

Q3 2012 Earnings Call –Emami

Dt-13 Feb'12

Operator

Good afternoon ladies and gentlemen. I am Nandini, moderator for this conference. Welcome to the Conference Call of 3Q FY12 Results Conference Call of Emami Limited. We have with us today, the Senior Management of Emami Limited. At this moment, all participants are in listen-only mode. Later we will conduct a question-and-answer session. I would now like to hand over the floor to, Mr. Aniruddha Joshi.

Aniruddha Joshi

Thanks, Nandini. On behalf of Anand Rathi Research we welcome you all to the third quarter FY12 results conference call of Emami Limited.

We have with us, Mr. Naresh Bhansali, CEO - Finance, Strategy and Business Development and, Mr. Rajesh Sharma, AVP - Finance.

We also have, Mr. Shirish Pardeshi, Head of Research joining from other line.

Now I will hand over to, Mr. Naresh Bhansali for his comments and views on the results. Thanks and over to you sir.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Thank you, Aniruddha. Thanks, Shirish.

Our top-line at 457 crores in the third quarter has grown by 13.2% and our EBITDA at 120 crores has grown by 15.8%. For the first nine month of the year, our top line at 1,068 crores has grown by 16.8% and our EBITDA at 227 crore by 11%.

PAT at 94 crores has grown by 10.5% for the quarter and at 187 crore by 7.2% for the first nine months. We continue to witness high input prices this year also. However, after a long time, we witnessed our gross margins expanding in this quarter by 224 business points year-on-year, which is a result of judicious price increases over the period.

We also witnessed further depreciation of rupee against USD, which resulted in ForEx loss of 5.31 crores in third quarter.

Major brands contributing to this growth in the quarter was Navratna Oil going at 34%, Fair and Handsome which grew at 25%, Zandu Balm which has grown at 14%, Zandu ethical, generic and OTC range which grew by 24%.

The growth in this category was lead by Zandu Pancharishta which grew by over 100%. However, the performance of the winter brands were impacted by the late winter. Boroplus Antiseptic Cream grew by 10%, the new launches like Boroplus Body Lotion and Vasocare Petroleum Jelly grew by 34% and 15% respectively in this quarter.

We also increased our market share in our key segments. Navaratna Oil market share increased to 53.7%, an increase of 2.9% as compared to the last year in 2011. Fair and Handsome also gained volume market share in the men's fairness cream segment growing from 65% in Jan, March quarter to 69% in October-December quarter of this year.

International business, however was impacted in the third quarter, mainly due to underperformance by African region. This was primarily due to local currency depreciation and unstable political scenario in this region. Discontinuance of low priced BONITA range of products also affected sales in the African sub-continent. This has resulted in sales of just 4 crore in third quarter against 16 crore in the corresponding period of previous year in Africa.

However, CIS and GCC countries contributed aggressively in the international business in the third quarter. Overall export at Rs. 38 crores was down by 7% in this quarter which dragged a growth of international business -- 2.5% at 115 crore. While development of new products in new markets continues from new products and new markets continues, trust is being put on increasing distribution and penetration in existing markets.

Focus has been shifted from primary sales to secondary sales and many structural changes are being undertaken under senior professionals who have been appointed recently to exploit potential of rapidly growing international business. With the commencement of Bangladesh facility we very soon and appreciation of local currency in Africa precisely in Kenya. We expect good growth from the international business going forward also. Our gross margins during the quarter has expanded by 2.2% and EBITDA margin has also improved by 60 basis points to 26.2% in this quarter.

During the year we also invested in strengthening our marketing and distribution network, both at domestic and international level. We have also strengthened our R&D team here. Overall the business has performed reasonably well despite unfavorable weather, mild summer and late winter.

With this, I now open the Q&A and invite your questions. Thank you. Suresh.

Questions And Answers

Operator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. [Operator Instructions]. First question comes from Miss Ruchi Vora from UBS.

Yes hi. Good morning. My first question is on the sales figures of the individual products. It will be great if you could share with us the 3Q and the nine month numbers for your top five six products.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yes Ruchi. The growth was, growth during this quarter has mainly come from the winter products and as you know this quarter was dominated by winter and we have our Boroplus and Vasocare and Chyawanprash, these were the brands which has shown the growth in this quarter.

