February 03, 2025

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400023
BSE Code: 532926

National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E), Mumbai - 400051
Scrip Code: JYOTHYLAB

Dear Sirs,

Sub: Transcript of the Earnings Conference call for the quarter ended December 31, 2024

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 Friday, January 31, 2025 for Analyst/ Investors to discuss the Un-audited Financial Results for the quarter and nine months ended December 31, 2024 and the way forward, is enclosed.

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

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

Thanking you,

Yours faithfully,

For Jyothy Labs Limited

SHREYAS PARAG TRIVEDI

Digitally signed by SHREYAS PARAG TRIVEDI
Date: 2025.02.03 12:57:03 +05'30'

Shreyas Trivedi
Head – Legal & Company Secretary

Encl.: As above

"Jyothy Labs Limited
Q3 and FY '25 Results Conference Call"
January 31, 2025

MANAGEMENT: **MS. M R JYOTHY – CHAIRPERSON AND MANAGING DIRECTOR – JYOTHY LABS LIMITED**

MR. PAWAN KUMAR AGARWAL – CHIEF FINANCIAL OFFICER – JYOTHY LABS LIMITED

MODERATOR: **MR. MANOJ MENON – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Jyothy Labs Limited Q3 and FY '25 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Karan Bhuwania: Thank you, Manav. Good evening, everyone. It's a pleasure at ICICI Securities to host Q3 FY '25 business conference call of Jyothy Labs. From the management, we have Ms. M.R. Jyothy, Chairperson and Managing Director; Mr. Pawan Kumar Agarwal, Chief Financial Officer. I'll hand over the call to the management for their opening remarks, post which we can open for Q&A. Thank you. Over to you.

M R Jyothy: Good afternoon, everyone, and a warm welcome to the Q3 earnings call of Jyothy Labs Limited. The company -- complete financial results and investor presentation are available on both our company's website and stock exchange. I hope everyone had a chance to look at it. For the quarter ending 31st December 2024, our consolidated revenues from operations reached INR704 crores, which represents a 4% year-on-year value growth and 8% volume growth.

The difference between volume and value growth is driven by higher grammages and promotional prices in a few categories. Ex-HI segment, grew by 6.1% year-on-year in value terms and volume grew by 10.3%. The overall demand environment continues to be subdued amid inflationary pressures and muted growth rates in urban India. However, good monsoon and growing rural wages saw decent rural demand during the quarter.

Having said that, the demand recovery, especially in the rural areas is gradual. And in our assessment, cannot compensate for the stress in urban demand for me. With rising proportion of Indian consumer purchases getting unplanned and of low to moderate order value, there has been an increase in demand for instant fulfilment served by quick commerce platforms. The rapid rise of some of the quick commerce platforms promising 10- to 30-minute delivery service in urban markets seem to be influencing the consumer habits in retail.

While in our assessment, the material impact is felt more on food, groceries and other impulse buying categories. We are closely observing the evolving behaviour of consumer purchases in the Home and Personal Care categories. Our gross margin for the quarter stands at 49.8%, which was maintained at the same level on a year-on-year basis. Our coverage of some of the key raw materials helped us protect the gross margin in Q3.

We have taken select price increases in the body soap category in Q3, the impact of which should be visible in Q4 FY '25. Depending upon the direction of input prices and market conditions, we'll trigger price increase actions in Q4. Our focus on strengthening the brand remains undiluted despite some demand headwinds in the near term.

Our advertisement and sales promotion spend remained constant at 9% in Q3 FY 2025 as compared to the same period last year. Our operating EBITDA margin for Q3 stands at 16.4% compared to 17.5% in the same period last year. While gross margin was protected at 49.8%, the drop in EBITDA margin by 110 bps is largely due to the fact that while volume has grown by 8%, the value growth was 4%, and operating expenses grew by 7% to 8% on a year-on-year basis.

