

January 23, 2026

To: 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>	To: 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 January 21, 2026.

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  
Q3 FY '26 Earnings Conference Call”  
January 21, 2026



**MANAGEMENT:** **MR. NAVEEN PANDEY – MANAGING DIRECTOR –  
BAJAJ CONSUMER LIMITED**  
**MR. DILIP KUMAR MALOO – CHIEF FINANCIAL  
OFFICER – BAJAJ CONSUMER LIMITED**  
**MR. AAKASH GUPTA – HEAD, FINANCE – BAJAJ  
CONSUMER LIMITED**

**MODERATOR:** **MR. ASHUTOSH JOYTIRADITYA – ICICI SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Bajaj Consumer Q3 FY '26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

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

**Ashutosh Joytiraditya:** Thank you, Sagar. Hello, and good evening, everyone present on the call. I, on behalf of ICICI Securities, welcome you on Bajaj Consumer Care's 3Q FY '26 Earnings Call. I would like to thank the management to give this opportunity of hosting the call. We have with us Mr. Naveen Pandey, Managing Director; Mr. Dilip Kumar Maloo, CFO; and Mr. Aakash Gupta, Head, Finance. I now hand the call over to Naveen for his opening remarks. Thank you.

**Naveen Pandey:** Thank you, Ashutosh. Good afternoon, everyone. As we are aware, at Bajaj Consumer Care, we operate primarily most of our business in the coconut oil and hair oil category, and that's close to a \$2 billion revenue size. Multiple times, people have asked this question as to how this category has been performing. And I would like to mention, as mentioned in the second slide that this category has been growing over the past 3 years with a volume CAGR of close to 4.5% and a revenue CAGR of around 8.2%. And this period was a tough period for the category.

As you would see, the macroeconomic headwinds have turned into tailwinds, and we are seeing good economic growth along with inflation at one of the historic lows, and this provides great tailwind and environment for the category and for our business as well. With that, I would like to welcome you for the call for the quarter. This quarter registered a strong growth for us across all segments, demonstrating early results of the action initiated by us towards improving our revenue growth and margin.

When viewed sequentially, you would see the significant journey we've been able to cover over the past few months. On a stand-alone basis, the revenue of the company stood at INR287 crores, registering a growth of 27% on a Y-o-Y basis. On a consolidated basis, the revenue stood at INR306 crores with a growth of 32.7%.

The gross margin on a stand-alone basis stood at 59.8% for the quarter, registering a significant improvement of 800 basis points on a Y-o-Y basis. The improvement in gross margin, as previously shared, has come on back of a mix of actions around strategic pricing, revenue management and mix improvement.

Consequently, EBITDA on a stand-alone basis for Q3 grew by 99% to deliver an absolute EBITDA of INR58.4 crores, which translated into an EBITDA margin of 20.4%. This is an improvement of 740 basis points over the same period last year and in line with our last quarter.

On a consolidated basis, our EBITDA grew by 109%, translating into a margin of 18.6%, which was again a 600 basis point improvement over last year. The stand-alone PAT stood at INR47.6

crores with a margin of 16.6% and the consolidated PAT was INR46.4 crores with a margin of 15.1%.

The quarter also saw a strong recovery in our general trade channel, which grew in line with the company. This performance came on the back of volume-led growth both in urban and rural segment. Both the key subchannels in urban, namely direct retail and wholesale have done well for us in this period.

As you are aware, the rural business where we were making significant changes in our coverage model had been muted in the first half of the year. However, as we've entered quarter 3, we have seen a strong revival in this channel. Having said that, this channel is relatively weaker as compared to our urban growth, and we are working on to ensure that it gets rural to its full potential.

Organized trade continues to perform well by registering a strong double-digit growth year-on-year in quarter 3. Within the organized trade, modern trade and e-commerce have performed well, whereas CSD and CPC channels were a bit muted. On international business, this quarter has continued to be challenged, and this overall business of international has been weak over the last couple of quarters.

This quarter, we declined mid-single digit on a Y-o-Y basis. Within that, the markets I would want to mention which performed better were Nepal, where we saw a revival in growth after geopolitical issues impacting revenue in the last quarter. And in Bangladesh, where we have taken a model correction, saw us sequentially grow over Q2 and also achieve operational breakeven.

Moving ahead, at a brand level, I'm very, very happy to share with you that Almond Drop Hair Oil has delivered a very, very strong value growth on the back of double-digit volume growth. We saw strong performance across pack groups. Our ASP spends for the quarter were up nearly 37% as against the same period last year.