In fact, Boroplus has grown due to late coming of winter, earlier there was a little lower growth. But in this quarter, the Boroplus has grown by 10%.

Ruchi Vora

Right. Sir what we really request is the rupees growth number or the percentage contribution to your top line?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Rupee growth number?

Ruchi Vora

Yes, I think sir growth numbers, we have pretty much got. But if you could just give us the revenue numbers in terms of rupees, crores or percentage contribution to your top line, that will be great.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

If you look at Boroplus, it's over 120 crore, 122 crores in this quarter itself.

Ruchi Vora

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

And Boroplus, the range if you look at is over around 150 crores, of this 4, 5, 58 crore.

Ruchi Vora Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

NR range is around 50 crore, Navaratna range.

Ruchi Vora

Right, in the quarter? Right

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In the quarter. Yes.

Ruchi Vora

And Zandu Balm?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Zandu Balm also Zandu, this balm category is at around 88 crore.

Ruchi Vora

Okay. Menthoplus?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Balm category at around 88 crore as I said.

Ruchi Vora

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Which includes both Zandu Balm and Menthoplus balm.

And, Fair and Handsome

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Fair and Handsome has also done very well.

Ruchi Vora

Yes

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In fact it has grown by 25% at over 30 crores.

Ruchi Vora

Right sir. And sir my next question is on the ForEx part. I just wanted to understand from you is that you also charge something to the balance sheet and then you have expense about 53 crores. I was wondering what is that on account of, could you just

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

5.3 crores in fact.

Ruchi Vora

Yes, I'm sorry, 5.3 crores.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yes. On ForEx see, around 2.65 crore was taken to the reserve and this is with respect to the long-term loans which has been carried forward and that will be amortized over the period of the loan. And whatever other loans where there which were to mature within one year, they have already all been accounted for in the year itself, in this quarter itself, whether paid or on the mark-to-market.

Ruchi Vora

Yes. And this 5.3 crores is on account of?

Is on account of restatement loans, receivables, winding of some of the receivables contracts also.

Ruchi Vora

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

So it is all taken together, yes.

Ruchi Vora

Okay. And sir my last question if I may, is on basically sir have we taken any price hikes in this quarter?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In this quarter, yes, few very negligible in fact.

Ruchi Vora

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In the winter we have not taken that big, it was over a period. It was done over a period in fact in the last quarter itself. So there were only some one or two new launches which has been done.

Ruchi Vora

Right.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In this quarter. So no major price hikes in this quarter.

Ruchi Vora Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Thank you.

Ruchi Vora

Thank you sir.

Operator

[Operator Instructions]. Next question comes from Mr. Abneesh Roy from Edelweiss.

Abneesh Roy

Sir, thanks for the opportunity and good set of numbers. Sir my first question is on the Africa we've seen a good decline partly currency, partly law and order issues. So what's the change in our long-term strategy on Africa, do we plan to de-focus and focus more on CISGCC and when do we expect recovery in Africa?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Africa, Abneesh has already started recovering instant. Within Africa if you look at few of the countries there are still there are issues, but so the currency issue was concerned in Kenya that has been to an extent has been sold.

And this is a very important country and we would continue to focus on this country. In fact we are changing our strategies going forward for this country also. There was a BONITA range of products which we have discontinued from this quarter.

Abneesh Roy

What is that?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

BONITA that was a very low range products. Very very lower range kind of a product which we have discontinued which was being. So we are promoting our own this Emami range of products in few of the countries, EMITA range of products.

Abneesh Roy

Which one?

In these countries. EMITA, EMITA range of products. It has have been meant for -- which has been meant for African countries.

Abneesh Roy

No, my question is, what does EMITA, which range does this address, which countries does this address?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Africa.

Abneesh Roy

No, no. You are having Emami also and then you are having EMITA also. So?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yes, yes. EMITA is a low range of product, there were three range of products, EMITA, Emami -- these are -- they are specifically meant for the African countries, BONITA and EMITA.

Abneesh Roy

Yes.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

BONITA was discontinued in this quarter. And EMITA we are continuing with in few of the countries.

Abneesh Roy

And BONITA what was the size annually and if you could bring in Q3 last year, what was the size?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Last year was around 8 crore during this quarter -- during this quarter itself, okay?
So, if we knock that off, we are almost half -- 8 crores versus 4 crores this quarter?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yeah.

