



**EVEREADY** >>>  
INDUSTRIES INDIA LTD.

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# THE FINANCIAL EXPRESS

## **Eveready Industries India to raise Rs 100 crore via QIP**

**Eveready Industries India said on Friday it is planning to raise Rs 100-150 crore in the current fiscal through qualified institutional placement (QIP).**

By: [fe Bureau](#) | Kolkata | July 25, 2015 12:24 am

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Eveready Industries India said on Friday it is planning to raise Rs 100-150 crore in the current fiscal through qualified institutional placement (QIP).

The company said its board has approved raising of capital not exceeding Rs 150 crore in the form of QIP and the proceeds would be utilised for capital expenditure, long-term working capital and reduction of high-cost debt.

“We are planning to raise funds between Rs. 100 crore and Rs. 150 crore in this fiscal,” said Amritanshu Khaitan, Eveready’s MD. In the June quarter, the company posted 49.9% year-on-year jump in its net profit to Rs. 15.89 crore. During the June quarter of FY16 its net sales grew close to 8% y-o-y at Rs. 347.92 crore, led by more than 70% growth in lighting products.

Khaitan said the company’s newly-launched consumer LED (light emitting diode) bulbs segment has significantly contributed to its lighting business growth during the first quarter. During April-June period the LED products garnered Rs.22 crore sales revenue, which is about 6% of the company’s total turnover.

# The Telegraph

calcutta, india



- **Eveready in cash chase**

A Staff Reporter Amritanshu Khaitan in Calcutta on Friday. Picture by Kishor Roy Chowdhury

**Calcutta, July 24:** Eveready Industries Ltd will raise Rs 150 crore through a qualified institutional placement (QIP) to pare debt and fund expansion in lighting.

The company also plans to utilise the proceeds to purchase raw materials, primarily zinc, in cash instead of credit.

"The interest burden was Rs 34 crore in the last fiscal. It is expected to come down to Rs 15 crore in the next fiscal (2016-17) on account of input purchase credit and a high cost debt repayment," managing director Amritanshu Khaitan said after the board approved the fund-raising plan.

The company buys some raw material in credit and pays heavy interest on that. "We'll basically buy raw materials in cash from the time the fund is raised. Then, part of QIP will be used for some long-term capital expenditure in the core battery business," he said.

Khaitan said the promoter stake, which stands at 44 per cent, could come down by 1-2 per cent following the dilution of 5 per cent equity in the company through QIP.

## **Focus on LED**

The company expects light-emitting diode (LED) bulbs to contribute about 20-25 per cent to the total revenue from the lighting segment in the next three years.

The organised market for LED bulbs in the country stood at Rs 2.5 crore last year.

Khaitan said the company was planning to set up an outsourcing facility in Hyderabad where LED bulbs would be manufactured through dedicated vendors. The facility is slated to begin production within the third quarter of the current fiscal.

The company today reported a 49.90 per cent jump in net profit at Rs 15.89 crore for the first quarter ended June against Rs 10.6 crore in the corresponding quarter a year ago.

Net sales rose 7.55 per cent to Rs 347.92 crore from Rs 323.48 crore a year ago.



Article rank

25 Jul 2015

DNA (Daily News & Analysis) Mumbai Edition

Sumit Moitra

@SumitMoitra

### **Eveready charges up for QIP, bigger FII play**

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Kolkata: Eveready is banking on a Qualified Institutional Placement (QIP) of up to Rs 150 crore coupled with thrust on advertisement and marketing (A&M) to give a boost to its topline as well as bottomline. The budget for A&M campaign is being hiked 25% to Rs 75 crore this year.

The QIP issue was cleared by its Board on Friday. It would help the company invest in locally producing some components for batteries and boost its long-term working capital, which would reduce its high cost debt, Eveready MD Amritanshu Khaitan said.

Additionally, Eveready's Board has allowed raising the Foreign Institutional Investors' holding limit to 49% from 24% at present.

Some of the investors in Eveready are Goldman Sachs, Nomura Trust, CitiGroup and Amundi. The QIP issue as well as raising of FII limit would result in re-rating of the stock.

"We are expecting that interest cost will become half by the end of the year from Rs 33 crore last year. While battery is a nil-working capital business where products are sold for cash, our growing lighting business needs working capital," Khaitan said.

The lighting business grew a whopping 70% during the quarter to Rs 67.50 crore even as the bigger battery segment rose by just 3% at Rs 193.40 crore.