What this meant was that we ensured that ADHO continues to operate on a very, very strong SOV/SOM ratio. Our aggression in digital spends ensured that we reach the digital and the new age audience across all significant platforms at a very high frequency.

On front of Coconut Oil, Bajaj Coconut witnessed a growth of mid-single digits in quarter 3. Over the past two quarters, we have taken a correction in our pricing and discount index against the market leader and have got it to a level which is sustainable. While this correction has led to a temporary volume-led impact for us, it has helped us achieve sustainable margins.

We also believe that most of this impact is now settled and behind us, and we should see revenues built up over time. Bajaj Gold Enriched Coconut Hair Oil, which was launched by us previous quarter, saw a very good response both from trade as well as consumers. Banjara, which was the brand acquired by us under Vishal Personal Care, also registered a very strong 15% year-on-year growth for this quarter.

Operating margins of this business also remained stable in mid-teens. Our integration plans are on line with internal time lines. And we have already integrated two states within South where we witnessed a very strong positive response to the integrated portfolio of Banjara's and Bajaj Personal Care being carried into the market. The integration for the rest of the southern states has already been initiated and would be complete over the next quarter.

On the front of input prices, we have seen LLP moving upwards over the last couple of quarters as against previous quarter. This quarter, the prices were up by 2%. However, in case of Refined Mustard, we saw a sequential easing of inflation with pricing -- prices declining by around 5% as against previous quarter.

On Copra, we have seen significant softening of prices as against quarter 2 and we expect that in the coming months, Copra should ease a bit further. The rest of the basket, except of Copra, is likely to remain range bound. Thank you for your attention. Back to Sagar for the questions, please.

**Moderator:** Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Abneesh Roy from Nuvama.

**Abneesh Roy:** Congrats on extremely good set of numbers. So Naveen, two quarters, previous quarter, you delivered 10-quarter high revenue growth and this time, even more explosive. So second question is what is the sustainable growth rate given Q3, there was a GST transition impact. Some companies saw pent-up kind of a pipeline filling in Q3 also.

So is that helping? So would you expect a slower growth rate, say, in Q4 and Q1? That is my first question. And second, margins, last two quarters, 18%, very sticky kind of margins, EBITDA margins. Where do you see the journey towards higher margins? That's first question?

**Naveen Pandey:** So Abneesh, thank you. First of all, regarding your question regarding pent-up demand from quarter 2 or the price, see, we had -- even in quarter 2, we had said that on quarter 2 base, we had possibly estimated an impact of around 2 to 3 percentage of growth, which would mean on those numbers anywhere between around INR5 crores to INR7 crores kind of a number would have happened.

Now if you carry it forward and look at it on quarter 3 numbers or going forward, it is not a material impact, and I don't think so we should be too worried about it. Having said that, obviously, when you are in the high-growth trajectory, you can't really predict to the decimal point.

But yes, we are working towards and all our actions are designed to sustain a higher level of growth than what we witnessed in the past, and that is what our endeavor would be. Second, moving on to margin question. I think as we had shared earlier a couple of quarters back, there have been a lot of actions which have been taken in -- not just in the last 3, 4 months, but over a period of the last 7, 8 months, 9 months, which have kind of cumulated into a set of margin improving in.

And there is a certain amount of improvement, which has happened because of actions, which I would say are lower line fruits or which are quicker delivery on margins and we have seen that. We will see further improvement on margins gradually and slowly. Our aspirations on margin profile is higher, but the next set of movement will come in gradually rather than more major.

**Abneesh Roy:** Sure. Naveen, one follow-up on the demand side. So, we are seeing the other -- obviously, the big daddy of hair oil. Marico report very strong VAHO numbers last few quarters. Even Dabur is doing reasonably well and now you are also doing well. So, is this an industry wide large company revival in hair oil or is it every company has its own reason?

And second is your base was very soft last year. So general trade was extremely challenging last year. So my question is, in terms of strategic changes, which you want to do or have done given last 5 years for the company was very difficult, and you had a lot of new ideas given the Marico kind of background. If you could tell us from a strategic input change, what all has happened, which are the ones you are happy with, which are the ones you are not that happy? That is my next question?

**Naveen Pandey:** I think, Abneesh, I will start by saying that we have a fantastic team here at Bajaj. So it's not Marico idea of being copy pasted here. I think we are doing our own job, and I'm proud -- extremely proud of what the team has been doing. But in terms of the category, yes, there is a certain amount of buoyancy in the category which we see. And that would translate into most of the brands which can get their act right benefiting from the same.

So yes, there is a better consumption momentum, which seems to be there in the environment, and that is coming into play. With regards to us, we've been very focused. I think we've been focused on our core brand ADHO. We've invested back a lot of margins in terms of our advertising, which you see us committed and focused on that. And I think that is something which is working for us. And we intend to continue our endeavors on that same and see that -- take it forward.