Abneesh Roy

And what was the ex-currency decline, ex-currency decline in Africa?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

I will be able to tell you exactly.

Rajesh Sharma, Executive Vice President Finance and Accounts

Around -- Abneesh, Rajesh here.

Abneesh Roy

Hi.

Rajesh Sharma, Executive Vice President Finance and Accounts

Ex-currency decline would be around 2.5 crores to 3 crores.

Abneesh Roy

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

For Africa.

Abneesh Roy

So, will it be fair to say that in the next one or two quarters we'll see recovery in Africa happening or difficult to take a call? Yeah, very much. I think it would increase over a period. So in next -- from next quarter itself we have made some structural changes also so we feel that the results would start at coming in from this quarter itself from quarter four.

Abneesh Roy

Sir, regarding Navratna you have done well and you have said market share gains have happened against Himgange. So will it be fair to share that peak competitive intensity addressed in UP is behind us and if you could tell us what's happening in Andhra and Rajasthan because there are some new launches there?

Rajesh Sharma, Executive Vice President Finance and Accounts

Yeah, Abneesh. On Navaratna, you see our middle comparator is Himgange only and for the after long time we have gained market share from -- and we are now today 54%. But still Himgange is a key player in this segment and focus would be on take on this competition going ahead also.

And on other new launches in this category, we are not very much concerned about that, we are focusing on the Himgange competition only. And going forward we will be trying to get more market share from Himgange only.

Abneesh Roy

Sir, could you tell us about your new launches how they are doing, how much of the profits from current business do we allocate to these new launches? Any of the new launches in the last say two, three years, is it ready to go to the next stage? For example, Pancharishta for example, you have stepped up, I won't say it's a new product but really focused has been stepped up. Then on the face wash if you could give us some color? Vasocare, clearly winter was an issue. So, color on the new products?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

See, if you look at the recent launches like Navratna Coco Cool has done very reasonably well there. Face wash we have recently entered, it's a very big category and is growing so aggressively, we have high hopes from this brand also. And it has been very well accepted in the market.

Body lotion also has done good, Vasocare body lotion, which was also launched very recently. Petroleum jelly has done exceedingly well in fact during this winter. And this Boroplus antiseptic summer protection lotion during the summer had also done reasonably well. We feel that another one season would help to mature this brand further.

Abneesh Roy

And sir what's the game plan on body lotion, face wash, these are very big categories but competitive intensity is also fairly high. And we have seen big Indian players also enter these categories. So is it a testing we are doing or we ready for the next level Pan-India, Pan -- your focus?

See we have done our complete preparation and we are ready for based on the initial feedback, we are ready for a Pan-India launch.

Abneesh Roy

Currently what's the availability, which areas?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

These has been launched across.

Abneesh Roy

Across. Okay. Finally sir last question on the margins, how do you see, what is the status on the rural direct distribution, what's the plan there?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Margins if you, you would have seen at this time the margins have improved in this quarter itself.

Abneesh Roy

Right, correct.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Overall, on the gross margin level. And rural market has done well. And our share in the rural market is also increasing in fact. I'll tell you the exact number on the rural. Just parking these number, I'm just looking at that.

Abneesh Roy

Sure sir.

Operator

Thank you sir.

Yes. Abneesh, I'll discuss on that rural part later.

Operator

Next question comes from Mr. Anshul Mishra from ING Mutual Fund.

Anshul Mishra

Hi sir. My question is regarding if you can keep share the volume growth numbers brand wise. It would be great. Hello?

Rajesh Sharma, Executive Vice President Finance and Accounts

Yes. Hi Anshul, Rajesh here.

Anshul Mishra

Yes.

Rajesh Sharma, Executive Vice President Finance and Accounts

Volume growth in our key brands like Navratna Oil as a whole has been around 24%.

Anshul Mishra

Sorry, how much, 24?

Rajesh Sharma, Executive Vice President Finance and Accounts

24%.

Anshul Mishra

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

For Boroplus antiseptic cream, it is around 6.5%. For Body lotion it is around 23%, 24%. For Fair and Handsome, our growth was 13% in this quarter. And

Anshul Mishra Rajesh Sharma, Executive Vice President Finance and Accounts

Balm category was kind of threat in this quarter, post that.