Q3 saw Fabric Care category touching nearly double-digit year-on-year growth. The growth was contributed mainly by liquid detergents and duly supported by detergent powders. Our Post Wash category remained a key priority with Ujala Supreme maintaining its leadership position. This was bolstered by a new PAN-India multimedia campaign featuring National Award winning actress, Vidya Balan, launched in October 2024.

Ujala Crisp & Shine was supported by an impactful campaign featuring lady superstar, Nayanthara, emphasizing the transformative role of crisp and polish attire in enhancing confidence.

In Kerala, Ujala IDD detergent powder achieved a market share of 24.5% in its segment during Q3 FY '25, supported by a multimedia campaign led by Superstar, Manju Warrier. Within our liquid detergent portfolio, exclusive packs for Henko were introduced to target key markets, complemented by active sampling programs. Certain multimedia campaign continued featuring Kajal Aggarwal leveraging television and digital platforms in priority markets to enhance Henko brand visibility.

Morelight Liquid Detergent continues to perform well, and we successfully launched Mr. White Liquid Detergent in strategic markets in October 2024, garnering a positive initial response. Dishwash segment grew by 3.6% on the backdrop of growth in Pril liquid, Exo and Scrubbers. Exo achieved a market share of 14.1% in Q3 FY '25. The ongoing campaign featuring Shilpa Shetty was sustained with higher frequency, reinforcing brand salience.

TV and digital multimedia campaigns on Pril liquid continuous nationwide in Q3, featuring actress, Genelia and Ritesh Deshmukh to highlight its superior risk cutting performance and time savings benefits. Pril continues to perform well in modern trade, retail stores and e-commerce platforms. Personal Care declined 3.7% year-on-year in Q3 due to slowdown in consumption. Our national multimedia campaign featuring Raashii Khanna continues to effectively communicate the brand's core proposition of promoting good habits.

We leverage digital platforms and targeted consumer engagement to maximize the impact of our campaign while also broadening our portfolio with new variants to address evolving consumer preferences. To tap growth opportunities in the mass toilet soap category, we have just launched Jovia beauty soap captured with the goodness of Vitamin E and natural ingredients. Jovia comes in 2 variants, Lemon and Aloe Vera and Sandal and Turmeric for clear and glowing skin.

Home insecticide segment was severely impacted due to shift -- continued shift in consumer preference towards incense sticks and also favorable weather conditions. Liquid Vaporizer had a tough quarter, but for the 9 months period ended December 2024, it has grown at a healthy double digit compared to the same period previous year.

To counter some of the challenges in HI segment, we have intensified the multimedia campaign featuring Kareena Kapoor, focusing on high priority retail. Over the past few years, slowly but consistently we have successfully reduced our dependence on HI segment with the growth of various other business segments for the company. With the launch of Maxo racket, an anti-mosquito racket, which has a long battery life, there is one more addition to our household insecticide portfolio.

For the 9 months period ended December 2024, the company has delivered a 4% value growth and a 7.2% volume growth. Except for HI, all other segments have delivered growth during this period. HI witnessed a degrowth of 7.3% for the 9 months period ended December '24. On the gross margin front as well, there is an improvement of 150 bps, that is 50.4% compared to 48.9% of last year. EBITDA in absolute terms improved from INR371.4 crores in the last year to INR387.7 crores in this year.

And the EBITDA margin saw an improvement of 10 bps from 17.7 to 17.8. Profit after tax too improve from INR291.2 crores to INR941.1 crores. Despite recent inflationary trend noticed in a few key inputs, we are committed to delivering on our long-term profitability and sustainable growth objectives.

As mentioned in the past, we are focused on launching innovative products, leveraging our competitive advantage such as strong manufacturing capabilities spread across the country, cost optimization, excellent vendor partnerships, deep distribution network, and we remain optimistic about the long-term growth potential of the company, waiting through somewhat volatile near-term demand scenarios.

