**emami LIMITED**

**10th August, 2026**

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

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

**Sub: Transcript of Investor's Conference Call of the Company for Q1 FY 27 – Financial Results**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Conference Call with Analysts / Investors held on 4th August, 2026, post declaration of the Unaudited Financial Results (Standalone & Consolidated) for the quarter ended 30th June, 2026.

The said transcript is also available on the Company's website at www.emamiltd.in.

This is for your information and record.

Thanking you,

Yours faithfully,
**For Emami Limited**

Ravi Varma
Digitally signed by Ravi Varma
Date: 2026.08.10 11:39:46 +05'30'

**Ravi Varma**
**Company Secretary & Compliance Officer**
**Membership No: F9531**

*(Encl: As above)*

"Emami Limited

Q1 FY27 Earnings Conference Call"

August 04, 2026

MANAGEMENT: MR. MOHAN GOENKA – WHOLE-TIME DIRECTOR AND VICE CHAIRMAN – EMAMI LIMITED
MR. VIVEK DHIR – CHIEF EXECUTIVE OFFICER – INTERNATIONAL BUSINESS – EMAMI LIMITED
MR. DHRUV AGGARWAL – CHIEF GROWTH OFFICER – EMAMI LIMITED
MR. GUL RAJ BHATIA – PRESIDENT – HEALTHCARE – EMAMI LIMITED
MR. MANISH GUPTA – PRESIDENT SALES – EMAMI LIMITED
MR. RAJESH SHARMA – PRESIDENT – FINANCE AND INVESTOR RELATION – EMAMI LIMITED

MODERATOR: MR. PERCY PANTHAKI – IIFL CAPITAL SERVICES LIMITED

**Moderator:** Ladies and gentlemen, good day, and welcome to Emami Q1 FY27 Earnings Conference Call. 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 call, please signal an operator by pressing star then zero or your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Percy Panthaki from IIFL. Thank you, and over to you, sir.

**Percy Panthaki:** Hi. Good evening, everyone. I have the pleasure to host the management of Emami Limited for their quarterly conference call. On the line with me, I have Mr. Mohan Goenka, Whole Time Director and Vice Chairman; Mr. Vivek Dhir, CEO, International Business; Mr. Gul Raj Bhatia, President, Healthcare; Mr. Manish Gupta, President, Sales; Mr. Dhruv Aggarwal, Chief Growth Officer; and Mr. Rajesh Sharma, President, Finance and IR.

I'll hand over the call to Mr. Mohan Goenka for his initial comments, and then we'll open up for Q&A. Over to you, sir.

**Mohan Goenka:** Good afternoon, ladies and gentlemen. Thank you for joining us today for Emami Limited's Q1 FY27 Earnings Call. I'm pleased to report that our consolidated revenue grew by 15% to INR1,039 crores during the quarter. Our domestic business grew by 20% and on a like-to-like basis, growth stood at a healthy 12% with a volume growth of 8% after considering the previous year numbers of two of our start-ups, Axiom and IncNut.

As our business continues to evolve, we are also transitioning our disclosure framework from brand-wise reporting to category-wise reporting. This reflects the increasing scale and diversification of our portfolio and provides a more holistic view of performance across key consumer segments and aligns our reporting framework with industry practices. More details on this is available in our presentation.

So, coming to our category performance. Hair and Scalp care emerged as one of our strongest performing categories, delivering 11% growth during the quarter. Within the portfolio, Navratna Cool Oil posted strong double-digit growth, while Kesh King reported mid-single-digit growth. 7 Oils in One once again delivered robust growth, reinforcing its position as one of the fastest-growing brands in our portfolio.

Skin Care grew by 3% during the quarter. While the summer season was characterized by significant regional divergence, our Talc portfolio delivered high single-digit growth. The Male Grooming range and BoroPlus registered low single-digit growth, respectively.

