



Eveready Industries India Limited

Q2 FY26 Earnings Conference Call

November 06, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Eveready Industries India Q2 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 star then zero on your touchstone phone. Please note that this conference is being recorded.

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

Nishid Solanki: Thank you. Good afternoon, everyone, and welcome to Eveready Industries India's Q2 FY26 Earnings Conference Call. Today, we are joined by senior members of the management team, including 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 may be made on today's conference call may be forward-looking in nature, and the 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 also available on stock exchange websites.

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

Anirban Banerjee: Thank you, Nishid. Good afternoon, everyone. And thank you for joining us on this earnings call for the second quarter of the present year. I trust you would have had the opportunity to review our results presentation. I shall focus my attention on the key performance perspectives. I will commence by sharing our view on the operating environment during the quarter.



Consumer demand stayed resilient throughout the quarter, underpinned by robust services activity, even as discretionary spending remained mixed. Retail inflation was benign. Rural consumption continued to improve on the back of a good monsoon and stronger agri-linked indicators with FMCG data showing rural-led momentum and small-town recovery.

LME zinc prices were broadly range bound during the quarter. At our end, we continued to hedge requirements in order to support momentum. With the rollout of GST 2 reforms from 22nd September, the expectation is that prices reductions will unlock pent-up demand, particularly in Tier 2, Tier 3 cities, prompting more households to buy and upgrade.

As far as Eveready is concerned, there is no change in the GST rate of our major products, except in our rechargeable batteries and solar segment. However, the trade channel witnessed some temporary disruptions in the month of September as the distributors transitioned to the new tax structures.

Eveready continues to leverage its heritage of reliability while transforming into a more innovation-driven consumer-centric organization. Our efforts over the past 2 years on distribution, product refresh and digital engagement are now translating into sustainable growth.

Our spends on A&P came in just above 10% for the quarter, which is in line with our aspiration. Typically, these come in higher during quarter 2, coinciding with seasonality. During the present quarter, we ran a very popular campaign during the T20 Asia Cup India-Pakistan Cricket Match, underlining the tempo we associate with targeted communication.

Our Ultima Pro and Ultima range of alkaline batteries is performing extremely well, continuing to gain market share to 16.3%. Carbon zinc reported volume traction with market share rising to 55%. Alkaline continue with strong momentum realized in the rechargeable segment, while battery-operated has seen a decline in line with the industry. The broad trend in lighting space remains moderate, although we are seeing underlying volume gains in most lighting subcategories.

Our strategic levers, sharper channel segmentation, innovation pipeline in flashlights and lightings and disciplined working capital management continue to underpin performance. Route-to-market operations are now mostly stabilized, ensuring better coverage and faster replenishment, while digital ordering platforms are improving visibility across distributors.

I shall now turn my attention to segmental performance. Batteries. In the battery segment, we continue to build on the strong foundation and leadership position. Our carbon zinc portfolio sustained healthy growth in both value and volume terms, underpinned by our extensive distribution reach of nearly 4.5 million outlets and enduring brand equity.

Importantly, our leadership position in carbon zinc with close to 59% market share remained intact and even showed incremental strengthening as the rural demand began to recover through the quarter. On the alkaline front, momentum has accelerated further.

Quarter 2 saw upwards of 60% growth. Having grown market share to 15.3% in quarter 1, we saw nearly 100 bps of expansion in quarter 2 to 16.3%, aided by sustained consumer awareness campaigns for our Ultima range, product availability across modern and quick commerce platforms and a rising shift towards higher drain devices.

Our Jammu greenfield facility, which remains on schedule for completion by end of FY '26 will provide a further fillip to the robust alkaline demand trajectory. From a raw material standpoint, zinc prices showed some firmness during the quarter on a year-to-year basis, which we were able to mitigate with disciplined cost management and an optimized product mix, we have been able to absorb commodity volatility while still delivering profitable growth.

Flashlights. In our flashlight segment, directionally, we maintained trajectory. However, there was some moderation in momentum in the quarter, owing to lower offtakes in the battery-operated segment. Rechargeable flashlights once again delivered double-digit growth with gain in volumes and premiumization driven sales mix. Demand in this category was supported by broader acceptance in modern trade and institutional channels where the value proposition of durability and convenience has resonated strongly.