Growth for us has been driven by our ability to deliver quality products, which are manufactured in-house, hit market relevant price points and pack sizes for urban and rural consumers, nicely supported by our strong brands, efficiencies in operations and distribution of our products across geographies through various channels. Protecting margins amidst the sluggish demand scenario and commodity inflation will be the key focus area for us in Q4.

We remain committed to strengthening our market presence across categories by investing in strategic brand building initiatives, driving innovation and enhancing consumer engagement. Last but not the least, I would like to thank you for your continued trust and support as we work towards delivering sustained growth and value creation. With this, I conclude my opening remarks, and we'll be happy to answer any questions. Thank you.

Moderator: We have our first question from the line of Abneesh Kumar Roy from Nuvama Wealth and Investments.

Abneesh Roy: My first question is on HI. So market leader has come out with a new technology, which is more efficacious, which currently other players don't have. And when I see numbers, clearly, they seem to have done much better than you, although they have also seen decline, your decline is much sharper in spite of being much smaller. So could you comment on whether you would need much more effective technology to compete with market leader. And are you also seeing down trading so that could potentially benefit your coils business?

M R Jyothy: Thanks, Abneesh. While the market conditions have been bad, we trust our formulation very well. And it's -- what do you say. It's a very solid formulation. And now only we are in this space, and I have a lot of confidence in our formulation. It's the coil segment that has degrown for us. If you see year-on-year, we are at good double-digit growth in the Liquids segment.

Now the best is that this segment overall is contributing in the lower single digits. For us, our focus is on growing all other categories and not particularly HI. HI will be there and will have good enough growth for the coming year, we'll have few launches, which you will also see.

Abneesh Roy: So I understand it is a small portion of your business that is well understood. My second question was in terms of your comment that you were only company in this subcategory, if you could comment a bit more. And our sense is the higher active molecule in terms of the Agarbatti, those seem to be doing well for the market leader also. So if you could comment on that part of the segment, more effective Agarbattis?

M R Jyothy: Yes. We -- good luck to the market leader, I would say here. And we will see some more action in that space later.

Abneesh Roy: Okay. My last question will be on Dishwash. Here, market leader, again, has seen high single date growth while you have seen 3%. So if you could comment here what's happening in terms of the liquids versus the basic Dishwash in both -- how the growth is because overall growth is 3%. So if you could comment brand-wise also and the liquid and the overall -- the mass end?

M R Jyothy: Yes. For us, the liquid has grown in double digits. While the bar segment has grown decently, and we also have scrubbers here. So it is a mix of all of these categories.

Abneesh Roy: So scrubbers would have underperformed because if liquids is double digit and overall growth is 3%, something would have seen a decline also, right?

M R Jyothy: Yes. See, if you see the major volume growth is what we have achieved in the segment. It's the -- we have given more grammages. So if you see the overall volume growth for the company has been driven by Dishwash for us.

Moderator: We have our next question from the line of Vishal Gutka from HDFC Securities.

Vishal Gutka: Three, four questions from my side. First is on Jovia. So what is the right to be in outdoor here? What is the differentiating point that we've launched or are we planning to build the brand more like way, which within the way to give excellent quality to customers and give high margin to trade? And if it works, then I think a later point of time, we can start advertising the product. So that's the first question.

And second related question on Margo. So you have launched the Sandalwood variant outdoor here for a neem base soap, there are also with this decent competition from Santoor and recently, Lux has also ventured to bid into the sandal variant. So first, if you can answer these 2 questions, and then we'll take the other 2 questions?

M R Jyothy: Yes. So Jovia, we have launched in the mass segment, Vishal. And where it is the bundle pack that goes, right? And we have differentiated with Vitamin E and the pricing is very competitive. And this is -- obviously, you're seeing down trading across categories that is happening. And we want to also explore that segment. We want to not lose that opportunity as well. So that is one. And we have launched the Sandalwood variant, but it's again a variant play there just to enhance the overall extension bit. So, yes.

Vishal Gutka: Got it. And Jovia launching on the PAN-India or selected geographies have been launched?

M R Jyothy: Initially selected geography, but it is intended to have a PAN-India launch.

