



Eveready Industries India Limited

Q1 FY26 Earnings Conference Call Transcript

August 06, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Eveready Industries India's Q1 FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rangnekar from CDR India. Thank you and over to you, sir.

Siddharth Rangnekar: Thank you, Muskaan. Good afternoon, everyone and welcome to Eveready Industries India Limited's Q1 FY26 Earnings Conference Call.

Today, we are joined by senior members of the Management Team including Mr. Suvamoy Saha – Managing Director, Mr. Anirban Banerjee – CEO, Mr. Bibek Agarwala – Executive Director and Chief Financial Officer, and Mr. Anirban Ghosh – GM, Finance and Head of Investor Relations.

Before we commence, let me share a standard disclaimer. Some of the statements that are made on today's call could be forward-looking in nature and actual results could vary from these forward-looking statements. A detailed communication in this regard is available in the earnings presentation that has been circulated to you earlier and which is also available on the stock exchange website.

I would like to invite Mr. Saha to share his perspectives with you. Thank you and over to you, sir.

Suvamoy Saha: Thank you, Siddharth. Good afternoon, everyone and thank you for joining us this Earnings Call for the 1st Quarter of the current financial year. We have already circulated a detailed presentation on the Company's performance during the quarter, and I hope you found the information useful. I will highlight only the key points.

First, I would like to quickly touch upon the operating environment that we experienced during the period under review.

Consumer demand held on with urban consumption steady. Inflation was moderate. However, discretionary purchasing remained subdued. Rural demand showed a slow recovery. Zinc prices stayed range-bound during the quarter given the tariff concerns and sluggish demand globally. We continue to exercise cautious hedging strategy to protect our profitability. We are now in the process of leveraging the advantages from a robust distribution system that got completed last year for our



general trade channel. The rapid rise of quick commerce and continuing importance of e-commerce has made that we anticipate trends faster, replenish with greater efficiency and continue to innovate on products to retain and improve share. Spends on A&Ps stood at 8.3% and campaigns were rolled out across media. Our revamped line-up in alkaline is registering strong trends with market share during the quarter coming in at 15.3%. Positive impact was also seen in the carbon-zinc category, translating into a dominant 59.1% share. In flashlights, we made a number of new launches as we reclaimed momentum in the rechargeable segment.

Let me now provide a quick segmental update:

Batteries:

Carbon zinc has shown growth in both volume and value, supported by our extensive distribution network and brand equity. The category has seen moderate price increases in certain SKUs. We took long strides with our alkaline portfolio, drawing a growth of 50 bps in market share quarter-on-quarter to 15.3% as mentioned earlier. This was driven by performance-led positioning and amplified by advertising campaigns across multiple platforms. The category continues to outperform on both volume and value. In this quarter, revenue growth achieved was in excess of 50% year-on-year with similar growth in volumes. We held our market share steady in the overall consumer batteries market. The development of our greenfield facility at Jammu continues to be on target and will strengthen competitiveness as we seek to grow our share aggressively. Given the trends in zinc prices, we have maintained gross margins at a comfortable range through a combination of cost efficiencies and product mix.

Flashlights:

The segment has shown double-digit growth led by our lineup in rechargeable flashlights where growth is 39% year-on-year. Rechargeables have also seen better traction in modern trade and institutional channels. We expect that the BIS certification will drive consolidation in favor of brands like ours. Battery-operated flashlights stayed marginally negative on volumes and value terms. The flashlight business continues to track premiumization in consumer preference and remains well-placed to respond with feature-rich models. Our distribution capability strength across tier-2, tier-3 and rural markets remain a strength.

Lighting:

LED lighting has navigated a challenging environment marked by continuing price erosion which tends to mute value growth despite robust volume expansion. Across SKUs, including emergency lamps, luminaires, battens, panels, all have shown volume growth. Professional lighting also had healthy growth as we continue to build relationships with target clients. The distribution strategy for lighting has evolved with a refreshed and better aligned network of around 250 active distributors. We continue to add adjacent products with this quarter seeing introduction of MCBs.

Let me move to the financial comments:

Revenue during the quarter has shown growth in all categories except lighting remaining flat. The quarter ended with an overall revenue growth of 7% contributed by strong trends in batteries and flashlights. We continue to deliver a strong EBITDA profile at 14.3% thus aligning well with our intent.

