

Havells India Limited

Q1 FY19 {JUNE 30, 2018}
{Un-Audited Financial Results}

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest quarterly/ yearly Financial Results of Havells India Limited are available on Havells website – <http://www.havells.com>. The results are limited reviewed by the Auditors of the Company and approved by the Board of Directors in their meeting held on 20th July 2018.

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SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P&L Summary – Quarterly

In crores of Rupees	Q1 FY 19 (Havells)	Q1 FY 18 (Havells)	Change % (Havells)	Q1 FY 19 (Lloyd)	Q1 FY 18 (Lloyd)	Q1 FY 19 (Total)	Q1 FY 18 (Total)	Change % (Total)
Net Revenue	1,888.2	1,593.3	19%*	708.1	267.2	2,596.3	1,860.5	40%
Contribution as a % to NR	490.5 26.0%	374.7 23.5%	31%	137.0 19.3%	39.4 14.7%	627.5 24.2%	414.1 22.3%	52%
Add: Depreciation / Amortization	30.0	29.7		5.1	3.9	35.1	33.6	
Less: Advertisement and Sales Promotion as a % to NR	65.6 3.5%	55.4 3.5%	18%	50.0 7.1%	18.1 6.8%	115.6 4.5%	73.5 4.0%	57%
Less: Other SG&A as a % to NR	199.9 10.6%	189.5 11.9%	5%	26.2 3.7%	12.3 4.6%	226.1 8.7%	201.8 10.8%	12%
EBIDTA as a % to NR	255.0 13.5%	159.5 10.0%	60%	65.9 9.3%	12.9 4.8%	320.9 12.4%	172.4 9.3%	86%
Depreciation / Amortization	30.0	29.7		5.1	3.9	35.1	33.6	
Interest Expense	2.5	3.4		0.0	-	2.5	3.4	
Foreign Exchange (gain)/loss	0.0	(8.3)		8.5	(1.2)	8.5	(9.5)	
Interest Income (C)	24.6	13.9		-	-	24.6	13.9	
Others (D)	4.5	11.4		-	-	4.5	11.4	
Add: Other Income (C) + (D)	29.1	25.3		-	-	29.1	25.3	
Profit before tax as a % to NR	251.6 13.3%	160.0 10.0%	57%	52.3 7.4%	10.2 3.8%	303.9 11.7%	170.2 9.1%	79%
Tax	-	-		-	-	93.5	48.9	
Net Profit as a % to NR	-	-		-	-	210.4 8.1%	121.3 6.5%	73%
Other Comprehensive (Income)/Expense	-	-		-	-	0.5	1.0	
Total Comprehensive Income	-	-		-	-	209.9	120.3	

*22% growth, adjusted for excise impact in exempted zones

Results Summary

- Sustained revenue growth with robust improvement across product verticals
- Q1 FY18 performance was disrupted due to GST transition, channel destocking and a general trade apathy
- Whilst partially aided by a relatively lower LY base, the growth is widely dispersed

Table 1.2: Segment wise Revenue analysis – Quarterly

In crores of Rupees	Q1 FY 19	Q1 FY 18	Change (%)	Adjusted for excise (%)
Switchgears	404.1	338.9	19%	26%
Cable	749.9	636.3	18%	18%
Lighting & Fixtures	257.3	205.3	25%	25%
Electrical Cons. Durables	475.9	358.3	33%	43%
Others (EESL)	1.0	54.5	--	--
Sub Total	1,888.2	1,593.3	19%	22%
Lloyd	708.1	267.2	--	--
Total	2,596.3	1,860.5	40%	43%

- EESL business decline reflects its lumpy nature coupled with a conscious decision to limit our exposure
- Lloyd business grew by 14% on a like-to-like basis

Table 1.3: Segment wise contribution margin analysis – Quarterly

	Q1 FY19			Q1 FY18			Q4 FY18
	Revenue Mix %	Contribution * Contribution %	Contribution Margins %	Revenue Mix %	Contribution * Contribution %	Contribution Margins %	Contribution Margins %
Switchgears	21%	154.8	38.3%	21%	130.7	38.6%	38.6%
Cable	40%	127.9	17.0%	40%	85.9	13.5%	17.1%
Lighting & Fixtures	14%	71.0	27.6%	13%	62.1	30.2%	30.9%
Electrical Cons. Durables	25%	136.7	28.7%	23%	81.6	22.8%	27.2%
Others (EESL)	0%	0.1	8.7%	3%	14.4	26.4%	10.4%
Sub Total	100%	490.5	26.0%	100%	374.7	23.5%	26.1%
Lloyd	-	137.0	19.4%	-	39.4	14.7%	22.0%
Total	100%	627.5	24.2%	100%	414.1	22.3%	25.2%