Vishal Gutka: Got it. Got it. Other 2 questions on new launches on the racket part that you introduced for the mosquito. So it is more trading model? Or what is the difference again we're offering because the pricing of local and regional players be far, far lower. So I understand that in the presentation which have extended battery life, I think for 6 months that you have stated. That could be one of the differentiating point.

The pricing front, if you can highlight a bit. And second thing, on the dishwashing side, it should have launched a new product for -- in the value for money liquid segment and with the brand name Sun. Do you have any plans to introduce liquids in the value for money segment, dishwashing liquids?

M R Jyothy: Yes. The racket introduction is basically, Vishal to have a complete portfolio rather. It's a very small market as such, market category as in HI, but our presence is needed. There is all other competition also present in there. We have to be present there. And hence, that is -- that's a good addition to the category. That's all that is there to the racket. And then liquid in Dishwash, while our Pril is doing well, you will see if there are more launches. Right now, I wouldn't want to comment anything.

Moderator: The next question is from the line of Sonal Minhas from Prescient Cap Investment.

Sonal Minhas: I have 2 questions with regard to the Personal Care segment. I wanted to get a bit of a subjective commentary on how do you see your Personal Care category compared to competition and you've launched Jovia which is on the economy segment, what is your take on products which are a little more premium or a little more higher up in the value chain? That's one.

And secondly, as we see the market being a little sluggish, are people downsizing in terms of volume, that should show up in your margins. Just want to understand what is the customer behavior as we speak right now on Personal Care, given the slow demand?

M R Jyothy: Yes. So, see for us, I wouldn't want to comment on others, Sonal. For us, the Personal Care segment is quite small right now and with introduction of Jovia we are only adding to the Personal Care so that we can increase this 10%, 12% to a larger percentage in the future. So you will see some more additions coming in the Personal Care category over a period of time.

Now -- and that is, like I said previously, the consumers are down-trading. And we don't want to lose any opportunity, either in an economy segment or a premium segment. So that's where we are. We want to be there in most segments as much as possible.

Now coming to market sluggishness, yes, that people are down trading. There are issues with volume. So that will remain for quite -- for some more time is what the guess is.

Sonal Minhas: Okay. Just a follow-up on this. So is it better to like look for alternative link categories to, let's say soap which are adjacencies -- which have more agencies than actually look -- go down the value chain and say we want to launch an economy range of soap because that's a fairly cluttered market. I'm just trying to basically just get your sense on that. So rather than soap, let's say a soap -- a bathing gel is an adjacency. But -- what's your take on that?

M R Jyothy: Yes, yes. So the gel, you are saying the body works category, right? The body wash category is there. It is not growing. I mean it's -- you're seeing growth there, but not as much as your liquid detergents are growing. For us, the soap segment, we had to have this segment as a good addition for us right now. While the -- we are not ignoring the body wash segment. We will be having a presence later.

Sonal Minhas: Okay. So that's not on card immediately is what basically we are saying. Got it. That's it from my side.

Moderator: The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives.

Prolin Nandu: A few questions from my side. So Jyothy Ma'am, I mean if we look at the gap between volume and value growth, it's on a very higher side versus our long-term average, right. So from Q4 onwards, do we think that we will revert back to whatever this gap was on the basis of long-term average? And also, if I think about FY '26, will you be reiterating that you will be -- are you confident on achieving our long-term or our objective of double-digit volume-led growth?

M R Jyothy: See. Nandu right?

Prolin Nandu: Prolin here, yes.

M R Jyothy: Okay. Prolin, the thing is our ambition is still there to grow in double-digit volume growth, but we are a little cautious here. We'll try our best to be in the double digits, but I don't want to guide you there. Right now, we are facing and the market is challenging, but we'll do our best work we can. That's all what I can say.