I would like to now draw your attention to two notes in our published accounts:

1. The Company has entered into a settlement agreement with Real Touch Finance Limited to bring closure to the arbitration proceedings related to certain claims. As discussed in our earlier calls, this dispute arose from borrowings taken by other entities under a facility agreement to which our Company was neither a party nor a signatory nor a beneficiary. However, we became entangled in arbitration from 2019 under the doctrine of the group of companies. Under the terms of settlement, the Company paid Rs. 15 crore to Real Touch and assigned its receivables from the concerned entities, carried in our books at nil value along with associated rights and guarantees. In return, all claims against the Company will stand withdrawn. With this settlement, the earlier restrictions on asset disposal or capital restructuring imposed on the Company will be lifted upon completion of the required formalities.
2. An exceptional charge of Rs. 7.07 crore was incurred towards non-recurring ex gratia payments to workmen as part of a separation exercise. This step was taken to enhance our long-term cost efficiency. As for the outlook, we remain keen on delivering profitable growth across each of our segments and delivering a completed greenfield facility on time.

Finally, I would say that Eveready is armed with core strengths that are invaluable in the consumer products arena, setting the stage for business momentum.

With that, I would like to invite queries from the participants and request the moderator to open the forum.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.
- Arnav Sakhuja:** Thank you for taking my question. My first question is, could you please help us with the segment-wise margins?
- Bibek Agarwala:** Segment-wise, okay. And you have the next question please.
- Arnav Sakhuja:** Yes, this quarter we had a relatively high other income of Rs. 2.4 crore. What led to this?
- Bibek Agarwala:** Let me address your segment-wise margin. Battery is around 19%, flashlight 13% and the lighting remains flat almost and the Rs. 2.4 crore other income is having some of custom refund and some tenancy surrendering, we have done some long-term tenancy we had. So, that is a surrendering compensation we got.
- Arnav Sakhuja:** Going forward, we can't assume this should be the run rate. This would be more of a one-off situation, right?
- Bibek Agarwala:** This Rs. 2.4 crore is definitely a one-time exception income.
- Moderator:** Thank you. The next question is from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.
- Bhargav Buddhadev:** First of all, congratulations on a strong performance. My first question is that we had some embargo on fund infusion on account of this KKR thing. Is it fair to say that post this sort of favorable decision soon to be made, the embargo will be lifted and that could actually augur well for Eveready?

- Suvamoy Saha:** As I covered in my earlier remarks, with this settlement, the earlier restrictions, the embargoes were like this. There were restrictions on asset disposal or capital restructuring. These embargoes would get lifted as soon as the formalities are completed in due course.
- Bhargav Buddhadev:** Okay. Secondly, if you look at your rechargeable flashlight revenue growth of about 37%, it has been fairly impressive after a very long time. Now that the BIS has been implemented and we are doing a fair amount of new product launches, is it fair to say that we can grow in this segment in double digits for a medium term or maybe 2-3 years?
- Anirban Banerjee:** Yes, I think that's a fair assessment that the outlook would be double digit at least in the medium term. And as far as the entire BIS implementation is concerned, the first phase in six months of about the large organizations have come under it. But as far as the small ones are concerned, Rs. 50 crore and below in terms of turnover, they have an embargo to be BIS enabled by the end of the year. It is only after January that we will see if there is a movement where some of our more competitive torches become even more aggressive. But that being said, I think medium term double digit rechargeable flashlights is a yes, yes.
- Bhargav Buddhadev:** Great. And my last question is that the alkaline battery manufacturing plant is supposed to get commercialized, maybe by the year end. But before that happening, we've been getting steady market share from 9.6% in June 2024 to now 15.3%. What is driving this? Because obviously we are yet to enjoy any cost advantages from the factory. But despite that, we've been getting a decent market share. Post the factory commissioning obviously will become more cost competitive and that could accelerate the market share gain. But we can spend some time on the key drivers for this market share gain. It could be very helpful and that would be my last question.
- Anirban Banerjee:** Yes, that's a fair question. I think this entire movement towards drawing market share also preludes the fact that there will be a factory by the end of the year. And thus, by the time we hit the later part of the Quarter 4 etc. on that market share, we will have the advantage of local manufacturing. Our market share gains are also being pivoted, one, by the fact that there is a significant amount of segment growth in the alkaline. And within the entire battery segment, given that in zinc-carbon, we sell 1.2 Billion batteries in India and have distribution which is close to 4.5 million outlets where our batteries are present. Our ability to push the alkaline segment, given the strength of our distribution and if you would look at over the last 2 years, we've also been creating sufficient awareness for our alkaline battery which is better known as Ultima. The combination of a mature distribution and a solid brand promise, both of them together have pivoted us to this kind of market share which is, we believe to be a good going given that in 18 months we would have picked up 15% share. And thus, by the time local manufacturing comes into play, I think that share quantum will be very helpful in translating into margins. Hope that answers your question.
- Moderator:** Thank you. The next question is from the line of Apoorv Bandi from Whitestone Financial Advisors Private Limited. Please go ahead.
- Apoorv Bandi:** Thank you for the opportunity. My question is, currently we are into battery, flashlight, lighting, and then mosquito racket, wires, MCDs, right? Do we have plans to enter any new segment in next 2-3 years?
- Suvamoy Saha:** This is a continuing job of management to explore newer avenues for growth. Earlier we have articulated that our existing categories already offer us quite significant growth opportunities and that is something that we need to really first leverage before we look into completely new categories. We are routinely adding on adjacent products. But in terms of getting into a new category altogether, okay, it is at the back

