

# Havells India Limited

Q4 FY21 {MARCH 31, 2021}  
{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 audited by the Auditors of the Company and approved by the Board of Directors in their meeting held on 20<sup>th</sup> May 2021.

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## SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P&L Summary – Quarterly

In crores of Rupees	Q4 FY 21	Q4 FY 20	Change %
<b>Net Revenue</b>	<b>3,331</b>	<b>2,217</b>	<b>50%</b>
<b>Contribution as a % to NR</b>	<b>771 23.1%</b>	<b>438 19.8%</b>	<b>76%</b>
Add: Depreciation / Amortization	65	62	
Less: Advertisement and Sales Promotion as a % to NR	56 1.7%	32 1.5%	
Less: Other SG&A as a % to NR	274 8.2%	223 10.1%	
<b>EBIDTA as a % to NR</b>	<b>506 15.2%</b>	<b>245 11.1%</b>	<b>106%</b>
Depreciation / Amortization	65	62	
Interest Expense	24	5	
Foreign Exchange (gain)/loss	(6)	2	
Interest Income (A)	28	20	
Others (B)	3	2	
<b>Other Income (A+B)</b>	<b>31</b>	<b>22</b>	
<b>Profit before tax as a % to NR</b>	<b>454 13.6%</b>	<b>198 8.9%</b>	<b>130%</b>
Tax	152	21	
<b>Net Profit as a % to NR</b>	<b>302 9.1%</b>	<b>177 8.0%</b>	<b>71%</b>
Other Comprehensive Income/(Expense)	1	1	
<b>Total Comprehensive Income</b>	<b>303</b>	<b>178</b>	

### Overview

- Q4 sustained the growth momentum gained in Q3 with the highest quarterly sales
- The structural shift and market share gains in favour of organized sector seems to be further consolidating
- Investments in E-commerce and rural are paying off with high growth, visibility and distribution expansion
- Finance Act 2021 enacted in March 2021 has disallowed depreciation retrospectively from April 01, 2020 on goodwill for tax deduction and consequently, the tax expense for the quarter is higher by Rs. 32.96 crores due to the said amendment.
- The onset and ferocity of second wave is impacting the growth. From second week of April, the growth has slowed with further deceleration in May.

**Table 1.2: Segment wise Revenue analysis – Quarterly**

In crores of Rupees	Q4	Q4	Change (%)
	FY 21	FY 20	
Switchgears*	463	303	53%
Cable	1,029	682	51%
Lighting & Fixtures*	329	234	40%
Electrical Cons. Durables*	712	418	71%
Others*	207	121	71%
<b>Sub Total</b>	<b>2,740</b>	<b>1,758</b>	<b>56%</b>
Lloyd	591	458	29%
<b>Total</b>	<b>3,331</b>	<b>2,216</b>	<b>50%</b>

\* The Company has reviewed its segments classification effective 1<sup>st</sup> April 2020. The product categories which are not strictly subscribing to the specific category has been independently classified under 'Others'. 'Others' include Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

- Growth has been across segments with consumer products still leading the pack
- Revival in Government and private capex resulted in good performance of Industrial and Infra portfolio

**Table 1.3: Segment wise margin analysis – Quarterly**

(I) Contribution margins (%) ^	Q4 FY21	Q4 FY20	Q3 FY21
Switchgears	38.5%	36.6%	42.2%
Cable	18.3%	13.5%	15.2%
Lighting & Fixtures	33.0%	28.9%	34.4%
Electrical Cons. Durables	24.2%	23.7%	25.6%
Others	21.6%	19.7%	19.7%
<b>Sub total</b>	<b>25.3%</b>	<b>22.4%</b>	<b>25.6%</b>
Lloyd	13.3%	9.7%	13.2%
<b>Total</b>	<b>23.1%</b>	<b>19.8%</b>	<b>23.6%</b>