Anshul Mishra

Okay. And also some update on the talc portion, you have Navratna Talc as well as Boroplus, how is it doing?

Rajesh Sharma, Executive Vice President Finance and Accounts

Yes, talcum powder, the season was in fourth quarter and the first quarter, third quarter is not the season for talcum powder.

Anshul Mishra

But Y-on-Y, how is it moved value-and-volume?

Rajesh Sharma, Executive Vice President Finance and Accounts

See, Y-o-Y, the talcum powder, if you are going to see this year also we had a bad summer. So they have not performed very well.

Anshul Mishra

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

So on Y-o-Y basis also if you see their kind of rate only.

Anshul Mishra

Okay. How much would international business be as a percentage of the total consolidate sales? And what would Africa be of that?

Rajesh Sharma, Executive Vice President Finance and Accounts

International business overall is around 14% on an annualized basis, but for this quarter it was at around 8%, 9% only.

Anshul Mishra

Right, right. And how much is Africa of EBIT?

Africa is around 30%, but this quarter it is at lower level.

Anshul Mishra

Okay. So is 30% a lower level or is at on annualized basis 30% only?

Rajesh Sharma, Executive Vice President Finance and Accounts

} 30% in annualized level.

Anshul Mishra

Okay. And how much would be the decline in African business, because of the discontinuation of SKUs and stuff for this quarter?

Rajesh Sharma, Executive Vice President Finance and Accounts

Africa is grown by around 70% in this quarter.

Anshul Mishra

Okay. And also one last question if you can please share the raw material movement for the quarter on a Y-o-Y basis, the key raw materials for you?

Rajesh Sharma, Executive Vice President Finance and Accounts

If you see on a key raw materials side, there is menthol and LLP but menthol was kind of, seeing much of a movement of menthol in the October, December quarter and -- renaming around 1,700.

Anshul Mishra

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

And you must also be aware that we also booked menthol till our March requirement.

Anshul Mishra

Right, right, right.

Rajesh Sharma, Executive Vice President Finance and Accounts Anshul Mishra

Okay. And other LLP and all, LLP will also be a key raw material, right?

Rajesh Sharma, Executive Vice President Finance and Accounts

LLP is also key material, but there -- the price of LLP was kind of stabilising, standard -- similar level this quarter.

Anshul Mishra

Actually just wanted to understand very exactly has gross margin improvement come from, which particular category and that's why I was trying to drill to the raw material component. So if you can tell me which particular raw material has actually benefited us the most?

Rajesh Sharma, Executive Vice President Finance and Accounts

So if you see the major raw material Menthol, the prices of this which has started rising very drastically since last year.

Anshul Mishra

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

And post that we have been taken judicious price hikes over a period.

Anshul Mishra

Right, right.

Rajesh Sharma, Executive Vice President Finance and Accounts

So till last year, I think Q3 last year whatever price we took major the impact came in that particular third quarter only. So now we are seeing the impact of whatever price hikes we've taken and that is helping us to offset the input material cost.

Anshul Mishra

Right, right. But I believe Navratna is also a smaller component in normally in Q3. Because Boroplus becomes a bigger component because of the seasonality. Right?

Rajesh Sharma, Executive Vice President Finance and Accounts Anshul Mishra

But that would be part of the base as well. So I was just trying to understand if Boroplus raw material, have the kind of moved or decline or something. Can you please share that?

Rajesh Sharma, Executive Vice President Finance and Accounts

There hasn't been much increase in the other raw materials.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business

Development

Yes this has also helped in fact Rajesh, there is exports, the low products sales which we have discontinued in this quarter, this has also impacted on the margins on the gross margin.

Anshul Mishra

Okay. So you have discontinued some of the exports which were kind of low margin is it?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yeah BONITA range of products which we have discontinued and so there has been a dip in the international business also in this quarter. This was a planned structural change which we had taken in this quarter.

Anshul Mishra

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

So, that had been the change.

Anshul Mishra

Okay, thanks a lot. Thank you.

Before we move on, Abneesh's question was there on the rural market. In fact our gross on the rural market has been from the direct rural which you've seen this nine months is around 50% for the last year. So the growth is still coming in from the rural market there. That was there. Okay you can now move on the next.