Contribution by Segment

- Contribution margins are not comparable with LY due to GST influenced disruption and have been maintained sequentially
- Lloyd sequential margins declined owing to adverse forex movement

* Contribution margins are derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue

Table 1.4: Balance Sheet highlights

In crores of Rs.	As at June 18 Unaudited	As at March 18 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	1,243.9	1,247.9
Capital work in progress	48.5	24.1
Investment property	53.3	53.8
Goodwill	310.5	310.5
Other intangible assets	1,167.8	1,173.0
Investment in subsidiaries	41.7	41.7
Financial assets		
(i) Other financial assets	18.4	17.2
(ii) Other bank balances	0.4	0.4
Other non-current assets	71.2	40.2
	2,955.5	2,908.7
Current assets		
Inventories	1,677.9	1,621.7
Financial assets		
(i) Trade receivables	294.1	325.4
(ii) Cash and cash equivalents	296.9	301.2
(iii) Other bank balances	1,440.2	1,225.0
(iv) Other financial assets	8.0	8.0
Other current assets	167.2	135.2
	3,884.3	3,616.4
Assets classified as held for sale	16.4	16.3
	3,900.8	3,632.7
Total Assets	6,856.3	6,541.4
EQUITY AND LIABILITIES		
Equity		
Equity share capital	62.6	62.5
Other equity	3,904.5	3,676.6
	3,967.1	3,739.2
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	67.5	81.0
(ii) Other financial liabilities	5.1	5.5
Provisions	24.0	23.9
Deferred tax liabilities (Net)	235.2	207.0
Other non-current liabilities	17.7	17.7
	349.5	335.0
Current liabilities		
Financial liabilities		
(i) Borrowings	40.5	27.0
(ii) Trade payables	1,632.7	1,634.0
(iii) Other financial liabilities	570.9	513.3
Other current liabilities	76.5	107.6
Provisions	173.3	154.1
Current tax liabilities (Net)	45.9	31.3
	2,539.7	2,467.2
Total Equity and Liabilities	6,856.3	6,541.4

Table 1.5: Cash flow highlights

	June-18 YTD	FY 18
PBT	304	1,015
Exceptional items	-	(12)
Depreciation	35	140
Others	(14)	(46)
Working Capital Changes	(40)	240
Taxes Paid	(50)	(246)
Operating Net Cash Flow (A)	235	1,091
Capex	(65)	(152)
Investment in intangibles	-	(1,485)
Proceeds from Sylvania / Exim stake sale	-	198
Others	25	295
Net Cash Flow from Investing Activities (B)	(40)	(1,144)
Dividends paid	-	(263)
Repayment of borrowings	-	(198)
Proceeds from borrowings	-	108
Others	16	(5)
Net Cash Flow from Financing Activities (C)	16	(358)
Net Cash Flow (A+B+C)	211	(411)
Opening Cash	1,526	1,937
Closing Cash	1,737	1,526

Table 1.6: Net Debt (Havells India Standalone)

(in crores of rupees)	30 th June 2018	31 st March 2018
1. Short Term	40.5	27.0
2. Term Loan	67.5	81.0
Total Debt	108.0	108.0
Less: Cash	1,737.1	1,526.2
Total Net Debt	(1,629.1)	(1,418.2)

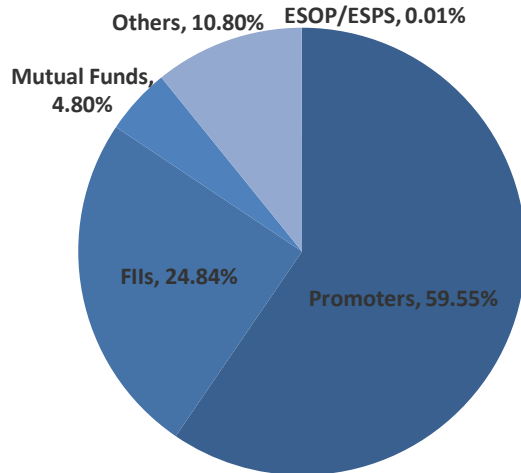
Table 1.7: Financial Ratios (Havells India Standalone)