Prolin Nandu: Sure, sure. And if I look at your long term -- I mean, your guidance on margin as well, right? We have given this band of 16% to 18%. And we want to invest in brands, right? So when I look at your presentation, right, and even in the slide deck, let's say, if we look at Slide #25, the number of celebrities that we have doing our ad campaigns for each of the product is probably one of the highest for the revenue that we generate.

So when we want to invest in some of the brands, is there a case to rationalize some of our existing brands and some of the investment in new brand can be recouped from our existing A&P spend as well?

Pawan Agarwal: This is Pawan Agarwal. So I think brand investment strategy will continue because this is what is going to fuel the future growth. While the -- your suggestion of rationalizing some of these celebrities and putting money on some of the new brands, which probably would emerge in future. Again, it's a complex matter, which cannot be -- a call cannot be taken at this stage. Right now, we are in a stage where we are investing in our existing brands.

And these brands are delivering good growth for us. And as and when future -- in future when we add new brands and we enter into new product categories, et cetera, we'll continue to promote those brands as well. So I think in the near to midterm, the A&P spend broadly would remain range bound.

Prolin Nandu: Sure, sure. All right. And last question from my side, would again be pertaining to your launch of Jovia, right? Now in a way, we are -- you mentioned that we are seeing a lot of down trading, and we want to be present in this market. But at the other end, we also want to focus on, let's say, liquid detergent in our other part of our portfolio, right? So is it not right to probably take one approach and probably focus on premiumization and because these are more opportunistic kind of a move.

Where I'm coming from Jyothy ma'am is that how do we manage so many launches, so many products, right? We have also launched a racket, right? So a lot of management bandwidth promotion and all would be going in some of these launches. So how do we manage the portfolio? And do you have a thought on probably cutting back on some of these products, which are not performing, maybe the coil segment in HI could be a case in point, right? Do you have any thoughts on exiting some of these products?

M R Jyothy: See Prolin, I believe in building for the future, and that's where the launches play. Today, we need to have certain play in these categories. And hence, we are launching, and this will be the future growth. So we are just seeding in with all these new launches that will be coming. And it's only the HI segment and within HI, it's only the coil, which is not doing well for us right now. And if you see the Personal Care segment, again, it's a very temporary thing is what I believe.

So most of our segments are on a growth path and with HI and within HI, it's the coil, which is not doing well. And that -- what we have done is by doing all of this, we are trying to grow all the other categories, which is doing well for us, and which has been our strength to grow so far, and we'll be investing behind growing these categories. We are bringing down the importance of HI in the overall thing.

So earlier, it used to be 15% of the company. Now it has reduced to 4%, 5%. And I think we have been successful in that. If you take -- if you remove HI, our volume growth for the rest of the category is at 10-plus percent growth, which is very good, is I believe, in today's scenario.

Pawan Agarwal: And also, just to add to what Jyothy said, the kind of distribution network that we have created over the past 3, 4 years. The amount of products that can be placed in this channel across the country, I think it's just the beginning. So we have great opportunity and runway available before us.

Moderator: We have our next question from the line of Amit Purohit from Elara Capital.

Amit Purohit: Just on this volume value pricing gap, growth gap, because in this quarter, it's almost 4%, last quarter was 2.8%. And so what -- where are the actions that you have taken because we would have taken some pricing increase in soaps you indicated and then some price of higher grammages in Exo. Any price changes we would have done in detergent as well?

Pawan Agarwal: No, actually, the higher grammages in dishwash and in Fabric Care, the detergent liquid, which we have kind of which is doing really good for us. So there the realizations are still lower. So this basically are promos, of course. So these factors put together has led to this gap between volume and value growth that you see.

Amit Purohit: And what is the price increase taken in soap then?

Pawan Agarwal: Soap, we have taken towards the end of December is a low single-digit increase that we have taken, but we are planning to take further pricing action in quarter 4 in Personal Care category.

Amit Purohit: Okay. And then if that's fair. So going forward also, do you think this gap because one the detergent portfolio and as well as the Dishwash portfolio that should continue, right? Because the liquid will continue to do well, and that will continue to have a negative effect and it's the soap portfolio probably will help us to negate this, right? Is that the right way to think?

