



7th February, 2023

The Manager - Listing
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Scrip Code: EMAMILTD

The Manager - Listing
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 531162

Dear Sirs,

Sub: Transcript of Earnings conference call

With reference to our letter dated 5th January, 2023 regarding intimation of Q3FY'23 Earnings Conference Call, post declaration of Unaudited Financial Results of the Company for the Third Quarter ended 31st December, 2022, we are enclosing copy of transcript of the said Conference Call.

The aforesaid documents are also made available on the Company's website at www.emamilttd.in.

This is for your information and record.

Thanking You,
Yours sincerely,
For Emami Limited,

Ashok Purohit

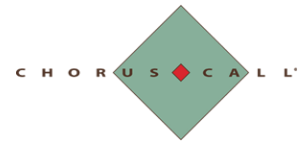
Dy. Company Secretary

Encl: a/a



“Emami Limited
Q3 FY '23 Earnings Conference Call”

February 03, 2023



MANAGEMENT: **MR. MOHAN GOENKA – VICE CHAIRMAN & EXECUTIVE DIRECTOR – EMAMI LIMITED**
MR. VIVEK DHIR – CHIEF EXECUTIVE OFFICER – INTERNATIONAL BUSINESS – EMAMI LIMITED
MR. VINOD RAO – PRESIDENT SALES – EMAMI LIMITED
MR. GUL RAJ BHATIA – PRESIDENT – HEALTHCARE– EMAMI LIMITED
MR. RAJESH SHARMA – PRESIDENT - FINANCE AND INVESTOR RELATIONS – EMAMI LIMITED

MODERATOR: **MR. PERCY PANTHAKI – IIFL SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Emami Limited Q3 FY '23 Earnings Conference Call hosted by IIFL 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, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Percy Panthaki from IIFL Securities. Over to you, sir.

Percy Panthaki: Hi. Good evening, everyone. From the management, we have Mr. Mohan Goenka, Director; Mr. Vivek Dhir, CEO, International Business; Mr. Vinod Rao, President, Sales; Mr. Gul Raj Bhatia, President, Healthcare Division; Mr. Rajesh Sharma, President, Finance and IR. So, without further ado, I'll hand over the call to Mr. Mohan Goenka, who will take us through the result.

Mohan Goenka: Good evening, ladies and gentlemen. I thank you for joining us today. I welcome you all to this conference call on Emami's result for the third quarter and 9 months ended FY '23.

During the quarter, demand patterns for the FMCG sector remained sluggish, with rural markets experiencing continued demand pressure. Further, a warmer winter season across the country impacted sales even more. However, December witnessed a moderate rebound in demand with easing of inflation.

In the given macroeconomic context, our overall net sales at INR 975 crores grew by 2% and revenues at INR 983 crores grew by 1% in the third quarter of this financial year, which translates into a healthy 3-year CAGR of 7% compared to the pre-pandemic period. Our domestic business grew by 1% during the quarter, translating into a 3-year CAGR of 6%. Domestic volumes, however, declined by 3.9% in this quarter.

The Man Company, which became our subsidiary with effect from 1st July '22, contributed 2.8% to our overall net sales during the quarter. Our NPDs, including digital-first launches, also performed well, contributing around 4% of domestic net sales during the quarter.

Coming to our brand-wise performance. Healthcare range grew by 2%, 7 Oils in One grew by 5%. However, BoroPlus range declined by 3% due to a warmer winter. Pain Management range declined by 2%, Kesh King by 1%, Navratna declined by 6% and Male Grooming range declined by 1%.

However, if we look at a 3-years CAGR, Healthcare range grew by 8%, 7 Oils in One grew by 13%, BoroPlus grew by 5%, Pain Management range grew by 6%, Kesh King grew by 4% and Male Grooming range posted marginal growth. While rural markets remained muted, urban-centric new age channels like modern trade continued to grow strongly by 20% and e-commerce by 45% during the quarter. Our D2C portal, Zanducare, also continued its growth trajectory, led by digital-first launches.

The contribution of e-commerce channel increased by 260 basis points to 7.9% and modern trade contribution increased by 200 basis points to 10.5% of the domestic revenues. Both modern

trade and e-commerce put together now contributes to 18.4% of domestic revenues against 13.8% in quarter 3 last year. During the quarter, our new and digital-first launches have also performed well in these new age channels, contributing 14% of sales in modern trade and e-commerce.