Operator

Okay, sir. Next question comes from, Mr. Ajay Tako from Enam Securities.

Hemant Patel

Hello, sir this is Hemant here. Can you just clarify that you mentioned that the growth in rural market is 50%, is it?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yeah, direct rural market, our growth from the direct rural base has increased by -- yeah it is around 50%. That is our directly.

Hemant Patel

This would contribute, what 35%, 40% of your revenues at the moment.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

This would contribute around 25%, 26%.

Hemant Patel

Of your consolidated revenues?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Of our domestic revenues.

Hemant Patel

Okay. Can you just give us some insight as to how have you managed to actually grow this, despite the increase in distribution reach that we have been extending, what has really contributed to this growth and then how do we look this going ahead?

Precisely, this is because of our increase in the distribution reach in fact. If you look at our number, we have also added lot of cost on the staff cost and administrative cost also. So lot many structural changes has happened, so we are focusing now more-on-more on distribution. We are moving on from that wholesale and urban to the direct rural also.

Hemant Patel

What would be your reach in terms of direct, indirect at the moment and versus what it was in the beginning of the year?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

See if you, rather than looking at it, because it's an exercise which has been done over a period.

Hemant Patel

Sure.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

So rather than comparing it with beginning of the period, I would say the gross, see if you look at now out of this around 74 -- 73% is from the general trade, around 2.5% is from the modern and around 23% or so is from the rural, direct rural reach.

Hemant Patel

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

Which is the present situation. So the sales from the general trade is being shifted because general trade included both, your wholesale, rural everything. So from there the direct rural reach is being increased.

Hemant Patel

Okay.

Rajesh Sharma, Executive Vice President Finance and Accounts

I probably get the data point on direct, indirect reach little later, had a question on Fair and Handsome and then there you have shown a spectacular growth in market shares, could you give us some insights as to how you've manage to do

Rajesh Sharma, Executive Vice President Finance and Accounts

Yeah, hi Hemant. For Fair and Handsome, if you see last year our backdate couple of reasons, one was our discount of Rs. 2 over just Rs. 7, and so this year we came back to Rs. 7, we removed that number. And this year we really gained about marketing strategy, we did all kinds of activity over there with a new ad film which highlighted the crush of the issue, like still there are lot managing strategy, there are premium fairness creams among the market. So this is a point which we are trying to drive and I think the new commercial was very valid and to the point, which is in our favor.

And apart from that also, we will be there at other entire positive in the marketing campaign, and it is your activity at the distributor level also. So which is kind of paid off to us.

Hemant Patel

Okay. And in Boroplus Antiseptic cream, we have grown by 10% during this quarter. Could you give us a sense in the March end has the overall growth rate been slow across the Board because some of your competitors also had indicated some weaker numbers?

Rajesh Sharma, Executive Vice President Finance and Accounts

On winter items, what we discussed now. Because of the delay in the winter, almost all such the players are impacted. And this typically means that only our revenues are lower, our growth is lower. But if you see the market growth we have in fact grown little higher in the market only

Hemant Patel

In fact the market share has increased from 74% to 75% despite this growth. Okay, okay. And just one more question if I may, on balms we grew by around 14% this quarter if I am right and this was a little bit off from what we grew in the first half of this year, I just wanted to understand is it more of a market phenomenon or is it, is it that we have lost some share over here?

Rajesh Sharma, Executive Vice President Finance and Accounts

No in Balm we have not lost any shares. But Balm also you see it is also little season in nature. Because it also depends when the season changes at winter, because of the middle winter, I think it has got impacted.

Hemant Patel

Alright. Structure has increased in market. Market share has gone up is it?

Rajesh Sharma, Executive Vice President Finance and Accounts

Yes.

Hemant Patel Rajesh Sharma, Executive Vice President Finance and Accounts

No not really.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Not in the part. Not in these brands.

Hemant Patel

Alright sir. Thanks a lot and best of luck.

Operator

Thank you sir. Next question comes from Mr. Arnab Mitra from IndiaInfoline.

