

Operator: Ladies and gentlemen, good day and welcome to the EPL Ltd. Q1 FY27 earnings conference call hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pratik Oza from Systematix Institutional Equities. Thank you, and over to you, Mr. Oza.

Pratik Oza – Systematix Institutional Equities: Thank you. Good evening, everyone. On behalf of Systematix Institutional Equities, I welcome you all to EPL Ltd.'s Q1 FY27 earnings conference call. Representing the management today, we have Mr. Hemant Bakshi, MD and Group CEO; Mr. M.R. Ramaswami, COO; Mr. Deepak Goyal, CFO; and Mr. Omkar Gangurde, Head Legal, CS and Compliance Officer. We sincerely thank the EPL Ltd. management team for giving us the opportunity to host this call. Without further ado, I will hand the floor over to Mr. Hemant Bakshi to commence the proceedings. Over to you, sir.

Hemant Bakshi – MD & Group CEO: Thank you, Pratik. Good evening, everyone, and thank you for joining us for EPL Ltd.'s Q1 FY27 earnings call. I am delighted to share that EPL Ltd. has delivered an outstanding quarter amid unparalleled external challenges and a very volatile environment. This amply demonstrates the clarity of our strategy, the resilience of our business model, the strength of our customer partnerships, and our continued focus on disciplined execution.

Revenue for the quarter grew by 25.3%, while EBITDA increased by 15.2%, with EBITDA margins at 18.8%. On an underlying basis, excluding the pass-through impact of higher raw material prices, we delivered 20% underlying revenue growth while delivering EBITDA margins of 19.6%. This is a record performance. We have grown our top line faster than at any time in the past and held margins despite unprecedented cost inflation.

This is the fifth consecutive quarter of double-digit growth. Our growth continued to be broad-based across both categories and geographies. Beauty and Cosmetics maintained its strong growth trajectory, with growth exceeding 20%, while Oral Care also crossed the 20% growth mark. Personal Care and Beyond continues to expand and now accounts for 54% of our portfolio, further strengthening our presence in high-growth categories. Regionally, EAP led the quarter with growth of 34.3%, followed by the Americas at 29.4%, while Europe and AMESA grew by 20.2% and 17%, respectively, marking another quarter in which every region delivered double-digit growth.

EBITDA continued its strong momentum, growing by 15.2% and marking our 15th consecutive quarter of double-digit EBITDA growth. We were able to pass on the entire cost increase through judicious pricing across all our regions and customers. Further, our frugal mindset and relentless cost discipline enabled us to continue making growth investments while staying in the target margin range. PAT delivery was in line with our estimates and is on track to deliver double-digit growth for the full year. While Q1 PAT declined by 1.4%, our PBT increased by 10%. The difference is because we are lapping a very low base-year ETR, and this will be corrected on a full-year basis.

We have made significant proactive growth investments ahead of the curve in key strategic areas. This is translating into higher growth. While doing so, we have maintained strong capital efficiency and a disciplined capital allocation approach, resulting in return on capital employed of 18.5%.

Innovation remains central to our long-term strategy as we continue to invest in new technologies and differentiated packaging solutions. This commitment was recognized through multiple innovation awards across India and Europe during the quarter, including the ETMA Tube of the Year Award and the FIPSA Awards for responsible packaging. We continue to make meaningful progress on our sustainability agenda, with sustainable tubes now accounting for 44% of our overall product mix. Our focus on operational excellence and our people was also recognized through the prestigious IMC Ramkrishna Bajaj National Quality Award for performance excellence and our recognition as one of India's best companies to work for in 2026.

Looking ahead, let me first provide an update on our proposed merger with Indovida. During the quarter, we received approval from the Competition Commission of India, and the transaction continues to progress well. We remain on track to complete it within our planned timeline and are excited about the opportunities this partnership will create for our customers, employees, and shareholders.

As we look ahead, while the geopolitical environment and trade dynamics continue to evolve, our priorities remain clear.

First, to further strengthen our leadership in Beauty and Cosmetics. We continue to see immense long-term opportunity in the category, supported by a strong pipeline across customers and markets. Our continued investment in innovation, differentiated packaging solutions, front-end specialization, and new technologies provides us with a strong platform to capture this opportunity and sustain our growth momentum.