**Abneesh Roy:** Sure, last question. Copra from the peak, how much has the correction been? And both you and Marico do expect more correction. So what will be your view on how the crop is -- how much can be the correction? And related question is, you have been saying that you want to focus on the core, which is ADHO. Given overall company is doing well, ADHO is doing well and Copra is correcting.

Would you like to also now focus a bit more on coconut versus your initial plan given there is a raw material cushion, there is an overall buoyancy in the market. Any change in the plans for coconut where you want to be now a more rational player rather and focus more on the core of ADHO. So, any change there?

**Naveen Pandey:** So first of all, Abneesh, I think market is expecting the sequential correction over this quarter and then the subsequent. How much of it will come in this quarter, how much will come next quarter, I think is speculation, possibly, I'm not best suited to answer that. But yes, the crop seems to be good, and we are going to expect a price correction.

That is what is seeming to be most likely. What we have done is that we were operating at a certain indexation to the market leader by offering a certain higher benefit to the consumer and trade. We have got ourselves aligned to what we believe is sustainable, which will allow us to operate profitably in this category and invest behind our brand.

I think we've, by and large, tweaked ourselves to get to that position. With this, yes, we will have aspirations to do well, but our aspirations would be not by cutting prices and doing more, but would be to build in the right way and to gain a fair share in the market. So we will -- yes, we will -- while we focus on ADHO, we will also focus on coconut, but it will not be a price led route. It would be more a brand-led route, which we will take to build the business.

**Abneesh Roy:** Thanks. That's all from my side. Thanks a lot.

**Moderator:** Thank you. Our next question comes from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

**Rehan Saiyyed:** Good evening, good day and thanks for giving me the opportunity. Am I audible, right?

**Moderator:** Yes, sir, you're audible.

**Rehan Saiyyed:** So just first, my first question is around I want to get the understanding regarding the productivity of your Aarohan sales. So can you have seen 25% to 40% increase in outlets in the Aarohan states given this massive expansion physical trade. So why is the non ADHO portfolio growing at a mid-single digit. [inaudible 0:15:54] to focus on the flagship trends and what is the specific timelines for this new orders to start contracting to the rest of the Aarohan and Banjara portfolio.

**Moderator:** Sorry to interrupt. Rehan sir, your audio was slightly muffled. If you are using a speaker phone, may we request you to use the handset. And management if you can please confirm if you were able to hear the participant.

**Naveen Pandey:** Yes. I think I heard Rehan. Let me try and answer Rehan's question. So Rehan, first question is the way we measure Aarohan. Aarohan is nothing, but our attempt in terms of building a solid direct distribution system. And we've been doing that both by looking at adding new outlets in urban as well as changing our go-to-market in rural and getting -- going more direct there.

So that exercise, we have seen in the states where we operate, we've already seen anywhere between 25% to 40% addition of outlets in terms of those states. And at an overall level, we've added more than 10% outlets to our direct reach. Coming to your question on why is it helping ADHO more than the other portfolio, I think that's the question on what we are focusing as a portfolio.

And it has not focused -- it has not benefited as much on coconut because we've also taken a strategy of correction and we have changed our market inputs behind that brand. Over a period of time, direct distribution will help us not only benefit the sales of the top brand, but will also help build the overall portfolio range in an outlet. And that is something which would be a long-term benefit you will see accruing to us. I hope I've been able to answer your question.

**Rehan Saiyyed:** Yes. Fair enough. And my second last question is around the international business that you are facing structural challenges. So you have this in a recurring scheme of unstable go-to-market issues, partly in GCC and Africa where revenues fell 6% given that the distributed transition in KSA is only now behind you, so what's structural changes are being made to ensure this business continue to act and attract on a consolidated growth? So are these issues purely operational or are we facing a fundamental brand [inaudible 0:18:20] specific geographies?

**Naveen Pandey:** I don't think so the issue is brand relevance or brand. I think the issue is more partner choice go-to-market people on the ground. And those are some of the fundamental corrections. See, in a direct market like India where you are operating with your own teams, it's far easier and far quicker to sometimes influence and make changes around this.

In markets where you're working with country distributors, some of these changes have to be done more gradually and you have to work with partners to get the changes done. So that's where it is going to take a bit more time. But we are confident of what we are doing and we hope we will get there in the next subsequent couple of quarters.

