November 15, 2024

Listing Department — **Code:** ***531 335***
BSE LIMITED
P. J. Towers, Dalal Street,
Mumbai–400 001

Listing Department — **Code:** ***ZYDUSWELL***
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai–400 051

Re: **Transcript of the Earnings Conference call held on November 11, 2024**

Dear Sir / Madam,

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of the Company's Q2 FY2025 Earnings Conference call held at 4:00 p.m. (IST) on Monday, November 11, 2024.

Please find the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS WELLNESS LIMITED**

NANDISH PRADIP JOSHI
Digitally signed by NANDISH PRADIP JOSHI
Date: 2024.11.15 10:03:57 +05'30'

NANDISH P. JOSHI
COMPANY SECRETARY

Encl.: As above

Zydus Wellness Limited
Regd. Office: 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481, India.
Phone No.: +91-79-71800000; **Website**: www.zyduswellness.com
CIN: L15201GJ1994PLC023490

"Zydus Wellness Limited

Q2 FY '25 Earnings Conference Call"

November 11, 2024

MANAGEMENT: **DR. SHARVIL PATEL – CHAIRMAN – ZYDUS WELLNESS LIMITED**
MR. TARUN ARORA – CHIEF EXECUTIVE OFFICER – ZYDUS WELLNESS LIMITED
MR. GANESH NAYAK – DIRECTOR – ZYDUS WELLNESS LIMITED
MR. UMESH PARIKH – CHIEF FINANCIAL OFFICER – ZYDUS WELLNESS LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the Zydus Wellness Q2 FY '25 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will remain 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, please signal an operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

I will now hand the conference over to your host, Mr. Manoj Menon from ICICI Securities. Please go ahead, sir.

Manoj Menon: Hello everyone. Representing ICICI Securities, It's our absolute pressure once again to hold the management team from Zydus Wellness for the Q2 FY'25 results conference call. The management is represented today by Dr. Sharvil Patel, Chairman, Mr. Tarun Arora, CEO; Mr. Ganesh Nayak, Director; and Mr. Umesh Parikh, CFO.

Over to the management for the opening remarks, post which we'll open the floor for Q&A. Over to you, sir.

Tarun Arora: Thank you, Manoj. Good evening, everyone, and welcome to the Post Results Teleconference of Zydus Wellness Limited for the quarter 2 financial year 2024-25. Like Manoj mentioned, we have with us Dr. Sharvil Patel, Chairman; Mr. Ganesh Nayak, Director; and Mr. Umesh Parikh, CFO, on the call from our side.

During the quarter, we continued to see robust demand across multiple categories driving strong overall growth. While urban demand has been under pressure, the rural demand continues its gradual recovery. The organized trade continues to outperform expectations with both e-commerce and Modern trade channels experiencing sustained upward momentum.

On the input cost side, the sequential rise in commodity prices for certain key imports led to increased costs. This was actively managed through operational efficiencies and strategic sourcing as well as calibrated price increases.

As a result, the company registered consolidated net sales growth of 12.1% year-on-year basis, of which 8.4% is due to strong volume growth.

The Personal Care segment registered strong consumer demand driving a double-digit growth of 26% for the quarter and continuing its upward trajectory over the last few quarters.

At the same time, Food & Nutrition segment also posted a growth of 9.7% for the quarter. Complan, Sweetener and Nutralite showed positive value and volume growth.

The Company's research and development capabilities continues to be at the forefront, helping the company to launch new products and extensions, namely:

Complan's foray into adult nutrition space, delivering high-quality protein with pre- and probiotics to support gut muscle axis with this offering - Complan VieMax.

Nutralite plant-based spread is a 100% plant-based buttery spread now available in two delicious variants, Olive, Garlic, and Herbs.

Nutralite professional enters the Cheese category and launched a few variants of mayonnaise and fat spread.

Following strong positive response from international markets, the company has launched sugar free D'lite cookies in India as well.

Amidst the headwind of rising commodity prices, the gross margin has remained resilient, showing its upward move of 261 basis points on a year-on-year basis, which outlines operating efficiencies and strengthening of product portfolio to absorb input prices inflation.