of our mind, but nothing has been settled yet. And as I said, we would like to first exploit the growth opportunities existing within batteries, particularly in the alkaline segment, flashlights, particularly in the rechargeable segment, and the entire vertical of lighting. I hope that answers your question.

Apoorv Bandi: Sure. My next question is, how much percentage of revenue can we expect in wires and MCBs in the next 2-3 years?

Anirban Banerjee: Specifically, just started the journey on the MCB and the wire, actually MCB. And, you know, this year itself is a highly competitive market as well, right. And thus, this year, there is some amount of observation in terms of the traction that we get. I am not immediately going to be pegging a number yet, given that we haven't done a full quarter of the MCB or the wire. Now, that being said, our overall new products and by new products, definitions, I mean products that have been completely new or refurbished in the last 36 months, now, that typically would account for close to 15% of the revenues of the organization as we close the 1st Quarter of the new financial year. Hope that gives you some sense in the direction of where we are taking with some of the new products.

Apoorv Bandi: Yes, sure. My last question is among all these categories, I just want to clarify one thing that only batteries we manufacture, right? And the rest of the things we do trading. Is my understanding, right?

Suvamoy Saha: No, that understanding is not right. We, of course, manufacture the entire range of batteries. We also manufacture flashlights. We outsource lighting products. One of the outsourcing partners is an exclusive vendor to us. It is primarily an extension of ourselves. But beyond that vendor, we also have other outsourcing partners who are not exclusive to us.

Apoorv Bandi: Got it. And in MCBs and wires, it's right now, as of today, it's outsourced or maybe traded.

Suvamoy Saha: These are outsourced. You know, as Anirban, my colleague, was mentioning, we have a host of NPDs which have come in over the last few months or maybe, you know, a little more than that. And so, this whole basket of new products is something that we, by and large, outsource. Be it a mosquito racket, be it MCBs, you know, other accessories. These products are outsourced but they are as per our design.

Apoorv Bandi: Okay, and also one more question on the Jammu plant. In the last concall you mentioned that the alkaline batteries would be not only for B2C but would be for OEMs and B2B as well from the Jammu plant. What do we mean by OEMs? Is it auto OEMs or something else?

Anirban Banerjee: These alkaline batteries have multiple usages. You know, from high-drain devices, whether they are medical devices, gaming consoles, toothbrushes, electric toothbrushes, and various other kinds of high-drain devices, they are manufactured under various brands by many kinds of people, many kinds of private sector companies. Anyone looking to sell those high-drain devices will potentially watch out and want to combine them with alkaline batteries. Our local manufacturing does provide a great opportunity to provide our alkaline batteries to some of these manufacturers. It also provides us an opportunity of doing white labeling for some of the other users of alkaline batteries for their various kinds of devices and consumption. The local manufacturing plant also proves to offer white labeling opportunities for alkaline outside the country as well. As you rightly said, other than the domestic consumption of our alkaline within our brand, there is a host of other possibilities which is in the OEM sector.

