# Havells India Limited

**June 29, 2018**

## Summary of rated instruments

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| Fund-based bank facilities | 200.00 | 200.00 | [ICRA]AA+(Stable); withdrawn |
| Non-fund-based bank facilities | 384.65 | 384.65 | [ICRA]A1+; withdrawn |
| Unallocated bank facilities | 22.40 | 22.40 | [ICRA]AA+(Stable); withdrawn |
| **Total** | **607.05** | **607.05** | |

* Instrument details in Annexure

## Rating action

ICRA has withdrawn the ratings of [ICRA]AA+ (pronounced ICRA double A plus)[1] with a Stable outlook and [ICRA]A1+ (pronounced ICRA A one plus) outstanding for the Rs. 607.05-crore[2] line of credit of Havells India Limited (HIL).

## Rationale

The ratings assigned to the line of credit of HIL have been withdrawn at the request of the company.

**Analytical approach:** For arriving at the ratings, ICRA has applied its rating methodologies as indicated below**.**

**Links to applicable criteria:**

[ICRA Policy on Withdrawal and Suspension of Credit Ratings]

## About the company:

Incorporated in 1983 by Late Sh. Qimat Rai Gupta, HIL is one of the leading players in the electrical consumer goods industry in India. Mr. Gupta acquired the brand Havells from an Indian entrepreneur in 1971. While till the late 1990s, the company's focus was primarily on the industrial goods sector; over the past one and a half decades it gradually shifted its focus towards the fast-growing electrical consumer goods sector by launching various products to cater to the requirements of its target market.

HIL's operations broadly span across four major segments namely cables, switchgears, lighting and electrical consumer goods. Over the years, the company has established a strong brand portfolio and distribution network for its products. HIL is a listed company in which 59.6% stake is held by the promoters, as on March 31, 2018.

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[1] *For complete rating scale and definitions, please refer to ICRA's website www.icra.inor other ICRA Rating Publications.*

[2] *100 lakh = 1 crore = 10 million*

## Key financial indicators (Audited)

| | FY 2017 | FY 2018 |
|---|---|---|
| Operating Income (Rs. crore) | 6,135.3 | 8,138.6 |
| PAT (Rs. crore) | 539.0 | 712.5 |
| OPBDIT/ OI (%) | 13.4% | 12.9% |
| RoCE (%) | 23.6% | 27.3% |
| | | |
| Total Debt/ TNW (times) | 0.06 | 0.03 |
| Total Debt/ OPBDIT (times) | 0.24 | 0.10 |
| Interest coverage (times) | 67.8 | 43.8 |
| NWC/ OI (%) | -2% | -4% |

*Source: HIL's Annual Accounts, ICRA research*

*Note: The above indicators are based on Standalone reported financials; which for FY2018 includes Lloyd.*

## Status of non-cooperation with previous CRA: NA

## Any other information: None

## Rating history for last three years:

| | | | Current Rating (FY2019) | | | Chronology of Rating History for the past 3 years | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Amount (Rs crore) | | Date & Rating | Date & Rating in FY2018 | | Date & Rating in FY2017 | | Date & Rating in FY2016 |
| | Instrument | Type | Rated | Outstanding | Jun-18 | Mar-18 | Aug-17 | Feb-17 | Dec-16 | Oct-2015 |
| 1 | Fund-based bank facilities | LT | 200.00 | -- | [ICRA]AA+ (Stable) withdrawn | No rating change | | No rating change | [ICRA]AA+ (Stable) | [ICRA]AA+ (Stable) |
| 2 | Non-fund-based bank facilities | ST | 384.65 | -- | [ICRA]A1+ withdrawn | No rating change | | No rating change | [ICRA]A1+ | [ICRA]A1+ |
| 3 | Unallocated bank facilities | LT | 22.40 | -- | [ICRA]AA+ (Stable) withdrawn | No rating change | | No rating change | [ICRA]AA+ (Stable) | [ICRA]AA+ (Stable) |

LT: Long-term, ST: Short-term

## Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

## Annexure-1: Instrument Details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|---|
| NA | Working Capital fund-based bank facilities | NA | NA | - | 200.00 | [ICRA]AA+ (Stable); withdrawn |
| NA | Non-fund-based bank facilities | NA | NA | - | 384.65 | [ICRA]A1+; withdrawn |
| NA | Unallocated bank facilities | NA | NA | - | 22.40 | [ICRA]AA+ (Stable); withdrawn |

*Source: HIL*

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

## ICRA Limited

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