Let me take you through other highlights of the consolidated financial performance for the quarter 2 financial year 2024-25 and subsequent events.

Our net sales grew by 12.1% to INR 4,907 million. EBITDA grew by 16.7% year-on-year to INR 196 million. Net profit after tax grew by 254.2% to INR 209 million, adjusted PAT grew by 154.2% on a year-on-year basis after eliminating exceptional items from current quarter.

As one of the growth pillars, the company keeps on evaluating the business and assets, which has potential of fostering future growth, with product pipeline to meet evolving consumer preferences. As a result, the company entered into a definitive agreement to acquire Naturell India Private Limited, a leading healthy snacking company with a turnover of approximately INR119 crores for the financial year 2023-24 as per Ind AS.

Naturell company is engaged in the business of manufacturing, research and development marketing and selling of nutrition bars, protein cookies, protein chips and health food products under brands RiteBite Max Protein, protein fueled healthy snacks and RiteBite which is a fiber-enriched snacks.

The transaction is proposed to be funded by cash. It is expected to be EPS accretive for Zydus Wellness from the very next year post acquisition.

The transaction is proposed to be consummated within 60 days. We believe the product portfolio is innovative enough to meet the rising needs of consumers preferring balanced and nutritional diet.

With that, let me share some of the highlights of operations for the quarter gone by, which will also cover category growth and market share numbers as per MAT September 2024 report of Nielsen and IQVIA.

On the personal care front, Nycil brand has witnessed robust growth, favourable summer season and consistent media visibility. The prickly heat powder category has grown by 21.6% at MAT level. Nycil has maintained its number one position with market share of 34.3%.

Everyuth brand continues to outpace category growth and have registered a strong growth. The face scrub category has grown by 17.3% at MAT level. Everyuth scrub has maintained its leadership position with market share of 46% in the facial scrub category, which is an increase of 355 basis points over the same period last year. The peel-off category has grown by 26.4% at MAT level, Everyuth peel-off maintained its number1 position with market share of 77.9% in the peel-off, which is an increase of 189 basis points over the same period last year. Everyuth brand holds fifth position with a 6.9% market share in the overall facial cleansing segment as well.

On the Glucon-D front, Glucon-D continues to maintain its leadership position in the glucose powder category with a value market share of 59.4% at MAT level. The glucose powder category has grown by 20.8% at MAT level.

On the Complan front, the nutrition drink category has continued showing signs of revival across key metrics. Complan has added 9 lakh households over last year as per MAT August 24 reports of Kantar Panel. The category has grown by 2.8% at MAT level. Complan market share stood at 4.1% at MAT level.

On the sweeteners front, the Sugar Free maintained its dominant position with a commanding market share of 93.9% in the sugar substitute category, which has grown by 5.4% at MAT. Sugar Free Green continues to experience strong double-digit growth, driven by increasing volume uptick.

On the Nutralite front, Nutralite showed positive value and volume growth, contributing significantly to the overall performance of the segment.

As we move forward, we remain confident in our strategy and deeply committed to ongoing innovation, ensuring that we stay aligned with evolving consumer preferences.

Thank you, and we will now start with Q&A session over to the coordinator.

Moderator: The first question comes from the line of Avnish Roy from Nuvama. Please go ahead.

Avnish Roy: Congrats on good revenue growth. My first question is on Complan. So you have seen good penetration growth for 3 successive years. If you could comment on specific growth numbers Y-o-Y revenue terms. Now milk, which is the key requirement in terms of adding this has also seen a lot of stability and impact many markets correction also. So would you say that in terms of outlook, in terms of growth, where things could improve a bit and what is your sense on growth of market, because the market where leader continues to struggle here. So what will be your take on the overall growth for the industry in this market?

Tarun Arora: Thanks, Avnish, for your questions. Thanks for your wishes as well. Overall, if you look at nutritional beverages or HFD as been called traditionally, I think we've seen some growth coming back on the category maybe because the milk inflation is more stable and not growing so much. But largely also, I think the right actions will drive it which is that the consumers are looking at new segments and there are different products coming to meet those needs. And if we focus on that, that's the best chance to grow this segment.