**Moderator:** Thank you. Your next question comes from the line of Amit Purohit from Elara Capital.

**Amit Purohit:** Just on the growth in the standalone business, I was trying to understand, last quarter, we saw much of the growth was price led and the volume was probably flattish, if I'm not wrong on the ADHO. And this quarter, we are talking about a good double-digit growth. What would be the price increase we would have taken in ADHO from YTD? And what would the price growth on this?

**Naveen Pandey:** So overall, as you would remember, we talked about that last time the difference was close to a double-digit kind of a number, and that is a result of not just price increase, but also price and mix change and revenue management activities, which we have done, which is the spread between what you will see as the revenue growth and the volume growth. So we would not want to further bifurcate into how much comes from this activity because I think that will be too sensitive.

**Amit Purohit:** Okay. But is that -- when I look at the other segments like coconut or even for that matter international business, so is it -- I mean, you talked about double-digit, but would ADHO be like high teens kind of a growth rate for us to achieve this kind of a number? Or would it be mid-teens? If you can just give a number on that...?

**Naveen Pandey:** I'm sorry, it's not high teens for sure. But Yes, beyond that, let me just restrict myself.

**Amit Purohit:** Sure. And just on the margin side, I mean this quarter itself, we have done pretty well, one on the growth side as well as obviously the leverage has helped us to improve our margin little bit, but then the outlook when you look at say, beyond FY '26 and how do you think this new strategy of GTM would probably -- when do you think that this will get completed maybe in FY '27, would it be first half of FY '27? What is the time line of this?

**Naveen Pandey:** Your question is on Aarohan?

**Amit Purohit:** Yes, yes, Aarohan.

**Naveen Pandey:** There would be some parts of the exercise which will get concluded. For example, we've concluded for a few states this year. We will pick up the balance states and do that in next year. But then some part of the exercise like direct distribution expansion is something which is ongoing. So it's not that it will get over in a year, but we will keep on sequentially working and improving from where we are to the next level of maturity and next level of depth in the outlet. So that will be an ongoing work.

**Amit Purohit:** Sure, sure. And so large part of this growth, would one, you indicated some consumer uptake and also because our focus on Aarohan and GTM operation, that is working well for us across channels, right? Is that what...?

**Naveen Pandey:** Yes, that's fair to say.

**Moderator:** Our next question comes from the line of Naitik from NV Alpha Fund.

**Naitik:** Congratulations on a very good set of numbers. So my first question is if you could highlight what is the number of direct outlets that we have as on date?

**Naveen Pandey:** We broadly do around 6 lakh outlets basically urban plus rural put together as a direct coverage.

**Naitik:** Got it. And any ballpark number that we are looking at adding next year to this?

**Naveen Pandey:** See, Naitik, our stated point of view has been that we want to expand around 10% coverage every year and do it year-on-year for the next 4 years to 5 years. I think that's what our committed strategy is. Now obviously, it might not be spread equally across every year. We might do a bit more in 1 year and a bit less in next year.

**Naitik:** Got it. And sir, my second question is apart from this programs where we have increased our distribution and some buoyancy in the demand sentiment, is there anything else or any action that you would like to highlight which will help us sort of get the strong growth?

**Naveen Pandey:** Sorry, I was not able to hear you. Can you please repeat?

**Naitik:** So what I've understood, 2 key reasons for the growth is one, our efforts on our own program increasing the direct reach. Second is you will see in the centered sentiment. So apart from this, anything else that you would like to highlight which will help to sustain growth?

**Naveen Pandey:** See, our growth, which have been there, if you're wanting to understand why we have grown, very simply, we put in -- we focused on our brand. We put in efforts behind distribution. We have invested behind the brand in terms of advertising, keeping the media spends up and our overall strategy execution has helped us get there. I think that's the way I would state it.

**Naitik:** Got it. And sir, my last question is, if I were to understand year-over-year organic growth, would it be fair to assume 20%, 23% would be the organic growth that we have achieved? If I were to -- as in Vishal -- for the base quarter would not have Vishal Personal Care right?

**Naveen Pandey:** Stand-alone, basically, Vishal is not there. If you were to remove Vishal's roughly around INR15 crores of revenue from the consolidated number and recalculate, you will get the number which comes in.

**Moderator:** The next question comes from the line of Deepak from Unifi Capital.

**Deepak:** So firstly, I would want to understand the product mix between ADHO and non-ADHO currently. Since you are focusing more on the ADHO category, how is the product split today versus what it was earlier? That is the first question. And the second question relating to ADHO is that we already hold a high market share in that category. So what are the strategic levers left for us to tap on so that we can grow higher than the industry growth rate?

