

May 15, 2025

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 Sirs,

**Sub: Transcript of the earnings conference call for the quarter and year ended March 31, 2025**

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 Monday, May 12, 2025 for analyst/ investors to discuss the Audited Financial Results for the quarter and year ended March 31, 2025 and the way forward, is enclosed.

Further, the aforesaid information is also available on the website of the Company at [www.jyothylabs.com](http://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 Trivedi**

**Head – Legal & Company Secretary**

Encl.: as above

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## “Jyothy Labs Limited Q4 & FY'25 Earnings Conference Call”

**May 12, 2025**



**MANAGEMENT: MS. M. R. JYOTHY - CHAIRPERSON & MD, JYOTHY  
LABS LIMITED**

**MR. PAWAN AGARWAL – CFO, JYOTHY LABS  
LIMITED**

**MODERATORS: MR. DHIRAJ MISTRY - ICICI SECURITIES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 & FY'25 earnings conference call of Jyothy Labs Limited hosted by ICICI Securities Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

**Dhiraj Mistry:** Thank you and welcome to the call. I would like to thank the Management of Jyothy Labs to give us an opportunity to host this call. From the Management, we have with us Ms. M. R. Jyothy – Chairperson & MD; Mr. Pawan Agarwal – CFO.

I would hand over call to the management for their opening remarks. Thank you.

**M. R. Jyothy:** Good afternoon, everyone and a warm welcome to Jyothy Labs Limited Q4 '25 Earnings.

The complete Financial Results and Investor Presentation are available on our Website as well as on the Stock Exchanges. I hope you have had the opportunity to review them.

FY'25 has been a challenging year, not just for us but for the broader FMCG industry. After 4 consecutive years of double digit value growth, we saw a slowdown beginning in Q2, driven largely by external headwinds, rising living costs, sluggish urban income growth and evolving consumer preference towards daily essentials in terms of pack sizes, price sensitivity, promotional offers and convenience of ordering and delivery. While India's macroeconomic indicators remain strong relative to global peers, urban households are clearly feeling the pinch, higher spends on housing, healthcare, education and utilities have impacted discretionary and even essential consumption. Consumers are opting for smaller packs, holding back on bulk purchases and displaying heightened price sensitivity. Rural demand has started to recover but not yet at a pace that can offset urban softness.

That said, our long-term outlook remains positive. We believe this is a temporary phase and demand will gradually recover, led by volumes. We are confident in our ability to navigate this period with resilience and emerge stronger. Our strategy remains focused, launching more affordable formats, filling portfolio white spaces, deepening our presence in core regions and managing costs without compromising on quality. Our brands are trusted, our team is agile and our execution is solid. Our priorities are clear, serving our consumers better, staying efficient, and creating long term value for our investors.

Let me touch upon the performance of various categories in our business:

Fabric care grew at 2.1% in Q4 and 5% for the full year, largely led by volume. Liquid detergents were the primary growth driver, supported by detergent powders and bar soaps. The Main Wash category saw double digit volume growth in FY'25.

In Kerala, Ujala IDD Detergent Powder gained market share rising to 24.5% in FY'25 from 23.4% in FY'24. Southern India market, a stronghold in the liquid detergent space grew at 27% year-on-year with some of the most outpacing category growth in this region. Revenues from liquids nearly tripled on both a quarterly and annual basis.

The Post Wash segment remains the key focus. Ujala Supreme continues its leadership and Ujala Crisp and Shine sustained its momentum. With the recent launch of Ujala Fabric Conditioner and encouraging early feedback, we are optimistic about the Post Wash category's future. Gross margins in Fabric Care also include year-on-year.

Dish wash grew at 3.1% in Q4 and 3.7% for the year with strong double digit volume growth in both bars and liquids. Despite healthy volume growth, lower average realization due to promotions largely impacted margins during this year. Personal Care faced challenges, declining 8.8% in Q4 and 0.9 for the year, impacted by inflation and a high base.