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

**(II) Segment results (%)****(In crores of Rupees)**

Segments	Q4 FY21			Q4 FY20			Q3 FY21		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	463	123	26.6%	303	67	22.1%	437	137	31.4%
Cable	1,029	153	14.8%	682	66	9.8%	905	103	11.3%
Lighting	329	68	20.7%	234	33	14.0%	353	81	23.0%
ECD	712	109	15.3%	418	56	13.4%	783	140	17.9%
Others	207	15	7.0%	121	(1)	(1.1%)	176	7	4.0%
<b>Sub total</b>	<b>2,740</b>	<b>468</b>	<b>17.1%</b>	<b>1,759</b>	<b>221</b>	<b>12.6%</b>	<b>2,654</b>	<b>468</b>	<b>17.7%</b>
Lloyd	591	32	5.4%	458	9	1.9%	512	31	6.0%
<b>Total</b>	<b>3,331</b>	<b>500</b>	<b>15.0%</b>	<b>2,217</b>	<b>230</b>	<b>10.4%</b>	<b>3,166</b>	<b>499</b>	<b>15.8%</b>
-Finance cost		24	0.7%		5	0.2%		15	0.5%
-Unallocable exp.		59	1.8%		47	2.1%		56	1.8%
-Unallocable inc.		(37)	(1.1%)		(20)	(0.9%)		(39)	(1.2%)

<b>PBT</b>	<b>454</b>	<b>13.6%</b>	<b>198</b>	<b>8.9%</b>	<b>468</b>	<b>14.8%</b>
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### Contribution by Segment

- A rapid and large increase in commodity costs have impacted sequential contribution margins
- Cables margin improvement attributable to efficient cost and price management
- There may be short term pressure on margins with weak consumer demand and further increase in commodity prices.

**Table 1.4: P&L Summary – Yearly**

<b>In crores of Rupees</b>	<b>FY 21</b>	<b>FY 20</b>	<b>Change %</b>
<b>Net Revenue</b>	<b>10,428</b>	<b>9,429</b>	<b>11%</b>
<b>Contribution as a % to NR</b>	<b>2,379</b> <b>22.8%</b>	<b>2,131</b> <b>22.6%</b>	<b>12%</b>
Add: Depreciation / Amortization	249	218	
Less: Advertisement and Sales Promotion as a % to NR	133 1.3%	321 3.4%	
Less: Other SG&A as a % to NR	930 8.9%	1,001 10.6%	
<b>EBIDTA as a % to NR</b>	<b>1,565</b> <b>15.0%</b>	<b>1,027</b> <b>10.9%</b>	<b>52%</b>
Depreciation / Amortization	249	218	
Interest Expense	72	20	
Foreign Exchange (gain)/loss	(24)	(20)	
Interest Income (A)	108	77	
Others* (B)	56	16	
<b>Other Income (A+B)</b>	<b>164</b>	<b>93</b>	
<b>Profit before tax as a % to NR</b>	<b>1,432</b> <b>13.7%</b>	<b>902</b> <b>9.6%</b>	<b>59%</b>
Tax	392	169	
<b>Net Profit as a % to NR</b>	<b>1,040</b> <b>10.0%</b>	<b>733</b> <b>7.8%</b>	<b>42%</b>
Other Comprehensive Income/(Expense)	(2)	(4)	
<b>Total Comprehensive Income</b>	<b>1,038</b>	<b>729</b>	

\* Others include one-time gain of Rs. 43 crores on account of sale of unutilized land and building at Greater Noida

- The tumultuous year has ended with a reasonable growth in revenues and profitability, underpinning Havells resilience amidst uncertainty

**Table 1.5: Segment wise Revenue analysis – Yearly**

In crores of Rupees			Change
	FY 21	FY 20	(%)
Switchgears*	1,461	1,339	9%
Cable	3,180	2,994	6%
Lighting & Fixtures*	1,085	1,014	7%
Electrical Cons. Durables*	2,377	2,006	19%
Others*	636	486	31%
<b>Sub Total</b>	<b>8,739</b>	<b>7,839</b>	<b>11%</b>
Lloyd	1,689	1,590	6%
<b>Total</b>	<b>10,428</b>	<b>9,429</b>	<b>11%</b>