**Naveen Pandey:** Thank you, Deepak. Broadly, what I can share with you is that our ADHO, non-ADHO mix, if you were to look at the other portfolio and ADHO portfolio, you can use the thumb rule of 80-20. Beyond that, we don't give very specific numbers, but 80-20 if you were to use, will buy on that rule. Second, coming in terms of sorry I missed the question? Your point was on category and growth and how...?

**Deepak:** Yes. My question was that we're already the leader in the category. So how much -- what are the levers left for us to grow beyond the category growth rate?

**Naveen Pandey:** Thanks for reiterating. The way we look at it is that we are playing in the larger hair oil plus coconut oil space, which is being used by the consumer for their needs. We don't see ourselves necessarily as a player only within light hair oil. And hence, we have significant headroom of growth in acquiring consumers in this larger space. So we have a lot of headroom to win new consumers and that is what our endeavor is going to be. We don't necessarily see ourselves only as a player in light hair oil.

**Deepak:** Okay. Got it. And sir, second thing that I wanted to check in the non-ADHO portfolio, which is 20%, the bulk of it would be coconut oil. Is there any new product that you're thinking of introducing or existing products which can scale up in a big way under the Bajaj brand. Should we hear from you on the new categories anytime soon? And if so, then how big can those categories be?

**Naveen Pandey:** So Deepak, coconut is the next sizable, but it is not all of 20%, first of all. We have brands within this portfolio, which have the potential of growing much bigger. We've also acquired Vishal Personal Care, which brings in the Banjara brand into our portfolio, which I believe has a significant scale-up opportunity. And we will also launch some products, which unfortunately, I can't talk to you about until they are launched.

So you will see innovation from us, but you will see calibrated innovation and space out innovation, which will come in quarter at a time wherein we believe we have opportunity to scale up that innovation and make it bigger. So you will see actions from us on that front, but gradually.

**Deepak:** Okay. Sir, lastly, if you can touch upon the channel mix of our company between general trade, modern trade and also the geography split urban, rural. What I want to understand here is, firstly,

the mix between channel and geography and also the actions that you have taken to correct the channel level and geography level wrong doings that had been in the past, the actions that you've taken channel wise and geography-wise, both?

**Naveen Pandey:** So see, we've -- in general trade, we started our work on making certain corrections quite a while back, and we've also suffered pain for it. People who have been tracking our company for a while would know that we started doing certain corrections in wholesale 3 quarters back. We've started our work on our own close to around a year back. What you're seeing is the culmination of all of those works coming in together and kind of working for us at this stage.

With regards to the question around what is the mix of business, broadly, what you can use at 70-30 for general trade, organized trade. And if you were to take a split within general trade, you can take a 50-50 split between rural and urban. Those thumb rules would be broadly okay for you.

**Deepak:** Understood. And sir, given the disturbance the company used to face due to the wholesale channel and also the rural geography, has all of those issues been solved? Or should we expect any further more corrections to happen in the subsequent quarters?

**Naveen Pandey:** I find that very difficult to answer as certain amount of issues are like a person's health. You have to continuously work on keeping yourself healthy. That is the same way as for a distribution organization. It's not a static thing. You have to continuously work on. But yes, what I would want to give you confidence on is that a lot of work has happened over the past few quarters, and we feel very happy and confident where we are.

**Deepak:** Understood. No, what I wanted to -- why I was asking the question is that -- my assumption was that it could be a structural issue. But by the way you're saying it seems to be like a cyclical thing and hope it recovers soon.

**Naveen Pandey:** So we've done a lot of work already on rural. I don't think so there is something which is there. I think a larger part is where I think the qualification comes in more verified more than anything else. I think in absolute, our rural numbers, our urban numbers, our direct numbers, our wholesale numbers, all in absolute are very good.

But when you look at it and compare to the market commentary, most of the companies are indicating that rural performance is better than urban. And I think that is not there in our case. I think that's the only call out being given to you. Beyond that, there is no problem which is being highlighted or nothing else which is being indicated.

**Moderator:** Our next question comes from the line of Percy from IIFL.

**Percy:** A couple of questions from my end. Firstly, on the growth that you have shown, congratulations on that, very good growth this quarter. But just wanted to understand how much of it is like new outlets that you have reached for the first time and you have placed the merchandise? And how much of growth is coming from that?

And how much do you think is coming from actual consumer demand? Of course, exact numbers on this are not going to be available, but whatever sense you have from the market understanding, that would help on that. That's my first question, Naveen?

**Naveen Pandey:** So Percy, always a large amount would be consumer demand because if you will recollect, we have a reach availability to 4.5 million outlets. So even when we are going direct and we are reaching the outlet, what is happening is that we are executing the range better. It's not that we are making our product available for the first time.