Our strategy of introducing feature-rich models has further strengthened our position as consumers increasingly prefer premium rechargeable formats. Battery-operated flashlights showed lower traction with volume decline in the quarter. This reflects the natural shift of consumer preference towards rechargeables, which we view positively as it allows us to consolidate share in the fast-growing segment.

Importantly, our presence across Tier 2, Tier 3 and rural markets has ensured that the transition is managed smoothly with distribution muscle allowing us to push the upgraded portfolio effectively. The implementation of the mandatory BIS certification

regime is expected to add further tailwinds. With larger organized players already in compliance and medium to smaller unorganized players required to transition by year-end, we expect further consolidation in favor of branded offerings like ours.

Lighting. In the LED lighting business, we delivered healthy volume growth across key subcategories, such as battens, panels, emergency lamps and luminaires. Consumer adoption of adjacent products like small electrical accessories introduced recently have also gained traction, validating our strategy of leveraging the Eveready brand across complementary household electrical categories.

In the professional lighting space, we continue to work towards deepening relationships with institutional buyers and project clients in the public sector space. Demand is building up in customized luminaires and panel lighting where our ability to offer reliable quality and cost competitiveness has started to gain significance. This segment will remain a focus area for us as infrastructure and commercial investments expand.

We remain cognizant of the structural value erosion in the LED category, driven by persistent price compression across the industry. The quarter clocked a 10.6% total revenue growth while delivering a robust volume growth. We continue to work on product differentiation, efficiency in sourcing and disciplined working capital management.

Now I shall proceed with the financial highlights. We have seen revenue growth in battery and lighting categories, while a minor degrowth in flashlights for the quarter. The company quarter growth is reported at 6.7%, backed by stable gross margins across segments. Company EBITDA margins stood healthy at 12.7%, reflecting strong underlying operating performance.

Your company recognized a charge of INR15 crore during the quarter in view of settlement with the claimant in a long-drawn arbitration proceeding against the company in which the company has now received a consent award withdrawing and terminating the arbitration proceeding in favor of the company.

Your company also incurred a cost for strategic nonrecurring ex-gratia payment to workmen of INR22.7 crore for separation. As a result of this, the PAT stood at minus INR7.9 crore. Our robust distribution network of over 4.5 million outlets and strengthened digital RTM backbone continue to enhance market reach and channel efficiency. Prudent working capital discipline and low leverage with a debt equity ratio of around 0.7 reflect our strong balance sheet position and ability to fund growth internally.

In essence, the quarter reflects disciplined execution, operational stability and steady progress across our key businesses, reaffirming the strength and the resilience of the Eveready franchise. Our continued focus on innovation, efficiency and consumer engagement positions us strongly to navigate opportunities and deliver steady profitable growth.

With that, I would like to hand over to the moderator to continue the proceedings and invite questions from the participants.

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: Hi, thank you for taking my question. So over the last 2 quarters, correct me if I am wrong, that the total ex-gratia nonrecurring payment that has been incurred is around INR29 crore. So are we expecting any more payments for this in the next couple of quarters? Or is it completed?

Bibek Agarwala: So we are very cautiously going for that. As we are saying this is strategic. So at this moment, it looks like for the next 2 quarters, we do not see anything coming up right now. But if we see some opportunities there, then we can look for. But apparently, there is nothing on the plate at this point.

Arnav Sakhuja: And could you give a bit more detail into this payment, like what exactly is it for?

Bibek Agarwala: Yes. So actually, as you know that we are a legacy organization, we have multiple factories, locations. So now we are looking for that because of the change in the demand of the zinc batteries, and we have the upcoming alkaline factories in Jammu, we are also realigning our manufacturing capacities.

We are trying to see where we have the legacy worker, can we consolidate some of the manufacturing at one location. And because of that, two locations, one majorly for our Noida locations, we have done the separation of 150 workers and around 10 workers we have done our Kolkata plant. So this is purely to optimize -- reduce the inefficiency and overburden cost structure.

Arnav Sakhuja: And so I just have one more question. So with regards to the arbitration proceeding, so we recognized INR15 crore payment this quarter. So now I mean, does that mean that the case is over and we have no restrictions on capital raise, and I mean all the other restrictions that we had earlier?

Bibek Agarwala: Yes, you are right. You are ready. So we have got the arbitration of the order on 1st of October, which we have duly filed exchange that we have been now released from

the list of the parties. So for us, Eveready is now free to handle its own assets managing its capital structure, so there is no embargo.