Financial Ratios	Q1 FY19	Q1 FY18
Profitability		
OPM % {EBIDTA/NR}	12.4%	9.3%
RONW % {PAT TTM / Avg. NW}	21.2%	18.4%
ROCE % {EBIDTA TTM / Avg. CE}	32.2%	24.9%
Liquidity Ratio		
Current Ratio {CA/CL}	1.5	1.1
Debtor Days {Debtors/NR TTM}	12	18
Inventory Days {Inventories/NR TTM}	69	70
Creditor Days {Creditors/NR TTM}	67	66

SECTION 2. SHAREHOLDING RELATED INFORMATION

Table 2.1: Shareholding pattern

Shareholding Pattern as on 30.06.2018



DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY

Havells will be issuing fresh Information Update, like the one you are reading now; on the day it declares its Quarterly/ Half Yearly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions. Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints. The information contained in such updates is made public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992. For further information / clarification, you may contact Mr. Manish Kaushik, GM (Investor Relations) at Havells India Limited, QRG Towers, 2D Sector 126, Expressway, Noida UP (India), Tel: +91-120-4771000 Fax no.: +91-120-4772000; **E-mail : ir@havells.com**.

**UNAUDITED STANDALONE FINANCIAL RESULTS
 FOR THE QUARTER ENDED JUNE 30, 2018**

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year Ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	2596.34	2534.90	1982.24	8260.27
	b) Other Income	29.22	25.74	34.80	116.99
	Total income	2625.56	2560.64	2017.04	8377.26
2	Expenses				
	a) Cost of materials consumed	1091.52	1043.78	865.38	3586.69
	b) Purchases of traded goods	539.70	572.67	270.15	1719.96
	c) Change in inventories of finished goods, traded goods and work in progress	(10.36)	(43.68)	61.00	(325.88)
	(A) Total material cost (a+b+c)	1620.86	1572.77	1196.53	4980.77
	d) Excise duty on sale of goods	-	-	121.70	121.70
	e) Employee benefits expense	196.98	163.70	161.86	649.73
	f) Finance costs	2.55	8.36	3.40	23.97
	g) Depreciation and amortisation expense	35.04	34.74	33.58	139.52
	h) Advertisement and sales promotion	115.61	104.60	73.47	307.58
	i) Other expenses	350.64	336.11	256.24	1151.20
	(B) Total other cost (d to i)	700.82	647.51	650.25	2393.70
	Total expenses (A+B)	2321.68	2220.28	1846.78	7374.47
3	Profit before exceptional items and tax (1-2)	303.88	340.36	170.26	1002.79
4	Exceptional items	-	(9.07)	-	11.91
5	Profit before tax (3+4)	303.88	331.29	170.26	1014.70
6	Income tax expenses				
	a) Current tax	72.06	73.55	36.12	208.99
	b) MAT credit entitlement	-	(13.88)	(20.26)	(43.09)
	c) Deferred tax	21.42	45.86	33.02	136.28
	Total tax expense	93.48	105.53	48.88	302.18
7	Net Profit for the period (5-6)	210.40	225.76	121.38	712.52
8	Other Comprehensive Income/(Loss)				
	Items that will not be reclassified to profit and loss in subsequent period, net of tax	(0.50)	5.99	(1.02)	1.68
	Other Comprehensive Income/(Loss) for the period net of tax	(0.50)	5.99	(1.02)	1.68
9	Total comprehensive income for the period, net of tax (7+8)	209.90	231.75	120.36	714.20
10	Paid up equity share capital (Face value of Re.1/- each)	62.55	62.51	62.51	62.51
11	Reserves (excluding revaluation reserve as shown in the balance sheet of previous year)				3676.64
12	Earnings per equity share (EPS)				
	(nominal value of Re. 1/-each) (not annualised):				
	a) Basic (Rs.)	3.37	3.61	1.94	11.40
	b) Diluted (Rs.)	3.37	3.61	1.94	11.40

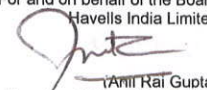
Notes:

- These financial results have been prepared in accordance with Indian Accounting Standards (Ind- AS) as prescribed under section 133 of Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment thereafter.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 20, 2018. The statutory auditors of the Company have conducted limited review of these financial results, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, revenue for quarter ended June 30, 2017 and year ended March 31, 2018 were reported inclusive of Excise Duty. The Government of India had implemented Goods and Service Tax ("GST") from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 115, the revenue for the period July 01, 2017 to March 31, 2018 and quarter ended March 31, 2018 & June 30, 2018, are reported net of GST. Had the previously reported revenue shown net of excise duty, comparative revenue of the

(Rs.in Crores)

	Quarter Ended			Year Ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
Net Sales/ Revenue from Operations (Net of Excise Duty)	2596.34	2534.90	1860.54	8138.57