So it will be very, very difficult to determine that in the outlets, which we are directly reaching for the first time, what was the earlier business they had from wholesale and hence, what is the net contribution, I think, would be very difficult. But yes, there would be some improvement, which would be coming of that. And...

**Percy:** Because, Naveen, the reason I'm asking is that, I mean, we've had a certain trajectory of growth, not only Q2, but even before that, I'm not going back too far away where the performance was really bad, but in the recent couple of quarters, we had a certain growth trajectory and now it has really accelerated very materially from that this quarter. Just trying to understand what is the reason?

Like have we put in some new ad communication, which has been a real big hit or I mean, we have taken prices up, so that cannot be a reason for the volume growth acceleration, if at all, it can only suppress. So just trying to understand what can I hold sort of accountable for this huge acceleration that we've seen this quarter?

**Naveen Pandey:** A lot of work which has happened over the past few quarters on both brand and distribution.

**Percy:** Okay. Okay. Because it's just that it's come very suddenly. It's not been a gradual ramp-up. That is why I was asking because if it has been over a few quarters, then we should have seen a partial impact of that in Q2 also, which we did not, I mean even adjusting for the GST issues?

**Naveen Pandey:** Sorry for surprising you, Percy, but I don't...

**Percy:** No, it's a pleasant surprise so that's okay.

**Naveen Pandey:** We can micromanage outcomes to this level. We've been -- the team has been working the best they can. And I think it's been a happy quarter for us as well.

**Percy:** But the confidence of double-digit growth going ahead is there, right?

**Naveen Pandey:** Yes.

**Percy:** Okay. Second question is on portfolio. So when we had last met, you had basically said that you would make the portfolio more focused. Of course, ADHO and coconut would be the 2 things. But out of the remaining 7, 8 different things you have, you might choose only 1 or 2 and defocus the rest. So one is, can you give a clearer idea of how you plan to play the portfolio? And second is that we already have so many products in our portfolio.

Actually, it's a problem of plenty with many of the small products sort of contributing to a very small tail but large in number of SKUs. So in context of that, I was a little surprised when a few minutes ago, you said that there are some more product launches in the pipeline. So can you just comment on these 2 things, please?

**Naveen Pandey:** So, Percy, I think, by and large, from a strategy perspective, I think we are very happy where we are on ADHO and coconut. I think, by and large, going forward from here, you will only see 2 weeks of strategy around this and bulk of the heavy lifting on what needed to happen on these 2 portfolios has happened. On the rest of the portfolio, I think we have to do our work.

And as and when we are ready and we have actioned that work only then we'll be able to come back and tell you of what choices we've made and how we are looking at going forward. The products which you might see us additionally, which might come in would also be thought through, and they will come in, in specific opportunity areas where we believe we can optimize.

Let me take an example from hindsight. While we are focusing and getting our price indexation on coconut, right, as we have seen the opportunity, we've also come up with an enriched coconut oil, which we were not doing before. So, we found that opportunity, and we have launched that product, and we feel good about it.

So, I think there would be opportunities which will come across, and we have some of them in mind wherein we will introduce new products while we continue to optimize our strategy on the current portfolio.

**Percy:** Sure. And any time line as to when clarity can emerge on the rest of the portfolio as to what you plan to do with it, whether you will select any of them to be a focus or whether you will sort of phase them out? When do we expect that clarity?

**Naveen Pandey:** Over the next 2, 3 quarters, we will start seeing most of it happening Percy. As and when we do the changes, we will obviously talk about it. So, when the changes are happening, we will talk about it once they've happened. But you should see more clarity emerging on the balanced portfolio over the next 2 to 3 quarters.

**Moderator:** Our next question comes from the line of Abhijeet Kundu from Antique Stockbroking.

**Abhijeet Kundu:** Great set of numbers and very strong outperformance. My one question was that the decline in -- post the GST revision, the decline in duties, there would have been some correction we must have taken in ADHO, right? I mean, sequentially, there must have been some correction or grammage increase, something of that sort, right? That must have also helped, I mean, to drive overall demand.

**Naveen Pandey:** So, some facts, yes, Abhijeet, for example, like the INR1 sachet, we couldn't have made it whatever INR0.89. So obviously, there has been a grammage increase, an average increase in that pack, and that does support a little bit in terms of extra volume. So yes, to that extent, on packs where there have been grammage additions because pricing interventions were not feasible or possible, there is a positive volume tailwind because of that action as well.

**Abhijeet Kundu:** And on the big packs also, there would have been some correction in prices, I mean, sequentially because you had taken -- earlier, there were price hike. So that would have also played out, right? I mean that is the reason why overall volume growth has also been pretty strong.