Our international business grew by 7% during the quarter, translating into a 3-year CAGR of 13% in spite of several key markets facing challenges like currency depreciation in Bangladesh, economic crisis in Sri Lanka, forex and liquidity crisis in Nepal, and ongoing political conflict in CIS countries, et cetera. The growth has been mainly driven by strong performances in markets of MENA, CIS, Bangladesh and Southeast Asia.

During the quarter, our gross margins at 65.9% contracted by 150 basis points due to inflationary pressure and favourable portfolio mix last year. Our EBITDA at INR 294 crores declined by 14% over previous year. However, profit after tax at INR 237 crores grew by 8% over previous year.

In line with our guidance shared in the last con call, we believe this would be the last quarter for margin contraction. With moderation in inflationary pressure, we expect expansion in our gross margins and EBITDA margins in the fourth quarter of this financial year. Hence, for the full year, we expect our EBITDA margins to be in pre-COVID levels, that is around 27% for our core business. Further, the Board of Directors have declared a second interim dividend of 400% that is INR 4 per share for FY '23 at today's board meeting.

I'm also pleased to inform that we have appointed Mr. Giriraj Bagri as the Chief Growth Officer to take forward our new brands, innovation, strategic investments and other growth opportunities. Mr. Bagri is an MBA from XLRI Jamshedpur and has served as the CEO of Raymond FMCG and CEO of ITC Foods division in the past. He has also worked in many consumer companies like Colgate, Palmolive, Kraft Heinz, et cetera, in senior positions.

Going ahead, the macroeconomic environment is expected to improve with inflation easing in December and the anticipated stimulus of the union budget should hasten the industry recovery. The upcoming quarter looks promising for the industry due to declining commodity prices, higher crop realization and continuous government interventions.

On the industry front, we do believe that going forward D2C and e-commerce would play an important role in the future growth strategy of the FMCG business with omnichannel distribution. We plan to be present in these emerging channels of growth, the foundation of which we have already started building through many of our strategic investments in the new age companies in recent past.

With this brief, I now open the floor for Q&A. Thank you.

Moderator:

The first question is from the line of Prakash Kapadia from Anived Portfolio Managers Private Limited.

Prakash Kapadia: A couple of questions from my end. You mentioned in your opening remarks about inflation coming off a bit. So how does demand look like? What is the sense we are getting on urban and rural demand? Because currently, year-to-date, we see most of our power brands have shown either muted growth or no growth in some cases because of the adverse winter. So what do you think will drive growth for us in '24?

And specifically on Kesh King, again, it continues to be volatile. And on Healthcare now we have a favorable base. So is there visibility in terms of new product launches and growth coming back on the Healthcare side? These were some of the questions.

Mohan Goenka: So Prakash, the demand, as I said, still seems to be a little muted. The month of January, we haven't seen the kind of growth what we had seen in the last few weeks of December. So we will have to wait and watch for the complete recovery I think. It may take a while. I'm not too sure. But hopefully, I think this should be the last quarter of this kind of a demand scenario. But if you ask me as of now, the demand is still little muted.

So Kesh King, yes, you are right, there are ups and downs. There was demand about a few quarters back. And discretionary is still under pressure. And we have seen in Nielsen also that all the oils have not performed well, particularly in this quarter, all the value-added oils, which includes the Kesh King. The Nielsen says a total decline of 10% for the category, whereas Kesh King has only declined by 3%. So as I said, overall the demand scenario has to improve, then only the brands will see some light of the day.

As far as Healthcare is concerned, yes, now we have a favourable base and we have launched some key brands in Healthcare, particularly for D2C. Gul Raj is on the line. I think he can throw some more light what new brands we have launched in the Healthcare range.

Gul Raj Bhatia: So essentially, we have focused, on strengthening our NPD launches in the D2C space. And we have launched some brands in the last 3 to 6 months. And there is a strong pipeline we are planning to launch for the coming quarters. And even in the traditional trade business, we are launching NPDs in some of the segments where we are not present in both OTC and in the Medical business. And in the Medical business, we launched 2 new products in the Avaleha segment. And both have done well, We launched them a couple of months back. So we do see both for the D2C business and the traditional trade business, NPD as being one of the growth drivers in the coming quarters.

Prakash Kapadia: And as per the current run rate, what will be the OTC and Ethical mix?

Gul Raj Bhatia: It would be in the region of about 2.5 is to 1 in terms of the ratio.

Prakash Kapadia: 2.5 will be OTC, right?

Gul Raj Bhatia: That's right.