Second, to accelerate our presence in high-growth markets. Thailand continues to make excellent progress, supported by a strong customer pipeline and recent wins with multinational customers. We will continue investing behind these opportunities while actively expanding our presence across other attractive growth markets to strengthen our global footprint.

Third, to remain relentless on margins and capital efficiency. In an increasingly dynamic global environment, maintaining financial discipline is more important than ever. We remain focused on driving productivity, operational excellence, and disciplined capital allocation to support sustainable margin expansion and profitable growth.

Fourth, our long-term vision is to go beyond our current format of tubes and expand into newer high-growth packaging formats to become a leader in consumer packaging in emerging markets. Our merger with Indovida is the first step in this very exciting journey. Based on our recent performance and the current environment, we are raising our growth guidance to the high teens for the next few quarters while holding on to our underlying EBITDA margin range of 20%. We continue to remain focused on managing the extremely volatile environment and feel confident that we will retain and grow our market share while also covering the entire cost impact through our pricing actions, as we demonstrated in quarter one. Our confidence stems from our actions in this quarter, in which we demonstrated agility, focus, and resilience while continuing to invest behind our

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strategic big bets.

We believe EPL Ltd. is entering an exciting new phase in its journey, with a strong foundation, clear strategic priorities, and a relentless focus on execution. We are confident in our ability to deliver sustainable, profitable growth and create enduring value for our customers, employees, shareholders, and all our stakeholders. This will be further enhanced when the merger with Indovida gets approved and the synergies are fully realized. Thank you for your continued support, and we will now open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. We also request that you limit yourself to two questions only. If you have any further questions, you may rejoin the queue. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Samir Gupta with IIFL Capital. Please go ahead.

Samir Gupta – IIFL Capital: Hi, good evening, everyone. Congratulations on a fantastic set of numbers, and thank you for taking my question. Firstly, I am looking at the net debt number, and if I back-calculate, because capex is already given, working capital would have roughly increased by 180 crores in a quarter. If I look at this number for the full year, the increase for the full year in FY26 was around 170 crores. I am trying to understand what has driven this increase and, in particular, whether receivables have seen a material increase this quarter.

Operator: Ladies and gentlemen, please stay with us. The management line seems to have disconnected.

Operator: Ladies and gentlemen, we thank you for your patience. We have now reconnected with the management. Samir, I would request you to please repeat your question.

Samir Gupta – IIFL Capital: Sure, I will repeat it. Sir, good evening, and congratulations on a fantastic set of numbers. My first question is that I am looking at the net debt number disclosed in the presentation, and if I back-calculate, working capital would have roughly increased by around 180 crores versus March in a particular quarter. If I look at the full-year increase in FY26 working capital, that number was around 170 crores. I am trying to understand what has driven this sharp increase. In particular, have receivables seen a material increase this quarter? That would be the first question, sir.

Deepak Goyal – CFO: Hi, Samir. Deepak here. Thank you for the question. You are right that our working capital has gone up during this crisis period. However, this is largely driven by inventories. There are two reasons. One is the pricing of the inventory itself. With raw material prices going up, our inventory cost has gone up, so it is not as much an increase in quantity as in price. The second is safety stock. Supply security was paramount for us, and we ensured that we built the right level of inventory to avoid any supply disruptions. One of the reasons for net debt growing is also some of the ahead-of-the-curve investments that we have made in capex. With these three reasons, the numbers add up to what you mentioned.

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Samir Gupta – IIFL Capital: Understood. Just to clarify, receivables have grown within a normal range, is what I am assuming.

Deepak Goyal – CFO: That is right. While the value would grow because we have taken pricing, the number of days and the aging are well under control.

Samir Gupta – IIFL Capital: Understood, but the pricing would also affect receivables as well as the sales side.

Deepak Goyal – CFO: That is right. That is exactly what I am saying: AR values will show an increase because we have taken pricing. However, the underlying aging of the ARs and the quality of receivables remain very solid.

Samir Gupta – IIFL Capital: Sure, great. That is wonderful. My second question is on the contraction in Europe margins. Firstly, can you explain the transitional costs here? What is the adjustment amount, and is it a one-off for this quarter, or do you expect this to continue in the near future? As a separate, more strategic question, we have had multiple instances of moving manufacturing bases in Europe. What is the current status? Do you think all of this is now complete and a large part of manufacturing is now based out of Poland, or do you think there are any other transitions in the pipeline that you foresee in the near future?