- Apoorv Bandi:** And one last question. As we are seeing the robust growth in alkaline batteries, right? Is it that market is shifting from carbon-zinc batteries to alkaline batteries or both the markets are growing simultaneously?
- Anirban Banerjee:** There is and there will be some amount of cannibalization as, you know, one chemistry grows faster than the other chemistry. It's also to do with the fact that, your carbon-zinc in India is 9 out of the 10 people are still buying carbon-zinc and 1 out of the 10 is buying alkaline. And, many other parts of the world, alkaline has moved and become a more dominant shift. Now, some of these is also to do with the stage in which the country is. When countries evolve and you have a deeper penetration of some of the high-drain devices, as I mentioned earlier, smart reports, medical devices, gaming consoles, optical mouse etc., then you require stronger batteries such as alkaline. As penetration of that in India grows, you will have a demand for alkaline growing up and at the moment, the alkaline far outpaces the growth in the zinc carbon. Yes, there is marginal cannibalization that is happening. But I think we will see how it pans out over the decade.
- Moderator:** Thank you. The next question is from the line of Vikas Srivastava from RBC Financial. Please go ahead.
- Vikas Srivastava:** Thank you and great set of numbers. So, I come back to my old question now that the settlement of the KKR debt is done. You know, there are two things which were restricted. One was capital restructuring and capital raising. The other was sale of real estates. Now, have we as a management put in any thought or plan in terms of rationalizing, selling assets? Because I remember we sold Hyderabad, you know, many years back. And my personal assessment with Noida property in Mumbai and other parts, there is property worth about a Rs. 1,000 crore or maybe Rs. 600 crore to Rs. 1,000 crore in Eveready. Now, that's a very material amount. Do you have any plans? Have you, have they rectified? Because now it's purely procedural. Once you are settled with arbitration, you need to go to the High Court and settle this. So, and how many, is there a decision happening? How much time will it take? What kind of numbers or what kind of capital receipts after paying long-term capital gains are we expecting in the Company in the next 3-6 months? That's my first question.
- Suvamoy Saha:** Vikas ji, you know, this settlement happened just, what, one week back. It is still a little raw. It has to sink in because the first attempt was obviously to, you know, it was a commercial thing that we needed to get out of this embargo, which we have done. As we internalize this sort of get settled down to this, then will be the next question of what to do next in terms of, but respectfully, I think the figure is grossly overstated. But thank you for that, that you hold our valuation so high.
- Vikas Srivastava:** No, Mr. Saha, if it is wrong. It is wrong. But I'm assuming there would be some parallel discussions and thought process while the arbitration is going on, on to what to do, what are the properties we have.
- Suvamoy Saha:** See, Vikas ji, I must tell you, the management's job primarily is to run the business in the best possible manner. Okay, you see, we are in no financial crunch that, you know, it was such a big priority that was driving us to sort of plan when to sell, what to sell, etc. It is a fact that we have surplus assets, which in due course, obviously, I mean, nobody wants to sit with idle assets. It would in due course of time something would happen. But as I said, our prime focus was to bring our Company into a sustainable business environment, which we have done and now, we were trying hard to get this settlement and it has happened. The next step would be maybe by end of another couple of quarters, there would be clarity on this. If not in the next quarter, it is very difficult to say. But thank you for raising that question.