Our new Jovia Beauty Soap is gaining market access. However, weakness in the Margo franchise weighed on overall performance this year. We have initiated focused efforts to revitalize Margo Neem Natural and the variants through enhanced communication and visibility. While selective price hikes were taken, lower volumes and higher input costs affected gross margins in this category. With promising consumer feedback and ongoing brand efforts, we expect a better performance in FY'26.

Household insecticides declined 4.8% in Q4 and 6.5% for the year. However, our liquid vaporizers registered healthy volume led double digit profitable growth. We are working to sustain and accelerate this momentum. Coils are structurally declining category, continue to degrow for us as well. We are taking decisive steps to minimize near-term losses in this category and eliminate them in the medium to long term.

To enhance our HI portfolio, we recently launched Maxo-Aerosol and Maxo Electric Racquet. These additions move us closer to offering a complete product range and also help improve overall portfolio margins. Early market response has been positive though these products have lower salience compared to coils and LVs.

Now, I will request our CFO – Pawan to take us through the financial performance of the company.

**Pawan Agarwal:**

Thanks, Jyothy and a very good afternoon to all of you. For the quarter ended 31st March 2025, consolidated revenue from operations stood at Rs. 667 crore, a 1.1% value growth and 4% volume growth year-on-year. The gap between volume and value growth is due to higher

branches and promotional price offs in select categories. The gross margin for Quarter 4 was 49.2%, down 30 bps YoY, reflecting continued input cost pressures.

We implemented selective price increases in Fabric Care, Personal Care and HI segments during the quarter and will calibrate pricing based on future market trends and cost trends. Advertising and sales promotion spends were at 8% in Quarter 4, slightly lower year-on-year, calibrated in response to macroeconomic conditions. However, our commitment to long-term brand building remains intact as reflected in our annual A&P spends.

Operating EBITDA margin for Quarter 4 improved to 16.8% from 16.4% last year aided by prudent cost management despite the input cost headwinds. For the full year FY'25, we delivered 3.3% value growth and 6.4% volume growth. Fabric Care and Dish wash segments grew in both value and volume while HI and Personal Care revenue saw declines of 6.5% and 0.9% respectively.

Gross margin improved by 100 bps to 50.1%. A&P spend was 8.4% of revenue versus 8.3% last year. Other expenses rose marginally by 20 bps to 12.7%. EBITDA grew from Rs. 480 crores to Rs. 500 crores with a margin improvement of 20 bps to 17.5. PAT rose marginally to a little lower Rs. 370 crores. The effective tax rate for Quarter 4 was 22.4% without considering the tax related to earlier periods.

On a full year basis, the effective tax rate was nearly 23% without considering the tax related to earlier periods, slightly higher than the last year's 22%. We expect ETR to remain in the range of 23%-24% in the next year as well. Working capital increased in FY'25 due to higher inventory and receivables, partly driven by elevated raw material prices, growing share of modern trade and institutional business in total revenue and a strategic move to address evolving market needs. As a result, our net working capital cycle stood at 18 days as of March end. We continue to remain debt-free with a robust cash balance of exceeding Rs. 750 crore.

Now, let me briefly touch upon the divestment of our stake in overseas subsidiary, that is Jyothy Kallol Bangladesh Limited, JKBL. Our decision to divest our 75% stake in JKBL, subject to regulatory approvals, was taken after careful consideration. Despite more than a decade of efforts, JKBL has not yielded the desired results and has stretched management bandwidth without proportionate returns. With stronger opportunities within India and in export markets such as Middle East and Southeast Asia, the board found it prudent to sell our stake to our JV partner, Kallol Enterprise Limited, for a consideration of Rs. 2.1 crore. This transaction has led to a loss of around Rs. 4 crore which is shown under the head exceptional items in Quarter 4 as well as in FY'25. So March 25, 2025 onwards, JKBL is no longer the subsidiary of the company. The board has recommended a final dividend of Rs. 3.5 per share for FY'25 after reviewing our cash generation dividend track record and future growth prospects, both organic and inorganic.

Last but not the least, I would like to thank you for your continued trust and support, we remain focused on delivering consistent, sustainable, profitable and capital efficient growth and long-

term value creation. With this, I conclude my opening remarks and we will be happy to answer any 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 Vishal Gutka from ASK Investment Managers. Please go ahead.