**Naveen Pandey:** Yes. That plays out more in terms of -- so there are packs where in like INR1, INR10, where volume would have been a plus. And there are packs where revenue would have been actually neutral because in those packs, you would have passed on a reduction in consumer pricing to the extent of the duty reduction and hence, the net revenue impact would be nullified on those packs.

**Abhijeet Kundu:** No, no, I'm just saying that, that would aid demand, right, consumer demand. I mean, because of the lower prices, some amount of consumer demand must have been activated.

**Naveen Pandey:** I think if you look at it, there has been a positive impact because affordability and the net value to the consumer gets enhanced, and that obviously helps the consumption sentiment, if that's the question. Yes.

**Abhijeet Kundu:** Yes, yes. That's the question. And in your presentation, you have given about the activations that you have done in Maharashtra. So it takes some time. It doesn't happen, but there is a good amount of -- so do you see a good amount of potential in Maharashtra to really scale up ADHO because ADHO has been more of a East Central India phenomena. So here also, you see that kind of potential to scale up, right?

**Naveen Pandey:** So Maharashtra is an extremely large market in terms of hair oils plus coconut oil and is obviously of interest to us. But what is even more salient is that around Diwali, which is a local celebration in Maharashtra called Abhyang Snan, which is the auspicious bath before Diwali, ADHO has historically been part of the ritual.

And that is an occasion which gives us great consumer traction and affinity. And we have been very focused on building on that consumer affinity to rather build an overall stronger portfolio and presence in Maharashtra, and we are committed towards building that gradually.

**Moderator:** Our next question comes from the line of Naitik from NV Alpha Fund.

**Naitik:** So my question is you mentioned that we have improved our branding -- advertising and branding efforts. So I wanted to understand, are we spending or have we increased the percentage spend of sales or it has been more effective or what exactly have we changed?

**Naveen Pandey:** The answer is both. We've given you the detail of increase in terms of the advertising ratio. If you'll see there is broadly close to a 100 basis point increase in our overall advertising spend on an increased base. And hence, if you were to look at it from a growth perspective, it's close to around 37% increase in the ASP spend.

Besides that, we've also been very focused about on which brands to communicate. And hence, on the brand and the places where we want to communicate, the impact would be even more amplified. So yes, it's a combination of both more focused spending and higher amount of absolute spending.

**Moderator:** Our next question comes from the line of Mihir Shah from Nomura.

**Mihir Shah:** Congrats on a great set of numbers. Very happy to see the growth and the margins coming back after a long time. Naveen, I'm just still quite positively surprised with the numbers. If you can just help us dissect them a little more clearly. If you can share the pricing and the volume growth overall for the quarter? That's point one. Point two is what is the distribution increase that you have taken which is driving this kind of growth?

And point three, in your Slide 10 where you highlighted that coconut hair oil portfolio grew in high-single digits value, non-ADHO grew in mid-single digits. So which means that, give or take, the ADHO portfolio would have probably, I mean, grown in closer to like 30-odd percent to come to the 27% growth. So would that understanding be correct? And then I have a few follow-ups.

**Naveen Pandey:** So, Mihir, thank you for your question. What I can tell you is, yes, ADHO has grown in 20s. What we have already disclosed is that the volume growth is double digit. The rest, you can try and dissect. We've said we will not give more details than that. The second part of your question around what has helped driven that.

Again, we've said that it's been a culmination of both focused spending on advertising and a higher level of advertising behind the brand as well as our effort on distribution, which has helped us achieve that. On distribution of your question specifically, we've already told that we aspire to add 10% direct coverage to our base every year. We have already achieved this target for this financial year. We've already done that. And I think that is the best level of info I can share with you.

**Mihir Shah:** Okay. So I heard the 10% future, but I thought probably it would have been a significantly higher distribution increase...

**Naveen Pandey:** We've already crossed that number is all I can say.

**Mihir Shah:** Got it. Specifically to coconut, a high single-digit growth because if you see the coconut hair oil prices and the pass on that you would have ideally done and even with the volume impact, we are seeing the other larger players seeing significantly different growth of closer to like 60% or so. So where is the disconnect in my understanding with that brand versus this one?

**Naveen Pandey:** I'm sorry, I'm not clear. What is that you're specifically asking me? Are you saying -- are you asking me a question whether our coconut has declined volume? Are you asking a question of -- what is exactly are you asking? I'm not very clear on that.

**Mihir Shah:** So there seems to be a significantly stark difference in the growth profiles of Bajaj Coconut portfolio versus the market leaders growth that we see. They're growing at closer to 60-plus percent versus...