- Vikas Srivastava:** Thank you. Also, the debt is about Rs. 200 crore on the books. Other than that, is there a debt for the alkaline battery plant also? Other than about the 200 crore which we use for regular operations?
- Bibek Agarwala:** No. This includes the debt for the alkaline plant also. Whatever debt is in the book, it includes around Rs. 115 odd crore that has been spent for the alkaline plant. And this is part of the overall debt.
- Vikas Srivastava:** Okay. My next question was on, we talked about Rs. 1,800 crore in Financial Year 2027. Last call, you said it's still a possibility. I do know that the management and on the investors call, we got a little bit of flack when our RTM didn't work. But that's the nature of the beast. Now, we are not getting, and I've been requesting this for the last many quarters, that how is it looking now? What is our three-year goal? Is Rs. 1,800 crore on FY2027 still in the realm of possibility now?
- Suvamoy Saha:** Vikas ji, as we mentioned to you earlier also, you have really very diligently sort of being interested in us and we thank you for that. Our plans on achieving a turnover of that size got a little bit of a setback when we tried to, sort of restructure our distribution. Because we met with challenges, which you can say it is ignorance or whatever else you can call it. We did not foresee some of the challenges. As a result, as you know, last year was a flat year. But we knew that towards the end of the last year itself, we would start growing and which we did. This quarter, we have grown at 7%. And I think this is just the start of the journey. If we can maintain this pace, maybe FY27 is still too soon. But I think in the next 3 years, the Company should be in a position to get there. And that is the point that I was trying to drive at. The management is solely focused in making that happen rather than, worrying about what title assets. Of course, I mean, that will happen. I mean, you know, our CFO is sitting here. That certainly takes some part of his bandwidth thinking about how to restructure things. But operations wise, management is now confident having gone through all the challenges. We have sort of met those in the appropriate manner. The hygiene of the business is very high at this point. Again, I'll just come to the point that I think in the next 3 years, it should be imminently possible. And thank you again.
- Vikas Srivastava:** Thank you. My last question was on the alkaline battery plant. I heard on the call a little earlier that you're talking about when is the most realistic? Are we ahead of schedule? Are we behind schedule? When do you think we'll be in commercial production on the alkaline battery plant?
- Suvamoy Saha:** We should be in commercial production by March 2026, as we said, end of the financial year, which is March 2026. But internally, our target is to do it by January 2026.
- Vikas Srivastava:** Have we decided now to not give any two-year, three-year projections now at all after for the shareholders can we say that this is our goal three years from now? Mr. Saha, you did give us a goal earlier. And obviously, this is equity, and this is the nature of the business that you went wrong. But can we not go back even to start giving some because many companies are giving their roadmap to 3-5 years that I've been requesting for this for the last 2-3 years. Has the management turned too conservative or worried just because we went wrong once? Or are we going to now lay out a roadmap in terms of numbers, organic numbers at least?
- Suvamoy Saha:** Vikas ji, we are completely on board with your thought. I mean, management must, think of the roadmap and we will share to the extent it is permissible under the regulations.
- Vikas Srivastava:** Okay, thank you, Mr. Saha and I assume this is your last investors call. Thank you for all your patience and where you brought this Company, hopefully, for a stage

where patient shareholders like me are on the verge of a takeoff now. Thank you so much.

Moderator: Thank you. The next question is from the line of Vipul Shah from RippleWave Equity. Please go ahead.

Vipul Shah: At the outset, I thank Mr. Saha for ably guiding this Company in the turbulent times which we were facing both on the economic front and also on the route to market changes. I have only one question. There was a note to the account on some exceptional expenditure on Rs. 7.7 crore, I believe, on restructuring of or paying some ex-gratia. Is it possible for the Company to state at which location was this paid?

Suvamoy Saha: First of all, thank you for the personal comment. As I covered in my earlier comments, this exceptional charge of Rs. 7.07 crore was incurred towards non-recurring ex-gratia payments to workmen as part of a preparation exercise. And this step was taken to enhance our long-term cost efficiency. This was across locations. It was not specific to one because this is a routine exercise that we had done in order to improve our efficiency.

Moderator: Thank you. The next question is from the line of Slade Alexander from Artha India Ventures. Please go ahead.

Slade Alexander: Thank you. Good evening. Firstly, could you please let us how exactly this case that was settled just now with Real Touch Finance, how exactly it was linked to the KKR matter that had been pending? If you could just provide some context there. And then about the settlement, can you explain, the Rs. 15 crore that will be paid in cash, in which quarter will it be settled? And then the significance of transferring the loans which have a carrying value of nil. What exactly does that mean? If we have written, if we have already written them off as nil and then they are transferred to Real Touch Finance, if Real Touch Finance were to recover any of the repayments on those loans, does Eveready have any claim to any extent on those recover payments or what exactly?

Suvamoy Saha: I have understood the depth of your questions. Let me answer. With Real Touch, with whom we came to the settlement agreement, is something we loosely refer to as the KKR matter because Real Touch is one of an assignee of the original loans provided by KKR to these entities. It is the same topic that we are discussing. Real Touch is the kind of what we loosely used to keep talking being the KKR matter. Now, as I mentioned in the remarks, on account of the settlement, all claims against the Company will stand withdrawn. Also, with this, the earlier restrictions on asset disposal and capital restructuring imposed, the embargoes which were imposed on the Company will now be lifted once the due processes get completed. Now, when this will be taken into our accounts, you will see in the note we have mentioned that the final arbitral tribunal order is awaited. It is only after that award comes and the payments and other related adjustments including tax implications are fully reckoned, then we will be taking it into our accounts. However, we have also made a mention that we do not expect any additional charge from this settlement. As far as the receivables are concerned, these were written off way back 2021 and were being carried at nil value. We have assigned these receivables as part of the settlement and there is nothing that the Company would get out of those receivables because they have placed them aside once the process is completed.