Arnab Mitra

Yes hi. Just two questions from my side. One is has the Bangladesh factory now commenced production and FY13 what kind of numbers can we look ahead from that?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Arnab, hi Arnab, Bangladesh is expected to commence by the end of this quarter this fourth quarter or maybe the beginning of the next quarter. And we expect the turnover of around 40 crore next 12 13 in FY12 FY13 from Bangladesh.

Arnab Mitra

Right and currently what would be your turnover in Bangladesh, you also right now export something I think to Bangladesh?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

It would be around 25 crores.

Arnab Mitra

Okay. And just one more question. Could you let me know the current debt gross debt and cash and how much is the U.S. dollar debt as of now?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yes Arnab, we have around \$26 million of U.S. Debt, and on net basis we have net cash of over 100 crores now.

Arnab Mitra

Okay. And this U.S. dollar debt what is the majority of this 26 million?

Rajesh Sharma, Executive Vice President Finance and Accounts

Out of this around \$17 million, \$18 million is long-term. So it is payable in installments, but the majority portion will be payable after two, three years.

Arnab Mitra

Okay. And this is the only debt that is there or is that rupee debt also on the balance sheet?

Rajesh Sharma, Executive Vice President Finance and Accounts

No, it is the only added debt over all foreign currencies.

Arnab Mitra

Okay. Thanks so much.

Operator

Thank you, sir. [Operator Instructions]. Next question comes from Mr. Nitin Mathur from Espirito Santo.

Nitin Mathur

Yeah sir, hi. My question is on your Boroplus category. What I am just trying to figure out, the 6.5% volume growth, though it's good, it's something not really very impressive. So what is the long-term volume growth that we should look for this category?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

I think going forward, this category should grow by at least 8% to 10% on volumes. And looking at this, we are also working on many other brand extensions and we are working on face washes and many other products in this category itself, in Boroplus category. So that would also expand further expand the growth.

Nitin Mathur

Okay, sir. Thanks and how is the competitive intensity you are seeing this segment particularly?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In Antiseptic Cream you're saying?

Nitin Mathur

Yeah.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

In Antiseptic it remains the same as it was earlier. It is our market share of -- which has increased by from 74% to 75%. And the competitive intensity is the same. It's not that aggressive also.

Nitin Mathur

Alright sir. Thank you.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Thank you. Thank you Nitin.

Operator

Thank you sir. Next question comes from Mr. Hiral Shah from DCK Shares.

Analyst

Hi. My first question would be on the status of the manufacturing unit that's been set up in Egypt. And how much investment has

been made in this regard?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Okay. Hiral in Egypt we have invested around 8 crores just. And considering the political situation there, we would take a call further and we are still on a very low have there. And then we will take up this aggressively may be by the second half of the next fiscal.

Analyst

All right. And what would be the current debt outstanding? The total debt?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Debt Rajesh has just mentioned now.

Analyst

That would be in dollar terms.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yeah.

Analyst

That would be the only debt.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

That is the only debt.

Analyst

And I've seen that the rural share has increased whereas the market share has gone up very considerably. So is that on account of the Project Swades that Emami had undertaken?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

We have taken lot many initiatives in domestic market and it is one of them that's increasing our field force here and increasing our rural direct rural reach. So the market share, so from this channel, the rural channel the growth has increased by 50% from the rural channel and it's share is also increasing.

Analyst

Alright. Yeah that would be it from my side. Thank you.
Thank you.

Operator

Thank you sir. [Operator Instructions]. Next question is from Mr. Subramaniam P.S. from Sundaram Mutual Funds.

Subramaniam P.S.

Hi, good afternoon sir. Just on this rural growth that you spoke about. The number that you gave was from direct rural market, right? Your direct rural reach.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Right.

Subramaniam P.S.

What would be the overall rural sales, to your total sales contribution?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

It would be around 50-50.

Subramaniam P.S.

Okay, that is 50-50.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Right.

Subramaniam P.S.

And how does that number grown by sir?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Subramaniam P.S.

Okay.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

But, I think the rural growth is also intact. Some how it's in one month or two months it may increase or decrease. But overall the growth is coming in from the rural as well.

Subramaniam P.S.

Okay. So your rural, urban mix is currently 50-50?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Right.

Subramaniam P.S.

And what would it have been a year back?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

It's hovering around that only.

Subramaniam P.S.

Okay. Thanks sir, that's it from my side.

