Eveready Industries India Limited

Q1 FY '24 Earnings Conference Call

August 14, 2023

Moderator: Ladies and gentlemen, good day, and welcome to Eveready Industries India Limited Q1 FY '24 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 touchtone 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 Q1 FY24 Earnings Conference Call. Today, we are joined by senior members of the management team, including Mr. Suvamoy Saha, Managing Director and Mr. Bibek Agarwala, Chief Financial Officer.

Before we begin the call, let me first share our standard disclaimer. Some of the statements that may be made on today's conference call could be forward-looking in nature, and the actual results could vary from these forward-looking statements. A detailed statement in this regard is available in the press release, which has been circulated to you earlier and also available on stock exchange website.

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

Suvamoy Saha: Thank you, Nishid. Good evening, ladies and gentlemen, and thank you for joining us on this earnings call on our quarter 1 results. Today we intend to cover updates and developments around the company and its business operations.

We are making steady progress towards our goal of achieving growth across our business segments. And as the financial quarters add up, you will notice a reflection of this. I have pleasure in advising that we had a successful quarter with both revenue and profitability showing healthy growth. I will come to the details of these later in my remarks, but prior to that, let me highlight some of our initiatives and processes.

The major area of importance for us in our growth initiative has been the engagement with our consumers. We have revitalized communication through and through, a series of new campaigns have been launched in print and electronic formats, highlighting the brand promise and explaining, of course, the virtues of our offering. For the first time, we have done so in each of our three business verticals simultaneously. As custodians to an iconic brand, we are engaged to ensure that we remain first and foremost in the minds of our target audience.

Moving on to distribution. As advised in our earlier interactions, we have implemented the revamp of our route-to-market initiative with a view to run a highly streamlined and efficient organization that is in tune with the requirements of that day. In the process of this restructuring, we took care not to impact our distribution reach and the third-party tracking data validates that.

However, the work is still not complete, as stabilization post such a large transformation takes time. And we will need the current quarter for the full system to settle down and revenue throughput to increase beyond growth levels seen in quarter 1. We have also thoroughly assessed all aspects of our distribution channels, including traditional retail, modern retail and e-commerce.

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To ensure seamless operations throughout the supply chain, we have integrated technology solutions and utilized data analytics. Significant progress has been made in this direction, and we continue to work on refining the process. To this context, we are happy with the progress so far and believe that this will lead to an accelerated business growth.

Eveready continues to reign over the consumer battery market with a market share of 54% as per the latest monitored data. This remarkable success can be attributed to the combination of our iconic brand and an exceptional distribution network. As part of our growth agenda, we are leveraging the brand halo and the distribution strength across our other business segments as well.

Innovation plays a critical growth with all our business segments across the 3 verticals of batteries, flashlights, and lighting. We are introducing products which are novel and closely aligned with consumer requirements.

Moving along in the battery segment, Eveready is at the pinnacle in terms of awareness and brand recall. We expanded the market with a strong share of 54%, as mentioned before, with a leadership position across the various segments. This indicates a strong and enduring connection between consumers and the brand. Our teams have been making concerted efforts to deliver growth at a level higher than the market with an agenda to deepen our penetration across the few under-indexed areas or segments in our operations.

In flashlights, Eveready is making quick inroads into the rechargeable category. After having held a dominant position in battery-operated products, we are tapping into this high potential category. The company's brand and distribution progress have significantly contributed to the success of the flashlight category. Leveraging our design expertise and stringent QC, we have introduced products that stand out prominently from what is currently available in the market.

The goal here is to drive high volumes and market share addressing all segments of rechargeable flashlights. Our portfolio of flashlights now comprise of some 51 models, straddling price points from INR80 to INR4,000.

Finally, I turn my attention to our third segment, which is LED lighting. In a short span of time, our business has made a quick impression in this market. We have the unique benefit of an extensive rural and semi-urban reach, and we are leveraging that for our LED bulbs and luminaires. Our teams have also been hard at work to create salience for our products in the electrical channel in larger population towns.