Slade Alexander: Okay. Can you please tell me what exactly those loans and receivables were from which parties were they that have been transferred?

Suvamoy Saha: As I said that why did Eveready get entangled in this arbitration or the case because of the application of doctrine of group companies. The Company at that stage used to have certain entities as a group who had taken these loans, you know, from KKR and now through assignment, Real Touch. That is it. I mean, we have nothing to do with really that borrowing because as I said we were neither a signatory nor a beneficiary nor a party to that facility agreement and you were mentioning about the receivables which have come to nil value in Eveready's book since 2021, right? These were certain advances given by Eveready, again, I think, around the years of 2017-2018 to the so-called group entities which an assessment was made and full provision was taken and it was thereafter being carried on at nil value.

Slade Alexander: Okay. And my next question is, now that the restrictions have been lifted, so is there any kind of capital raise like a rights issue or anything that you all are looking at in the near future, because we looked at the cash balance of FY25? So, it was just Rs. 2 lakhs on hand and then around Rs. 48 lakhs in current account? So, relatively the cash balance has been reducing. Are there any plans like a rights issue or something to raise?

Suvamoy Saha: As I mentioned to an earlier speaker, the order, the settlement came just about a week back. We are now in the process of getting things regularized because, you know, we have to go to arbitral panel, they have to give an order and then there is a due process which will take easily another 2-3 months. It is only after that, or you can say that you need not wait till the final that we will have to review, what do we do with whether there is any requirement to raise capital, this is still too raw. I mean, I think it is at a very premature stage for us to sort of venture any kind of comment on this.

Slade Alexander: Okay. And just one more question about the layoff that had taken place. So, you had said it was across all plants, not like any one in particular. Could you tell us?

Suvamoy Saha: We have 6 operating plants. It was in more than one location where this exercise got taken and whatever kind of found to be superfluous or redundant, that was taken out.

Slade Alexander: Okay. So, can you provide a number, the number of employees that had been laid off? Would that be possible?

Suvamoy Saha: Roughly, I think it is about 50.

Slade Alexander: Okay. So, I think in yesterday's call, it had been mentioned that the Everspark subsidiary is under review whether it will be discontinued. Were any of the employees from this subsidiary, was it anything to do with that?

Suvamoy Saha: No. This subsidiary has no employees. It is just a Company that was created at one point of time in order to facilitate imports from China. Currently, our CFO will be reviewing whether this is required at all and we'll keep you updated in due course of time.

Slade Alexander: Okay. You had mentioned earlier, you said that these layoffs are a routine exercise that takes place. Now they've been classified as an exceptional item. But will they be recurring if it's a routine exercise and then this amount of ex gratia payout will be happening often? How exactly will it affect the employee cost?

Suvamoy Saha: This is really a one-off and non-recurring. However, again whether we will carry out a similar exercise if the scope presents itself is something that we need to take a call. But at this point of time, that exercise which we had done is complete. But it is a routine thing for all companies. They keep reviewing from time to time if certain

things can be avoided. And then naturally if certain things have to be avoided, there are separation costs involved.

Moderator: Thank you. The next question is from the line of Priyankar Sarkar from Square 64 Capital Advisors. Please go ahead.

Priyankar Sarkar: Hi, Good evening. Just three questions I have. One is that could you give us some details of the non-core assets which we have and what would be the approximate value because, I mean, one participant mentioned about Rs. 1,000 crore and you said it's grossly exaggerated. Any broad number on that would be helpful, point one.

Second question is I understand that you're not planning to get into any newer categories right now. However, could you elaborate how you are thinking about it? Like any broad parameters would be helpful. Are you trying to use the same distribution for the new category or anything of that sort? That was my second question.

And the third would be any update on the CCI liability which is still sitting on our continual liability rather. Any update on that?

Suvamoy Saha: Okay. Priyankar, happy to interact with you again. See, with regard to identification of non-core assets, we have not done any such exercise yet. We are sitting on some idle assets. Now, whether those idle assets will become non-core or not is something that we need to take a call on depending on the business, you know, outlook. So, to answer your question directly, we have not yet identified, you know, this is a matter of speculation, whether we are having Rs. 1,000 crore of idle asset or at this point of time really we cannot give any remark on that. We leave it at that. And in due course of time, as and when the time comes right, we will obviously keep you updated. On the category selection, you yourself have sort of given the leads. Brand and distribution will certainly play an effective role in identification of a new category as and when it comes. At this point of time, as I said, we have adequate growth opportunities in our existing business, which we have not addressed yet. And we are addressing and I think that will take the Company to much higher levels of growth that has been seen in the recent past. With regard to CCI, the matter is status quo. It is still at NCLAT, awaiting the hearing process.