**Vishal Gutka:** Hi, team. A couple of questions on my side. I just wanted to check on liquid detergent piece. First question, a very basic question. What is the contribution of detergent liquid to fabric care because you've tripled the sales now. If you can just quantify the amount of percentage terms. Second question was on what I've garnered from my channel checks is it suggested that it is very much cheaper to set up a liquid detergent units versus setting up a powder unit. If it is true or not, what they do or inside on the same. And third question is on the Morelight brand. So Morelight historically is in a BTL based brand. What do you see in terms of Godrej Fab where because of mass media advertising, they've been able to create a phenomenal revenue of around Rs. 60 crores. So do we think there is a need to change our strategy if yes, given that in terms of quality, I believe more or less here similar only. So any change in stance possible for Morelight? Thank you.

**Pawan Agarwal:** Thanks, Vishal. As far as your first question is concerned, the detergent liquid all I can tell you is that it is growing very rapidly for us quarter-on-quarter, year-on-year for the quarter, for the year on all the time zones, the growth has been quite impressive. But in terms of exact percentage, I am afraid it will be difficult for us to share. As far as Morelight and Fab comparison is concerned, Jyothy would you like to speak?

**M. R. Jyothy:** So right now, we have no change in strategy. We will continue with the way it is. For us, the liquid detergents under the brand Morelight has been doing pretty well and we will focus in the similar strategy going forward for some more time.

**Pawan Agarwal:** And what was your another question Vishal?

**Vishal Gutka:** I just wanted to check what I garner from my check is that it is much more cheaper, the CAPEX required for setting up a liquid detergent plant is cheaper than setting up a detergent powder plant. Is this true or not? Just wanted to throw your thoughts on this one. I don't know one of the additional reasons for increased competitive intensity in the liquid detergent space.

**Pawan Agarwal:** See from our side, we have right now sufficient capacity for detergent liquid, powder both. As far as investment required for setting up a liquid plant compared to detergent powder, I would not be able to comment upon it because we do not have the need and we have not looked into it from that perspective as of now.

**Vishal Gutka:** But any greenfield plant in case you have to put up, will it be cheaper or will it be similar only? There is no material difference in terms of cost.

- Pawan Agarwal:** More or less should be similar but as I said, we did not face that situation so we have not evaluated in that sense.
- Vishal Gutka:** Got it. And just last question on HI. So I think HI has made approximately Rs. 25 crore losses at EBIT level in FY'25. I got the strategy that increasing salience of liquids will help to improve the overall profitability. Can we expect breakeven '26 or it will be difficult?
- Pawan Agarwal:** So as we indicated in our opening remarks also our strategies to improve. As far as coil is concerned, it's a declining category and obviously within that, we are trying our best whatever best we can do, but at least the objective is that we shouldn't be losing money over there. So we have already taken a number of initiatives inside the company and the early signs are visible, green shoots are in coil. We are supporting and we are aggressively promoting the LV category both on the A&P side as well as the market schemes etc. So LV is profitable, it is growing handsomely for us and this growth momentum is likely to continue going forward. So at a portfolio level HI, think FY'26 should be better compared to FY'25 and the losses as you rightly pointed out already you can see that the margin level, segmental profit level already the Rs. 9 – Rs. 9.5 crore loss reduction is visible this year.
- Vishal Gutka:** Right, right, great. Wishing all the best, team. Thank you.
- Pawan Agarwal:** Thank you, Vishal.
- Moderator:** Thank you. We will take our next question from the line of Percy Panthaki from IIFL Securities. Please go ahead.
- Percy Panthaki:** Hi, ma'am. First question is on ad spend. There's a reduction in YoY this quarter. So what are your thoughts? Because typically, even in periods of extreme inflation, unlike other FMCG companies, we have not cut our ad spend. We have suffered in terms of EBITDA margin in the short run. But then when the input costs have come down, we have sort of recovered that. So that has been our strategy in the past. But this quarter we see a cut. So is it just I am reading in too much into a one quarter number? What is the way going ahead? And for FY'26 ad spend to sales ratio, what are you planning to target?
- Pawan Agarwal:** So you are right, I think for Quarter 4, you should not take it as any precedence. I mean, this is one of those quarters where we have to recalibrate some of things. But overall, directionally, 8.5% to 9% is what we continue to invest behind our brands. And that trend is likely to continue in the near to medium term.
- Percy Panthaki:** Got it. Secondly, I just wanted to understand this volume value gap of 2%-3% that we are facing. This is despite the inflationary scenario in soaps. So just wanted to understand what is driving that? I understand that in detergents, yes, there has been a price cut by the market leader as well. So there is obviously some response from your end, which is likely? But this volume value gap