At an overall level, our view is over a medium to long term, 5% to 6% growth is a fair for this category, which is close to a billion as we understand. But our view is that we can grow much faster than that if all the initiatives play out, we have seen good recovery of growth for us in the recent past, but we -- ourselves are very conscious that we will have to demonstrate a consistency over a period of time to be able to do that. But the nutrition needs stay consistent from a consumer point of view. And therefore, positive growth is what we will -- 5% to 6% is a fair expectation of that.

I don't know If that answers your question. We also launched -- because we believe that since there are multiple segments, we need a full play in nutrition. And that's why we were largely playing in the main part of the category, which is the kid segment, 7 to 17. We have launched few years back the Toddler segment with Complan NutriGro. We have launched for the adult, which we did not have any play in Complan VieMax, early days, just a couple of months in the market. We'll have to see how that plays out, but that should help us we play this overall well.

Avnish Roy: Sir, last question, again, 26% growth in Personal Care is a good number. So is there any one-off here? And in terms of the urban slowdown, which I think every company is mentioning, which categories will be most worried on in terms of the H2 in terms of urban slowdown impact?

Tarun Arora: So there are 2 parts to it. I think, first of all, Personal Care doesn't have any one-off. If you look at last 6 quarters since we've been reporting segment wise Food and Nutrition and Personal Care separately, you will see that consistently over 6 quarters that we have reported, we are showing a good double-digit growth. It's not an exception, but more of a trend for us, and both our brands have consistently demonstrated that. So just to rest assured that there is nothing one-off, hopefully, and we'll continue our momentum.

As far as the urban growth is concerned, when we look at our internal numbers in sync with the market, we find that urban growth is lower and sub-stockers which caters to rural and suburban, there is a clear difference. But part of urban is also going to q-commerce or e-commerce as well.

But I'm not particularly worried about any segment as we stand today because most of our very urban products other than Nutralite, which is only urban. Most of the other products are seeing good rural momentum also in the recent past, including Sugar Free and Complan. Glucon-D and Nycil anyway have a very large urban -- sorry, rural exposure. So I think I'm reasonably comfortable with the way it is. It will be good for us to get both the markets growing both the consumers responding.

Avnish Roy: Just one small follow-up on the urban slowdown. So if you combine general trade and quick commerce, e-commerce, modern trade, then for the sector, is there a real issue? Or is it more of the seasonal impact, I say, rain or whatever other issue? Because see, the food inflation is a real thing, right? Everything is so expensive in terms of food currently. And obviously, then the customer does cut back. So if you could comment on totality how challenging is the urban demand for the sector? I think for you it may not be that challenging.

Tarun Arora: Yes. So I think the reality is it's quite challenging in urban. And if you look at multiple segments, not just beyond us, both staples and discretionary, you'll find that everyone is struggling. So we believe it's real. It's just that we've been able to overcome this better. We've been lucky around that.

Moderator: The next question comes from the line of Manoj Menon from ICICI Securities.

Manoj Menon: Tarun, just continuing on this macro bit, it does appear a case of snake and ladder. Now in the rural bit, you mentioned that there's a bit of momentum for you currently. So could you elaborate on, let's say, what exactly you're doing in terms of any specific projects, either numeric expansion with selling, etcetera?

Tarun Arora: Not really. It's just that we've been executing. We've had a set of products, which we have focused on rural, we have a product architecture, which caters to specific markets. But just -- I think the team has executed better, and we're getting better traction on those.

Manoj Menon: So let me put it this way. So let's say, of this 8% volume growth, is there a number which would attribute to, let's say, sales execution or, let's say, additional number of outlets or with selling? Any quantification possible?

Tarun Arora: So we've seen very good growth, both from rural and e-commerce and modern trade. But traditional trade is also not like been -- has done better than urban trade, traditional trade has also done reasonably well versus the market. So I would find that our growth is -- for especially the last quarter has been well rounded.

Manoj Menon: Understood. Just on the urban deceleration comment in your presentation as well -- is there something which you are seeing in parts of your portfolio specifically? Or is the generic comment?

Tarun Arora: Sorry, I didn't understand, Manoj?

Manoj Menon: So is there any parts of your portfolio which actually -- basically, is it a macro comment? Or is it something you're already finding in your portfolio, let's say, apart for this urban deceleration you could have grown faster?