Hemant Bakshi – MD & Group CEO: Yes. Samir, firstly, on Europe, I just want to call out that Europe delivered 20.2% revenue growth, which is a really exceptional performance, and the growth trajectory in Europe has continued for the last couple of quarters. We are really pleased with our top-line performance in Europe.

Having said that, as we had called out a couple of quarters back, there have been operational challenges in Europe. The good thing is that these have been fully identified and are now receiving disproportionate focus from the team. We are confident that these will be resolved in the coming quarters.

I would also like to call out that Europe is the biggest and most widespread B&C market. We have invested in Europe as the future of growth. We have invested in capacity expansion, new production capabilities, and front-end personnel. The sales pipeline remains very promising, which has helped us deleverage our dependency on a few customers. These investments are for long-term growth and are bound to provide scale benefits in the coming years. As operational efficiency improves, we expect margins to progressively recover.

On the manufacturing footprint, we have a manufacturing footprint in Poland and Germany. That is our current position, and that is what we will retain in the near future. As we might have said in the past, we have centralized some of our capabilities in Poland, both in terms of customer service and printing, and this is bringing both efficiency and superior service to our customers in Europe.

Samir Gupta – IIFL Capital: Understood. So, just to quickly summarize, these are new investments that have been made with the aim of capturing the great growth opportunity in the medium term. Would that be a correct interpretation?

Management: Yes. The investments are in line with the B&C opportunity we see in Europe, and the investments have been made both in terms of front-end sales capabilities and capex in certain new technologies.

Samir Gupta – IIFL Capital: Fair. I will come back in the Q4 follow-ups. Thank you.

Management: Thank you, Sameer.

Operator: Thank you. Our next question comes from the line of Sanjesh Jain with ICICI Securities. Please go ahead.

Sanjesh Jain – ICICI Securities: Good evening, sir. Thank you for the opportunity. My first question is on the guidance that you have upgraded to the high teens from double digits. If I look at it, there are two benefits, right? In rupee terms, one is currency depreciation and the other is inflation. But if we come down to the PBT level, a lot of it gets offset because we also have a negative currency impact on depreciation and on the cost line item. Does your view change on PBT growth as well, or is it largely related to revenue growth?

Management: Firstly, I want to call out that we have increased our guidance on the top line. We have raised our guidance from early double digits to the high teens. This is because we have seen continued momentum in B&C over the last few quarters, and with demand remaining healthy and our investments continuing to contribute, we expect this momentum to sustain.

Equally, Oral Care has started to recover strongly, adding further momentum to our growth outlook. We have also, as we have mentioned, set up operations in Thailand. Our Thailand operations are beginning to ramp up, and Thailand is a really significant B&C market. This ramp-up will be another growth driver as we move forward.

At this stage, we expect to operate in a high-inflationary environment for some time. Against this backdrop, we have raised our guidance to the high teens for the next few quarters, reflecting our confidence in the underlying momentum of the business. Having said this, on margin, we are holding on to our guidance of a 20% underlying EBITDA margin, and this is something that we will sustain as we move forward. I would also like to point out—

Sanjesh Jain – ICICI Securities: So it is safe to assume that—

Management: I would also like to point out that you mentioned our EBIT and PAT. I want to firstly call out that our PAT delivery is fully in line with our plans to deliver double-digit growth for the year. This quarter's numbers appear low because of the effective tax rate and phasing issues. Our PBT, if you focus on profit before tax, reflects 10% growth. Therefore, I want to clarify the bottom line. EBIT has also seen a significant increase in capex because, as we have already mentioned, we are investing ahead of the curve, and that is what is reflected in these numbers.

Sanjesh Jain – ICICI Securities: So we are looking at high-teens growth in revenue as well as EBITDA, and a lot of it will be translated into PBT for the year as a whole, correct?

Management: Yes.

Sanjesh Jain – ICICI Securities: My second question is on the other point you touched upon, moving beyond tube revenue. One opportunity is obviously the Indovida acquisition, which will give us a footprint in rigid plastic. What other opportunities are we evaluating? You said that this is just one of the opportunities we are evaluating. Can you talk about the other opportunities that are currently on the drawing board?