is there now since a couple of quarters, I mean, even before the detergent price cuts by the market leader happened. So what is the reason for this and how do we look at this going ahead?

**Pawan Agarwal:** Thanks for this question. It is a great question. In the last call also, you would remember that there was a question around these lines. And I had responded that at least in the foreseeable future, there is likely to be a gap between volume and value because for competitive intensity across segments, whether it is fabric care or dish wash, extra grammages which are being offered, promotional offers etc., but the gap between volume and value would probably settle down at this point of time the way we see it, probably at between 2%-3%. But again it is a function of how market reacts and accordingly we will have to take certain steps. So this is likely to continue in the near term.

**Percy Panthaki:** But will this not anniversarize? I mean, when do you see this anniversarizing and therefore on a YoY basis it would cease to exist even if there is no further price cut?

**Pawan Agarwal:** See, in the near term, I think it is likely to be quite intense. The competition is quite intense. But eventually, I think, couple of percentage point difference between volume and value is likely to be there.

**Percy Panthaki:** Okay, so I am just trying to understand where your profit growth will come from, because if basically I have a negative pricing, which is sort of putting pressure on the topline, very unlikely that you will sort of do a high single digit kind of value growth this year, which was the expectation earlier. And if you are falling short on the topline, do you think we can sort of see a margin expansion so that at least the EBITDA or EPS growth is in double digit or you think that's probably a little too much to ask for this year?

**Pawan Agarwal:** Again, the first half of the year I think is as of now is looking a bit difficult, but second half we expect it to be better than first half. Second point is that the price increases that we have to take the entire set of actions are not complete. We have taken some price increase across categories, but the full impact is yet to be seen so that is going to be there. First half, obviously there would be pressure on the topline growth as well as a little bit of stress perhaps in the margin side, EBITDA margin, but second half, we expect the topline as well as bottom-line to be better.

**Percy Panthaki:** So what will change in the second half?

**Pawan Agarwal:** See demand situation, we are expecting to improve; b, some of the price increases that we are going to take that will start showing result because it takes 2 months to 2.5 months to get into the P&L. So these things are going to help us in terms of topline.

**Percy Panthaki:** Right sir. Last question from me is that see 2, 3 years ago, we had taken significant company specific initiatives. So we had taken Exo at Rs. 5. We had done a big distribution expansion. We had improved the quality of the distribution. We had decided to play all 4 brands in the detergent space. We had launched variants of Margo. So there was a plethora of all these initiatives taken



which gave us good growth. Now those initiatives are a couple of years old and the benefits from them have started to taper. So what are the new initiatives from your side which will drive the growth in the future?

**Pawan Agarwal:** See, you are right. A number of initiatives were taken and including the distribution expansion which is also continuing but obviously the pace definitely would have to be moderated depending on the distribution expansion we have already done over the past 3-4 years, but while we were helping or we are reaping the benefits of steps that we have taken in the past, simultaneously last 2 years we have been working on NPDs also. Now, you will see the loans of NPDs, you have already seen in Quarter 4 and in this financial year, you will see more of NPD launches across categories. That is the pipeline for future growth. Of course, all of us know that whatever NPDs you launch, everything does not click, but that fact has been well built into our plan and accordingly for the rest of the year, the NPDs are planned which will set the base for future year's growth. Of course organic growth will continue.

