothy: Yes. Yes, Navin. We have thought about it. It will be new categories.

Moderator: The next question is from the line of Pankaj from the Individual Investor.

Pankaj: You just answered about the dependence on crude. So, I am good.

Moderator: As there are no further questions from the participants, on behalf of Jyothy Labs Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Pawan Agarwal: Thank you.

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