Management: Firstly, I want to reiterate our vision. Our vision is to become a leader from emerging markets in consumer packaging. That is our vision going forward, and as we have said in the past, there are three drivers to this vision.

One is to expand our portfolio by going beyond tubes. The second is to enter high-growth markets in the emerging world. The third is to move from just being a supplier to becoming an innovation partner.

I think our proposed merger with Indovida ticks all three boxes. Firstly, we are entering another category that is much bigger than tubes in terms of TAM, which is a positive. Indovida is also present in several emerging markets in Southeast Asia and Africa where we do not have a presence. Therefore, once the approval comes through, the merger will allow us to enter new markets.

Having said that, this is a really big first step in our journey. We are interested in moving into new formats, and we are actively scouting for acquisition opportunities. As far as acquisitions are concerned, our strategy is very clear. We will seek targets that allow us to move into new capabilities, which means new formats or new markets. Of course, they must meet the criteria of helping us build growth and margin as we move forward. We are therefore also very actively looking at acquisition opportunities.

Sanjesh Jain – ICICI Securities: How about the synergies from Indovida? India is a much larger and more secular market. Do we want to enter that market, or do you think India is over-served as far as rigid plastics are concerned?

Management: On Indovida, I must firstly say that we are still awaiting approval for the merger. Until we receive approval, we are not in a position to share any information between the two companies. Therefore, anything I can discuss is based on what is available in the public domain.

From that point of view, I also want to share with all of you that Indovida declared its results a little while ago, and it reported a really impressive set of results for this quarter. Its volume grew by 11%, its revenue grew by 25%, and its EBITDA grew by 62%. The margin expanded by 615 basis points to 27%. If I reflect on it, the EBITDA of Indovida in this quarter is almost {? 383 rupees crores ?}. As you can see, they are doing exceedingly well, and the growth strategy they have in place is delivering both top-line and bottom-line growth.

In terms of your specific question on India, I think that is best addressed to the Indovida management right now because we remain two independent companies. Post-merger, of course, we will look at all opportunities to see how this handsome growth can be further accelerated.

Sanjesh Jain – ICICI Securities: Understood. One last question from my side. Was there any element of inventory gain because prices moved quite sharply and we carry a decent amount of inventory?

Was there any element of inventory gain, or was there no benefit from inventory gain?

Management: Consumption cost does have an impact from old inventory, but pricing also comes with some lag for a few customers. Net-net, what is important is that in quarter one we recovered the entire cost impact, and we are absolutely confident that we will continue to do so in future quarters as well.

Sanjesh Jain – ICICI Securities: When you say the entire cost, you mean raw material, higher freight costs, and currency depreciation all put together, correct?

Management: That is right. All our customer contracts, Sanjesh, are on a landed-cost basis, so currency depreciation is also recovered. Freight also saw a sharp increase, and we have been able to recover that from the customer.

Sanjesh Jain – ICICI Securities: Very clear. So this time around, we are not struggling with the same problem that we faced in the post-COVID era, correct?

Management: It is important to reflect on what happened in the past, and you are absolutely right that we did face a challenge when we were hit by this crisis. Over a period of time, we have learned our lessons and built the capability to recover pricing as we move forward.

We have built strong tracking and review mechanisms around cost inflation and recovery. Our sales teams have proactively engaged with customers to ensure consistent supply even during a volatile period and have remained engaged with customers throughout.

Our approach is anchored in a few clear principles: executing with agility, maintaining financial discipline, safeguarding customer relationships, and continuing to drive long-term value. We are confident that our business model has the strength to overcome volatile and uncertain commodity cycles and, in some ways, is {? cyclically proof ?} cyclically proof. We should be able to overcome business cycles as we move forward.

I would also add, Sanjesh, that if you recall, we have always mentioned that one of our key focus areas is to make this business cyclically proof because commodity cycles will come and go. That is exactly what you see demonstrated in our numbers for the quarter.

Sanjesh Jain – ICICI Securities: That is clear. I think it is good to see those errors, or those issues, being fixed. Just one last question: do we receive anything—

Operator: Sir, sorry, I will request you to please rejoin the queue. Thank you.