Priyankar Sarkar: Right. And thank you, Mr. Saha, for hand holding the Company over the last three years. Wishing you all the very best.

Suvamoy Saha: Thank you. I appreciate that, Priyankar.

Moderator: Thank you. The next question is from the line of Girish Kumar from Melpro. Please go ahead.

Girish Kumar: Good evening. I have two questions. But the first question is, given the rising demand for battery energy storage system in India, is the Eveready exploring any opportunity to participate in this space?

Anirban Banerjee: Yes, battery management systems and battery storage systems are going to be something which are important from a future point of view. But at the moment, I will reiterate the fact that we have not yet saturated parts of our core. We are working on trying to ensure that the distribution that we have and some of the core categories that we work upon, they amalgamate very well, whether it is through new products in those cores, etc. As the management focus currently is very stringently on the core, and yes, there will be a time, where we will focus into some of these emerging parts that you rightly said. But for the moment, we are very much on the core.

Girish Kumar: Okay. And the second question is regarding again with the battery, whether Eveready is manufacturing or planning to manufacture lithium cells?

Anirban Banerjee: We are not planning to manufacture any lithium cell. The only ones that we are locally manufacturing are carbon-zinc. And by the end of the year, we will be hopefully initiating the local manufacturing of alkaline. These are the two chemistries that we will manufacture locally and are mostly prevalent for home consumption. Lithium batteries currently are not very popular in-home consumption.

Girish Kumar: Just one last question. Just regarding a new facility coming up in Jammu region. Could you clarify the current stage of this project and its product line?

Anirban Banerjee: The plant in Jammu will be mostly devoted towards, potentially India's only alkaline manufacturing for home consumption. And it might have a few other of our course as well, but it is the driving factor for alkaline. As I said, the project is in line with our plans and as Mr. Saha had earlier said, mostly as planned, we will get started before the end of the financial year.

Moderator: Thank you. The next question is from the line of Yash Jain from Ambit Capital. Please go ahead.

Yash Jain: Thank you for the opportunity. Congratulations on the great set of results. I just wanted to get an idea of what other categories can we possibly get into going ahead with the recent launches this quarter. What other categories are we planning to get into?

Anirban Banerjee: We are currently very true to our core. We believe that in our core categories of lighting and flashlight, other than batteries, of course, we have a long way to go in trying to leverage the distribution outlay, coverage that we have for our batteries. While doing that, I think any categories for the future will revolve around the essence of the brand and some of our distribution coverage. But that being said, currently, all our core and new products are revolving around leveraging the core. I hope that answers your question.

Moderator: Thank you. The next question is from the line of Arnav B, an Individual Investor. Please go ahead.

Arnav B.: Thank you for the opportunity. My first question is, given the three categories or whatever NPIs that we have introduced, all put together, we are at a 7% kind of growth rate for the last three quarters. Do you see it staying at this level or do you see it accelerating going forward? That's the first question.

Bibek Agarwala: If you see that 7% isolation, look maybe not a great number for you, if I understand. But if you see our journey over the last nine quarters, we initiated the route to market with certain expectations and probably we have underestimated the challenge. And we learned a lot of things and quickly recovered and reasons for degrowth and last 3 quarters, we are consistently giving the growth. If you see, even the second half of the last year is a growth momentum. So, the full year, we turned out to a positive. Now, the 1st Quarter, we have given a 7% growth and we hope that this growth momentum will continue and the heartening part is the carbon-zinc, which is core of our business. It is showing the signs of growth. And alkaline, anyway, going a superlative growth, you have seen that our presentation of percentage is 50 plus percentage. Combining, we are looking forward all the three businesses, the high single digit growth. As you know, the lighting industry per se is facing a huge challenge of value erosion. Despite that, we are continuously growing in the volume, the value is getting eroded. So, that is the main challenge. But isolation, if you add

the lighting, battery and the flashlight, there will be a good amount of growth coming there. So, we hope to continue the growth momentum ahead.

Arnav B.: Okay. I think high single digit is what we should factor in going forward.

Bibek Agarwala: Positively, we as management are aiming for that.