**Naveen Pandey:** Yes. There is a significant gap in the profile. We have taken corrections in terms of our pricing. We were operating at a certain discount to the market leader by offering better value to both consumer and trade. We have reduced that difference of pricing between us and the market

leader. And that has resulted in our revenue growth being much lower. And that's a conscious correction which we have taken. We have called that out in our commentary.

**Mihir Shah:** Understood. Okay. Okay. And that would have supported the margins, but the significant expansion on margins also given the exposure to the brand is quite less. So how should one understand the expansion on the margin front?

**Naveen Pandey:** Our margins are, by and large, same as last quarter.

**Mihir Shah:** Yes. But before that, they were sequentially lower.

**Naveen Pandey:** Sequentially. So there is no major massive incremental action which has happened on the margin this quarter against last quarter on margin front. We were working on these margins. We have sustained those margins in this quarter as well. In fact, if you were to look at it with the kind of revenue growth, we've invested back at a higher level of advertising and still sustained margins.

**Mihir Shah:** Understood. Got it. And the new launches that you spoke about, given the margin profile for ADHO has been significantly higher historically, would you say that the new launches will also be at a similar margin profile? Or will they be anyway dilutive, but it will give you better growth, so that should take care of. So how should one think about new launches margin profiles going forward?

**Naveen Pandey:** On a medium- to long-term basis, we would still aspire to improve our margins from the level where we are. And I think that is something which we've outlined. And hence, as and when we launch products, we would be cognizant of that as to how the overall mix plays.

**Moderator:** Your next question comes from the line of Harsh Shah from Bandhan AMC.

**Harsh Shah:** Am I audible?

**Moderator:** Sir, you're sounding a bit muffled. If you're using a speaker phone, may we request to use the handset please?

**Harsh Shah:** Okay. Am I audible now?

**Moderator:** This is much better, sir.

**Harsh Shah:** Sure, sure. So, Naveen, my first question was, could you explain if there is any difference between the primaries and secondaries for us this quarter?

**Naveen Pandey:** No. No difference.

**Harsh Shah:** No. Okay. Okay. And secondly, in terms of mix between the packs, right, however you define small packs and big packs, has the salience changed meaningfully, let's say, compared to last year?

**Naveen Pandey:** Marginally. I would not say very, very substantially. But yes, there are marginal changes.

**Harsh Shah:** I mean directionally, how much -- I mean, has the salience of large packs gone up?

**Naveen Pandey:** I think it's too specific a question for me to answer. But I would say, by and large, we have a certain mix. That mix has changed a little bit, but there's not a heaven and earth change in the mix.

**Harsh Shah:** Okay. But directionally, you would want to go more towards the large packs. Is that understanding correct?

**Naveen Pandey:** Let me say our endeavor would always be to ensure that the more profitable pack grow a bit faster.

**Moderator:** Your next question comes from the line of Pallavi from Sameeksha.

**Pallavi:** Just wanted to understand, is it the -- I mean, the third quarter, the category of light oils, has that basically kept -- was that in line with our growth for the category as a whole? Or was that the kind of growth the category saw? And my second question would be on the ad spend, if you could share a bifurcation between ADHO and non-ADHO, the ad spend.

**Naveen Pandey:** Pallavi, apologies, I can't share you more granular detail than that. But yes, all I can say is that ADHO -- the overall spend on ADHO is higher than our ad spend increase. So ADHO has seen a higher allocation as compared to previous quarters. I think that is something I can share. Beyond that, I can't give you granular detail.

Rest of your question on how we have done against the category. You would again see that we've noted that we have gained volume market share, and we continue to be on an upward trajectory, which means that our volume growth is ahead of the industry. And I think that is the sense which we have.

**Pallavi:** Right. Sir, this market share, sir, as the category as a whole has also gained share is what I was trying to understand over in the overall oils mix?

**Naveen Pandey:** I'm saying market share, I'm talking about market share in the overall air oiling category, not within light oil. We have gained higher share within the overall hair oil category.

**Pallavi:** Right. No, sir, I was trying to understand only the light oils category versus the total oils for the category as a whole, not for Bajaj Consumer. Has that category gained share over the total oils category?

**Naveen Pandey:** Sorry, it's not top of mind for me.

**Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Naveen Pandey:** Thank you so much, everybody, for your questions and for listening to me. I would like to reiterate that at Bajaj Consumer Care, we remain focused on strengthening our brands through enhanced advertising and digital spends and through our strategy of continued distribution expansion. We would also launch meaningful innovation over a period of time and build our

capabilities to drive the next level of growth. Thank you for attending the call. Have a great evening.

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