

**EVEREADY** 

**INDUSTRIES INDIA LTD.**

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May 30, 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 and year ended March 31, 2017. Major highlights of the standalone results are the following.

| Item             | Q4 2016-17<br>(Rs.crores) | Q4 2015-16<br>(Rs.crores) | Gain % | FY 16-17<br>(Rs.crores) | FY 15-16<br>(Rs.crores) | Gain % |
|------------------|---------------------------|---------------------------|--------|-------------------------|-------------------------|--------|
| Operating Income | 304.61                    | 283.39                    | 7      | 1355.18                 | 1323.63                 | 2      |
| Operating EBIDTA | 17.66                     | 14.23                     | 24     | 133.30                  | 122.13                  | 9      |
| PBT              | 10.93                     | 6.94                      | 57     | 104.71                  | 85.65                   | 22     |
| Net Profit       | 10.46                     | 9.32                      | 12     | 93.63                   | 69.08                   | 36     |

**Operational Highlights**

- The turnover for the quarter registered a higher growth as compared to the previous three quarters, mainly due to a significant turnover growth in the lighting and appliances segments. Turnover for batteries and flashlights remained subdued during the quarter due to lower consumer off-take and de-stocking in trade channels post demonetization.
- The operating EBIDTA margin for the year was at 9.8 % - higher than that of last year at 9.2 % - mainly due to better operating efficiencies and cost conservation, despite higher incidence of manpower and distribution costs – relating to the new business of appliances.
- PBT for the quarter and year was higher by 57% and 22% respectively than that of the last year due to higher EBIDTA (as mentioned above) and lower incidence of finance cost. PAT was higher by 12% and 36% during the quarter and year respectively.
- As already mentioned, turnover in batteries and flashlights was flat. Other than the demonetization impact, the battery market continued to be disturbed by dumped imports from China.
- The lighting segment registered a robust growth of 26% during the quarter while for the year it registered a growth of 8%. This was on account of the healthy growth in the LED products, despite de-growth of nearly 53% during the year in the CFL segment. De-growth in the CFL products is in keeping with current market trends. LED products registered a yearly turnover of Rs. 194.50 Crores as against Rs. 106.50 Crores in the previous year, a growth of 83%. Turnover in this segment for this quarter grew by 121.2%.
- The new business of appliances registered a turnover of Rs. 39.9 Crores during the year (Rs.18.0 crores during the quarter under review).

**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, restored normalcy to markets by the year-end. Thus any impact on the Company's turnover on this count during 2016-17 was a one-time occurrence.

Introduction of the Goods and Services Tax (GST) in the near future is expected to have a positive impact on the economy, thereby augmenting demand, which will be beneficial to the company. Additionally, it is anticipated that the

GST regime will bring in higher degree of tax compliance in the country. Two of the product categories marketed by the company, viz., batteries and flashlights, bear the impact of non-compliance with tax laws by unorganized part of the market – either through undervalued dumped imports from China for batteries or grey market local operators in the flashlights market. It is expected that the GST regime will bring such elements into its net thereby eliminating the unfair gap in the pricing structure with tax compliant organizations. As a consequence both batteries and flashlights should show reasonable growth in 2017-18.

Adequate pricing actions have been taken in respect of batteries to protect margins against higher input costs on account of costlier commodities.

The lower margin CFL products are now a small percentage of the lighting business, in line with the market decline of this category. LED products with higher margins are now more than 70% of the lighting business and this will be the growth driver of the category and for the overall business of the company. Though lighting business was at a relatively smaller EBIDTA percentage for the full financial year, the exit rate was encouraging – fuelled by growing LED turnover.

Also, after gaining reasonable success with LED lamps, the Company is now addressing a growth path in the segment of LED Luminaires. Initial feedbacks are encouraging and the Company should be able to chart growth also through this category.

Growth will also come from the newly launched product segment of appliances. Though at a nascent stage, initial market response and results have been encouraging.

Overall outlook appears to be stable. Barring any unanticipated macro economic factor, 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, packet tea and appliances. Eveready has an extensive distribution network of 4000 distributors reaching all the way down to 5000 population towns.

May 30, 2017