- During the quarter, the company has made following grants and allotments of stock options:
 - Out of 10,377 equity shares of Re.1/- each granted during the financial year ended March 31, 2018 to eligible employees of the Company under Havells India Employee Stock Purchase Plan 2016, 3,458 equity shares have been vested and allotted during the quarter.
 - During the quarter, the Company further granted 11,533 equity shares of Re.1/- each to eligible employees of the Company under Havells India Employee Stock Purchase Plan 2016, out of which 3,844 equity shares have been vested and allotted during the quarter.
 - Allotted 1,50,000 equity shares of Re.1/- each to eligible employees of the Company under Havells India Employee Stock Purchase Plan 2015.
 - Allotted 1,67,135 equity shares of Re.1/- each to eligible employees of the Company under Havells India Employee Stock Purchase Plan 2014.
- Figures for quarter ended March 31, 2018 are the balancing figures between audited figures in respect of full financial year upto March 31, 2018 and the unaudited published year to date figures upto December 31, 2017, being the date of the end of the third quarter of the previous financial year which were subjected to limited review.
- Figures for Quarter ending June 30, 2017 includes business of Lloyd Consumer Division starting from May 08, 2017, hence not comparable with quarter ended June 30, 2018 to that extent.
- Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter ended June 30, 2018
- The Board of Directors of the Company has accorded in-principle approval for merger of its subsidiaries "Promptec Renewable Energy Solutions Private Limited", "Standard Electricals Limited", "Havells Global Limited" and Lloyd Consumer Private Limited" under section 232 of the Company Act 2013. The merger would help to leverage synergy in operations of the business carried out by Subsidiaries The Board has authorised the executive committee to do all necessary acts required for executing the merger.
- Previous quarter/ year figures have been regrouped/restated wherever necessary.

For and on behalf of the Board
 Havells India Limited

 (Anil Rai Gupta)
 Chairman and Managing Director

Noida, July 20, 2018



HAVELLS INDIA LIMITED

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**SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER ENDED JUNE 30, 2018**

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year Ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment Revenue				
	a) Switchgears	404.10	394.63	355.70	1424.45
	b) Cable	749.93	768.86	719.57	2683.41
	c) Lighting & Fixtures	258.32	322.69	272.10	1168.70
	d) Electrical Consumer Durables	475.86	464.62	367.63	1569.57
	e) Lloyd Consumer	708.13	584.10	267.24	1414.14
	Total	2596.34	2534.90	1982.24	8260.27
	Less : Inter Segment Revenue	-	-	-	-
	Revenue from Operations	2596.34	2534.90	1982.24	8260.27
2	Segment Results				
	(Profit+)/ Loss(-) before Tax and finance cost from each Segment)				
	a) Switchgears	154.85	152.28	130.68	557.20
	b) Cable	127.85	131.78	85.90	438.03
	c) Lighting & Fixtures	71.12	99.78	76.57	335.63
	d) Electrical Consumer Durables	136.71	126.16	81.62	420.15
	e) Lloyd Consumer	137.03	128.31	39.36	268.32
	Total	627.56	638.31	414.13	2019.33
	Less: (i) Finance cost	2.55	8.36	3.40	23.97
	(ii) Other un-allocable expenses net of un-allocable income	321.13	289.59	240.47	992.57
	(iii) Exceptional items (Profit)/ Loss	-	9.07	-	(11.91)
	Total Profit before tax	303.88	331.29	170.26	1014.70
3	Segment Assets				
	a) Switchgears	678.73	640.28	664.54	640.28
	b) Cable	828.03	757.94	729.99	757.94
	c) Lighting & Fixtures	481.00	491.58	530.91	491.58
	d) Electrical Consumer Durables	581.15	505.54	492.76	505.54
	e) Lloyd Consumer	2150.02	2195.26	1815.15	2195.26
	g) Unallocated	4718.93	4590.60	4233.35	4590.60
	Total	2137.36	1950.81	1387.72	1950.81
	Total	6856.29	6541.41	5621.07	6541.41
4	Segment Liabilities				
	a) Switchgears	331.03	307.51	257.66	307.51
	b) Cable	481.54	529.05	374.50	529.05
	c) Lighting & Fixtures	200.06	240.75	192.76	240.75
	d) Electrical Consumer Durables	410.16	385.01	267.53	385.01
	e) Lloyd Consumer	510.08	646.82	504.15	646.82
	g) Unallocated	1932.87	2109.14	1596.60	2109.14
	Total	956.39	693.12	615.81	693.12
	Total	2889.26	2802.26	2212.41	2802.26



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