**Percy Panthaki:** Got it, got it. That's all from me. Thanks and all the best.

**Pawan Agarwal:** Thank you.

**Moderator:** Thank you. Next question is from the line of Harit Kapoor from Investec. Please go ahead.

**Harit Kapoor:** Yes, hi, good evening. On HI, you mentioned that coil is the defocus area because of profitability issues there. But you know, there is also the segment where conversion is happening into incense stick, which at least market leader is trying to improve the profitability of that segment. So I just wanted to understand, since it is not in your deck, I know you have a product but not in your deck recently. You know, what is your thought process on that, at least in the near to medium term, can that be a bridge for you to stem kind of volume declines in HI? I know focus is on LV, but just a thought because that's a tactic space that seems to be also growing at a fairly good clip. Just wanted your thoughts on that?

**Pawan Agarwal:** Thanks, Harit. As I already indicated to you HI strategy, where we are headed, certainly we are cognizant of the incense stick market and the growth opportunities which exist over there and the necessary work is happening at an appropriate time, the street will get to know what exactly we are going to do. Racquet and Aerosol we have already launched so that helps us manage the segmental margin, the portfolio margin, it helps us and LV as I said, we are growing profitably. So a combination of all these three factors plus loss minimization in coil will certainly help us deliver a very different performance of the HI segment in the coming quarters.

**Harit Kapoor:** Got it, Pawan. And second thing was on the working capital bit, so your presentation suggests that the numbers of days have gone up from 5 to 18. As you mentioned, part of it is due to RM inventory, part of it is generally maybe a little structured. So do we expect this number to kind of settle somewhere in between the FY'24 and FY'25 number because part of it would be, I am assuming part of it is structured if it's a channel mix?

- Pawan Agarwal:** 15 to 20 days, historically also if you see except March 24 which was an aberration, 15 to 20 days working capital is the norm that we can expect going forward.
- Harit Kapoor:** Got it. And third thing was on soaps. You have seen a situation, so personal care over the last 3 quarters, you have seen a declining value growth trend. I just wanted to know your view on when do you see the market normalizing with price increases and changes in pack sizes, etc. Is that also you believe a second half thing or that can be sooner, say maybe Quarter 2 or something like that?
- Pawan Agarwal:** No, I think personal care, we are not quite happy with our performance. Let me admit that. You are right, last year we had a supernatural year in terms of if you look at all the 4 quarters, it was exceptionally high growth that we delivered while the industry wasn't delivering that kind of growth in personal care. And also we had the effect of new Neem Natural which was getting rolled out throughout the year. Now this year of course last 3 quarters, your observation is right. Neem Natural initial placement etc. helped higher growth numbers in the previous year. Original Neem was also doing very well, double digit growth in the previous year. But we have seen kind of slowdown this year, especially in the last 2, 3 quarters. Price increases obviously we haven't taken to the extent we should have taken, but those actions will be taken going forward. And we are also paying special attention in terms of our marketing strategy on the Margo franchise completely. So I think the April, May, June, and July period should show some good signals in this category.
- Moderator:** Thank you. The next question is from the line of Disha Giria from Ashika Institutional Equity. Please go ahead.
- Disha Giria:** So my question is regarding the Rs. 757 crore cash balance that we have. So are we considering any inorganic growth opportunities or any shareholder wealth maximization opportunities?
- Pawan Agarwal:** So Disha, the cash balance that we carrying on the balance sheet, the board is cognizant of it. We have a great growth opportunity in front of us, both organically and inorganically. So the board feels that we should be holding on to cash at this moment and at an appropriate time suitable actions will be taken which will help us utilize this cash.
- Disha Giria:** Okay, yes, that's it for my end. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Senthil Manikandan from ithought PMS. Please go ahead.
- Senthil Manikandan:** Hi, thanks for the opportunity. A couple of questions on the liquid detergent side. So we are seeing a lot of sachet-based liquid detergents coming into the market. So any insights on this? Do you see over the next 3 to 5 years, liquid detergent forming a majority of the market? And if that happens, any structural level changes can we expect from the market share perspective? So that's it from me.