Healthcare grew by 2% during the quarter. The OTC portfolio continued to perform strongly and grew in high teens, while Medico range posted single-digit growth. The standout performance, however, continued to be our strategic investment portfolio. On a like-to-like basis, this portfolio grew by an impressive 61%, which now contributes 18% of our domestic business, highlighting the increasing relevance of our new age growth engine. The Man Company and Brillare continue to deliver strong momentum, supported by premiumization trends and growing digital adoption. We are equally encouraged by the performance of our recently acquired businesses.

Both Axiom Ayurveda and IncNut have started their journey within the Emami ecosystem on a strong footing and are delivering encouraging underlying like-to-like growth. Taken together, the quarter performance reinforces our belief that Emami today is no longer dependent on a few core categories or brands.

We are building a much more diversified portfolio spanning traditional FMCG categories, personal and healthcare, premium beauty and grooming, digital-first brands and emerging consumer platforms. This diversification not only broadens our growth runway, but also enhances the resilience of our business model across varying economic and consumption cycles. Our channel transformation journey also continues to gather pace. Organized channels grew by 19% on a like-to-like basis and today contributes to 32% of our domestic business.

Modern trade and e-com maintained strong momentum with quick commerce now contributes 35% of our e-com business. International business declined by 12% during the quarter, primarily due to disruptions in the West Asia conflict, which constrained our ability to execute orders. Despite the near-term headwinds, the underlying strength of our international franchise remains intact. We have used this period to strengthen market fundamentals, improve pricing architecture and enhance operational agility and remain confident of progressively regaining momentum and delivering healthy growth in the coming quarters.

On profitability, the quarter witnessed inflationary pressures led by higher crude oil prices and sustained cost increases across packaging material. making it one of the challenging cost environment for the sector in recent years. These factors, together with the changing business mix following the integration of the acquired businesses, resulting in higher COGS and moderation in gross margin compared to last year.

While we undertook measured price increases to mitigate the impact of cost inflation, the sharp rise in input costs during the quarter weighed on profitability. Given the current commodity cost trajectory, we are implementing further pricing actions and expect to more than offset the absolute increase in input cost during the financial year. We continue to focus on productivity enhancements, procurement efficiencies and value-led revenue management initiatives to strengthen margins and deliver sustained profitable growth.

However, I'm pleased to highlight that despite of these cost pressures, EBITDA grew by 6% to INR226 crores and profit before tax grew by 4% to INR195 crores. This reflects the resilience of our business model and the effectiveness of the numerous cost management initiatives undertaken during the quarter. Profit after tax stood at INR137 crores, lower by 16% due to normalization of our effective tax rate.

As part of our ongoing transformation journey, we are executing three strategic initiatives to strengthen our growth platform and improve business efficiency. We are enhancing supply chain planning, inventory management and distribution visibility, which will help improve forecast accuracy, service levels and working capital efficiency. Sales code AI is being deployed to make our sales organization more productive by enabling better planning, sharper execution and real-time decision support for the field force.

At the same time, our analytical hub is creating a single enterprise-wide platform for data analytics and AI, enabling faster access to insights and better decision-making across the organizations. These initiatives are progressing very well and are expected to be completed during the current financial year.

As we look ahead, we remain very optimistic about the growth prospects for the business. We are encouraged by the strong performance of our core brands, rapid scaling of our digital-first brands and sustained traction in modern trade, e-com and quick comm channels.

With commodity inflation and geopolitical developments remains areas to watch, we believe our diversified portfolio, strengthened distribution capabilities, robust innovation pipeline and disciplined cost management initiatives positions us well to deliver sustained and profitable growth during the -- through the remainder of FY27.

With that, I would now like to open the floor for questions.

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

**Abneesh Roy:** My first question is on strategic investments. So 61% growth is strong. If you could tell us in the 4 subsegments, which one is driving this growth. Some of these are quite new. For example, Axiom became a subsidiary in Q1 only and IncNut again from Q1 only. So some of these are quite new. I understand 61% like-to-like is comparing from the base. But still, if you can explain this strong growth, how sustainable is it? Where is it coming from? And company, of course, last 2, 3 years has been reasonably challenging. So is it a base effect?