Arnav Sakhuja: And there is no other payment required for the arbitration, right? It is complete.

Bibek Agarwala: Yes, it is complete.

Arnav Sakhuja: Okay, thank you for answering my questions.

Moderator: The next question comes from the line of Vikas Shrivastav from RBC Financial. Please go ahead.

Vikas Shrivastav: Yes, thank you. My first question was, I just heard 2 things, the previous question. Number one, that you will grow with internal -- enough funding from internal funding for growth. The other thing I heard was that the Noida factory, you have got -- you reduced 150 employees. My question is, therefore, are we in the process? Is the Noida factory still operational?

Are there more workers there or I have been asking this question for the last 2 quarters. With so many factories and the alkaline factory going to Jammu, are we in the near future, thinking of selling some properties, specifically the Noida factory? And have we had any internal assessment of what we sell and what is the market value? That is my first question.

Bibek Agarwala: Thank you, Vikas ji, and I really doubt that last 2 quarters, you have keep asking this question. So first of all, you know that any capital structure, any relooking is only possible after the embargo is over, right? So thankfully, we have as a management, as a Board have taken a very prudent decision to settle with the Real Touch was the claimant, and we are now out of this.

And as I told to the previous person that now we are looking into realignment of our manufacturing capacity because as a management, we are committed that we let any inefficiencies to build up. And that is the strategy for us. Let see first -- for anything you want to do first you need to understand that you are cost neutral, cost zero. So we have done it. Maybe a matter of a couple of quarters, 1 or 2 quarters, you will get an update from us. We are in the process of just consolidating because we have a multiple size of batteries whether AA, AAA, metal jacket, plastic pack. So these are a lot of things.

So we have already started, and this is the testimonial for our -- at least those are ideal costs. Let see get -- those some costs, let see remove and probably our next activity what I said that we have to work to ensure that we do right alignment of our

manufacturing assets. And if we found something surplus, definitely we will come to you.

Vikas Shrivastav: Okay. My second question was that with our -- the cost we have -- these one-time costs we have paid specifically on the ex-gratia, that is one -- that should give us some kicker on the EBITDA going forward. We should -- with the BIS and implementation, which I hear should happen from the first week of -- first part of the calendar year, that should give a flip on sales as well as EBITDA.

And the third is the alkaline battery in Jammu plant. Any general guideline in terms of what we as shareholders can expect in this financial year in terms of growth and a 2-, 3-year perspective in terms of growth. And I am not talking about inorganic growth; I am talking about organic growth here.

Bibek Agarwala: So sir, a good point. I think 3 points you have touched upon that, of course, if we have settled the Noida worker upcoming time, this will be giving us some benefit. Of course, it will give us some benefit. Coming to BIS on flashlight, we can only see the benefit because as you know, we are largely unorganized in this part. So the January '26 is the time where the cooling period ends and our season starts from April next year.

So we are keeping finger crossed that this should have a positive and that is why Anirban Banerjee speech has really highlighted that definitely the consolidation will go in favor of branded player. Third, coming to our alkaline factory, as we are committed that it will come at the end of the financial year, we are on track at this point of time. We are monitoring our progress in terms of the construction, in terms of the installations very regularly. So this is on track at this point of time.

Only thing I can say that as your company, if you see last 4 quarters, we have shown continuously steady growth. There are a lot of things that keep coming. In the month of September, you have seen a wonderful news. While in our case, there is no GST change, but the market sentiment has got changed.

Despite we have grown by 6.7%. We are all poised to ensure because in FMCG company, one of the important levers to grow. So we are keeping all antennas up to grow. And so only I can say the testimonial is in front of you. We are growing profitable; we are growing cash flow rich and also, we are growing revenue momentum.

Anirban, if you would like to add anything on this.

Anirban Banerjee: So I think our H1 directionally sets the tone for our H2 as well. As Bibek rightly said that while September had no impact on our categories per se, but general confusion

in the trade, stopped our momentum a little bit in the month of September. But that being said, in spite of that, I think between quarter 1 and quarter 2, we have fared reasonably as planned. And our estimate is that even the second half of the year should be as buoyant as the first half of the year.

Vikas Shrivastav: So when you say buoyant, we are talking about a 6%, 7% growth year-on-year for the second half? Is that your definition of buoyancy?