Prakash Kapadia: And lastly, Mohanji, on rural, you mentioned that remains muted. So is it down trading? Is it LUPs? And how do you think rural will recover? Or what's the sense of rural and urban demand as we move forward?

Mohan Goenka: Yes, Prakash, So I think LUPs are slightly growing faster than the larger packs. So there is definitely some down trading that is visible. I would say this is across the board, not just rural. It is also seen in some of the urban markets also.

Moderator: The next question is from the line of Shirish Pardeshi from Centrum Broking.

Shirish Pardeshi: Yes. Two questions I have from my side. When I look at -- the winter was expected to start somewhere in the month of October. And we did some winter product loading. However, winter didn't pan out the way we were expecting. So understandably, November month was bad. But towards December and January, the winter has picked up. So just wanted to understand because you just mentioned that even January was bad. So is that structural problems that in the mass consumption we are seeing the demand outlook is very, very weak? And maybe if you can add some more color towards the winter portfolio, how do you think will pan out in next two months?

Mohan Goenka: So Shirish, as far as winter is concerned, the loading happens from the month of September, and by mid of December, the winter sales starts declining. We don't load after 15th of December. So whatever winter -- whether it is severe winter in December or January, those are only secondary numbers, not primary numbers. But even though the winter was good in some parts of the country, particularly the North, but overall it was still weak compared to some of the past winters that we have seen. Overall, the number of days were also very, very less this time. It may be a severe winter, but the number of days were very less. So overall, the winter was quite muted, honestly.

As far as demand is concerned, I don't see any structural issue, honestly. Every company, market, we are seeing that there is some pressure in the rural markets due to inflation and which are evident from the numbers, what everyone is reporting. Of course, we have a larger contribution from the rural markets, so we may be a little more affected. But I'm not seeing that our shares are being taken away by somebody. Once the market rebounds -- I don't know which month, but I'm hopeful it may happen anytime soon. But once it rebounds, then we are definitely going to benefit from this.

Shirish Pardeshi: Okay. But -- just one follow-up. You said that in the entire country the rural is bad. So that's why I asked you that the mass consumption is faltering? Or is the same issue which we are seeing in the North across South also?

Mohan Goenka: So when I say entire country, yes, of course. Of course, there are some markets which are more of a concern, particularly in the Northern India. But yes, the demand is muted across the board.

Shirish Pardeshi: Okay. My second question is on the employee cost. When I look at -- the employee cost and the console level has gone up substantially. Is there any one-off setting in this quarter number? Or this is going to be the cost for going forward?

- Rajesh Sharma:** So the employee costs also include the cost of the new subsidiary, The Man company. And also, it is in line with last few quarters. Last year, cost was slightly lower. But if you look at our Q2, Q1 cost, it is otherwise in line with that.
- Shirish Pardeshi:** So you mean to say that INR 93 crores is going to be the regular cost now?
- Rajesh Sharma:** Yes. Around roughly INR 90 crores kind of, yes. That's the cost which we have been incurring for last few quarters.
- Shirish Pardeshi:** Okay. And just one last follow-up on the amortization. How much MAT credit which we will - - we'll be using for next quarter? Or it will continue in FY'24 also?
- Rajesh Sharma:** So, there would be MAT credit in FY'24 also. Since we have started accounting for MAT credit from March '22 onwards, so this will be there for next year as well.
- Shirish Pardeshi:** Okay. So would you be able to guide what is the tax rate we should be considering?
- Rajesh Sharma:** I feel considering MAT credit, the tax rate should be roughly 10% to 12% kind of.
- Shirish Pardeshi:** Okay.
- Rajesh Sharma:** Difficult to estimate the exact MAT credit we will be availing, but it can be in that range.
- Moderator:** The next question is from the line of Gaurav Jogani from Axis Capital.
- Gaurav Jogani:** So my first question is with regards to the margin. You indicated that now we are seeing the bottom of the margin -- the cost inflations and margin should pick up. So any guidance in terms of -- you can give particularly for the next year or so? How should we look at the margins to pan up because it has been really volatile in the past?
- Mohan Goenka:** So Gaurav, I think we guided that the margin should be in the range of 27%. And for next year, we are still to work out on our budgets. Let us work out on our budget, then we will be able to guide better. But we are very hopeful that there won't be cost pressure next year. That's what it looks like.
- Gaurav Jogani:** Sure. And sir, one question with regards to the appointment of Mr. Giriraj Bagri. We have in the past also appointed several consultants. So just wanted to get a clarity in terms of how different his role will be versus the various consultants that you have appointed in the past? And what will be key KRAs or key strategic areas to look for?
- Mohan Goenka:** So there is a slight difference. He is not a consultant. He has joined as a full-time employee. He has been designated as the Chief Growth Officer. This designation was not there in our company in the past. So of course, the mandate is to identify newer growth opportunities. It could be organic, inorganic. Of course, he has just recently joined. Let us see what he brings on the table.