**Dhruv Aggarwal:** Sure. So I think across all four of the subsidiaries that are represented over here, we've grown substantially both in terms of volume and value. When it comes to Axiom, while it is a new subsidiary, it's a new majority stake that we have, we've been involved since 2023. So we've got very -- since last year, we've been working on some of the initiatives that have started to reap the rewards.

So overall, yes, it's been very good, 60% -- but even TMC, which was struggling, like you said, over the last 2 years, that's grown north of 20%, well north of 20%. So it's actually across all. The only one, I think, that is slightly newer is IncNut in the portfolio, but we're getting our hands dirty with that brand very, very quickly.

**Abneesh Roy:** But how sustainable is this 61% -- is there anything one-off, any pipeline buildup due to new launches for the balance 3 quarters, what is the expectation on growth?

**Dhruv Aggarwal:** I think you will see something similar. So this is quite sustainable.

**Abneesh Roy:** Understood. Last question on this new framework for reporting, category-led reporting. I wanted to understand thought process of doing this now because in 1 or 2 segments, frankly, it looks good to do category reporting. But what do I do with skin care, for example, which has go Talcum powder, which is very seasonal. You have clubbed that with Smart and handsome and BoroPlus, which is very different segment.

So how does this help in terms of data point, if you could tell? I think same issue will be also in health care. Pain management, again, is quite seasonal and then you have clubbed that with Zandu Healthcare, which is far more, I think, strategic in nature, far more evenly balanced out every quarter. So, if you could tell us how does this help? I understand category reporting, a lot of other companies are doing, but how does this help?

**Mohan Goenka:** Someday we had to start this because with so many brands coming in, it was not possible for us to give brand-wise information, okay? Clubbings can be different for each company, but Balm being a Zandu brand and Balm being a health care, the brand name is also Zandu. So we wanted to club it with the health care only, which is primarily health care, and it is not so seasonal.

So sometimes people really get confused with seasonal, nonseasonal. And with now almost 10, 12 brands, we have to club. We can't give each brand reporting. And there are more brands in the pipeline we are looking for. So how do we keep on reporting brand-wise information.

**Moderator:** The next question comes from the line of Arnab Mitra from Goldman Sachs.

**Arnab Mitra:** My first question is on margins. So the impact that you have seen this quarter, how much of it is to do with the input cost? And how much of it you would say is structural because your portfolio is changing towards these new categories? And the impact, which is from commodities given your pricing power, do you expect to offset it completely over a period of a couple of quarters? Or do you think the pressure is so much that there is going to be an impact for the remaining 3 quarters of the year?

**Mohan Goenka:** Yes. So Arnab, our input cost, if you would see, has gone up by 360 basis points, okay? And out of which almost 200 basis points is due to the conflict, West Asia conflict and the balance 160 is because of the mix. So now that the pressure is also easing a bit, we are very confident on that front that we will be able to offset with increased prices.

As far as the mix is concerned, see, that would be difficult because the start-ups have lower margins. But we are trying our best to also see that how can we increase some pricing to offset that increase also. I'm not worried for the whole year, Arnab, very honestly. I think the next few quarters should be relatively better than this.

**Arnab Mitra:** Got it. Mohan, my second question is on Talcum powder, where I think last year, full year FY26, there was a large decline over the base year. Now in this category now that, let's say, this year is a normal year with a good summer, should we not expect the revenue to go back to the FY25 level in talcum powder? Or do you think fundamentally, the revenue there is not going to -- the growth or the recovery is not going to be a full recovery in terms of at least getting back to the older levels of revenue? Because that is what seems to have driven the slowdown in the skin care business this time.

**Mohan Goenka:** Absolutely, Arnab, you're absolutely right. So, we would be able to recover and go back to the '25 numbers. Last year was a low number, but this year, we are going to make up. You will see a substantially high numbers in this quarter for Talcum. For the whole year, you will see a significantly high numbers.