In order to cater to consumers across all range of requirements, we have created a versatile portfolio with innovative and well-crafted products. In particular, our offering of the range of emergency bulbs have been particularly well liked by the market. While the lighting market has enjoyed a historical trend of reasonable growth, this quarter saw a sharp value degrowth for the market and the lead players. We, however, recorded a significant revenue growth of 20% in the category.

Now I would like to draw your attention to our overall performance during the recently concluded quarter. We reported a revenue growth of 8.4% with each of our 3 business segments reporting growth. This was driven by a combination of higher price realization as well as volume growth. EBITDA stood at INR43.8 crore at a margin of 12% against INR42.1 crore in the previous year.

Raw material costs and foreign exchange volatility have reduced to an extent, thereby improving the margin profile. However, the reported margin captures a significantly higher impact of advertising and promotional spends as per our plans. PAT increased by 13.8% to INR24.9 crore in line with operating growth.

The bulk of our crucial work for our transformative journey has been successfully completed. With the gradual stabilization of the post RTM distribution infrastructure over this quarter, we are confident of reverting to the double-digit growth that we have guided earlier. As already evidenced in quarter 1, we expect such growth to be profitable, and we remain on course to deliver EBITDA at double-digit margin.

With that, I would like to bring my opening remarks to a close and request the moderator to allow participants to address their queries.

Moderator: The first question is from the line of Gautam Jain from GCJ Financial Advisors LLP.

Gautam Jain: Yes. Many congratulations for a very good set of numbers, sir.

Suvamoy Saha: Thank you.

Gautam Jain: My first question is, can you give us a breakup of your 3 different products in terms of revenue?

Suvamoy Saha: Would you like to complete your questions? Or would you like the answer at this time?

Gautam Jain: Yes. Yes. My second question is, can I have the growth rate in cash numbers as of 30 June 2023? And third question would be, what is your advertisement expenses for the quarter?

Suvamoy Saha: We'll let our CFO answer this, Bibek, please go ahead.

Bibek Agarwala: So, if you see, as we have mentioned, we have 3 categories of business. Our battery has grown by 5.6%, flashlight grown by 5%, and lighting has grown by 20%. So, it is an overall 8.3% growth for the quarter. And with respect to advertisement, if you see, it is around INR28 crore advertisement expenses including ATL and BTL we have incurred during this quarter, which is around 7.5% of the total revenue of the company.

Moderator: Our next question is from the line of Dhruv Jain from Ambit Investment Research Advisors.

Dhruv Jain: Sir, I had a couple of questions. So one is that over the last 2 or 3 quarters, you've been talking about improving your -- improving the share of alkaline battery. So, I just wanted to understand how that market share on the alkaline side has moved for you over the last, say, 2 or 3 quarters? If you could just provide some sort of qualitative data or quantitative data there?

Suvamoy Saha: You said 2 questions. You want to finish the questions?

Dhruv Jain: Sure. Okay. So, the other question here was that we've seen a gross margin improvement for you. So -- but historically, the gross margin numbers have been at a materially higher range. So, when do you see this really improving? And what are the 2 or 3 things which will have to happen before we revert to that higher number? And the third question is, I mean, third data point, if you can just share with us is the segment level profitability.

Suvamoy Saha: Dhruv, thanks a lot. As we have been mentioning, alkaline remains a key focus area for the company. And -- it is nothing to do from a consumer perspective. Basically, we are under-indexed in the premium side of the market. We are in the mass market. And that premium segment constitutes a very small percent of that market.

Yes, we remain under indexed, which is why it remains a focus area. So over the last 2-3 quarters, the data that you mentioned, while our effort and our seeding is continuing, there has not been a great change in the market share position yet, but the results would follow because we are currently in that seeding phase when a lot of efforts are going in without results being immediately visible, which will happen in a quarter -- a couple of quarters down the road.

But as I said, it's a very small percentage of the overall battery market, which is why we are holding steady with our 54% market share in the total battery market. But in the smaller category of this premium segment, as I said, there has not been much change.

