

EVEREADY 

INDUSTRIES INDIA LTD.

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January 27, 2017

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 Information Update 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.

INFORMATION UPDATE

Eveready Industries India Ltd. (Eveready) today declared its financial results for the quarter ended December 31, 2016. Major highlights of the standalone results are the following.

Item	Q3 2016-17 (Rs.crores)	Q3 2015-16 (Rs.crores)	Gain %	YTD 16-17 (Rs.crores)	YTD 15-16 (Rs.crores)	Gain %	FY 15-16 (Rs.crores)
Operating Income	329.39	324.13	2	1050.37	1040.05	1	1323.30
Operating EBDITA	35.22	37.52	(6)	115.43	107.70	7	121.79
PBT	28.55	28.27	1	93.77	78.71	19	85.65
Net Profit	35.19	21.28	65	83.17	59.76	39	69.08

Operational Highlights

- Sales turnover during November & December were disturbed due to the impact of demonetization in the markets. Consumer off-take and stocking in trade channels were quite adversely affected by this measure – as a result of which turnover growth was subdued during the quarter.
- The lack of turnover growth had an expected impact on the operating EBIDTA. However, given the circumstances it remained at a reasonable 10.7 % (though lower from the comparable quarter of last year at 11.6 %). Also, the YTD EBIDTA margin was at 11.0 % - higher than the comparable YTD number of last year at 10.3 %.
- PBT for the quarter was however maintained at the same level as that of the last year due to lower incidence of finance cost. PAT was higher by 65% due to reversal of tax provisioning related to previous years, no longer required.
- Costs were adverse due to external factors like firmness in dollar and metal prices and internal factors of manpower and distribution costs, both related to the new business of Appliances, which the company has entered recently. These adverse factors were to an extent neutralized by cost conservation measures.
- Turnover in batteries was flat. Other than the demonetization impact, the market continued to be disturbed by dumped imports from China.
- The flashlight category took a bigger hit (11 % decline in the quarter) – mainly due to MRPs being rationalized as cost reduction was passed on to the market.
- The lighting segment registered a small growth during the quarter. Though there was a healthy growth in the LED products, the category recorded de-growth of nearly 56% in the segment of CFL segment, in keeping with current market trends. LED products registered a turnover of Rs 46.76 Crores as against Rs 26.97 Crores in the corresponding quarter in the previous year, a growth of 73%.
- The new business of Appliances registered a turnover of Rs.12 Crores during the quarter.



- It also may be noted that all main product categories registered volume growth, despite negative market sentiments as mentioned above.
 - Batteries - 3 %
 - Flashlights - 5 %
 - LED - 168%

The lower value growth, as already mentioned is primarily for following reasons –

- The Company having passed on cost benefits to the market in flashlights & LED categories.
- Consumers preferring economy range models in the current market situation.

Developments & Outlook

The effect of demonetization impacted consumer demand, especially in the rural segment. However, various counter measures adopted by the Govt. to ease the money flow situation and steps taken to encourage non-cash transactions, should restore normalcy to markets. The Company will follow the path of such restoration and will benefit in the impacted categories.

Hardening zinc prices and firm dollar have been impacting margins of batteries. Price increase has been taken for D-size batteries, which were most adversely affected. Marketing initiatives are afoot to mitigate the overall impacts.

After gaining reasonable success in LED lamps, the Company is now addressing a growth path in the segment of LED Luminaires. Work is afoot in this area and the Company should be able to chart growth through this category.

Growth should also come from the newly launched product segment of Appliances, once the distribution network for the same is fully established on ground.

Overall outlook appears to be stable. Barring any unexpected delay in the return of economic normalcy in the country, the Company should remain on course to deliver performance as per trends.

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, CFL & GLS lamps & other lighting products, Appliances and packet tea. Eveready has an extensive distribution network of 4000 distributors reaching all the way down to 5000 population towns.

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