



“Eveready Industries India Limited Q4 FY2017 Earnings Conference Call”

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- Moderator:** Ladies and gentlemen, good day and welcome to the Eveready Industries India Limited Q4 FY2017 Earning Conference Call hosted by Batlivala & Karani Securities India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Aditya Sheth, FMCG Analyst of B&K Securities. Thank you and over to you Sir!
- Aditya Sheth:** Good morning everyone. On behalf of B&K Securities, I welcome you all to Eveready Industries Q4 FY2017 results conference call. We have with us today the management represented by Mr. Amritanshu Khaitan, Managing Director and Mr. Suvamoy Saha, Chief Financial Officer. Without further delay, I now hand over the call to the management for opening remarks. Thank you and over to you Sir!
- Amritanshu Khaitan:** Good morning to everyone. Thank you for joining the Q4 conference call for Eveready Industries India Limited. I would first highlight the operational highlights for the quarter and for the year. Our quarter growth of turnover was at about 7% giving us a turnover of about Rs.305 Crores. This is on the backdrop of the first three quarters being flattish. The EBITDA margin expanded and we gave us an operating EBITDA of nearly Rs.18 Crores against Rs.14.23 Crores last year a growth of 25% and for the full year, Eveready recorded its highest ever operating EBITDA of Rs.133.3 Crores. Profit before tax came in at Rs.11 Crores as against Rs.7 Crores of last year and for the full year it was Rs.105 Crores as against Rs.86 Crores a growth of 22% and the net profit came in at Rs.10.46 Crores and full year net profit came in at Rs.94 Crores a growth of 36%. Overall, the margin for the company for the full year stood at nearly 10%. This was due to better operational efficiencies and cost conservation. Despite investments in the newer categories of our plans and increased manpower and distribution cost, the profit before tax was expanded also because of lower finance cost. The company was able to commission its largest battery manufacturing facility in Assam in the month of March. The facility will also make 9 million flashlights. The lighting segment registered a robust growth in the quarter at the rate of 26% and for the full year a growth of 8%, which is in a backdrop of LED prices coming down still giving a turnover growth of 83% and CFL segment degrowing by 50%. The heartening measure in lighting category for us is that in the Q4, the category has turned EBITDA positive. We have clocked close to 7% EBITDA margins in the quarter and the LED segment has clocked over 10% at EBITDA level. Our new initiative of appliances was launched at a period when Indian went through the demonetisation phase. Impact of that was seen even in the Q4, but still we were able to register Rs.18 Crores topline growth in the fans and appliance segment and for the full year, we did Rs.40 Crores. This result gives us the confidence that we are on track to achieve the Rs.100 Crores kind of revenue from appliance in FY2018 thereby making it EBITDA breakeven. The current outlook for the company is pretty encouraging. Battery and flashlight categories remain stable. Margins have been intact for the year. We have seen the lighting category is starting to contribute positively to the EBITDA. The appliance category is on track to deliver the

targeted numbers. GST is something we are very positive upon. I believe that for all our categories, GST will be positive, but there could be an interim disturbance tearing the execution or the transition from the old tax regime to the new tax regime. On the GST rate, batteries have been fairly neutral. We have seen a benefit on the lighting category. On flashlight, there is a bit of ambiguity, which we need to understand where it will fall in because the flashlights are LED based, so I think in the next 15 to 20 days, it will be clear. It might fall into the 18% category or the 28% category. As and when that gets decided the company will take measures in terms of protecting margins. The monsoon forecast itself is positive. That is being seen in the first quarter with flashlight business being stable and we are very confident that that should continue. The plant, which has been put up has been completely capitalized. Post capex of the plant also our debt level has remained more or less flat at about Rs.200 Crores. We believe that the company will throw significant free cash flows in the company year. That will be used to pay down the debt. With that happening our target of making the company debt free by FY2019 still stands. With those opening remarks, I would open up for questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session. We take the first question from the line of Giriraj Dag from KM Visaria. Please go ahead.

Giriraj Dag: Good morning team. First I would like to have breakup of our segment like batteries, flashlights, tea segment, and amongst the lighting or if you can give LED and CFL for FY2017 full year?

Amritanshu Khaitan: For the full year, the battery segment is about 55% of revenue at 15%.