Sanjesh Jain – ICICI Securities: Thank you.

Operator: Thank you. Our next question comes from the line of Jaimin with Ardeco Asset Management. Before you go ahead, let me remind participants to restrict themselves to two questions only. For further questions, you may rejoin the queue. Jaimin, please go ahead.

Jaimin – Ardeco Asset Management: Thank you for the opportunity, sir. My first question is on the investments you are making in new technologies as well as in your customer acquisition infrastructure. How should we think about the split between growth-enabling opex, which is

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temporary in nature and which is within your control to reduce in the future, versus structural additions that are being made to the cost base?

Management: I am sorry, the question was not clear. Can you repeat it, Jaimin? I could not hear your question.

Jaimin – Ardeco Asset Management: When we look at the increased investment you are making in new technology as well as manpower costs, how should we think about the split between your growth-enabling capex, which is temporary in nature and within your control to reduce in the future, versus structural additions that are being made to the cost base?

Management: I think, Jaimin, that is a very good question, and let me address both the opex and capex questions you have asked.

Our opex growth is in line with our plans. I want to be very clear on that. We have articulated a strategy of growing B&C discontinuously. We have also put in place investments to deliver on this strategy. While the quarter has had other challenges, we have remained completely focused on our long-term strategy.

This includes setting up a full-service Center of Excellence for B&C, which we have set up in India. We have fully divisionalized our front-end sales team. In the past, we had one sales team that sold all our categories. Now, we have a separate team that sells B&C and a separate team that focuses on Oral Care and large key accounts.

We have also made significant investments in embellishments and decorations, and some of these products are still being outsourced. You will see increases not only in opex but also in capex, where we have made investments ahead of the growth curve to ensure that we are fully ready to service the additional demand that our business will generate.

Having said that, our underlying costs, both in opex and capex, remain extremely efficient. While we are driving new capabilities, we are also making—

Deepak: ...sure that our underlying margins remain in the target range of 20% and that whatever costs we incur are also managed. On a steady-state basis, our EBITDA will grow faster than our revenue growth.

Jaimin – Ardeco Asset Management: Understood, sir. On the innovation and sustainability portfolio, could you give us some color on which platform is scaling fastest from here and on the customer response you are seeing on those platforms?

Deepak: One of the things we have always said is that our core business is Oral Care, which under normal circumstances should achieve high-single-digit growth because it is a mature category. In this quarter, we have seen a very significant increase in Oral Care, and this is coming from all regions.

There are multiple reasons behind it, but one significant reason is that during a difficult time, when everyone is facing a crisis, our service and quality of engagement with customers have remained intact. This has allowed us to win wallet share and gain share across many markets. Oral Care

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delivered very strong growth of 24%. This is not something we will be able to deliver every quarter, but this quarter has been exceptional for Oral Care.

On the other hand, B&C is a category where our shares are relatively low, and we believe we have the opportunity to double our market share in the next few years. Currently, our market share is 8%. We believe this can increase to 16%. All our large B&C markets have performed exceedingly well, and that is resulting in the growth you are seeing.

To summarize, our core category of Oral Care has bounced back very strongly, and B&C, which is our growth category, is continuing to show momentum.

Jaimin – Ardeco Asset Management: Understood, sir. I will come back in the queue for the follow-up. Thank you very much.

Operator: Thank you. Our next question comes from the line of Sumant Kumar with Motilal Oswal. Please go ahead.

Sumant Kumar – Motilal Oswal: For Europe, regarding the profitability impact from transitional costs, apart from that, is there any other issue with Europe or its profitability momentum? Is profitability likely to recover in the coming quarters?

Deepak: As I have mentioned earlier, firstly, I want to again state that our revenue growth in Europe has been very good, and this has continued for the last couple of quarters. As we said earlier, we mentioned in the last two quarters that there have been some operational challenges in Europe. These have been identified and are receiving disproportionate focus from the team. We are confident that these will be fully resolved in the coming quarters. As operational efficiencies improve, we expect margins to progressively recover.

Sumant Kumar – Motilal Oswal: Can you talk about volume growth for the quarter?