Tarun Arora: No. I think we are seeing a very consistency across in personal care, like we mentioned, is seeing fairly good traction.

Dr. Sharvil Patel: I think to what Tarun said earlier, I think only where because of food inflation, we have to worry about what happens going forward. But because we are sort of category leaders in many of the areas we are in, I think we are okay, but the food inflation is something we need to worry about.

Tarun Arora: And the other impact I'm a little worried about for future is the palm oil substantial increase because for Nutralite and food service becomes harder to pass on. It may give us growth, but it just becomes that much harder to deal with the market because it's quite price sensitive. So we deal with it. We have done it well in the past, but those are a few challenges that we foresee.

Manoj Menon: Understood, Thank You. Secondly, if you could elaborate a bit about -- a little more on I'm Lite actually, let's say, the activities or saw some medium-term targets, et cetera, or ambitions?

Tarun Arora: So it's -- we are now -- most of the places that we were doing, the traditional trade specific markets, for example, East was responding very well. We are well encouraged. E-commerce has started picking up some of the chains like DMart, etcetera, have done well. So it's not reasonable numbers, but it is picking up well. So we are quite hopeful that it will keep inching up. We've also upped the price. So it's working in the right direction. So should be okay. Long term, we obviously believe it is a much larger opportunity.

Manoj Menon: Understood, sir. And lastly, on international, again, what is the template, what's the thought process? Is it the Indian diaspora you would target or good international ambitions?

Tarun Arora: So Indian diaspora will never be able to meet my ambitions on our international business. We're clearly seeing that Sugar Fee D'lite range being accepted by across consumer segments and across geographies. So typical Indian diaspora in Middle East was an earlier customer. Now with this Sugar Free D'lite, we are able to cut across all kind of segments, whether it's local population, European population, we've seen Middle East, Hong Kong, Singapore, where we have introduced using traction.

Similarly, Complan is doing -- is getting traction in Nigeria which is a local population. So for us, we are looking at doubling every 3 years kind of growth and we are looking at being -- doing innovations, which are relevant to each of the focus markets.

On Bangladesh, which we are building, we believe the local population will be relevant. So being local, focused around those specific markets, especially around 2 lead brands, the sweeteners and nutrition, but also within tactically other brands also to widen the scope. That's how we're going to be looking at it.

Moderator: The next question comes from the line of Ajay Thakur from Anand Rathi Securities.

Ajay Thakur: I wanted to understand a bit better on the food segment. So like we have seen quite a bit of a slowdown from many of the companies in this food segment, but we still are kind of growing more like 9%. So if you can share some bit of a detail or more color in terms of this segment is driving this -- and what is kind of leading to a better growth for us in the food space, that would be helpful.

Tarun Arora: So we had a very good traction, both with the sweeteners and nutrition spaces last quarter, even Nutralite has had us a reasonable growth, Glucon-D is small and was a little bit under pressure because of the heavy rains, but otherwise, it's been rounded off growth.

Ajay Thakur: I understand. And sir, you have already launched VieMax, if you can share some bit of color around VieMax in terms of the pricing, what kind of differentiated proposition we have in VieMax, and what kind of revenue targets we are having for VieMax in the first year? Maybe some kind of a detail around the same will be helpful?

Tarun Arora: Yes. So it is focused on adult nutrition where we are saying that adults see a atrophy on muscle. And because we have a high protein content due to the presence of prebiotics and probiotics, which help better absorption of nutrients that VieMax offers. So it's a great way to deliver on the gut muscle axis. And that's the differentiator we built around and our pricing is about INR900 for 1 jar of 400 grams, which is in sync with a similar high-quality products that adult nutrition has.

We will focus in the top states, which are on adult nutrition and Complan, which is largely around East, South and part of North where we will use the HCP route, healthcare professionals route to promote our products. We are not planning to launch any advertising. That's a broad play that we're looking at. Our revenue targets are not very huge. We believe we want to do the seeding right promotions first, and then we'll build it as we go along.