Arnav B.: Got it. Thank you. The second question is, do you see any scope of operating margin improvement or this is the steady state?

Bibek Agarwala: Very dynamic. I know always there is an ask for a more operating margin. And just to tell you, in this volatile commodity market where the zinc is our core commodity and which has a very sharp increase in their pricing compared to the last quarter, last year same quarter, but still we have been able to hold the margin that it will be improved. We are all focused to ensure cost leadership along with our revenue leadership.

Arnav B.: Got it and the last question is, the new products which will eventually bring us around 15%-20% of the overall revenue, what I understand is in battery and flashlight business, you largely do cash business and not much of credit. I don't know if lighting offers you such, nice combination, but what is your take on the new products that you will initiate? Do you foresee higher capital requirement as you bring in those new products?

Bibek Agarwala: As we said that the products are coming through the core adjacency and through our common distribution channel. When you go to the channel, our general trade channel, we will have one set of credit terms and the alternate channel, which you talk about modern trade or the institution business will have other set of credit terms. But the kind of products which we are bringing, which are very highly consumer demanding products and at this point of time, we don't see a substantial investment from a working capital point of view on this new product launches.

Moderator: Thank you. The last follow up question is from the line of Slade Alexander from Artha India Ventures. Please go ahead.

Slade Alexander: Yes, thank you. I just wanted to understand going back to the ex-gratia payment that had been made. So, you said Rs. 7 crore and this was for 50 employees, right? I just want to understand this roughly comes to around Rs. 14 lakhs per employee and these were factory workers, right? This is factory labor about Rs. 14 lakhs each. Is that correct?

Suvamoy Saha: Yes, correct. Average mathematics says that, what is your question?

Slade Alexander: Yes, I just wanted that confirmed. Now if the new plant is being set up in Jammu, so will you all be rehiring for that or will internal employees be moved internally across plants? Like what is the point of laying off these employees if you are going to rehire them?

Suvamoy Saha: As you know, as you know, workmen usually are not people who are amenable to transfers. Okay. These people whom we have separated, they were surplus to our requirements and the cost that we have incurred has a payback of 3-3.5 years. At Jammu, we will recruit fresh at costs which are perhaps much more competitive and as per the requirement of the plant. But the transfer of workmen from say Mysore to Jammu does not arise or for that matter from Assam to Jammu. It is not practiced.

Slade Alexander: Got it. Thanks. Just lastly, what exactly are the cost savings that you all will be expecting after this payout of Rs. 7 crore? How much will then be saved by having laid them off?

Bibek Agarwala: No. As already mentioned, the payback is 3-4 years. You can assume that per year if you multiply that, that could be equivalent Rs. 4 crore could be the optimization on account of that which I am getting in the entire, it is coming in the current year. More than the cost saving is an efficiency and building the discipline in the plant location is also very important because otherwise the productivity parameter, there are many other parameters beyond the only financial workmen. If you see the workmen are extra because product lines are not getting fully utilized. We have done a lot of automation. We keep doing the separation of the people.

Slade Alexander: Okay. Thank you. And then lastly, about the land that we have currently on the balance sheet. It is around Rs. 60 crore. Rs. 24 crore freehold land and Rs. 36 crore right of use. Can you just give a breakdown of the location and size-wise breakdown of the land parcels that are being held?

Bibek Agarwala: Just a moment, I think. Because you have asked the question. This is a bunch of details, but let us try to. I am happy to share if we can find out readily available.

Bibek Agarwala: Most of our lands are actually leasehold land. And it is across all the locations. If you see that starting with our Kolkata head office, recently bought land at Jammu, then we have the value for Noida, Assam, Haridwar, Lucknow. This carries some values and that all put together become Rs. 65 crore.

Slade Alexander: Okay. Fine. So, it is spread across all the locations then?

Bibek Agarwala: Yes, it is all across.

Suvamoy Saha: It is across 8 locations.

Slade Alexander: And each one is being fully utilized. It is not just a land parcel that may be disposed of or anything like that.

Suvamoy Saha: Each one is utilized.

Moderator: Thank you. As that was the last question for the day, I now hand the conference over to the management for the closing comments. Over to you, sir.

Suvamoy Saha: Thank you, everyone for taking time out to join us on this call today. I hope we have adequately answered all your questions. If you still have more queries, please reach out to our investor relations team and we will be happy to address those. Thank you once again.

Moderator: Thank you. On behalf of Eveready Industries India, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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