- Pawan Agarwal:** So on the liquid detergent, you see the dominance is there in the Southern India and especially in Tamil Nadu which is the biggest market in Southern India and followed with other four states Kerala, Andhra Pradesh, Tamil Nadu, Karnataka. Now the shift is happening, especially in Kerala, we have noticed that there is a shift from powder to detergent liquid which is happening at a very good pace. And also to induce consumers to move from powder to liquid, there's a lot of trials which are happening actually. So that is why you see lot of these sachets in the market. So as of now, liquid detergents are growing. I think it is growing reasonably well for us. And it is too early to comment on which way this is going to settle down. But in the near term, I think the growth is likely to continue in detergent liquids.
- Senthil Manikandan:** So just a follow up in terms of our market position and market standing. So when there is a shift from powder to liquid, how are we positioning our brands and can we expect a much better kind of execution and share going forward?
- Pawan Agarwal:** See, as you mentioned in our opening remarks also, our Ujala detergent powder, we have gained market share in Kerala and that continues to be a strong hold for us. Other detergent powders are also doing well across different regions in the country. Liquid detergent, as I mentioned, South is the dominant market, and we are well placed across 5 states and we are doing very good in Kerala and some of the other states and this growth momentum will continue in the near term.
- Senthil Manikandan:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Sumanyu Saraf from JM Financial. Please go ahead.
- Sumanyu Saraf:** Some of my questions have been answered. My first question is on gross margins. So your gross margins have been pretty good, which have been declining recently. So is the benefit of forward cover, which you had in some of the raw materials over and how do you see gross margins going ahead?
- Pawan Agarwal:** As I mentioned, I cannot delve too much deep into category level margins etc. But as I hinted at, some of the strategic moves that we make keeping the market realities in mind. So in whether it is in terms of sourcing raw material, whether holding finished goods inventory, producing and holding finished goods inventory, all these things are long term, a relatively higher coverage, we use all these levers, anticipate and use these levers to handle our gross margin.
- Sumanyu Saraf:** Okay. So like, do you see it compressing or I mean, okay, basically it's an ongoing thing. So I mean, some benefits should flow through in the coming quarters?
- Pawan Agarwal:** Range bound, at a high level, I would say the gross margin would remain range bound. We do not expect it to be materially different from what we are seeing right now.

- Sumanyu Saraf:** Okay. And in this quarter, we saw you reducing your ad spend and other expenses. So I mean any change in guidance of your EBITDA margin, it only remains at around 16% to 17%. So that is the sustainable margin?
- Pawan Agarwal:** Sorry, please go ahead.
- Sumanyu Saraf:** No, so basically what are the sustainable margin levels? Because as you said this quarter, I think your expenses were significantly reduced as percentage to sales. So going forward, I think that would not be the case. You had also alluded that. So your guidance on operating margins remains the same 16% to 17%?
- Pawan Agarwal:** See for the next year as I indicated as of now we believe H2, we should be able to deliver EBITDA margin between 16% and 17%. H1, still it is stressful the early signals that we are getting from the market, the demand side is not very encouraging at least in the month of April. So there could be a couple of quarters margin pressure here and there and it's not going to be significantly high, but there could be marginal pressure. But net-net directionally if you ask me, I think 16 and 17 is the direction in which we are driving the business.
- Sumanyu Saraf:** What tax rate is expected for FY'26-'27? Will it be 23%?
- Pawan Agarwal:** Sorry, could you repeat the question please?
- Sumanyu Saraf:** Yes, what is the expected tax rate for FY'26-'27?
- Pawan Agarwal:** The same as I indicated 23% and 24%, between 23% and 24%.
- Sumanyu Saraf:** So just one last question. As your current contribution of LUPs to overall sales is increasing, are they putting a pressure on your operating margins?
- Pawan Agarwal:** Your audio unfortunately is not very clear. Can you repeat the question please?
- Sumanyu Saraf:** Yes. As your contribution of LUPs to overall sales is increasing, is this putting pressure on your operating margins?
- Pawan Agarwal:** LUP again is there's no standard percentage which applies across categories. It varies from category to category, segment to segment. The LUP portion could be as low as 5% to 10% and as high as 25% to 30%. So it varies across categories and we are handling it understanding the nature of the category and the type of, the percentage of LUP contribution in that category sale. So net-net, we do not see major impact on the margin of the company, but of course some of the categories like dish wash which is quite sensitive, to some extent personal care also where the LUP plays a dominant role. So extra grammages etc. particularly influences the category margin. So we are aware of that and we calibrate our approach accordingly.