**Arnab Mitra:** Got it. And my last question was on international business where there has still been a decline. Now in most other companies, what we have seen is most companies have now figured out a way to operate those companies who had a Middle East base. So have you also been able to figure out other logistics so that you can -- your international business can recover? Or do you still think till the Hormuz is closed, there is going to be a decline still in the foreseeable future?

**Vivek Dhir:** So our portfolio is slightly different from rest of the companies, which are essentially into only personal care. We are into OTC space pain management as well in Middle East. So the pain management is all produced out of India only. So personal care is produced in UAE as well as Germany and a part of that is being produced in Thailand. Over there, we are not having much of the issue.

So that is being fully resurrected. But the OTC pain management space, we are still struggling because certain pain management space, other things have still not been able to move out of India till date, and we are hefty orders with us not able to move. We are trying to find solutions to get some approvals from the ministries.

And hopefully, in a few days, we should be able to get something moved from India in that regard. When that is sorted, then we should be fully sorted in terms of supply reinstatement to the markets. So that is where we are struggling today. But rest of the, I think personal care side, we are fairly, I think, balanced now.

**Mohan Goenka:** And on the international front, I think the decline, this is now done. Most likely, you will see a significant growth coming in from the third and the fourth quarter because we have got -- we have realigned our -- a lot of international business strategies have been realigned in the last 1, 2 quarters when all these disruptions were happening. So I think you will see much better numbers in third and fourth quarters.

**Moderator:** The next question comes from the line of Harit Kapoor from Investec.

**Harit Kapoor:** Just first question is on strategic investments portfolio. So just wanted to get a sense of whether there is any seasonality in this part of the portfolio across the four brands that we have. Just wanted to understand whether this INR160-odd crores can be broadly annualized to look at a yearly number. So that's my first question.

**Dhruv Aggarwal:** So I think Axiom has some level of seasonality because it's juices and summer is the better season for us. But in terms of annualizing the figure, I think because I think only 1 month value will be reported in these numbers, generally, if you annualize it, you should be fairly accurate in terms of what we are aiming for.

**Mohan Goenka:** There's not much seasonality, Harit, other than just the Axiom juice business, which out of the total portfolio should not be more than 7%, 8% pure seasonality. If I'm not wrong, Dhruv?

**Dhruv Aggarwal:** No, absolutely. I think the next 2 quarters actually are high season for TMC and Brillare because that's festive and that's where we do a lot of our sales given these are D2C brands.

**Harit Kapoor:** And the second bit was, given that there's been consolidation as well as acquisition in the last few months, do we expect that -- so will '27 be a year of where we kind of consolidate these 4 acquisitions, see them grow or build them out and then maybe look for incremental opportunities? Or that's something ongoing and one can even see more such initiatives even in the near to medium term?

**Dhruv Aggarwal:** I think we are doing this in parallel. We think we've built a repeatable model at the centre where we are able to help each of these companies grow, right? And I think across all of our brands, there is not one that hasn't grown, right? So we're quite happy with the repeatable model. Of course, new capabilities constantly need to be added. And so if we can get two or three more engines inside the two or three more acquisitions, then why not? So we are looking very aggressively in parallel to see who else we can roll up here.

**Harit Kapoor:** Got it. And last bit again is on the strategic investments. You did mention the gross margin impact because of mix. But just wanted to get a range of these four brands now at an aggregate level, what are the kind of EBITDA margin levels for this business at an overall level? Are you at breakeven levels? Are you below breakeven? Is it low single, mid-single? Just some color on -- because I think some of them are at the lower end, some of them are actually quite profitable. So at an aggregate level, how does that look like?

**Dhruv Aggarwal:** Yes, it's a mix because each of these brands are at different stages of growth. And of course, I'd like to think that all of them are ready for strong growth. At an aggregate level, I think they're about EBITDA neutral breakeven.