Gross margin, the product -- the margin profile is gradually improving day by day. The margin profile will get better in the second quarter because the impact of the raw material inflation receding and the foreign exchange becoming stable, will be more visible from second quarter onwards. The first quarter, we were consuming a lot of stuff from the earlier period, which were held at higher costs.

This gross margin, I think we would be steadily heading depending on, of course, some of the macroeconomic issues. They are gradually tending towards, I would say, very, very healthy levels. And -- but we are committed to keep on advertising, communicating to our consumers. So, to that extent, it will see some erosion from the higher levels of gross margin.

So maybe, Bibek, you can highlight on…

Bibek Agarwala: You have asked for like, because while you know we have a one common segment, as far as the segment. But however, just to -- we keep a track on that. So, as you say, batteries are one of the key products and 85% of the profit right now from battery, 15% odd is coming from torch light and lighting is almost a breakeven at this point of time.

Dhruv Jain: If, sir, I can add just one question on the lighting front, if I may.

Suvamoy Saha: Sure.

Dhruv Jain: Yes. So, sir, we've seen a very strong growth. And even in the last 2, 3 quarters, we've seen a very strong growth there. So just wanted to understand, A, what are the 2 or 3 things, I mean, what's been the sort of same-store sales growth or how -- or basically, is this the distribution expansion, which is driving or, say, a particular SKU? So, if you could just give more colour on the lighting growth side, that would be great, sir.

Suvamoy Saha: So, on the Lighting segment, we are -- as we are developing a very robust portfolio because we were short on the portfolio, and we were sort of concentrating more on the bulbs. And now we are gradually going towards, as I also mentioned in my remarks, in the emergency bulb, we have been among the top 3 or 4 players. So, as we are expanding the portfolio, I mean, the growth is coming because it is also true with that portfolio, we are also being able to address a larger number of outlets, which was not earlier possible with a very thin product line.

Dhruv Jain: Okay. And sir, how -- what would be the number of touch points that you would be servicing right now? I'm talking more from an FMEG distribution standpoint.

Suvamoy Saha: So, I would say that if we look at the general trade, we would be touching, because the general trade, when I say, it means also population -- smaller population towns where we are also through the general trade touching upon small electrical outlets. That touch point would be -- would exceed 50,000-odd. In the larger population towns where -- which are bigger electrical outlets, our touch point would currently be around 25,000.

Moderator: Our next question is from the line of Anirudh Agarwal from Valuequest Investment Advisors.

Anirudh Agarwal: A few questions from my side. First, on the gross margin front. So obviously, zinc prices have come off materially over the last few quarters. And basically, you alluded to some gross margin benefit that we'll get. So, could you quantify broadly what gross margin benefit we are expecting? And secondly, related to that on the margins would basically be that we had indicated earlier that we'll spend about 10% of sales on A&P, if I remember correctly?

And Q1 is obviously lower than that. So, would it be fair to assume that everything that you get from gross margin will go into A&P spends as we go ahead? Final question was just in terms of aggregate margins. Obviously, we have delivered better than the double-digit aspiration that we had set at the end of last quarter. So, do you still maintain that? Or can we look to up our margin guidance for this year?

Suvamoy Saha: As I said, gross margin had a favourable impact during the quarter, but that favourable impact is expected to increase further as we go down the road as we, in this quarter, consume materials from the earlier period where we were holding inventories at a higher cost. Yet during this quarter, we had a gross margin improvement of about 3%, which should -- I mean, if things go the way we are estimating, should improve further. We -- as we said that the double digit in my remarks, we have said that we, at this point of time, feel that we should be able to deliver a double-digit EBITDA for the whole year.

With regard to A&P being 10%, as we had guided earlier, this quarter was about 7.5%. A lot of our spend would go in the second and third quarters. So, I think for the moment, we are still not changing that guidance, and let us see how it goes.