**Table 1.6: Segment wise margin analysis- Yearly**

(I) Contribution margins (%) ^	FY21	FY20
Switchgears	39.8%	41.0%
Cable	16.3%	16.3%
Lighting & Fixtures	31.3%	30.1%
Electrical Cons. Durables	25.1%	26.1%
Others	20.2%	19.6%
<b>Sub total</b>	<b>24.8%</b>	<b>25.0%</b>
Lloyd	12.7%	10.6%
<b>Total</b>	<b>22.8%</b>	<b>22.6%</b>

- Contribution margins maintained
- Substantial improvement in Segment results owing to operating leverage and lower A&P

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

**(II) Segment results (%) – Yearly**

**(In crores of Rupees)**

Segments	FY21			FY20		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	1,461	404	27.7%	1,339	325	24.3%
Cable	3,180	404	12.7%	2,994	332	11.1%
Lighting	1,085	204	18.8%	1,014	146	14.4%
ECD	2,377	404	17.0%	2,006	287	14.3%
Others	636	31	4.9%	486	(25)	(5.2%)
<b>Sub total</b>	<b>8,739</b>	<b>1,447</b>	<b>16.6%</b>	<b>7,839</b>	<b>1,065</b>	<b>13.6%</b>
Lloyd	1,689	74	4.4%	1,590	(40)	(2.5%)
<b>Total</b>	<b>10,428</b>	<b>1,521</b>	<b>14.6%</b>	<b>9,429</b>	<b>1,025</b>	<b>10.9%</b>
-Finance cost		72	0.7%		20	0.2%
-Unallocable exp.		205	2.0%		215	2.3%
-Unallocable inc.		(188)	(1.8%)		(112)	(1.2%)
<b>PBT</b>		<b>1,432^</b>	<b>13.7%</b>		<b>902</b>	<b>9.6%</b>

^ PBT of FY21 include one-time gain of Rs. 43 crores on account of sale of unutilized land and building at Greater Noida

\*The Company has reviewed its segments classification effective 1<sup>st</sup> April 2020. The product categories which are not strictly subscribing to the specific category has been independently classified under 'Others'. 'Others' include Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

**Table 1.7: Balance Sheet highlights**

In crores of Rupees	31-March-21 (Audited)	31-March-20 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,861	1,899
Capital work in progress	86	83
Goodwill	310	310
Other intangible assets	1,119	1,139
Intangible assets under development	4	3
Investment in subsidiaries	2	2
Contract assets	50	61
Financial assets		
(i) Trade receivables	3	8
(ii) Other financial assets	20	21
Other non-current assets	55	51
Non-current tax asset (net)	24	17
<b>Non-current assets total</b>	<b>3,534</b>	<b>3,594</b>
<b>Current assets</b>		
Inventories	2,620	1,872
Contract assets	20	20
Financial assets		
(i) Investments	306	-
(ii) Trade receivables	560	241
(iii) Cash and cash equivalents	326	242
(iv) Bank balances other than (ii) above	1,298	865
(v) Other financial assets	46	29
Other current assets	109	165
<b>Current assets total</b>	<b>5,285</b>	<b>3,434</b>
Assets held for sale	1	20
<b>Sub-total</b>	<b>5,286</b>	<b>3,454</b>
<b>Total Assets</b>	<b>8,820</b>	<b>7,048</b>
<b>EQUITY AND LIABILITIES</b>		
Equity share capital	63	63
Other equity	5,102	4,242
<b>Total Equity</b>	<b>5,165</b>	<b>4,305</b>
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	394	-
(ii) Lease liabilities	102	90
(iii) Other financial liabilities	1	1
Contract Liability	5	4
Provisions	58	36
Deferred tax liabilities (Net)	339	287
Other non-current liabilities	-	18
<b>Sub-total</b>	<b>899</b>	<b>435</b>
<b>Current liabilities</b>		
Contract liability	9	16
Financial liabilities		
(i) Lease liabilities	29	32
(ii) Trade payables		
a) Total outstanding dues of Micro Ent. and Small Ent.	189	106
b) Total outstanding dues of other than above	1,408	1,308
(iii) Other financial liabilities	669	531
Other current liabilities	121	105
Provisions	257	210
Current tax liabilities (Net)	74	-
<b>Sub-total</b>	<b>2,756</b>	<b>2,308</b>
<b>Total Equity and Liabilities</b>	<b>8,820</b>	<b>7,048</b>