Giriraj Dag: 15% flashlight?

Amritanshu Khaitan: Battery is 55% and lighting is about 22%, appliances are 3%, and packet tea is about 5%.

Giriraj Dag: If you get this lighting into LED and CFL is that possible?

Amritanshu Khaitan: In the lighting category we have clocked for the full year a turnover of close to Rs.300 Crores. In that, the LED with luminous included at about Rs.200 Crores out of the total revenue of Rs.300 Crores. Two thirds of the lighting revenue comes from LED.

Giriraj Dag: Okay, understood. If you can also give the maybe some highlight on the margin you just spoke about the lighting is 7% as of now and LED among that is 10%, so if you can also give a margin for batteries and flashlight?

Amritanshu Khaitan: For the full year, batteries have clocked an EBITDA margin of about 14% to 15%. Flashlight has also clocked about 13% to 14%.

Giriraj Dag: This you are talking about the common overhead before common overhead right?

Amritanshu Khaitan: This is after.

- Giriraj Dag:** After and what was the loss in the appliance segment after EBITDA?
- Amritanshu Khaitan:** We would have lost about the investment in the appliance category for the year would be about approximately about Rs.12 Crores.
- Giriraj Dag:** Tea segment any positive or negative EBITDA?
- Amritanshu Khaitan:** About Rs. 5 Crores to Rs. 6 Crores negative.
- Giriraj Dag:** What is that...like you have guys have added some appliance you are looking at about Rs.100 Crores kind of a revenue and the last quarter was Rs.18 Crores, so that looks entirely possible. Any guidance on the lighting business revenue and how the growth will be **(inaudible) 09:25** in battery and flashlight?
- Amritanshu Khaitan:** The LED category, which we have clocked Rs.200 Crores. In that the government business was about Rs.50 Crores. If I remove that the trade business of Rs.150 Crores should grow to anywhere between Rs.250 Crores to Rs.300 Crores in the coming year and the government part is something depending whether we get orders or not is something I would not want to guide for.
- Giriraj Dag:** CFL should continue to see that similar pace of decline or the decline?
- Amritanshu Khaitan:** CFL should see a further 50% decline in the coming year.
- Giriraj Dag:** The LED market like 10% obviously with the higher number should be better like what kind of growth we can put the number to this?
- Amritanshu Khaitan:** I would say if we can clock a 10% EBITDA on LED, I think that will be fairly positive.
- Giriraj Dag:** Even on higher base also because 10% you did this year also right?
- Amritanshu Khaitan:** No for the full year we have not... only in the Q4 we have clocked that kind of margin.
- Giriraj Dag:** What was the full year number for LED and CFL?
- Amritanshu Khaitan:** For the full year LED margin would have been about 6% to 7%, but for the last quarter it was over 10%, which we think we should maintain in the coming year.
- Giriraj Dag:** That is the growth estimate for batteries and flashlight and how the margins should play out?
- Amritanshu Khaitan:** Batteries as a category we are seeing a flattish trend. We think that would continue. Flashlight really depends on the monsoon and the season. It is seeing a volume growth of closer to 7% to 8%, but at a value level it is flattish because we have passed on pricing benefits to the market because the cost of certain raw materials for flashlight came down. Now depending on where the GST rate falls, we will have to take a call on the flashlight business.