Pawan Agarwal: No, it will be a combination of various factors. So the gap between value and volume would not necessarily be as high as you see right now. It will revert to the mean level. So 2% to 3% gap over a fairly long period of time is what we can consider. So that is how it is going to look like.

Amit Purohit: So I mean, for FY '26 also, there would be some gap of, say, 2% or so is a fair assumption to think about.

Pawan Agarwal: Yes. 2% to 3% should be the gap.

Amit Purohit: Yes. And then just wanted to understand more on this margin -- segmental margin. I understand we look at overall, but still just to understand we -- our gross margins remain stable on Y-o-Y. Our Dishwash performance despite giving good grammage, our EBIT margins remain same, maybe we would have spent less on advertisement. But fabric wash gross margins -- EBIT margins declined.

Household decline, Personal Care also declined. So -- and still -- and Personal Care, I can understand that because this would have a gross margin impact. And Fabric Care, if you are doing liquid more, maybe like you said, there is a pricing impact. And hence, your gross margins may not be as good as the powder margins because of promotions or advertisement and all.

So I'm not able to understand how the gross margin is still stable in that sense.

Pawan Agarwal: Yes, thanks. That's a great question. Actually, though, it's a combination of multiple factors, some of things you have already articulated. One missing piece that you did not mention is the media and advertisement spend. So that varies considerably from quarter-to-quarter across categories. So -- and also the raw material coverage, you put coverage that we have had in various segments. That also helps us maintain the gross margin Y-o-Y.

Amit Purohit: But ad spends were actually on a Y-o-Y basis, you haven't reduced your ad spend if I look at on a percentage of sales.

Pawan Agarwal: No, no. But within the category, there will be reshuffling. So the ad spend would be not uniform across all categories.

Amit Purohit: And the other expenditure increase, is this just because last Q2, we would have not spent and this is the quarter when we spent because last quarter was no significant growth was seen and it's just a shift of spend. Is that the way to look at it? Or is there any something because that has gone up by 9.5%.

Pawan Agarwal: You're talking about quarter-on-quarter or year-on-year?

Amit Purohit: Y-o-Y basis, I'm saying 9.5% is up the ads -- the other expenditure.

Pawan Agarwal: Yes. So one important point is you would have noticed that our volumes have gone up by 8% Y-o-Y. So freight and transportation and logistic cost has actually increased. So that's the only increase. Other than that, most of the expenses are in line with previous year.

Amit Purohit: Sure. And what is the -- lastly, on the outlook on the margins, how do one assess -- I mean you've been indicating 16%, 17% but what is the guidance probably in the near term in FY '26.

Pawan Agarwal: Margin scenario is very, very -- the market scenario is very, very competitive and the external environment is not very conducive. As of now, we are holding on to our 16%, 17%, but we are closely observing the external trends and our effort in business plans are geared to deliver 16%, but we will let you know as we progress as we get into the next financial year.

Amit Purohit: But would you say that this margin of Q3 would be the bottom end of the thing? Or you think that there would be some more pressure coming in? That's the last one, sorry.

Pawan Agarwal: Difficult to say because the way input prices are fluctuating, crude prices are fluctuating. This is highly volatile scenario right now. So while our -- in the immediate near term, we have to first protect our quarter 4 margin -- this is what we are working on. And for the next year till now, we are still believing that we will -- we should be able to deliver between 16% to 17%. But we'll come back to you in the next earnings call probably what would be the guidance for the next year.

Moderator: We have our next question from the line of Tanay Gandhi, Shareholder.

Tanay Gandhi: I just wanted to understand the split you have between urban and rural. And if you could just paint a better picture on the growth, how each of them are growing?

M R Jyothy: So the ratio is 60-40, 60% urban, 40% rural. And rural has been decent, while urban continues to have issues.

Tanay Gandhi: Yes, that was just my question. If you could just paint a bit of light on decent, what you mean by that?