Within the lighting business, sales from LED products grew from Rs 50 lakh a year ago to Rs 22 crore in first quarter of this fiscal. Eveready's profit jumped 50% at Rs 15.89 crore for the first quarter against Rs 10.6 crore for the corresponding period of the last fiscal

NET JUMP - Eveready to mop up Rs 100-120 cr via QIP

Kolkata:

Storage cell major Eveready Industries India plans to raise Rs 100-120 crore in the current fiscal by issuing shares to qualified institutional investors, diluting up to 5% equity of the company to pare high cost debt. "We plan to raise Rs 100-120 crore. In the event of 5% equity dilution in the company, promoter's stake could come down by 1%-2%," Eveready Industries MD Amritangsu Khaitan said today. The promoter group holds around 44% stake in Eveready. The part of the proceeds would be used to repay high cost debt to the tune of Rs 5060 crore, which would lead to a substantial reduction of interest cost burden for the company in the next fiscal (2016-17), Khaitan said.

"After the reduction of high cost debts, our interest cost in the next financial year could come down," he added. Other portion of the QIP proceeds would be utilized for capex requirements in lighting and battery business, he said. "We are planning to set up an outsourcing facility for LED light business in India. We will also start manufacturing some battery components in-house, which we are importing now," Khaitan said. Eveready imports LED lighting products from China. The company was betting big on the LED lighting business, with 70% growth outlook, Khaitan added.

The lighting solutions major reported a 49.90% jump in net profit at Rs 15.89 crore for the first quarter ended June 30, 2015, against Rs 10.6 crore for the corresponding period of the last fiscal.

Its net sales in the quarter under review stood at Rs 347.92 crore, up 7.55% compared with Rs 323.48 crore in the same quarter a year ago.

In a separate filing, Eveready Industries said its Board has declared an interim dividend of Rs 1 per share.

Shares of Eveready were trading at Rs 356.40 per scrip on the BSE in the afternoon trade, down 3.07% from its previous close.



- **Aim 11% margins, 15% growth for FY16: Eveready**
- *The company reported a 49.9 percent jump in net profit at Rs 15.89 crore for Q1FY16 as against Rs 10.6 crore for the corresponding period last fiscal.*  
**Like this story, share it with millions of investors on M3**
- **Aim 11% margins, 15% growth for FY16: Eveready**
- The company reported a 49.9 percent jump in net profit at Rs 15.89 crore for Q1FY16 as against Rs 10.6 crore for the corresponding period last fiscal.
- The delay in onset of monsoon season impacted Q1, says [Eveready Industries](#) managing director Amritanshu Khaitan, but Q2 is expected to see a pickup in battery and flashlight sales.
- The company reported a 49.9 percent jump in net profit at Rs 15.89 crore for Q1FY16 as against Rs 10.6 crore for the corresponding period last fiscal. In terms of growth, the company's LED business has contributed entirely and is expected to increase further, he adds.
- As was seen in 2000, cheaper Chinese imports have flooded Indian markets, but Khaitan is not worried on this account.
- "The dumped batteries are of extremely poor quality. While it impacted growth in 2000, it doesn't impact imports now," he adds.
- The company is mulling a price hike in the premium category segment in Q2 and Khaitan is eyeing a 12-15 percent growth for FY16.

- ***Below is the verbatim transcript of Amritanshu Khaitan's interview with CNBC-TV18's Sonia Shenoy and Anuj Singhal.***
- **Sonia: It has been about an 8 percent revenue growth that you have seen, but if you go through the segmentwise performance your batteries business is seeing a low single digit growth. Have you seen muted demand this quarter and do you expect weakness to continue in that segment?**
- **A:** Battery and flashlight categories per se have a dependence on when the monsoon sets in the country. Both these categories do get impacted due to the sentiment regarding the monsoon. If you see the monsoons arrived very late in the month of June. We have already seen sentiment changing in both the categories starting July when rains in the cow belt area of UP, Bihar and Bengal have picked up and these growth rates should go back to higher levels in the second quarter.
- If you look at the flashlight category the degrowth of 10 percent in Q1 will get totally reversed in Q2 due to this upswing which we see taking place.

- BREAKING NEWS
- **Eveready Industries Q1 Net up nearly 50 per cent at Rs 15.89 crore**
- **Eveready Industries India Ltd.**
- NEW DELHI: **Eveready Industries India Ltd****BSE 0.19 %** today reported a 49.90 per cent jump in Net profit at Rs 15.89 crore for the first quarter ended June 30, 2015, against Rs 10.6 crore for the corresponding period of the last fiscal.

The company will also raise a sum not exceeding Rs 150 crore through qualified institutional placement (QIP) route and the proceeds will be realised for capital expenditure, long term working capital and reduction of high cost debt, it said in a **BSE** filing.

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# Business Standard



Eveready Industries Q1 net up nearly 50% at Rs 15.9 crore  
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Beside CNBC, ET NOW, there were prime time live coverages on NDTV & ZEE News too on 24<sup>th</sup> July 2015

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