Bibek Agarwala: Vikas ji, as you know that the 6%, 7% growth is what we are maintaining. At this point of time, at least as a management, we should be looking forward that type of percentage growth. And that is the way we are working out that at least because if we do not give -- and the commodity prices, as you know, metal prices are on the top at this point of time, forex is on the top of the price because then it will be very difficult for us to maintain the sustained profitability because if you see we are -- despite of the dollar has gone up and the zinc has gone up, we are ensuring that at least that the bottom line, the judicious cost management is going up. So as we said that at least it should be there towards the first half, and second half should be in line with that.

Vikas Shrivastav: Okay, thank you.

Moderator: The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.

Bhargav: Yes, good evening team. And thank you for the opportunity. Now that the alkaline factory is likely to kick start maybe by the start of the next financial year. Any sort of sense in terms of what is the plan to breakeven or what could be the capacity utilization in the first and the second year, which you would have worked out?

Bibek Agarwala: So sir, currently, if you see that we have taken a very bold call and we have gone for 360 million capacity plant, right, AA and AAA put together. Currently, we are sitting around 60 million, 65 million numbers. We are very hopeful that next year, we all have a good growth. If you see last 2 years, we are doing almost 50% plus growth in this category. And while the zinc carbon zinc as a volume is very flat to marginal growth, but this category is showing a very high strong double-digit growth.

So first of all, we are very confident that, of course, there will be a substantial jump in the next year volume. And second, in terms when you do the local manufacturing, we get some edge. So that will also add to our growth momentum.

Bhargav: So right now, is it fair to say that the margins in alkaline will be lesser versus the carbon zinc? And by when can the margins for alkaline be at par with carbon zinc at

what utilization levels on an approximate basis?

Bibek Agarwala:

Sir, your observation is right at this point, yes, the alkaline margins are lower than that. And both product has their own way of working. We would love to get alkaline better margin. But at this point that how do we do inch by inch up. So first, our local manufacturing will give us some boost. And still may not be same as that. But in the next 2 to 3 years because today, we are not market leader as we are in zinc, we have in the last 8 quarters got substantial market share from low single-digit to now 16.3%.

And our continuous effort -- through our marketing, through our deep-rooted penetration on our distribution. So the consumer is looking to that. So at this point of time, I think at least 2 to 3 years' time frame will require at least to get a very sizable gross margin and respectable gross margin in this particular alkaline category.

Bhargav:

In terms of flashlights, the mix of rechargeable is at about 57%-odd. Now that BIS is getting out next year, is it fair to say that this can maybe in the next 2 years become almost 80%, 85% and our margins in rechargeable better versus, say, battery operated?

Anirban Banerjee:

So our current -- if you look at the end of H1, both of them will be close to about half-half, right, 51%, 49% kind of a situation. And you are right, I mean, the rechargeables are poised to grow. And you are also right that as -- when the BIS comes through with the smaller operators, essentially, the cost of compliance, hopefully, a lot of the fundamental small operators should go up, reducing the price gap which are offered to the market for some of the more quality credible products like the Eveready brand.

And that should kind of propel the category further. Now that being said, the rechargeables today are, yes, a shade lower in their margin structures than the battery operators. But with the implementation of BIS, some of these -- the battery operated also should possibly not reduce as much as it should be because a lot of the unorganized sector will then try to move towards the organized sector, and it could be in both fashions.

So even out there in the market, while in the battery operated more than 75% would be branded play, there would be a good 25% to 30% unbranded play, a part of it would also move towards the branded side.

But you are right, there will be acceleration in the rechargeable portfolio, and that should see us having a slide towards rechargeable maybe at a sort of a 60-40 level, but I do not see that any one of them sliding exceptionally ahead of the other.

Bhargav:

And lastly, sir, if you look at our P&L optics, gross margins are at close to 25%-odd

and EBITDA margin is about 10%. So there is a significant fixed cost kind of an element, which is as of now in play. Now that we have taken a lot of steps in the last 2, 3 years to accelerate revenue growth, maybe next year could be the year where we could see strong double-digit revenue growth. Is it fair to assume that once the revenue growth is into the double-digit territory, there could be benefits of operating leverage? Or you think you will invest in ad spend and neutralize that?