Aniruddha Joshi

Hello, Nareshji, Aniruddha here from Anand Rathi. Just two, three questions. One of the hair oil players has launched a brand, and has indicated that they would be very aggressive in this summer, Kailash Parbat. So do we see that taking away any amount of market share or you would be looking at increasing hair brand to counter that brand?

And secondly is on the shampoo business, we have been pretty aggressive in terms of buying one shampoo at one point of time, but not any further progress on that, so just update on that as well?

Yes Aniruddha, thanks. As you said on Kailash Parbat or other hair oil competition, we are working on many initiatives on Navaratna as you might have seen we have introduced lot of many variants, also we have a market share of above 50%. Despite this we took at different markets and different usages we have come out with new another extensions as well.

So I think, and that is working very well, our market shares are increasing. And I don't think that there would be any thread to this because of any further new launches or anything. And on five-in-one shampoo, as you've said we are currently not promoting this one five-in-one.

Right. So we will come back into this market when we will have a very good idea and when there will be something very differentiating point there. This as you rightly said is a very competitive market so you need to have a competitive edge there.

Aniruddha Joshi

Okay. Okay, sir.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Thank you.

Operator

Thank you, sir. Next question comes from, Mr. Amit Hiremath from ENAM Securities.

Amit Hiremath

Yeah, hi. Amit from ENAM AMC. Most of the questions have been answered I just want to know what is the contribution of small SKU's to urban and rural sales, as percentage?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Small SKU's to urban and rural sales.

Amit Hiremath

Yes.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development Amit Hiremath

Okay. And because of that possibly the EBITDA margin or the gross margin level are lower in rural?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Not significantly. Not significantly.

Amit Hiremath

And going forward what kind of a contribution at the overall market share? Or rather the contribution of the rural sales would be for the overall domestic sales?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

I could not get your question.

Amit Hiremath

Right now it's a 50 50 kind of scenario for our?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Right. Okay you are saying whether the rural -- what would be the proportion of rural?

Amit Hiremath

Correct. Right right.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

I think from 50 it may go up to 60. But urban market is also very important. Urban and metro cities and other Tier 2 cities are also equally important. So I think it would be from 50 to 60% also.

Amit Hiremath

Okay. And sir any guidance for the next year for our sales and growth?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

We expect for the next quarter, and also for the time to come a growth of around 17%, 19% is maintainable on top-line and commensurate on the bottom-line as well.

Amit Hiremath

This is for FY 13 you said?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Yes.

Amit Hiremath

Thank you. That is it from my side.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

This is apart from the normal, new launches so that I feel is maintainable?

Amit Hiremath

So, the organic growth would be 17% to 18%?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Right, right.

Amit Hiremath

Okay. Thank you sir.

Operator

Thank you, sir. [Operator Instructions]. Next question comes from Priya Ranjan from Macquarie Capital Securities.

Analyst Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Hi Priya Ranjan. Chyawanprash category increased by around 6% in this quarter, and this quarter also impacted by the late return.

Analyst

Are we using -- with Dabur or because they have probably gained grown at faster pace than.

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Chyawanprash category, we have growing at about not any -- but we are working on other strategies as well. So let's see we have some idea, let's see how it works going forward.

Analyst

So on a combined basis if you -- decide all the Chyawanprash brands what will be your market share right now?

Naresh Bhansali, Chief Executive Officer - Finance, Strategy and Business Development

Market share in Chyawanprash will be around 14%.

Analyst

Okay, thanks. That's all from me.

Operator

Shall we move on to next question sir? [Operator Instructions]. There are no further questions. Now I will hand over the floor to Mr. Aniruddha Joshi for closing comments.

Aniruddha Joshi

Thanks Nandini. On behalf of Anand Rathi Research, we thank all the participants for being on the concall. And we also thank the management of Emami Limited, Mr. Nareshji and Mr. Rajeshji as well.

Now I hand over to Mr. Nareshji for his closing comments. Thanks and over to you sir.

Thank you, Aniruddha, thank you Shirish. It was as usual a pleasant to discuss with you all, and communicate our messages through you. Thanks to all. Thank you. Bye, bye.

Rajesh Sharma, Executive Vice President Finance and Accounts

Thank you.

Operator

Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant day.