- Giriraj Dag:** Margins should remain stable?
- Amritanshu Khaitan:** Yes.
- Giriraj Dag:** Okay, perfect. Thanks a lot and all the best.
- Moderator:** Thank you. The next question is from the line of Jinesh Joshi from Asit C Mehta. Please go ahead.
- Jinesh Joshi:** Thanks for the opportunity Sir. I have a couple of questions. The first one is on the battery and the flashlight segment, what is the current pricing discount between organised and the unorganised players in the battery and the flashlight market and post implementation of GST is this gap expected to eliminate completely?
- Amritanshu Khaitan:** So the 10% of the market, which is basically cheap Chinese batteries being done would be access to the retailer at round Rs.2 to Rs.3 while they might sell it to consumers at about Rs.5 to Rs.6 as compared to branded players being over Rs.5 to retailer and closer to Rs.8 to Rs.10 to the consumer. Now GST implementation we believe should make all the unorganised segments come into the organised part. If part of it also happens you should see the unorganised players actually the rate going up by at least Rs.1 kind of levels with the GST rate on batteries being 28%, we should see at least a Rs.1 increase in that.
- Jinesh Joshi:** In the appliances business we are new yet we managed around Rs.40 Crores of topline during the year-ended review, so what has lead to such strong performance in the segment. I mean are we offering better credit terms to our dealers or are we pricing the product at a discount to competition to push sales, so basically what is the strategy here?
- Amritanshu Khaitan:** Appliances category is significantly large. Between the fan and appliance category is an Rs.15000 Crores category. If the company achieves to even get 1% market share that is Rs.150 Crores. So I do not think we have done anything in terms of a great performance or a very aggressive performance to get the revenue. As I mentioned our launch coincided with demonetisation and thereby only the Q4 would be the true reflection of the potential we have. We have launched our appliance business geographically in North, East, and now we are expanding in West and South. Once the total distribution expansion takes place, we will look at selective markets where we would be investing behind the brand when it comes to the appliance category and take things forward. If we can achieve a Rs.100 Crores revenue for Eveready it is a very large figure, but in the universe of appliances where the categories are growing at 10% to 15% and the category size itself is very large, we will be basically growing with the market.
- Jinesh Joshi:** In the appliances business, do we need to create a separate distribution channel or can these products be pushed through our existing channel partner?
- Amritanshu Khaitan:** We have to create a separate distribution network and a completely separate sales team.

- Jinesh Joshi:** One last question. In the ESL side of the LED business is there any provision for sales return and if it is then when can it be invoked?
- Amritanshu Khaitan:** So when we look at the LED business we generally provide for certain returns at an overall level and the returns, which have been provided for are lower than what the provision is made. Going forward with more and more LEDs going into rural India we think that returns could go up because of the usage being more disruptive in rural India and thereby the company when it highlights its EBITDA margin, it is net of making the provision for potential return.
- Jinesh Joshi:** Okay Sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Mukundan Keshival from Cogencis. Please go ahead.
- Mukundan Keshival:** Hello Sir. Sir since lead is the major raw material for battery manufacturing how is the procurement impacted you in the last three months where do you see the lead prices moving up?
- Amritanshu Khaitan:** Battery the two main commodities that impact cost is steel and zinc and of course also much of the material is dollar denominated, so three things so steel prices, zinc prices, and exchange rate. They all have an impact on batteries, but you know the policy that the company undertakes is whenever there is an adverse cost for whatever movement because these are macroeconomic and not entirely in our control to protect our margin. May be there is a small time lag so that has always been the policy, so we pass it onto the market.
- Mukundan Keshival:** Can you just tell us like where do you see it going in the coming months Sir lead prices. I understand there is a time lag and you will be passing it?
- Amritanshu Khaitan:** As of now whatever impact we have had we have passed it on and that happened quite recently in the past, so as of now the company has protected the margin that it has been working on that.
- Mukundan Keshival:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Ankit Agarwal from Centrum Capital. Please go ahead.
- Ankit Agarwal:** Sir thanks for taking my question. Sir can you also give us what has been the volume growth on YOY basis in each of your segments battery, flashlight, appliances, packet tea, and the sub segments?
- Amritanshu Khaitan:** For the year?
- Ankit Agarwal:** For the year.