Anirban Banerjee: So the sense is that -- yes, you are absolutely right. I mean at the structures of fixed costs that we have, I mean, we are quite solidified for garnering revenues for the next 2, 3 years. And thus, logically, it should as a percentage move down as the scale goes up. Now that being said, there could be opportunities of acceleration that we might look into from investments maybe in different technologies or channel bifurcations that are coming up from a new trend point of view, right? But at an overall level, we will at least keep it steady or healthier.

Bhargav: Great, sir. Thank you for your thoughts and all the very best. Thank you.

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

Slade Alexander: Can you hear me fine?

Bibek Agarwala: Yes.

Slade Alexander: Okay. So I just had a couple of questions following up on what was already discussed earlier, but if you all could please elaborate. So firstly, with regards to the cost of goods sold and the revenue, my observation is that the costs have been rising roughly about -- the rate is like twice as much as the revenue. So the revenue seems to be a bit slower, and the costs are going up higher and higher, both quarter-on-quarter and year-on-year basis this time.

So can you please tell me how are you all planning to manage these costs, whatever it may be input cost, inflation? So are you all planning on passing it on to the customers or keeping it low so that you all do not lose the market share? Or how will you all be tackling this so as to maintain the margins? That is the first one.

And second one was just a follow-up on the any fundraising plans like a rights issue or anything now that the issue that was there with Real Touch has been resolved? These are my 2 questions.

Bibek Agarwala: So I think what you are talking about in terms of margins, definitely, if we see something abnormal cost increase in terms of like our major raw material zinc or

EMDs or we see forex. Definitely, objective would be to recover from the market, cost pass on, because these are uncontrollable cost. But all the time in an MRP driven market which hides our competitors, is not possible. So we see tactically, you see where our strengths are in the market.

And if there is an opportunity, definitely we are going for a price hike or one of the case if you see we are in a hyper competitive, then you also look for how do you leverage cost, how do we be our most cost competitive. And that is why you see despite the material prices has moved to a very high rocket place and the forex has gone up, still our operating margin levels we are holding very steady at a 13% level. So that is a very strong things we are doing.

And if you see with respect to the fundraising at this point of time, we are not considering anything. But you are right. Now we do not have any barrier. We do not have any embargo. If we require fund, we can look for that in future.

Slade Alexander: Okay, thank you.

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

Priyankar Sarkar: Hi, good evening, sir. A couple of questions. On Slide 20, you have put some of -- some extension for Zap Tape, Everflo Wave, all of these. So just wanted to understand when did we launch these products? And the second follow-up to this is that are we adding more such SKUs to our lighting portfolio?

Bibek Agarwala: So that is a very -- these are assets that is what Anirban has spoken in his opening. Because anyway you are going to lighting EOD category, right? And so it makes sense for us whenever we find the right opportunity, which gives us a scale EOD and also to the GT channel because we have a sizable general trade, right, because there the price point matters. So this has been launched 2 quarters back and very good response from the market because as an Eveready you know the quality, we are upholding the quality parameter.

Priyankar Sarkar: Okay. And sir, how many outlets have we reached in the electrical outlets channel?

Anirban Banerjee: So we would be close to about 25,000 to 30,000 outlets as far as our electrical channel is concerned. Now interestingly, I think the only point that I would want to add is that we are one of those unique organizations, which run electrical channel and have a very vast general trade presence as well. And a significant portion of the general trade in today's India also does carry some of the elementary lighting products as the trade has opened up over a period of time.

So thus, in combination, when we say that we have lighting products, those will be an addition of our general trade and our EOD channel put together, which will be significantly higher than only the EOD channel where we have a retail presence of somewhere between 25,000 to 30,000 outlets.

Priyankar Sarkar: And sir, if I may ask, what was it a year back, this outlet of 30,000 -- 25,000 to 30,000?

Anirban Banerjee: It typically would be half of that, right?

Priyankar Sarkar: So we have doubled basically over the last 1 year?

Anirban Banerjee: Yes. So the outlet, there are many dimensions to it. I am putting it very simply. But typically, dimensions of outlets are that are you billing them once in a month or once in 3 months or once in 6 months. But if you were to take a once in 6 months kind of a view, we would have typically doubled it.

Priyankar Sarkar: Right. Okay, sir. Thank you very much. Wish you all the very best.

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

Vipul Shah: Sir, my first question is with respect to the separation cost, which we have incurred this quarter, which was a one-time cost, as you mentioned. What is the recurring benefit going forward, which we will receive as a company?