- Gaurav Jogani:** Yes. So as a company, I mean, what are all the things that you'll be looking from him, the things that you guided in your opening remarks as well, a few key areas that you'll be looking out for.
- Mohan Goenka:** So other than the existing brands, he would be looking after all the new growth opportunities, whether it is acquisitions or identifying digital strategy, plus new start-up ideas. So he would be responsible for everything other than the existing brands.
- Gaurav Jogani:** Sure. And sir, my last question is with regards to the Project Khoj. Sir, if you can give an update on to where we are? And how are we looking to expand it given the current situation of demand not picking up?
- Vinod Nandgopal Rao:** So we are not stopping any investments on Project Khoj, and we will be expanding also because we are realizing all the KPIs. All the action standards on -- that we had decided in the beginning of the year, we are realizing those in terms of -- cost to sales are improved. We've optimized the current network and also saved on some of the subsidy cost that we used to run in the past.
- And so as a system, we will -- we are on track. We are now present in 42,000 towns and villages across the country. We hope to reach close to 50,000 by the end of the year.
- Gaurav Jogani:** Sure. And sir, this -- if you can quantify some bit in terms of the sales? How it has able to boost the sales at least in the target pockets that we have been able to expand this distribution piece?
- Vinod Nandgopal Rao:** Sure. So despite our headwinds, at least in the rural channel, we'll been able to remain flat in the year. The 9-month rural channel growth is flat. And by rural, I mean, the sub-stockist network that we handle. And we've generated close to around INR 67 crores of business till date. It will end to something around INR 83 crores, INR 85 crores by the year end.
- Gaurav Jogani:** And sir, what kind of investments would you have made in this Project Khoj?
- Vinod Nandgopal Rao:** So the cost to sales are not too high. So as a total network cost in our sub-stockist channel and the rural channel, it has marginally gone up by around 7.8%. And the costs remain low, so it's in the 6% ballpark range. Total rural cost.
- Moderator:** The next question is from the line of Harit from Investec.
- Harit:** So just two questions. First is a clarification.
- Moderator:** Sorry to interrupt, sir. We'd request you to please speak a little louder or use the handset.
- Harit:** Yes, yes. So just 2 questions. Firstly, on the margins for FY '23. Mohanji, you mentioned 27% would be the core margin. So this would exclude Man company, right?
- Mohan Goenka:** Yes, yes, Harit.
- Harit:** Okay. Perfect, perfect. And the second question was on Healthcare. So it seems like now you would probably be lapping up any high base, especially on some of the portfolios which were

COVID contextual. So I just wanted to get your sense about maybe post Q4, should this portfolio see an acceleration especially because of the kind of initiatives you have taken on innovation and your D2C portal as well? Or are you still -- are you saying that this would also be pretty much fully predicated on the macro? Just wanted to get your sense on that.

Gul Raj Bhatia:

So as you mentioned, definitely after Q4, when the base effect of the higher base wears out, we would be seeing an acceleration of growth in the coming quarters from Q1 onwards. This should be driven both by NPD and other initiatives we'll be taking. As you probably know what had happened during the 2 years of COVID, consumers had gone for very high levels of health supplements and immunity product purchases. They've now gone back to the pre-COVID kind of scenario. So we would see the market coming back to the pre-COVID levels in terms of the purchase.

We are not seeing any external environmental factors in terms of impacting the health supplements or Healthcare product growth in that sense. So it would be back to the pre-COVID days. And in our case, we have a relatively low share in some of the categories such as immunity, such as digestive, so we would want to gain market share. Even the market is not as buoyant as it was in the last few years.

Harit:

Right. The reason I ask is my assumption is that the Healthcare portfolio at overall level is also margin accretive. So that could actually lead to overall margin accretive growth for the company next year. So that was the context of my question, sir. Okay. Got it. That's it for me.

Moderator:

The next question is from the line of Kunal Vora from BNP Paribas.

Kunal Vora:

Can you share your thoughts on FY '24? Would it be fair to assume high single-digit or double-digit revenue growth? And where do you see it coming in terms -- like how do you see the volumes and pricing playing out next year?