- Amritanshu Khaitan:** For the year, the volume on batteries has been flat. On flashlight, it is a growth of I think about 4%. On CFL, it is a 50% decline. On LED bulbs it is a 225% growth. Incandescent bulb is about 7% and on the appliance category it is a new launch, so I cannot give you any year on year figure and packet tea was also flattish.
- Ankit Agarwal:** Sir this battery segment so when you are talking about a flattish trend next year basically are you including the benefit from unorganised to organised shift?
- Amritanshu Khaitan:** We are not assuming any benefit as of now. We need to see what does GST actually do to the unorganised market. The assumption on if the unorganised market do get impacted and come into the fold of the organised segment then you should see volume growth increasing for all our categories.
- Ankit Agarwal:** I just want to understand on a trend bases with more digitization happening and usage of batteries in general in appliances going I mean is that not really reflecting in volume growth in this category or you are seeing the batteries lasting longer as a result, growth is not happening in this segment?
- Amritanshu Khaitan:** You see I have mentioned earlier the battery category had a demand growth of 7% to 8%. Because the market has been disturbed due to demonetisation as well as the dumping continuing from China, we have seen a flattish trend when it comes to volume. Going forward if the dumping from China reduces you should see a higher growth rate.
- Ankit Agarwal:** Sir just on the small appliances business just want to understand, so while you did mention that the category is large and for us to take market share it is fairly easy early on, but what has been our strategy basically to expand the market and what size of revenue could it be potentially say by FY2019 or FY2020 and what amount of spend we will have to do on say below the line or above the line to achieve that growth?
- Amritanshu Khaitan:** For us, we have a single-brand strategy. So spends would be 4% to 5% of topline. We believe the company's topline should grow double-digit going forward thereby increasing the absolute spends for the company. The appliance category if you divide into the fan segment and the kitchen appliance segment we have seen a very positive feedback on the fan segment in the last three months. We think we should grow the fans segment itself to about Rs.100 Crores in two- to three-year period and our kitchen appliance itself should also add another Rs.100 Crores to Rs.150 Crores, so the potential for us by FY2020 would definitely be to at least reach Rs.200 Crores to Rs.250 Crores revenue from the appliance segment.
- Ankit Agarwal:** Sir I mean fan there are a lot of players on the durable side have made a foray, so just want to understand what really is driving growth in this because everyone is talking about capturing market share, so is it that we are offering more margins to the dealers or what really our brand is creating some sort of a pull?

- Amritanshu Khaitan:** As I mentioned earlier the categories of appliances and fans are fairly large. Both these categories have a high unorganised segment. The category growth rates are between 10% to 15%. When these large categories are moving in such high growth rates, it gives enough headroom for new players to come in and take part of the growth. When you look at our target Rs.100 Crores revenue from fans by FY2019 or FY2020 would still be not more than 2% or 3% market share, but it would add significant growth to the company because our fixed costs are being all absorbed by the battery and flashlight business. The advertisement spends are on a common brand, so even with I would say relatively lower gross margins in the fan segment, it can still give positive EBITDA to the company going forward.
- Ankit Agarwal:** Thanks a lot.
- Moderator:** Thank you. We take the next question from the line of Chintan Modi from Motilal Oswal Securities Limited. Please go ahead.
- Chintan Modi:** Hi thanks for the opportunity. My question is on the LED bulbs part of the business what would have been our average realization for the year in the trade market?
- Amritanshu Khaitan:** It would be between Rs.95 and Rs.100.
- Chintan Modi:** How much erosion that we would have seen during the year?
- Amritanshu Khaitan:** I would say in the Q1 obviously it was much higher, but it has now stabilized. In the last two quarters, we are not seeing much erosion maybe a 4%, 5% difference.
- Chintan Modi:** So going ahead for the next year we should not factor in very high erosion compared to last two to three years?
- Amritanshu Khaitan:** May be 10% erosion because the first half of the year obviously had higher prices and lower volumes or maybe a 10% kind of value degrowth should be seen, but that would be more than compensated with volume growth.
- Chintan Modi:** Secondly I do not know if I missed that did you share the total EBITDA margin for lighting business for the full year?
- Amritanshu Khaitan:** For the full year, the lighting business would have clocked EBITDA margins, which was positive. For the full year, we have clocked EBITDA margin of about 2%.
- Chintan Modi:** So now going ahead as the CFL share is declining, which I believe was a loss making and LED will continue to grow along with that and luminaire will also grow. What is the kind of EBITDA margin that you are targeting for FY2018?