**Moderator:** The next question comes from the line of Vaibhav Gupta from Bowhead Investment.

**Vaibhav Gupta:** I wanted to understand what is the high other income figure in stand-alone numbers? So it is INR53 crores?

**Rajesh Sharma:** Vaibhav, it includes a dividend from one of our international subsidiaries amounting to roughly INR32 crores, so which gets knocked off in consolidation.

**Vaibhav Gupta:** Understood. Understood. And my next question is, so sir, we had revamped our Kesh King portfolio and it was seeing good growth in H2 of last year, but the growth has slowed down in this quarter. So could you share what has been happening?

**Mohan Goenka:** Growth has been mid- high single-digit growth Vaibhav. So it will be like some quarters because maybe of some base effect and all, but we are expecting a double-digit growth at the end of the year for Kesh King portfolio. There's nothing to worry.

**Vaibhav Gupta:** Understood. And sir, how was the growth in Brillare really interesting brand? So wanted to see if you could call out the growth rates in that?

**Dhruv Aggarwal:** I think individual growth rates, we are not calling out, but Brillare had a fabulous year. I think the Rosemary oil shorts are really paying dividends for us and consumers are very happy with that product. So that's where I think we had well above the average growth.

**Mohan Goenka:** For the whole year, for all the start-ups, like for this quarter, we did INR160 crores. By the end of the year, I think we will be ending up anywhere between INR750 crores to INR800 crores.

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

**Percy Panthaki:** Yes. So just wanted to understand on the D2C business, how are you running them right now? Are they running as four separate companies altogether and that will continue in the future? Or you are planning to sort of have some kind of synergies or some kind of bundling of some of the functions? So -- and also how will the organization structure of this sort of strategic investments division look like, let's say, a year from now?

**Dhruv Aggarwal:** Yes. Right now, they are being run independently with their own CEO I think we have about 8 members. That is the link between the startups and the family is very closely involved in making sure that these start-ups are growing. We provide all the support that we need, whether it is content or international business or strategy or relationships with e-commerce or GT or MT channel.

And so wherever we are able to help independently, we do that. Plus within these companies, there's a lot of knowledge sharing and experience sharing. So that has also really helped in accelerating the pace of growth. I think from now we expect to maintain a similar sort of structure. We might bolster the central team and see what capabilities we can offer because now more of a plug and play into our repeatable model, as I mentioned earlier. So -- but I think we like -- for the near term, at least next 1 year, we'll keep it in this way.

**Percy Panthaki:** And what is the margin structure for the business?

**Mohan Goenka:** Percy, so by and large, as far as we are concerned, Dhruv has almost a free hand to run the business. He runs this business out of Gurgaon and the entire team is based out of Gurgaon. So because this needs a different strategy and people. So we have very aggressive plans, as we said, going forward for strategic investments. and we are looking for more such acquisitions.

So I think the team is by and large, built under group this thing. And as he said, all of these companies have very senior talent who are the CEOs for each individual businesses. So -- and the business, once we end this year by INR700 crores, INR800 crores, growing at almost 20%, 30% year-on-year. So it needs a different strategy and pace. And management is completely committed to invest behind these fast-growing segments.

**Percy Panthaki:** Understood.

**Mohan Goenka:** Also -- as and when we need people, he is free to appoint them.

**Percy Panthaki:** Dhruv, can you help us understand what is -- I mean, not asking separately for the 4 different companies, but for strategic investments as a whole, what is the kind of margin structure that you have? What is like at a gross margin as well as EBITDA margin level?

**Dhruv Aggarwal:** From a gross margin perspective, companies like TMC are north of 60%, companies like Brillare and IncNut are north of 70%. From an EBITDA perspective, I think I'll only be able to comment on the aggregate where we are close to or at EBITDA neutral. But going forward, I will take some calls regarding where I see a good opportunity to grow and where I see a good opportunity to make profit.