- Sumanyu Saraf:** Understood, sir. Thank you and best of luck.
- Pawan Agarwal:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Vishal Gutka from ASK Investment Manager. Please go ahead.
- Vishal Gutka:** Hi team, great. Just wanted to check on the indirect reach. I think it has gone up by 8 lakh outlets during the year. So it seems that wholesale acceptance of a product has gone up substantially. Just wanted to check from you what additional steps are we taking to further improve the salience of wholesale given that increasing direct reach is a very high cost exercise. And second question is on the new brand that you launched, Ujala Young & Fresh. I checked the suggestion, it has seen a very, very good response from the trade. So I believe there is a good chance it could be scaled up in a very meaningful manner. So I think anything that you would like to highlight about this brand, Young & Fresh, I think in the fabric condition space for the launch. Thank you.
- M. R. Jyothy:** Vishal, yes, we are happy that our overall reach both in direct and indirect have gone up. It is also to do with a lot of brand acceptance that happening across dish wash and our other portfolios. So while our direct reach also we have increased by a lakh this year. So all of this and certain other activities which we continued to do that has helped us in increasing it and going forward you should be able to see much more indirect reach that's going to happen. So we are overall happy with the way things have turned out at least in the distribution space from a future point of view. Young & Fresh, yes, it's the initial launch and yes, the feedback has been good. Now, again, this category sells more in the South comparatively, like your liquid detergent. So right now, it is at a very small pace, but we will soon catch up pace going forward. Right now, it is testing and the initial feedback both from retailers and consumers have been encouraging. But we will have to see for a year to exactly say where the brand is, but have high hopes on that.
- Vishal Gutka:** Got it. Thanks. And madam, any guidance you would like to give on volume front? I can understand revenue and profit would be difficult for you. So volume front, what are you guiding for FY'26? Are we targeting high single-digit volume growth for FY'26?
- M. R. Jyothy:** See, volume growth, again, in the first half of the year, I think it will be mid single digit. But the next half of the year, we are optimistic about hitting double digit, at least toward the end of the year.
- Vishal Gutka:** Okay, great. Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Percy Panthaki from IIFL Securities. Please go ahead.
- Percy Panthaki:** Hi, sir. You mentioned that you have started recently some price increases in some of the categories. So just was confused because typically when the commodity cost goes down and

most of your cost would be linked to crude, which is actually coming down. So at that time, typically in the industry, there are no price increases which happen. So can you give an idea in which categories the price increases are happening and what is the reason behind the same given that the input costs are trending downwards?

- Pawan Agarwal:** I don't know from where you're getting the sense that input prices are coming down, at least from our perspective, the key inputs whether it is LABSA, it is soap noodles or SLES, these important raw materials, they are all showing an upward trend whether it is quarter 3 to Quarter 4, Quarter 4 versus last year Quarter 4 and even in the current period, current quarter we see an upward trend. In fact soap noodle prices year-on-year basis is 30%-40 % up, SLES is 40% up, still 12%-15% increase we are seeing in SLES. So there is an input pricing pressure at least from our perspective and in personal care, as I mentioned we did not take full price increase for the period in Quarter 4 and also in fabric care and in HI, in coil, we have taken some price increase, we are going to take some more depending upon the requirement because coconut shell powder again is going up. So we are seeing increase in input prices. So that is the background for our price increase.
- Percy Panthaki:** Understood. So soap prices are going up. That is well known on the back of palm inflation. But that's a relatively small part of your portfolio. The larger part, which is detergents, where basically it's mainly crude derivatives and dish wash also. Do you see an inflation there as well? And secondly, the price increases which you're talking about, those price increases are mainly in soaps or have you taken in other apart from soaps and coils, is there anything else also where you have seen a price increase?
- M. R. Jyothy:** So, Percy, it is like you said your soaps yes, it is to an extent it is there, and it may later maybe come down a bit, but your LABSA and your SLES is on the rise and it will continue I think till Q3, Q4 till at least Q3 I guess. So it's on an upward trend. It's nowhere coming down.
- Pawan Agarwal:** Noodle prices may probably come down at the end of quarter 1 or early Quarter 2, but others are, we are not seeing any signal of coming down of prices in other commodities.
- M. R. Jyothy:** Which has a direct impact on your fabric care and dish wash, both.
- Percy Panthaki:** Got it, got it. But then it's very surprising that in a situation where input prices are on the higher side, basically your implied pricing at overall portfolio level is negative. So how do I reconcile these 2 things?
- Pawan Agarwal:** Come again Percy.
- Percy Panthaki:** So I am saying in a situation where your overall input prices are seeing an inflation, your overall product prices as evidenced by the volume value gap are seeing a deflation. So how do I reconcile these two things?