- Amritanshu Khaitan:** We should go into for example for Q4 our margins were around 6% that should improve further, so maybe 7% to 8% for the full year.
- Chintan Modi:** Sure and how much amount would be capitalized for the Assam plant approximately Rs.100 Crores?
- Amritanshu Khaitan:** Rs.112 Crores.
- Chintan Modi:** The existing facility in Uttarakhand I believe what are the plans with that, the land that we have over there?
- Suvamoy Saha:** No it is still a very cost-efficient plant, so we will keep running our Uttaranchal plant. We have got a couple of other higher-cost plants, so then we will take a call as we go along. Our first target is it to maximize production in Assam, which is naturally the most important thing and then we will take in the course of the year what we need to do with the higher cost plants, but Uttaranchal will continue to run.
- Chintan Modi:** So Assam from a battery revenue perspective how much would that start contributing from FY2018 or at peak utilization how much can that contribute?
- Suvamoy Saha:** In FY2018, it should contribute between 40% and 50% and peak utilization depends on us. If we finally decide or take a call on scaling operations down in higher cost plants, we have the flexibility to because we have taken a very large-size land, so we can go up even from this 50% level to a higher level.
- Chintan Modi:** And now this is the only plant, which is tax efficient I mean the benefits?
- Suvamoy Saha:** It is the only plant, which is currently what is going to be called the GST, so it would have GST benefit as well as income tax benefit.
- Chintan Modi:** How much income tax rate that you are guiding for FY2018 and FY2019?
- Suvamoy Saha:** We should be at MAT.
- Chintan Modi:** Lastly if you can share you thoughts on this tie up with McLeod Russel for the tea business how do you see that panning out and what would be the overall structure?
- Amritanshu Khaitan:** I have mentioned in the press release yesterday we have initiated discussion with both the group companies on how to take this forward. The idea being that the packet tea business will be spun off into a separate entity and McLeod Russel would come in as a joint venture partner in that entity bringing in capital as well as expertise of plantation management and sourcing of appropriate quality of tea to be put into the packet. The distribution would continue by Eveready and Eveready would also use its skill sets when it comes to branding and marketing as well, so it

is still on a drawing board stage, but hopefully in the next one-month, we will finalize the contours of the transaction and then update further.

Chintan Modi: Okay, but currently the tea that we were sourcing was largely from the auction markets of Kolkata or we were sourcing it directly from McLeod Russel?

Amritanshu Khaitan: No we have not sourced anything from McLeod Russel.

Chintan Modi: And the capital that McLeod Russel will put in will be largely utilized for what purpose... if you can highlight that?

Amritanshu Khaitan: See the business will require branding investment to really push the growth organically from a level of Rs.75 Crores to a targeted turnover of about Rs.200 Crores to Rs.250 Crores in three to four years. So any capital infusion into the new entity will be used to really drive growth in terms of brand building.

Chintan Modi: And currently, which are the major states where we are present in terms of our packed tea business.

Amritanshu Khaitan: In North India.

Chintan Modi: North India. Thanks a lot. That is helpful.

Moderator: Thank you. The next question is from the line of Giriraj Daga from KM Visaria.

Giriraj Daga: Just a followup. What is the capex planning for FY2018 and possibly for FY2019 also?

Amritanshu Khaitan: It should be between our routine capex is fairly small, so this would be around Rs.15 Crores may be max to max Rs.20 Crores.

Giriraj Daga: Next year also same?

Amritanshu Khaitan: Yes.

Giriraj Daga: What is the trading revenue in FY2017?

Suvamoy Saha: Trading as a percentage if you take our entire appliances business and our lighting businesses and also part of flashlight, trading businesses. It is in the sense people we outsource products from vendors based on what design we provide to them, so to that extent you can call that those are trading businesses.

Giriraj Daga: You said entire appliance, lighting and flashlight also?

Suvamoy Saha: Partly.