- Inventory mainly increased as a conscious effort to cater to forthcoming season
- During the year, Company availed short term bank and long-term facilities to meet Covid-led exigencies. The short- term facility has been repaid as on March-21

**Table 1.8: Cash flow statement**

<b>In crores of rupees</b>	<b>FY21</b>	<b>FY 20</b>
PBT	1,432	902
Depreciation	249	218
Others	(53)	(34)
<b>Working Capital Changes</b>	<b>(699)</b>	<b>(21)</b>
Taxes Paid	(271)	(240)
<b>Operating Net Cash Flow (A)</b>	<b>658</b>	<b>825</b>
Capex	(219)	(361)
Proceeds from sale of fixed assets	96	2
Fixed deposits and investments made during the period	(729)	(251)
Interest received	89	62
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(763)</b>	<b>(548)</b>
Dividends paid (including interim dividend)	(188)	(641)
Net borrowings availed / (repaid)	451	(54)
Others	(73)	(21)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>190</b>	<b>(716)</b>
<b>Net Cash Flow (A+B+C)</b>	<b>85</b>	<b>(439)</b>
Cash and cash equivalents at the beginning	242	681
Effect of exchange diff. on cash and cash equ. held in foreign currency	0	-
<b>Cash and Cash Equivalents at the end of the period</b>	<b>327</b>	<b>242</b>
<b>Bank balances other than cash and cash equivalents above</b>	<b>1,604</b>	<b>865</b>
<b>Cash &amp; bank balances and investments</b>	<b>1,931</b>	<b>1,107</b>



**Table 1.9: Cash (net of debt)**

(in crores of rupees)	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1. Short Term	99	41
2. Long Term	394	-
Total Debt	493	41
Less: Cash and investments	1,931	1,107
<b>Net cash</b>	<b>1,438</b>	<b>1,066</b>

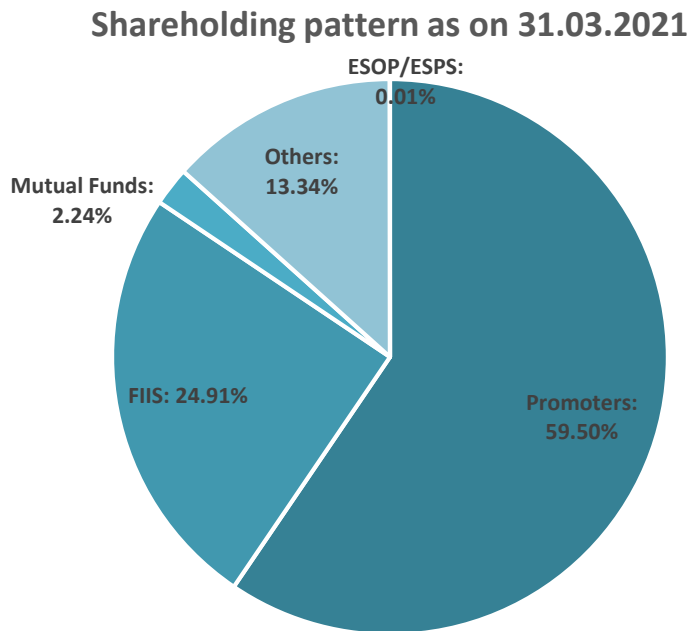
**Table 1.10 Financial Ratios (Havells India Standalone)**

Financial Ratios	FY21	FY20
<b>Profitability</b>		
OPM % {EBIDTA/NR}	15.0%	10.9%
RONW % {PAT TTM / Avg. NW}	22.2%	17.4%
ROCE % {EBIDTA TTM / Avg. CE}	28.5%	23.9%
<b>Liquidity Ratio</b>		
Current Ratio {CA/CL}	1.9	1.6
Debtor Days {Debtors/NR}	20	10
Inventory Days {Inventories/NR}	92	72
Creditor Days {Creditors/NR}	56	55
<b>Net working capital days</b>	<b>56</b>	<b>27</b>

## SECTION 2. SHAREHOLDING RELATED INFORMATION

**Table 2.1: Shareholding pattern**

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<b>DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY</b>
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