Anirudh Agarwal: Sir, one more question on the flashlight side. So, flashlights growth was slightly tepid in this quarter. Anything to read into that?

Suvamoy Saha: Sorry, could you come again?

Anirudh Agarwal: Flashlights growth was slightly lower at 5% for this quarter, right? So, anything to read into that?

Suvamoy Saha: Yes. No, really nothing much. I think these are our -- during this quarter and the previous one, we have been taking steps to track into this segment because as we had advised earlier, we had left the rechargeable category somewhat vacant. So, as we are going in, maybe we had slightly overestimated the rate of progress. So, there is really nothing much, but we are on course to get on to a double-digit growth for our flashlights. Yes, the delayed onset of monsoon somewhat derailed our plan in this quarter, we expect to come back from second quarter.

Anirudh Agarwal: Finally, sir, last question on the lighting side. So, lighting growth has obviously been great in this quarter despite whatever has been happening on the market side. But just at an industry level, do you see price deflation now easing out or that trend has continued even in this quarter? And in light of that, then how are you looking at the overall growth target in lighting for this year?

Suvamoy Saha: So, I think any earnings call on the lighting subject, this question is quite sort of, I think, it's a given. Every quarter, we see the growth taking place in the value, in prices. This is led by innovation. People have been able to work very smartly and which has been rightly passed on to the market. The industry has sort of used to that.

So, I really do not think that there is any time when we say that, okay, this process has come to an end. The process for improvement of costs will continue and consumers will continue to get benefit out of that, yet the companies will continue to thrive because ultimately, there is an underlying growth in the business. And so, I do not think there is any reason to be pessimistic about it.

Moderator: Our next question is from the line of Mithun Aswath from Kivah Advisors.

Mithun Aswath: Just wanted to -- do you have a breakup of the sales between the 3 segments? That was question one. Also, as the LED and lighting business grows, is there a certain revenue level that that segment will get profitable? And since this is a very competitive market on the lighting side, any specific adjacencies that you are looking at in the electricals or lighting space, which is more profitable?

So, I just wanted to understand, from what perspective are you looking at lighting and you've chosen this as a category? Because earlier I remember you were in consumer durables and you exited that because of lack of profitability. So, you've chosen lighting now. So just wanted your thoughts on that.

Suvamoy Saha: So, I'll take the last part first, and then I'll request Bibek to respond to the revenue part. So, lighting has been adopted by the company as our third vertical on which all our -- I mean, much of our growth aspirations lie. We feel that this is a good business to be in. The market is very large. Our brand and distribution are extremely amenable to this particular business.

So, we look at lighting to sort of be a cornerstone of our growth journey. And as far as the adjacencies are concerned, this is -- we have not -- we have sufficient work to do in the core lighting itself. And maybe down the road, we may consider some other. We have some small accessories going today also like spike busters and multipoint plugs and stuff like that. But that is very small, that is just to fill that range. To get into a serious way into adjacencies, we will think about it down the road. We have not yet come to that stage.

Bibek Agarwala: So, with respect to the revenue numbers, on the overall revenue number, our battery holds on a 62% revenue, 16% on the flashlight, and around 22% goes on the lighting business.

Mithun Aswath: A question on the profitability of the lighting also, I ask is, what sort of level of revenues would you need to reach to become profitable?

Suvamoy Saha: So, at this point, just to just mention that in this quarter, we are breakeven, okay? So approximately INR350 crore to INR400 crore is a level where you really become a breakeven because it's a very competitive industry, and it is discussed that the revenues are constantly getting down. So, to benchmark against the revenue, it is very difficult. But at this point of given time, INR350 crore to INR400 crore looks like a start point for the breakeven for the lighting business.

Moderator: Our next question is from the line of Vikas Srivastava from RBC.

Vikas Srivastava: When do you expect your A&P expenses to reach stable state? I'm just trying to differentiate between A&P as a revenue expenditure and A&P as a capital expenditure. I am presuming right now you are -- since it's a transformational time, you are making an investment through your A&P. So, while A&P may keep going up as a percentage, just wanted to know when do you think we'll be reaching some kind of a stable state and how many years down the line or quarters down the line are you expecting that to happen?