Bibek Agarwala: So if you say, what is the payback of that which directly gives you between 4 to 5 years of payback of expenses there? So that is why if you can see one quarter is definitely going to come back to the company every year.

Vipul Shah: Got it. And secondly, sir, if I may, as a company, we have been sort of incurring a cost towards payment of commission to nonexecutive non-independent director who is sort of the promoter's representative. And rightfully so, he is sort of various other big promoter group companies also he is fairly involved. But just wanted to ask one question as to what is the sort of benefit he brings to Eveready, which otherwise the company cannot avail? And is not it sort of a low-hanging fruit in terms of also it is a sizable amount of INR2 crore plus per year, which the company is incurring.

So is not it worthwhile for the company to review this arrangement? It may work well for the promoter. There is no doubt on it. But if we are able to sort of rationalize even as we are rationalizing a lot of excess manpower as the company is rightfully doing. Is this something also which is there right now in the domain of the company?

Bibek Agarwala: So point well noted, sir. But at the leadership level, the visionary guidance the person bring on the table, it is very, very useful, impactful. He has ears to the ground, and he

is the person who was involved from the day 1. So to run the company...

Vipul Shah: No, that point is taken, sir, he was involved in the day when this whole takeover was there. And as we understand, it is the promoter's representative. So obviously, it is also the promoters, and the fact is the market really values the promoter very highly. So it is quiet, I would say, unbecoming sort of exercise here where I am not even once doubting the credibility of this. But as a nonexecutive director, he also is entitled to various sitting fees, which the company anyways pays to all the other nonexecutive directors.

So rightfully, a lot of them also bring very valuable insights to the company, being sitting on the Board. I mean I think there is a conversation which the company needs to have with the promoters as well now that formally one of the members of the promoter group is also being inducted on the Board. That is my humble request, sir.

Bibek Agarwala: So first point I said is well noted. I will just tell you that even after the takeover, first -- after 1 year, each quarter, we have a lot of problem after the RTM and the GTM exercise has been done. Now we see some stabilities coming up. And the person is really straight way working with us to help us how do we navigate through. But as your point has said, your point is well noted, and we all look into that soon.

Vipul Shah: Thank you so much.

Moderator: The next question comes from the line of Mithun Aswath from Kivah Advisors. Please go ahead.

Mithun Aswath: Yes. Good evening, sir. Just wanted to understand, now that this case is also behind you and you are able to raise further funds, would you also plan to look at entering other adjacencies or any new categories, which was something that I think at the point of where the new management came in, they have been talking about this in terms of entering new categories where the market size could be quite high so that you were able to grow the revenues of the company. So just wanted your thoughts on that?

Anirban Banerjee: Yes. Thanks for the question. I think for any organization, including us, going forward, there will be positions that we look into for leveraging our brand across synergistic complementary categories, which are in essence, connected to the brand and to the channels that we dominate and service. So that is something that we will continue to look into. And eventually, there will come a time that post some experimentation, consumer connects, research and pilots, we go whole hog. So to answer your question, yes, in the future, we will look into various kinds of categories.

Mithun Aswath: Is there any time line for that, sir?

Anirban Banerjee: So it is a bit dynamic, but we will look into it from a year-to-year perspective. Last year, we moved into a small -- very small category called mosquito rackets. And in this year, we are scaling up mosquito rackets quite fast. Some of our -- if you have seen some of the electrical side of the business, while we were focusing on various kinds of lights and emergency lights, etc.

We have been also this year pushing hard on some of the electrical accessories, including tapes and wherever there are commonalities between general trade and EOD. So we are also at a time, strengthening the core while we are doing that. And anywhere in a 12- to 18-month period, we will be pushing in other categories as well into the market.

Mithun Aswath: Sure. Thank you.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir. And thank you for this opportunity. Sir, I missed your opening remarks. So now with the embargo being clear with respect to the legacy issues and we would be now in a better position to rationalize and utilize our assets, selling of noncore assets. So these activities is what we can expect going ahead with respect to the road map for a more profitable growth and leveraging the facility that should be the key strategy other than the greenfield asset, which we are envisaging to operationalize. These are the 2 areas where we think we will be working, going ahead?

Bibek Agarwala: Where is your expectation Saket ji? I think you missed it. So because they asked this question and I explained in detail. So that removal and the one-time separation of the worker is also journey towards removing inefficiency from our structure. We have said that right now we started realigning our manufacturing capacities, in view especially of upcoming alkaline facility and the zinc trends are going on.