M R Jyothy: See the -- if you see last year, rural was struggling. So I think on the basis of good monsoon and relatively rural is doing -- has come out of it. it is not -- the growth is not great, but it is coming back is what I believe. But for us, it contributes only 40%. So whatever good growth, if at all, in future, you get in rural. It will not compensate for the issues that are there in the urban.

Moderator: We have our next question from the line of Vishal Gutka from HDFC Securities.

Vishal Gutka: I just wanted to check on the current -- how the current HI season is ongoing because Jan, I think almost a month has passed by. And your guidance for losses for this business, I think you are making approximately INR30 crores, INR40 crores losses in this business. Shall we expect down to breakeven in FY '26 as the contribution of liquids further increases.

Pawan Agarwal: See, HI, a lot depends on the season, February and March, everybody like everybody, we are also waiting for season to pan out in our favor with bated breath. Having said that, if you look at 9 months performance despite the decline in HI, the losses have come down from INR27 crores to INR20 crores 9-month period.

So -- and even in the quarter also, even though there has been a significant decline in the top line HI segment, the losses are restricted to INR10 crores only as opposed to INR9 crores same period last year. So -- and this is largely -- a lot of fixed cost is sitting here.

Now everything depends on volume and going by how season pans out, I think the profit and loss figure would also dramatically shift.

Vishal Gutka: Got it. For the FY '26, what is -- I understand that it will depend upon the seasonality. But definitely, what are the plans to bring down further losses, losses shall further drift down.

Pawan Agarwal: We are working on a lot of things. You saw this racket launch and there are a few other things which are happening. We are examining our strategy, rising our strategy state by state, and we will be taking the necessary action wherever necessary.

Vishal Gutka: Got it. And on the innovation front, I think Jyothy Madam priorly highlighted that calendar year '25 is a year of innovation. So a couple of innovations we have done, I think more innovation will follow through. So I think in the past, you highlighted a lot more innovations are planned in Personal Care segment. So we can broadly highlight which segment in any new segment you are planning to follow within the existing segments, we are trying to make more innovations.

M R Jyothy: So Vishal, that I would like to not comment anything right now. You will see as and when we launch, you will get to know that.

Vishal Gutka: Got it. Last question on a quick commerce. So I just wanted to check whether you are available with all the leading 3 apps are available because we've generally seen some challenge in that --

the challenger brand being placed in the network. So if you can just broadly give your thoughts on quick commerce. Are we there in all the apps and most of the cities are we there or not?

M R Jyothy: Yes, yes, we are there. We are there.

Vishal Gutka: Okay. No major challenge in what do you call the placing the product at the quick commerce platform, right?

Pawan Agarwal: Can you repeat that, please?

Vishal Gutka: Yes. No major challenge in placing your product at the quick commerce platform, right? Because we are a challenger brand in most of the categories that is the reason why I am asking. Generally, they tend to keep the high velocity brands. Just wanted your thoughts on that.

M R Jyothy: No, no, no. So we are present across. And for us that channel also has been growing.

Moderator: The next question is from the line of Sonal Minhas from Prescient Capital Investment.

Sonal Minhas: This is Sonal. My question was linked to kind of what the earlier gentleman was asking around quick commerce. Wanted to understand roughly ballpark, how -- what percentage of your sales is quick commerce? And any -- typically, we've seen that whenever a new distribution channel gets made, there's a new set of brands which basically have.

They take the pole position in a new distribution and there are new brands which get formed. So what is your observation from that channel? Are there some products, some SKUs, which you've specifically made from a grammage perspective or from just a position perspective for that particular channel? Just wanted to hear your side.

M R Jyothy: So yes, for us, quick commerce has been growing fairly well. And I wouldn't want to mention which one is doing for us. All the categories are fairly present there, and we are growing handsomely in that channel is what I would like to say, Sonal.

Sonal Minhas: Sure. And what percentage of your sales ballpark, would it be like less than 5%, 5% to 10%.