Ajay Thakur: Understood, sir. Sir, last question was on more of the Naturell products that you have actually acquired. If you can share some bit on their EBITDA margin and what kind of benefits we can accrue from this interesting benefit from the acquisition. Since the fact that you mentioned about the kind of help that we can be accretive -- in terms of the acquisition can be accretive within the next year. So if you can share some details around the same, that will be helpful.

Tarun Arora: So first of all, to give you a big picture, I think we've always said that we look at only bolt-on acquisition. We believe food and nutrition is an important portfolio for us. In the nutrition, we already have a presence. We were looking for a category which has high growth potential, good tailwinds and meet the nutrition requirements and we've talked about a lot about focus on protein and other micronutrients as well, and this is exactly in the space that we have focusing ourselves on. And therefore, this RiteBite and RiteBite Max Protein brands fit into our portfolio. This business has seen good high double-digit growth momentum in the recent past, and we believe that's what will help us build it forward.

From a business scale point of view, like we mentioned, it has done about INR119 crores in the last financial year as per the Ind AS. It has got a small EBITDA positive, which for a scale of this size, I think is a great thing because most of the companies we have evaluated at this level typically tend to be substantially negative, and that's what we really liked about this that the current owners have run it in a very disciplined way, building it on the right reasons and the right ways of working. We are hopeful that with our actions in place we will continue to drive the growth and also make it EPS accretive by the next financial year.

Moderator: The next question comes from the line of Mayur Parkeria from Wealth Managers India Private Limited.

Mayur Parkeria: Congratulations on a decent set -- a good set of top line growth. Sir, given the top line growth of 12% volume growth of 8%, which is assumably much better than other peers in the -- even in the food side or on the general category of consumer side, would you say that while our EBITDA has increased by 16%, 17%, but the margin expansion is only 20 bps compared to. I understand this is a low quarter for us.

But do you believe that margin expansion could have been better or if yes, then what led to this slightly muted in terms of the growth margin expansion trajectory. While it is higher, I understand, but would you -- is it lower than your expectation? Or could have been better in the light of the macro or specific company situation?

Umesh Parilh: So in terms of PAT expansion we have actually last year we were at 1.3%. Now we are at 4.2%. So there is a margin expansion. So there is an impact of the exceptional item. But if we take that out, still there is a margin expansion that has happened. Secondly, margin expansion is more than the expected because of the high investment that we made in the advertisement and some other expenses, including some expenses which are there by -- the consultant fees etcetera.

Mayur Parkeria: And how do we see that...

Tarun Arora: But I think that trajectory is consistent. I think we will -- like we've mentioned in the past, we have continued to increase our gross margin. And continue to deploy as is required based on advertising is required, because we had cut it when the gross margins were under pressure. So it's a balanced approach of trying to focus on growth and development of the business as well as improve our profitability parallelly.

Mayur Parkeria: Sir, in the same light, given that we have seen a good gross margin expansion over the last couple of quarters, now we are at a stage where the base of the gross margins have been higher and we are now seeing some inflation seeping in, in terms of a couple of categories. So do you believe that the best of gross margins is behind us? Or do we believe we have more levers for expansion as premiumization or other trends continue, especially from a next 1-year perspective?

Tarun Arora: So one year is a little hard to predict at this stage. But in, I would say, next 1 or 2 quarters, we still believe there is room for us to keep pushing it, and that's really what we are working here. Over a period of time if things work out, we'll continue to push further on gross margin and other.

Mayur Parkeria: That's great to hear, sir. Sir, last question from my side on the acquisition which we made. Sir, we have seen who has been in the right health and fitness side, they would have surely tasted or had exposure to the Max brand. The point which I just wanted to understand from the seller's perspective, what was the key reason to sell this brand.

It's a little longish question in terms of -- is it the distribution which they wanted to expand, which we can add to it? Is it the product which is there the R&D part? Or what is it that led to there -- they moving out? Is it get some management which they want to push it to the professional to us.

And finally, in terms of valuation it's attractive in that sense, when we look at the positioning. So given the market share of this protein bars than where Max spends? What led to sellers selling at this? And what were the key reasons behind that? If you can highlight, it will help us understand. And it's a great positioning from a long-term perspective. So congratulations on that.