- Giriraj Daga:** Last year we saw electrical products revenue of manufacture of Rs.105 Crores, so is this production where we manufactured?
- Amritanshu Khaitan:** No it is not manufactured in-house. Our lighting business is completely outsourced. The lighting and appliances are completely outsourced.
- Giriraj Daga:** Understood. Sir there was an earlier talk of antidumping duty on batteries from China, has anything happened on that Sir can you just remind us about that what is the progress we made?
- Amritanshu Khaitan:** You may be knowing the application that the industry had papered on the government was rejected one somewhat peculiar reason that the companies are making adequate profits, so they should not be given any protection, which is to some extent unprecedented because business are setup to make money. Anyway be it as it may, we have prepared an appeal against that rejection, so that is currently under consideration, so we should know about it finally in the course of the next two to three months.
- Giriraj Daga:** Understood and next question would be on tea business like we discussed that alliance with McLeod, but I just want to understand on a broad perspective we are present in a couple of areas and being lighting and you also said that broader market is very big for appliance also, so why we want to remain in tea business, like why cannot we completely hive off tea business, what is your thought on that side?
- Amritanshu Khaitan:** See the packet tea business leverages on the one million direct reach, which the company had in terms of access to outlets that is something, which is the other key strength of Eveready. One is the brand strength and the other is FMCG network it has, so we believe that to take the company's growth to the next level, we need to capitalize on both key assets, one is the brand and one is the distribution. Moving the packet tea into a SPV and having sustained investment to grow the packet tea business through the SPV will enable us to even grow the business for our distributors and thereby also earn a distribution fee in Eveready.
- Giriraj Daga:** Okay I understood and what kind like last year we made a loss of about Rs.5 Crores to Rs.6 Crores, so once you reach the profitability of about Rs.200 Crores to Rs.250 Crores, which is your anticipation over the next three to four years what kind of EBITDA margin you are penciling in as of now in the business model?
- Amritanshu Khaitan:** It can reach a 10% to 12% kind of EBITDA margin.
- Giriraj Daga:** 10% to 12% and last question Sir on a working capital side like once we have increased our appliance revenue what kind of working capital should we plan, like what will be the inventory base and better separately for each of the segments that should be helpful?

- Amritanshu Khaitan:** No the working capital to be deployed in that is because the overall scale of that in the total company is still relatively small. The working capital investment will certainly go up not very appreciably. I would say you could work on a basis of say five times turnover.
- Giriraj Daga:** Five times turnover.
- Amritanshu Khaitan:** So if you were reaching about Rs.100 Crores we would be having something between Rs.15 Crores to Rs.20 odd Crores.
- Giriraj Daga:** Understood. Okay Sir. Thanks a lot. I am done.
- Moderator:** Thank you. We take the next question from the line of Aditya Sheth. Please go ahead.
- Aditya Sheth:** Good morning Sir. Sir I have a couple of questions. One is regarding the ramp up in the appliance distribution reach, so can you just shed some light on that?
- Amritanshu Khaitan:** We have reached outlet penetration of about 6000 outlets for the kitchen appliance business. We are targeting to scale that up to about 10,000 outlets by the end of this financial year.
- Aditya Sheth:** And how many retail outlets you got?
- Amritanshu Khaitan:** That is the retail outlets.
- Aditya Sheth:** And how many distributors you have appointed for this?
- Amritanshu Khaitan:** We have a distribution appointment of over 200 distributors.
- Aditya Sheth:** This will be Pan India, so are you weak in certain zones or something like that or it will be you are strong in all four zones?
- Amritanshu Khaitan:** We have launched from East to North and West and now we are going to add in South.
- Aditya Sheth:** So you will be the weakest in south as of now?
- Amritanshu Khaitan:** Yes.
- Aditya Sheth:** And my second question is regarding the Assam ramp up how has that been because in February we started the manufacturing plant, so how has that been?
- Suvamoy Saha:** We are currently operating at around 65% and in fact we had build up a little bit of inventory from our Uttaranchal Plant intentionally, so actually we can ramp it up to a much higher level, which we wish today. So you can take it that the plant has been fully commissioned.

- Aditya Sheth:** And regarding home appliances business we see the season is going to start, so can you just shed some strategy or expectations for the coming season because I think for home appliances starting from June is the biggest three to four months, so can you just shed some strategy on that?
- Amritanshu Khaitan:** No home appliances business honestly we have to see how the season goes because this will be the first time we actually enter the festive season with a complete range of products. Obviously GST in between the key season months would be a little bit of a confusion creator, but we being a new entrant will have to see what the market leaders do in the various segments and move accordingly.
- Aditya Sheth:** That is it from me thanks.
- Moderator:** Thank you. Well since that was the last question, I now hand the floor over to Mr. Aditya Sheth for his closing comments.
- Aditya Sheth:** I thank the management of Eveready Industries for giving us the opportunity. Sir do you have any closing remarks to make.
- Amritanshu Khaitan:** No that is fine. Thank you for every one taking out their time to come and hear the conference call setup by B&K and many thanks to you Aditya for organising it.
- Aditya Sheth:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Batlivala & Karani Securities, we conclude today's conference. Thank you for joining. You may now disconnect your lines.