Deepak: As you know, Sumant, we generally talk about revenue growth because that is the best indicator of our business performance. However, this quarter's revenue growth also includes the Middle East pricing impact, which is why we are also talking about underlying growth.

While reported growth is 25.3%, excluding the Middle East pricing impact, underlying revenue has grown by 20%, which is very strong. Regarding volume growth, I can tell you that this growth is driven by very strong underlying business performance. However, volume growth still will not make too much sense because there is a significant mix impact, given that product prices differ significantly between categories and countries.

Sumant Kumar – Motilal Oswal: Thank you.

Operator: Thank you. Ladies and gentlemen, to ask a question, you may press star and one. Our next question is a follow-up from Sameer Gupta with IIFL Capital. Please go ahead.

Sameer Gupta – IIFL Capital: Hi, sir, and thank you again for taking the question. From a cost perspective, would you say that the worst is yet to hit the P&L in full terms, given that we ended FY26 with slightly higher inventory and EBITDA margins from that perspective may still have some

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downside left? Or would you say that this was the worst quarter and that going forward things should improve from here, even though the Middle East situation is still ongoing, given that this is already a fantastic base?

Deepak: Sameer, firstly, I want to say that this is not the worst quarter. It is actually quite a positive quarter for us. We feel very happy and confident with what we have achieved.

As you remember, Sameer, before the quarter started and when we faced the crisis, we said we had two key principles during this crisis. One was that our customers must receive uninterrupted service from us and should see no disruption on account of this crisis. The second was that we would recover the entire cost we incurred through pricing. I am very happy to report to all of you that we fully met both these principles in this quarter. Therefore, we feel this quarter was very satisfactory.

Having said that, as you rightly pointed out, there was some old-cost inventory in our overall repertoire, and some of it was passed on as the quarter progressed. Equally, some of our customer pricing also had a lag. Therefore, taking both of these factors into account, the entire cost was recovered, and we feel very confident that the same principles will continue to apply as we move forward.

Sameer Gupta – IIFL Capital: That is very clear. If I may squeeze in another question, this is a follow-up from the earlier question on Europe. If we are investing for growth in Europe, it would also mean that we had already reached a good utilization level by FY26, but the margin and ROCE profile of the segment in Europe were still subpar. How should we interpret this?

Deepak: Europe remains a very exciting market for us, and we want to make sure that while the margin profile is being corrected, we capitalize on all the growth opportunities available in Europe.

We are expanding our capacities in extruded products, expanding our printing capabilities, and expanding multiple Beauty and Cosmetics capabilities such as {? Dia ?} and tooling. We are investing in all of these areas and want to ensure that our market share continues to grow.

Regarding the margin profile, we have identified two reasons. One is the investments we are making in growth. As growth continues, I think those costs will become normalized and scale leverage could emerge. The second is that we have identified certain cost inefficiencies that currently exist in Europe, and we are addressing them through very specific cost programs. I think in the coming quarters we will see Europe's margins improving to our target range of the mid-teens.

Sameer Gupta – IIFL Capital: Thank you, Deepak. Regarding this cost inefficiency, if you could—

Operator: Sameer, sorry to interrupt. May we request you to please rejoin the queue if you have any further questions?

Sameer Gupta – IIFL Capital: Sure. No worries. I will come back.

Operator: Thank you. Our next question is from the line of Giriraj Daga with Visaria Family Trust. Please go ahead.

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Giriraj Daga – Visaria Family Trust: Hello, team. Just one clarification on Indovida. Regarding the basic number you mentioned, did you say 383 crores of EBITDA?

Deepak: Yes, that is correct. This is publicly available information.

Giriraj Daga – Visaria Family Trust: This is just a clarification: there is no one-off here, correct?

Deepak: We are not able to comment on the underlying reasons for the results, Giriraj, because we are still seeking approvals for the merger. What we can share with you is information that is in the public domain, and that is what we have done.

Giriraj Daga – Visaria Family Trust: Thank you.

Operator: Thank you. Our next question comes from the line of Sanjesh Jain with ICICI Securities. Please go ahead.

Sanjesh Jain – ICICI Securities: Thank you for taking my questions again. I just have one question. What happened in the Americas? Sequentially, although revenue has been stable, I think largely because of inflation, EBITDA and EBIT have fallen quite sharply. Is it just seasonality, or is there more to it?