- Pawan Agarwal:** See average realization in dish wash has come down because of the higher grammages, a little bit of impact is also visible in fabric care and these two factors and also now in personal care also, we have seen some impact over there. Now with the price increases, we are going to correct some of the gaps. It is a function of competition again. You know the kind of competitive moves which are happening in the market and we are observing them, watching it and then we are reacting to it.
- Percy Panthaki:** Got it sir. Okay. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Bhavdeep Vora from Franklin Templeton Asset Management. Please go ahead.
- Bhavdeep Vora:** Yes, thank you for the opportunity. My question is regarding the liquid detergent. Could you share some data, like, so how big is this category, maybe if not at pan-India level, at least in South India, or maybe the states of Tamil Nadu? What would be the kind of the breakdown between say powder and liquid detergent today if some idea around that would be helpful?
- Pawan Agarwal:** See, I mean these are our estimates. We believe that the washing powder and liquid detergent put together would be about Rs. 34,000-35,000 crore category, growing at about 6%-7% put together. Within that liquid detergent would be roughly 3000-3200 kind of category size which is growing at about 20%-25% year-on-year. That's our assessment.
- Bhavdeep Vora:** Okay, fair enough. Thanks for that. Just a follow up on that point. So, you kind of you mentioned that we have seen a fairly strong growth in the liquid detergent. I don't know whether you quantified the numbers, maybe I think 25% for the South India or something. But just when I was looking at the full year numbers, so, this year the EBIT margin for the home care, the fabric care has basically declined. So is it that this category is a bit margin dilutive at the moment or is it just a function of the overall competitive pressure in the industry? Maybe your comments on that would be helpful.
- Pawan Agarwal:** Sure, that's a very important observation. The overall fabric care margin in segmental, you see a slight decline from 24.2% to 23.6% this year. But within fabric care, we have main wash. Within main wash, we have detergent powder, we have detergent liquid, we have detergent bars, and then obviously in post wash, we have Ujala Supreme, Ujala Crisp & Shine and all of that. So mix plays a very important role because in terms of margin hierarchy, each of these subcategories carry a different margin profile and also the EBIT margin that you see is also is a function of our A&P spend. So we should not be reading too much in terms of the slight decline that you see in FY'25, but on a sustainable basis, I think fabric care margins are sustainable between 23%-24%.
- Bhavdeep Vora:** Sure, so is it fair to assume that the liquid detergent is not margin dilutive?
- Pawan Agarwal:** No, as of now it is, it is very much it is margin dilutive but again it's a growing segment but a small portion of the total portfolio. Liquid detergent certainly is not the best of margins that we

would love to have, but I think these are early times everybody including us everybody is trying to grow the market, but eventually the liquid detergent margin would converge to detergent powder margin in medium to long-term.

**Bhavdeep Vora:**

Okay, thanks. That's it from me.

**Moderator:**

Thank you. Ladies and gentlemen, we will take this as our last question. I would now like to hand the conference over to the management for closing comments.

**Pawan Agarwal:**

Thank you for your interest in Jyothy Labs. If there are any questions that we couldn't address today or if you need any further clarity, please feel free to reach out to me. Thank you so much. Wishing you all a pleasant evening. Thank you.

**Moderator:**

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