Suvamoy Saha: That's a very good observation, Mr. Srivastava. So, this year is a kind of an investment year for us. So, we have budgeted a 10% kind of spend this year, which I -- it is not something that we need to sustain at. So, I would say a normalized level of A&P for this company with -- taking factoring in all the growth aspirations. I think 8% -- 7% to 8% would be a very reasonable number. And that, I think, should be able to -- we should be able to achieve that from next year onwards.

Moderator: Our next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Sir, firstly, if you could explain, when you speak about this route-to-market strategy, how different are the new business currently than what we used to do traditionally? I mean, when you are using this terminology, route-to-market, what has significantly changed and that is going to benefit going ahead, sir? If you could just give a brief understanding of it.

Suvamoy Saha: So Mr. Kapoor, it is like this. As I mentioned in the opening remarks, our outlet reach of about 4 million outlets remain constant. We were reaching 4 million outlets. Even after RTM, the new route-to-market, we continue to reach 4 million outlets. What we have done is we have made the process of reaching those

4 million outlets more efficient. We were reaching them through a very large number of distributors. We have cut that down and consolidated.

So, the cost of servicing has come down, and it has made more -- have been made more efficient because we can reach quicker. We do not have to take time to reach far-flung areas. And it does not mean that we have got those 5,000 guys down to 1,000 and 4,000 people are out of our system. Those 4,000 people have become sub-stockists to bigger distributors. So, we have retained the network, which is why our outlet reach remains the same. Only it has been made more efficient, so the salespeople, the feet on the street, has more time to do quality selling.

Saket Kapoor: And in your annual report, also in earlier conversation, you spoke about Bain Capital's role in bringing in more efficiency into the system and providing us, guiding us in the growth strategy. So, have that process is now being implemented? And what kind of cost have the company borne for this process over a period of time, sir?

Bibek Agarwala: So, if you see over a period of time, if you see till June, we have incurred almost more than INR26 crore -- around INR25 crore, INR26 crore that we incurred on the Bain. And they are in the verge of completion. We expect within this quarter, their work will be completed. And because, as Suvamoy mentioned, this quarter is a quarter of stability of the entire RTM, and it would be appropriate for us to see that how they are wrapping up everything. So, we see that by this quarter end, something there could be end of the agenda.

Saket Kapoor: Sir, you mentioned INR25 crore for the period ending June. So, what is the starting point, sir, I mean, for how…

Bibek Agarwala: It started January '22. January '22 it started. So, they are almost 18 months with us.

Saket Kapoor: So, for 18 months, we have spent around INR25 crore.

Bibek Agarwala: Yes.

Saket Kapoor: Sir, when we look at your interest, finance part component also.

Bibek Agarwala: I'm sorry to interrupt, Mr. Saket, may we request you to use your handset, please. You are not audible, sir.

Saket Kapoor: Sir, for the finance cost part, sir, this quarter, sequentially, we have seen the finance cost reducing from INR21 crore to INR9 crore. So, what should be the consistent rate? And what is the impact of forex for -- forex on the numbers for this quarter, sir?

Bibek Agarwala: Look, this rate does not have any impact of the forex actually. It is a pure-play working capital and term loan interest. And you could see the number ranging between INR8 crore to INR9 crore, depending on how our borrowing situation goes on quarter-by-quarter. And last year, we had onetime charges of the processing costs and restructuring costs. That is why if you see last year, the cost of this looks INR21 crore. Otherwise, if you see our quarterly costs are around -- hovering between INR9 crore to INR10 crore.

Saket Kapoor: And what is the net debt number, sir? Long term?

Bibek Agarwala: June end we have a net debt of around INR340 crore.

Saket Kapoor: INR340 crore. And the breakup of the same, sir, between long term and short term and the cost of fund?