M R Jyothy: We wouldn't want to comment on that.

Moderator: The next question is from the line of Anurag Lodha from Axis Capital.

Anurag Lodha: So I just wanted to understand the competitive scenario in the Dishwash segment and like when do you expect it to stabilize? And I also wanted to understand about the pricing, the grammage that you've taken here. So I mean, majority of the grammage that has come in on the company. Has it come from this segment? Like what has the split been like? Yes, that is my question.

M R Jyothy: So yes, FMCG is competitive across categories, Anurag, and Dishwash is no -- it is very competitive there as well. Yes, we have passed on these grammage benefits to the consumer like any other player in the industry, and it has been doing well for us.

Anurag Lodha: Understood, ma'am. But I mean, what is your anticipation with regards to how this competition is shaping up? And like whether you anticipate it to stabilize? So any sense over there?

M R Jyothy: See, stabilized -- see in a scenario where everybody wants volume growth and when consumer is willing to come, there will be this competitive aspect that will continue for quite some time. So -- but we are ready with our strategy and that we will continue. In a scenario like this, we have -- I believe that we have done well and that we will be competitive in the future as well.

Stabilizing, I don't see that in the coming -- this thing. It will continue this way till quite some time, I guess.

Moderator: We have our next question from the line of Vishal Punmiya from Yes Securities.

Vishal Punmiya: A couple of questions on Jovia. So firstly, I just wanted to check what is the price point for this brand? Is it in the range of INR20, INR25 for a 75-gram single pack, which you obviously will send in a bundle? Is that the same range?

M R Jyothy: Yes, yes, it will be around INR25, INR26. Correct.

Vishal Punmiya: Okay. Okay. And what would be the profitability in terms of maybe you can highlight the gross margin? Is it similar to the company's average? Or would it be currently lower for us? So such a small scale, obviously, you'll start with a very small scale?

Pawan Agarwal: It will be a reasonable margin. It will not be too attractive margin as it's going to be competing in the mass segment. So it will be reasonable, competitive enough.

Vishal Punmiya: So it would be dilutive for us on gross margin levels in the near term, at least for the next couple of years?

Pawan Agarwal: Yes, at least initially, yes.

Vishal Punmiya: Okay. Okay. And do you expect the launch in the mass segment to help us with Margo's scalability? Do you think that in non-South markets where Margo is currently not present can mass product help you to tap those markets?

M R Jyothy: Yes. The intent is to be there everywhere, Vishal. This would be a PAN-India later.

Vishal Punmiya: So I get your comment on Jovia being there PAN-India. But can it help Margo to go in areas where it is currently not present?

M R Jyothy: So Jovia and Margo are totally unrelated. Margo, while we have a decent presence in the South except Kerala. Margo is quite strong in Tamil Nadu and AP, Karnataka. So Margo is doing well there as well. So -- and it is also present in the rest of the country. So with this, it is a different segment altogether. Margo is a different segment altogether. And it is, in a way, a niche segment where people believe in the ingredient neem very strongly. That is that segment while Jovia is a beauty segment.

Vishal Punmiya: Okay. Understood. And any guidance in terms of near-term volumes? Would you -- are you kind of seeing better trajectory in volume terms over the next couple of quarters? I know things are quite volatile even in terms of demand. But internally, are you seeing the benefits on Morelight as well as Mr. White launches as well as the latest introduction of mass segment so would it help aid volume growth to be better from current levels?

Pawan Agarwal: No, it looks challenging. The initial signs in quarter 4 are not very encouraging. So I don't think quarter 4 is going to be meaningfully different or superior. So it's going to be tough.

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

M R Jyothy: Yes. We sincerely thank you for taking interest in Jyothy Labs. While we have tried to answer most of your questions. If there are any questions left or further clarifications needed, feel free to get back to us. Thanks once again, and have a pleasant evening ahead.

Pawan Agarwal: Thank you.

M R Jyothy: Thank you.

Karan Bhuwania: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.