Mohan Goenka:

So, Kunal, as I said, we are yet to work on our budget. But now that the base is favorable for a lot of our Healthcare range and also for the pain management, so we are very hopeful that next year we are definitely going to see at least 10% to 12% growth, is what we should expect from most of the product range. Of course, the market sentiments have to improve. But even though, not considering the market, I think we should grow at double-digit numbers.

Kunal Vora:

Understood. Second question is, how has been your experience with the digital-first brand, MAN company? And would you look to buy more such brands, especially as many of the startups are facing funding issues?

Mohan Goenka:

Yes. We maintain what we have said in the past that we are looking for some start-up opportunities. We keep on evaluating them. And if it fits within our strategy, then we will definitely look for a strategic investment.

Kunal Vora:

Would it be fair to say that you are happy with the experience you had so far with whatever you've done?

- Mohan Goenka:** Yes, very much. We have invested in 4 companies, and all of them are very, very promising.
- Kunal Vora:** And lastly, where are the Fair and Handsome sales versus -- 2, 3 years back, you had hired a consultant and implemented some positions. How has been the experience so far from that?
- Mohan Goenka:** Yes. So, we had hired BCG for Fair and Handsome. And since then, we have seen some bit of growth. But last 2, 3 years have been a little challenging due to the COVID scenario. And now you all know that there is a pressure on the discretionary spend. Let us see. I think market going forward should improve for all of our brands.
- Moderator:** The next question is from the line of Aditya Sulakhe from Marcellus Investment Managers.
- Aditya Sulakhe:** So I have just 2 questions. So first was that if you could touch upon why there was a degrowth in the Pain Management system -- in Pain Management segment? And the second was that on the Pain Management segment has itself. So are you seeing any pressure from regional players in that segment?
- Mohan Goenka:** No, Aditya, there is no pressure from the regional players as much. It is only due to the base that Pain Management we have seen a little bit of decline. We had a very high base.
- Aditya Sulakhe:** Okay. And sir, what -- like how would you categorize the future prospects?
- Mohan Goenka:** Future -- I have said I maintain that for almost all the brands, we see a very bright future. We have not seen any competitive intensity increasing in any of our categories. So once the market sentiments improve, and now we have a favorable base, we are very hopeful of getting double-digit numbers for most of our categories.
- Moderator:** We have the next question from the line of Shirish Pardeshi from Centrum Broking.
- Shirish Pardeshi:** I have one broad question on the international market. If I go back last 4, 5 quarters, we have highlighted many pains and there were some distribution issues and then war happened. While last quarter we have shown a very strong growth of 17%, but this quarter the performance was a little weaker. So what are the corrective measures we can expect? And what are the things which we're exactly doing? Because I think last call Mr. Dhir said that things are in control and things will improve from here. Barring apart the currency headwinds, is the things are under control or we will have more pains in the international markets yet to come?
- Vivek Dhir:** When you look at the international markets, we had demonstrated a decent growth. So even in this quarter growth is around 7%. We have lost some growth in one of the markets on account of non-supply efforts. So that will be rolling over into the quarter 4, and we'll bounce back into decent double digit growth in excess of 15%.
- So one of the products we couldn't supply it, which has led to this particular thing. When you see the international market, so our western side of the business is still doing well, but the Indian subcontinent, which we call as SAARC market or something, is still under pressure, quite a bit

of pressure due to currency in Sri Lanka, even Bangladesh's currency had tanked reasonably after September. This is one quarter where we had depreciation against China also. So those things are still to catch up. It will take some time to have that into the impact. But overall, I think business is still very much in control to deliver double-digit growth in coming quarters.

Shirish Pardeshi:

Vivek, I do understand what you're saying. But if I look at during the COVID period, even international business on a base was very weak. So on that 7% -- I'm sure you're not agreeing with the growth. But I'm only saying that do we really have a good handle what are the issues? Or whether if there is an issue with the product profile or even the portfolio, which is weaker? Because I can understand India winter was bad, but I think the international winter should not be a bad situation at this time.

Vivek Dhir:

When you talk about, say, winter products, so BoroPlus has delivered a very decent growth in markets in Russia and CIS. And it has delivered a decent growth in Bangladesh as well, although it's a very small brand in Bangladesh. But Russia and CIS, it's a very decent brand. It's almost close to INR 80 crores plus brand. In those markets it has delivered growth. So every brand in quarter 3 has delivered a growth except one brand, where we had some unplanned maintenance in the factory and we couldn't supply those goods when this happened. And those standing orders will be delivered in this quarter.