Bibek Agarwala: Just give me a moment. It would be…

Saket Kapoor: And sir, for the other expenses part also, if you could give, there is any one-off item for the other expenses line item or this is going to be a linear set of INR60 crore, INR70 crore that will be spent on a quarterly basis?

Bibek Agarwala: So other expenses remain same as obtained actually. So, these are all several heads are being clubbed there and -- so if you see our long-term loan stands around INR240 crore out of this INR340 crore and rest is in current one.

Saket Kapoor: And cost of funds, sir?

Bibek Agarwala: Weighted average cost of fund is around 850 bps, 8.5%.

Saket Kapoor: 8.5%. And this year, current maturity?

Bibek Agarwala: So, it is over a period of -- long-term loans are over a period of 4 years now, and we are regularly honouring those payments.

Saket Kapoor: And Mr. Saha, you spoke about rationalization of employee benefit expenditure, employee costs also going ahead. So, post Q1, I mean, this quarter also, it is around -- hovering around 10% of our revenue. So, what should we exit this year in terms of -- as a percentage of revenue, the employee cost line item?

Suvamoy Saha: It will be around 10%. And I think from the next year onwards, as we maintain our growth momentum, that percentage would start decreasing..

Saket Kapoor: It should go down from 10% to, sir, what level should we take it, sir, going ahead?

Suvamoy Saha: It could depend on how we grow, but even it is considerable that we will come down somewhere between 9% and 10%, certainly below 10%.

Saket Kapoor: I interrupted you, sir, you were explaining something.

Bibek Agarwala: No, no, that's why exactly Suvamoy state that in the next year, we are looking for 10% to 9%, what is hovering, depending on how the business situation goes on. So that's 10%.

Moderator: Our next question is from the line of Mithun Aswath from Kivah Advisors.

Mithun Aswath: Sir, we've been talking about there's some litigation on the company. And due to that, the current promoters are not you able to raise equity or the company is not allowed to. Is there any update on that? Do you expect some sort of a timeline where this can get sorted out, sir?

Suvamoy Saha: So that particular case that you are referring to is currently undergoing an arbitration process. And the arbitral count that the arbitrators have fixed a date of early 2024 for disposing of that case. So, we are currently going by that timeline.

Moderator: Our next question is from the line of Rajesh Jain who is an Investor.

Rajesh Jain: My question relates to the ICD that was given by erstwhile promoters to related parties. And I believe that those were written off in the last 18 months. Now my question is, are we pursuing legally to recover those principal amounts and interest accrued? And where are we on that?

Suvamoy Saha: So, as you have rightly observed, the company has started litigation to recover those dues. And they are in various stages of sort of in the court process. So, it is -- I mean, I cannot give a definitive answer as to where we stand because hearings are yet to commence.

Rajesh Jain: So -- but as far as I know, this is just a matter of time, and it's mostly related to those entities having the financial strength to repay our debt.

Suvamoy Saha: Can you just -- can you once again give the question?

Rajesh Jain: Yes. My understanding is that when we demanded the money back, it was more a question of those particular entities having sufficient funds to repay and that is why all this started. So, is it that those companies are financially viable or they are bankrupt, and that is what is causing us problems in recovering our money?

Suvamoy Saha: I am unable to make any comment on that because we are not aware if they are bankrupt or otherwise. We have filed cases against all the parties who owe money to the company.

Rajesh Jain: And we are following it up vigorously.

Suvamoy Saha: Absolutely.

Moderator: Our next question is from the line of Gunit Singh from Counter Cyclical Investments.

Gunit Singh: So, what is the outlook for FY '24 in terms of top line and bottom line looking at the current market conditions?

Bibek Agarwala: It's too long time to give a full overall look -- outlook for the full year. However, as we said, that we are companies in the growth momentum. And so, we anticipate that at least the quarter 1 growth to continue and stabilize because as you said, we have taken a route-to-market in the last quarter. So, first quarter, you have seen that we have posted a high single-digit number, and we expect to continue the same with respect to the top line.

