

EVEREADY >>>

INDUSTRIES INDIA LTD.

1, MIDDLETON STREET, KOLKATA - 700 071

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May 27, 2019

BSE Limited
P.J. Towers,
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange
of India Ltd
Exchange Plaza, C-1,
Block – G,
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

The Calcutta Stock Exchange
Limited
7, Lyons Range
Kolkata - 700 001


Dear Sirs,

We are enclosing herewith an Operational Highlights for the Quarter and Year ended March 31, 2019, released today by the Company.

The above is for your information and records.

Thanking you,

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.



(T. PUNWANI)

**VICE PRESIDENT – LEGAL
& COMPANY SECRETARY**

Encl : As Above.

OPERATIONAL HIGHLIGHTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

Item	Q4 2018-19	Q4 2017-18	Gain %	FY 18-19	FY 17-18	Gain %
Operating Income (Rs cr)	311.72	349.75	(11)	1457.73	1456.35	-
Gross Margin (Rs cr)	106.39	120.93	(12)	526.69	545.49	(3)
Gross Margin (%)	34.1%	34.6%		36.1%	37.5%	
Operating EBIDTA (Rs cr)	11.99	(3.88)	409	122.77	97.71	26
Operating EBIDTA (%)	3.8%	-1.1%		8.4%	6.7%	
GST transitional credit (Rs cr)	-	-		-	7.64	
Other Income (Rs cr)	13.83	1.27		35.41	19.77	
Reported EBIDTA (Rs cr)	25.82	(2.61)	1089	158.18	125.12	26
PBT excluding exceptional item (Rs cr)	5.48	(15.57)	135	82.36	77.18	7
Less : Chennai plant VRS (Rs cr)	0.04	-		23.25	-	
PBT after exceptional item (Rs cr)	5.44	(15.57)	135	59.10	77.18	(23)
Net Profit (Rs cr)	4.04	(16.12)	125	47.26	54.74	(14)

Operational Highlights

- The operating results for the quarter and the year was superior to the previous year, despite lower turnover for the quarter and a flat turnover for the year. The dip in turnover during the quarter was attributable to the segments of Lighting and Appliances – mainly due to supply constraints in the segment of lighting and no government orders in fans as compared to last year. Even for the whole of the financial year, the flat turnover was mainly attributable to these segments. However, the overall profitability of the company was superior due to higher profitability in the battery and flashlight segments. Factors contributing to the higher profitability was favourable commodity prices, fiscal benefits from Assam plant and overall cost conservation – mitigating the adverse impact of a depreciating rupee – both for the quarter and the year.
- Battery volume remained flat both during the quarter and the year. The market saw heightened activity in respect of dumped imports from China - in apprehension of mandatory quality standards issued by Bureau of Indian Standards (BIS), which comes into effect from May 2019. EBIDTA margin for the segment was a healthy 17.6% during the year. The segment of flashlight also had a robust margin of 10.3% during the year. The category is expected to show better volume growth from the second quarter of the current year subject to effective implementation of the BIS standards.
- VRS for the Chennai manufacturing unit was successfully completed during the year – thereby leading to a recurring annualized savings of around Rs 15.0 crores. Cost related to the same has been shown as an exceptional item in the annual results. This enabled the land to be sold for which the company has already entered into an agreement - for a total consideration of Rs 100.0 crores.
- Turnover for the lighting segment for the year was at Rs 319.7 crores- down by around 7%, partially due to supply constraints as well as unit price decrease in bulbs. We expect to improve the situation from the second quarter of the current year as new suppliers are developed.
- Turnover for the Appliance segment was at Rs. 138.8 crores for the current year (Rs. 109.2 crores in the previous year). This improvement trend is in line with the Company's upscaling plans for this segment despite a downswing in the quarter attributable to an extended winter, which resulted in lower offtake, mainly in certain economy categories. The

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segment registered an EBIDTA loss of Rs.23.9 crores during the year, as it is in a build-up phase and the revenues are not yet matching the cost structure. However, this will be mitigated as the segment scales up in the near future.

- The packet tea segment had an EBIDTA loss of Rs 11.3 crores during the year. Work is afoot to mitigate this position.
- The Confectionery segment under the "Jollies" brand is at a very nascent stage of operation and is yet to reach scale.

Background

Eveready is the country's market leader of batteries and flashlights - selling more than 1.2 billion batteries and nearly 25 million flashlights. Apart from these, Eveready offers a basket of other products - LED, LED based Luminaires, GLS lamps & other lighting products, packet tea and appliances. Eveready has an extensive distribution network of 4000 distributors reaching all the way down to 5000 population towns.

May 27, 2019