I think net-net, there is a long-term target, 2, 3-year target where we will get to a good healthy amount of profitability. But if there is momentum right now, then we don't want to give up on that because any growth in our top line at start-ups that are between INR100 crores to INR300 crores will only offset our fixed cost and help us in the long term.

**Mohan Goenka:** Here -- sorry, I'm coming in here. See, none of our four start-ups have gross margin below 55%. Axiom may be slightly lower, but others are much above yes, more than 50% Am I correct?

**Dhruv Aggarwal:** Yes, absolutely. I mean when it comes to D2C, we are looking at -- I mean, the criteria for investing itself is high gross margin. And we are looking at low performance marketing spend, more brand marketing spend. We reoriented our entire brand investments towards content, media, less offers and so on. So I think it's all building for the long term.

**Percy Panthaki:** So how long do you think it would take for the overall vertical strategic investments overall to sort of go to, let's say, a low teens kind of EBITDA margin? Would it be like a 2- to 3-year perspective? Or would it be like more like a 5-year kind of horizon?

**Dhruv Aggarwal:** So this is growing so quickly that there is -- it's hard for me to pinpoint. But I think you would expect high single digit probably at the 3-year point, and then we'll take it from there.

**Percy Panthaki:** Understood. And lastly, could you give me the channel split in terms of -- I'm assuming that there is no brick-and-mortar or if at all, let me know about that as well. But within the online portion, what is the split between your own website or app or whatever and versus third-party websites or apps?

**Dhruv Aggarwal:** In aggregate, it would be very different because for a company like IncNut, which does personalized hair care, there I'm largely on my website. For a company like Brillare or TMC, I'm going to the channel where my consumers are going. So that's quick commerce, e-commerce, while we use our website for first-party data and there's a lot of creative things that we can do with that Axiom actually has a phenomenal offline network.

So most of our sales there are offline across states from north to south. We sell in Jammu, we sell in Tamil Nadu, we sell everywhere through an offline network. So there, actually, the job is to build more online presence, more quick commerce presence.

**Percy Panthaki:** So at an overall level for the entire vertical, roughly, what would be a split between own assets, third-party digital assets and offline?

**Dhruv Aggarwal:** At an overall level, I would think you can put maybe 20% offline. I think 20% own assets and then the remaining will be -- sorry, probably 25% to 30% own assets and the remaining will be e-com, Quick com and other platforms.

**Moderator:** The next question comes from the line of Kaustav Bubna from BMSPL Capital.

**Kaustav Bubna:** Yes. So please explain to me this -- a little bit more about the margin trajectory given that the new brands as in the start-ups, the investments that we're in is lower margin. So -- and that's -- as of now, that's where the main growth is coming from. So that's low margin growth. Just explain to me ex of these low-margin businesses which are growing.

What about the businesses which command margin? What's the outlook over there? Because if we want to grow our operating profits along with our revenues, those businesses would have to bounce back and grow, right, if they are higher margins. So could you just explain that whole part?

**Mohan Goenka:** So Kaustav, as I said, for the year, I don't see that as a big worry. Right now, because of this West Asia, there was some pressure on our gross margins, okay? But I see that bouncing back very quickly. We have also taken aggressive price increases wherever needed. So I don't see margin pressure going forward. Also, there is a clear target for start-ups for path to profitability. So there also, most of our start-ups have reduced losses in this quarter compared to last year. So don't worry about this low-margin businesses growing faster because that's the consumer ask also.

We can't just rely on certain markets where margins are very high and the growth is coming from different -- so there has to be a good balance, okay? But despite of all this, we are committed that our margins don't come down. That's a task that we have, and I'm confident that we will be able to maintain our margins.

**Kaustav Bubna:** No, when you say margins won't come down, do you mean from the last 2 quarters base of around 20% to 22% if you don't include other income? Or do you mean -- because the last 2 quarters, margin has been relatively lower than previous quarters. So do you -- so what type of operating margin range before other income should we expect?