So your expectation is very fair that -- we have done this separation to beneficially start appearing in the financials in upcoming time. So that way we are looking for that now going forward as the embargo is over, how do you realign our manufacturing facilities.

Saket Kapoor: Okay. And sir, in terms of the Jammu facility, I think sir last when we interacted, we were awaiting for some clearances from the government in terms of the duty package rebate that has just expired. So do we have any further updates in terms of the claim?

Bibek Agarwala: Unfortunately, Saket ji, there is no movement on that. So what we understand

government, they are mulling over to increase the package, but there is still the time this is announced. It is only in conversation. So we are working with the government very closely to ensure that at least industry those that have been there, they get a fair chance benefits. Dialogues are on. But as this benefit, there is no such announcement has come.

Saket Kapoor: Okay. And what is our long stop date, sir, when can be commission with respect to the development there at Jammu? Yes.

Bibek Agarwala: So we are expecting by the financial year-end, our commissioning should have been completed.

Saket Kapoor: Okay. And lastly, taking into account all the route-to-market initiatives, improvement in margins and other steps which have been taken over a period of time. And with H1 performance and now GST rationalization all factoring in, how are we looking H2, specifically keeping in mind the seasonality impact also. How do you think H2 will shape up comparison to the last fiscal?

Bibek Agarwala: So sir, our seasonality, as you know, the first half of the year is a heavy season for us, right, because battery flashlight is basically monsoon, summer, that type comes. But however, we are holding that we should deliver, we should do at least same or better than the H1 that is the way we are looking into. Internal management team is working very hard to deliver good results.

But sometimes like one-off things keep coming like GST rationalization, whereby our cases, there is no GST rationalization happened, but the market sentiment got some bit of momentum, but that is picking up in October. So hopefully, we will have a good next 2 quarters.

Saket Kapoor: And margins also, we can -- we are able to maintain that should also be the...

Bibek Agarwala: Quarter 3 and quarter 4 margins are a little bit diluted because of, as I say, season is at the very beginning, quarter 1, quarter 2. But we will try to hold closer to the margins.

Saket Kapoor: Right. I will join the queue there and all the best to the team, sir. Thank you.

Moderator: The next question is from the line of Vikas Shrivastav from RBC Financial. Please go ahead.

Vikas Shrivastav: Yes. Just 2 questions. One, of course, is if there is an update on the CCI penalty and what is the next date? And what are our expectations if we have any in terms of the liability there? The second question really was a follow-up on the previous question.

In terms of promoter nominee director being paid a consideration of INR2 crore a year.

The fact remains that we are now accepting that the route to market has stabilized. The company -- we paid Bain & Company a large fees. We are shareholders for a long time. The promoters are -- have a stake in the company in any case. I would just endorse that statement that maybe this is the right time to stop this payment. And maybe if you can give us an update or at least convey this to the Board for future.

The second was on the auditors. You have the same auditor, which was there with the old promoter. And both in terms of getting institutional investment, more coverage, more financial coverage, it may be a good idea to get one of the big 4 as auditors going forward. Has it ever been under consideration?

Bibek Agarwala: So let me -- you have asked 3 questions. So let me give you one by one, Vikas ji. So CCI, our next date 19th and 20th of November. It could be 18, 19 or 19 November, this month only. So the hearing is there. And as of now as our position we are maintained, there is no quantification of liability from our side. And that is the way continuously if you say the part of most account we are maintaining at this point of time, it will be very difficult to say what would be the estimate of that, and -- so that is the first position.

With respect to the commission, I have explained my position to the previous speaker saying that my thing, the high level, I take a note of these points. And with respect to auditors, I think a year back the auditor has been given a reappointment. But that, you are saying that looking into the big four and all, that is the point.

But when we have given the extension to the auditor, a lot of things have been looked into. And we find the way of working is good. But anyway, there are 3 years left out. They will not get rollover now. So we will look into that. So now we have given them extension -- second year going on for them, this was the other second year. So, point well noted, Vikas ji.

Vikas Shrivastav: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, as there are no further participants, that was the last question for today. I would now like to hand the conference over to the management for closing comments.

Anirban Banerjee: 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 do reach out to our Investor Relations team, and we will be happy to address those. Look

forward to connecting with you again in the next quarter. Thank you.

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

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