Tarun Arora: Thank you very much. I think largely, it is scale of challenges. The business has done rather well. But for the next level of growth, we felt it would be better fit for a large strategic company to, has been support both from an infrastructure and expansion point of view, and it covers all the points that you said. So all those things made sense to them. And there was a fair amount of time we have spent talking to each other and working on. So there's a good reason they expansion.

Mayur Parkeria: Sir, do we see 15%, 17% kind of percent or even a higher kind of growth -- the company for this specific acquisition given the runway which it has? Or how do we see? Just a broad qualitative understanding. Is it mid-double digits? Is it high double digits? How do we see this, sir?

Tarun Arora: We are hopeful to do more than that. We have a track record is even better than that. So we intend to in the next couple of years, at least say on that.

Moderator: The next question comes from the line of Karan Bhuwania from ICICI Securities.

Karan Bhuwania: I have a couple of questions. Firstly, on Naturell acquisition, right? If you could highlight a few things in terms of what is the geographical mix, channel mix, et cetera, for the brand right? And also in terms of what is the distribution needs for the brand and how can we leverage our own distribution to expand the footprint for the brand?

Tarun Arora: So from a geographical mix, where top cities contribute top 10 cities will be, I guess, 70%, 80% of the business. So it's a very high top urban-centric brand. They are largely traditional trade and e-commerce focused. These 2 contribute to about 80%, 90% of the business substantially, e-commerce and that too specifically quick-commerce and traditional trade in these markets.

For us, the leverage is not just distribution, but the focused distribution, and that's why we'll work with them and have a specific plan to do the right things with the business and not just look at because we have a larger infrastructure and just put it in our regular infrastructure, but what is right fit for purpose distribution and grow the category along with them -- they've been the leaders in the space. So that's really how we're going to be working with them on this.

Karan Bhuwania: Got it, sir. And any brand extensions -- category expansion that you're thinking with this kind of positioning for the brand right now...

Tarun Arora: So they already have -- they already have bars, which is the mainstay, they've launched chips. They also have cookies, protein cookies, so protein chips, protein cookies that itself and granula bars. So they already have enough on the portfolio. We can launch 1 or 2 more products, but I think enough to grow on this and some of the products in the pipeline which we are working with them and figure out what is the right way to expand. But enough room for this, a lot of SKUs to expand on and making all of them available at the right place, that itself is a good opportunity for us.

Karan Bhuwania: Got it. Sir, secondly, in terms of margins, if you could highlight what would have been the margins excluding the consultancy fee that you're paying, right? If you could just highlight that to understand the margin expansions story much better?

Dr. Sharvil Patel: So I think it's -- because we use consultants in different programs and there is different act is going on. So I think -- some of this, we cannot call it as one-off because we will continue to have different programs that we run. So I think it's difficult to give each consultant one-offs.

Moderator: The next question comes from the line of Mayur Parkeria from Wealth Managers India Private Limited.

Mayur Parkeria: Sir, one slightly 30,000 square feet above the question on a very macro side and not with a negative, but just to understand the thought process from a slightly -- of the management on a slightly different. Sir, Nutralite the presence in dairy, cheese across product lines. So here the elephant in the room is Amul and doing reasonably and very strongly across it, so do we believe that at some point -- and when we look at this segment, the capital which we deploy in terms of resources, bandwidth, monetary and otherwise.

Do we believe that there is a case at some point in time to look at Nutralite differently and look at -- because the competition also remains very strong, and there's a very big elephant who's doing phenomenally well in this category, and it is becoming difficult. And then there is a pricing pressure also which keeps coming every few quarters, if not longer. Sir, any thought on that side, sir?

Tarun Arora: So Nutralite brand has built some of the segments or categories that it existing, so namely the fat spread. It's an extremely efficient business. It has -- it needs a certain kind of management because the consumer or the customers involved are price sensitive. But I think we have demonstrated that we have made the so-called big elephants to dance for what actions we have taken in the past. So I think we know reasonably well how to do it. The opportunity is much bigger, and we are reasonably efficient on it.

So today, I don't see the reason for us to reconsider our position. But at some point, in time where we feel that it is taking more than what it adds, we will obviously relook at it.

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

Tarun Arora: Thank you, everyone, and we'll see you next quarter.

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