Deepak: There are two reasons for it. One is that revenue growth still includes the pricing impact, and hence, when we look at the EBITDA number, the underlying EBITDA margin is higher. In a way, March and June EBITDA margins are not sequentially comparable. Neither is revenue growth.

The second reason is that the investments we are making are also affecting the Americas because we are seeing exciting opportunities both in Brazil and in the US markets, and we are investing in our capabilities there.

Sanjesh Jain – ICICI Securities: When we say capability, is it more operational? I thought that when we say capability, it refers more to capex.

Deepak: It is both, actually. We are investing in capex, but at the same time, as Hemant mentioned during his earlier comments, we are splitting our sales team and making the teams specific to Oral Care and Beauty and Cosmetics, with the two categories being served by separate teams.

We are equally investing in areas such as Beauty and Cosmetics capabilities, where we outsource certain high-capability items that we still cannot produce ourselves. Those kinds of initiatives are being undertaken.

Sanjesh Jain – ICICI Securities: Are these margins expected to improve with revenue, or do you think this trend will remain subdued until the revenue completely offsets these investments?

Deepak: Some of these are ahead-of-the-curve investments, Sanjesh, and as revenue continues to grow, we will see the markets' margins normalize. However, let me reiterate that the Americas' margin remains very strong even in these times. The underlying margin is better than the reported margin because revenue growth still includes the pass-through pricing impact.

Sanjesh Jain – ICICI Securities: Understood. Thank you, Deepak, for all those answers, and best of luck for the coming quarters.

Operator: Thank you. Participants wishing to ask a question may press star and one. Our next question comes from the line of Jayesh Gandhi with Harshad H. Gandhi Securities Private Limited. Please go ahead.

Jayesh Gandhi – Harshad H. Gandhi Securities Private Limited: I have only one question on taxation. Over the last two years, the tax rate was 14% and 18%, and this quarter I think it was more than 20%. Can you guide us on the taxation percentage for the full year?

Operator: Ladies and gentlemen, please stay with us. The management line seems to have disconnected.

Operator: Ladies and gentlemen, we thank you for your patience. We have now reconnected with the management. Jayesh, may I request you to please repeat your question?

Jayesh Gandhi – Harshad H. Gandhi Securities Private Limited: Sir, I have only one question on taxation. Over the last two years, our tax rate has been closer to 14% and 18%. This quarter, it was more than 20%. Can you guide us on the full-year tax rate that we may have to pay?

Management: Our ETR, as we have always maintained, is a combination of tax rates across multiple countries. On a steady-state basis, it will remain in the range of 18% to 22%. While the range is somewhat wide, it is also a function of the profitability delivered by various countries, and hence we have to live with that variability.

Last year, the full-year rate was at the lower end of this range at 18%, while this quarter was at the higher end of the range, at 22%. This year, on a full-year basis, we should land anywhere between 20% and 22%. That is how we are looking at it.

Jayesh Gandhi – Harshad H. Gandhi Securities Private Limited: After Indovida's merger, do you think it will be similar, or can it go above 25% or something like that?

Deepak: At this point in time, it may not be appropriate to comment on the consolidated financials, given that we are still in the approval process. However, I can tell you, based on publicly available numbers and the due diligence that we conducted, that Indovida also generates very strong PAT. Its PAT is actually in line with EPL Ltd.'s PAT, and hence it is a very strongly EPS-accretive merger.

Jayesh Gandhi – Harshad H. Gandhi Securities Private Limited: I understand, sir. Thank you very much, and good luck for the future.

Operator: Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments.

Operator: Over to you, sir.

Management: We do not have any lengthy comments. We just want to reiterate that we are very happy with our performance in this quarter. While our overall growth is 25%, the underlying growth, if we remove the pricing impact on account of the crisis, is 20%, which is record revenue growth.

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We have never had a quarter like this, and we have maintained underlying margins in line with our guidance.

That is why we feel confident about raising our revenue guidance from low double digits to the high teens while retaining our margin guidance. We feel very confident about where we are, and we look forward to receiving approvals for the merger, which will allow us to move to the next step in our very exciting journey. Thank you very much for your time and engagement.

Operator: Thank you. On behalf of Systematix Institutional Equities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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