**Mohan Goenka:** As I said, Kaustav, it is short term because of the West Asia conflict, okay? Once it gets settled, we will have to wait and see. We are confident that we will be able to gain in coming quarters, with our aggressive price increases in some of our core businesses.

**Moderator:** The next question comes from the line of Vaibhav Gupta from Bowhead Management.

**Vaibhav Gupta:** Sir, I wanted to understand that tax rate seemed a bit high this quarter, like it was 28%, 29%. So is this our normal tax rate going forward or it could come down a bit?

**Rajesh Sharma:** It should be around 25%, 26% Vaibhav this year because still last year, we were enjoying some fiscal benefits. And from this year, we are back to normal taxation of 25%.

**Vaibhav Gupta:** Understood. And sir, given Kesh King would have a very low base last year. So despite that growing at mid-single digit, it seems a bit low. Are we taking any further initiatives or entering any new geographies to address this thing?

**Mohan Goenka:** Kesh King is back on traction. Whatever initiatives had to be taken have taken, we have arrested our degrowth, and it is now growing. There are a couple of new launches coming in under Kesh King, mostly in the D2C space. There is a lot of plan on most of our existing range also.

**Vaibhav Gupta:** Understood. And sir, what about Zandu OTC? And also wanted to understand in the Zandu Healthcare, Zandu Medico, what is the key difference? And what are the initiatives we have taken for this health care and medical piece?

**Gul Raj Bhatia:** Sure, sir. So essentially for the OTC business, we have been focusing on our power brand, and we launched new positioning campaigns for Pancharishta and for our Nityam portfolios. And we've seen strong double-digit growth in quarter 1 -- we've also launched some new products, which are focused on our -- using our sales team strength and sales and distribution.

So, we are fairly hopeful that at the rest of the year also, we'll be able to continue double-digit growth for the OTC business. We are also preparing plans for the winter season for some of our relevant brands there. We are also looking at consolidating our rural business there in terms of our substurice towns. We had done an expansion last year.

So we want to now harvest and see that they give a better throughput month-on-month and quarter-on-quarter. On the Medico business, we've had some new launches, which have been fairly innovative, which are seeing a good response. We are also focusing on the top category A doctors to enhance our throughput with them. And we are also looking at getting into smaller towns in a gradual manner, which currently are being underserviced for the Medico business.

**Moderator:** The next question comes from the line of Kunal Vora from BNP Paribas.

**Kunal Vora:** There is about INR500 crores investment in Axiom. How is it being funded? And should we assume lower interest income and higher interest expense going forward? Or that's largely already factored in the current run rate?

**Rajesh Sharma:** Yes, Kunal, so it is funded internally. So whatever surplus we had, we have required that only for these acquisitions. And obviously, in this quarter, some of that has been factored and some bit of payments would be made going ahead. So there will be slightly lower other income obviously compared to last year.

**Kunal Vora:** Okay. Slightly lower other income compared…

**Rajesh Sharma:** Yes.

**Kunal Vora:** The second is, if I look at core business, excluding the strategic investments, the growth seems to be about 3%. This is despite the GST rate cut and the strength which we are seeing in mass consumption everywhere. So how are you seeing the growth for the portfolio, excluding the recently acquired subsidiaries?

**Rajesh Sharma:** Kunal, excluding the investments, the growth rate is... So excluding the domestic, if you look at our domestic business, that has grown by almost 6%. So it is only because of international, it has come down because of its own challenges in Middle East. So we have seen good growth, as Mohanji said in his opening remarks in hair care business, 11%, 3% in skin care. So overall, around 6% growth is there in the core business.

**Kunal Vora:** And how do we see it for the remainder of this year?

**Rajesh Sharma:** So we expect some better numbers only going ahead on the core business.

**Moderator:** Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments. Thank you, and over to you.

**Rajesh Sharma:** Thank you. Thank you, all the participants, for joining us today. And thank you, IIFL. Thank you, Percy, for arranging this. Have a nice day. Thank you.

**Moderator:** Thank you. On behalf of IIFL and Emami, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.