Gunit Singh: So high intermediate growth and improving margins, correct?

Bibek Agarwala: Yes. Of course, margin at respect, we said we are looking for the double-digit EBITDA.

Gunit Singh: And I mean, this year is a year for investments. So, for FY '25, I mean, we should expect even better margins than what we are seeing right now. And I mean, what are your long-term growth projections like for the coming 2 to 5 years once, I mean, we stabilize the investments?

Bibek Agarwala: So, at this point, everybody would like to have a good growth. We have also done the transformation initiative. So, we definitely look forward a double-digit growth from the next year. But as you know that we are -- along with the battery, we are also venturing into a lighting rechargeable category, sorry, flashlight rechargeable and lighting, big way.

But in the lighting business, as you say that one of the previous people have spoken, the way the value deflation is happening because with a continuous improvement in the product cost and all. So, while if you ask our internal aspiration should be a double-digit growth. However, we have to very closely monitor how the industry goes together.

Gunit Singh: And sir, how are the raw material prices shaping up? I mean, for the majority raw material, how are they shaping? And I mean, do we expect -- do we see them getting bottomed out right now or are they in upward trajectory? And what do you expect?

Suvamoy Saha: So, if you see, for our battery vertical, where if we talk about real, of course, the raw material prices have softened. But it is very difficult to maintain that where they go up because commodity is a very volatile cycle. So sometimes, it could be 2x of the price, sometimes it may come down. But as of now, we can see the way trend is going on, it looks like the prices should be stable. But we are keeping finger crossed that it should be stable at this point of time. But whether it is bottom or not, that we are keeping watch on.

Moderator: Our next question is from the line of Sunil Jain from Nirmal Bang Securities.

Sunil Jain: Sir, can you share the volume growth for battery segment?

Suvamoy Saha: So, if you see in the battery, our volume remain almost flat to little marginal, negative because this industry, mostly it is our value premiumization is coming on at this point of time.

Sunil Jain: Was there any price increase or premium product mix?

Bibek Agarwala: Some product mix and we took some price increases in a couple of SKUs, not across board.

Sunil Jain: And do you see any volume growth in this battery segment over a -- in a year or it's likely to remain more of a flattish?

Bibek Agarwala: So, it's flat to anticipate some slow growth, similarly maybe a very single-digit small growth there, but not very optimistic on a very high level of growth on a volume at this point of time.

Sunil Jain: The growth in revenue is almost around 6%. There seems to be a good price increase or product mix change, which has happened. So, is this likely to sustain?

Suvamoy Saha: Yes. We believe that this can be sustained. The market tertiary data is sort of looking up, the data that Nielsen tracks, which comes into secondaries and primary sale of the company with a lag. So let us see. I mean, we are keeping watching, but this growth that we saw in the first quarter should be sustainable.

Sunil Jain: And sir, second, about this flashlight. So comparatively, our growth was a bit slow in this quarter. And we were looking at good growth expected in this flashlight segment. Now you are guiding somewhere at around double-digit growth. So, are we doing something or is there a competitive landscape is a bit changing or something like that?

Suvamoy Saha: No, I think the market remains buoyant. The market is fully -- it is basically one branded player, which is us, and risk is by and large disorganized and informal. It is -- we have been a late entrant to the market. And that is why it is taking us a bit of time. We are bringing the full portfolio, which would be able to address all price segments and all quality segments in the market, the future segments in the market.

So, the delayed -- somewhat delayed onset of monsoon did slow down our growth during this quarter. We hope that this will sort of even out over the balance of the period. And we are still holding on to a double-digit kind of growth in the flashlight segment.

Moderator: Ladies and gentlemen, that was the last question of our question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Suvamoy Saha: Okay. We thank all participants, very kind of you to have taken interest in us. And this is our every quarter's feature that we come and address questions of analysts and the market experts. So, we will continue to do so. And I think we have already talked of our journey. We have talked of our aspirations. And so, we will rest ourselves with that. Thank you very much for joining us.

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