So barring that, every brand has grown. Navratna has delivered us a growth of around 19%. Fair and Handsome is also 19%. Creme 21 is very high, around 85%. 7 Oils is also 12%. BoroPlus is 50%. So very decent growth, barring one brand, which we will supply it. So things have been very much under control.

Shirish Pardeshi:

But do you mean to say that now January the shipment has happened?

Vivek Dhir:

Between January to March, because there is again capacity also. After the maintenance, all back orders cannot be supplied in 1 month alone. It takes some time. So the deliveries will happen. By most probably by March itself, most of the pending deliveries should be there and we should be back on that brand as well. So all brands are performing very well for us in the marketplace. So we don't have any issue on account of...

Shirish Pardeshi:

So you mean to say that international business on a Y-o-Y basis should -- when we consider 4 quarters over FY '22 when we compare FY '23, the international growth should be in the range of about 14%, 15%. That's what you're trying to say?

Vivek Dhir:

For 9 months -- first 9 months, we are close to 20%. And most probably in quarter 4, which we -- Jan to March quarter, we should be delivering something similar.

Shirish Pardeshi:

Okay, okay. Sure. My other question was to Rajeshji. Now you did mention that the raw material inflation which is there, but when we look at the raw material inflation -- at least other companies are confirming that the input material prices are coming down. So is that -- we are holding a high price inventory, and that's why the margins -- you are saying that will improve from the next quarter? Or we want to spend more on marketing and even trade promotions?

- Rajesh Sharma:** Shirishji, you're talking about the COGS pressure in Q3?
- Shirish Pardeshi:** Yes.
- Rajesh Sharma:** So I think the pressure is easing out. And from quarter 4 onwards, we would, in fact, see some benefit. If you look at our quarter 1, quarter 2 pressure, the pressure has eased out in quarter 3. And what Mohanji said in his opening remarks, from quarter 4 onwards, you should start seeing some gross margin benefits only.
- Shirish Pardeshi:** So like last quarter, Mohanji gave the guidance that the margin may decline about 200 basis points. So you mean to say that we will reverse the margin to maybe, say, 67%, 68% back in quarter 4?
- Rajesh Sharma:** Yes, we should see some better margins. Difficult to give a number, but I think Y-o-Y margins should be better.
- Moderator:** The next question is from the line of Sameer Gupta from India Infoline.
- Sameer Gupta:** Sir, what I heard is that you are mentioning double-digit growth in most categories in FY '24. Now this quarter, even adjusting for the base, if I look at the 3-year CAGR, it is trending at around 6%. So there is a bit of inorganic in this, there is a bit of pricing -- high pricing growth in inflationary times in this. So what exactly are our efforts towards distribution, new product development? Any other efforts that you would want to elaborate that gives us confidence of this double-digit growth even if the demand environment doesn't pick up?
- Mohan Goenka:** So, Sameer, as I had said that there is some benefit of correction in the base at least for this year. Of course, there would be some price increase also that we would be taking for next year. And there are some corrective measures in almost all the brands because of the muted demand that we have seen. We would also get a little aggressive on our marketing strategy because of the correction in the raw material prices. So there are a couple of things that we are planning for next year.
- As Vinod also mentioned, we are continuing with our expansion in Project Khoj. We haven't stopped expanding in our rural initiatives or distribution initiatives. E-com, modern trade continues to be the focus area. A lot of new digital-first brands that we have planned would be rolled out next year. So there are a couple of things. Let us see how market behaves. Even though the market still would be muted, we are hopeful to see some good growth in the next year.
- Sameer Gupta:** Got it, sir. Just a follow-up here. You would still depend on the overall macro environment to improve to clock a double-digit growth? Is that a fair understanding? You might not get double, but 7%, 8% type maybe. But getting double, you might still need a fair recovery in consumption. Fair assumption?
- Mohan Goenka:** Yes, definitely. At least for some categories which are absolutely discretionary like Kesh King, Fair and Handsome, we would need the markets to improve. But other than that, I'm hopeful. If

winter or summer is good, then there would be recovery in Navratna or BoroPlus or some of the other products.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir.

Mohan Goenka: Thank you, Percy. Thank you IIFL and all the participants for joining us today for this earnings call of Emami Limited. Thank you. Have a good day.

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

Disclaimer - The following transcript has been edited for language, errors and grammar and therefore, it may not be a verbatim representation of the call