Havells India Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	100.00	CARE AAA; Stable	Reaffirmed
Short-term bank facilities	1,427.50 (Enhanced from 1,197.50)	CARE A1+	Reaffirmed
Commercial paper	500.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings for the bank facilities and commercial paper (CP) of Havells India Limited (HIL) at CARE AAA; Stable/ CARE A1+. HIL's ratings continue to reflect its strong business fundamentals marked by established track record, robust distribution network, and presence across diversified segments across the consumer electrical space, supported by a reputed brand name and strong market position. CareEdge Ratings expects HIL to maintain its leadership in cables, consumer durables, switchgears, and lighting segments, while also strengthening its presence in white goods, such as air conditioners and lighting, which is likely to support medium-term growth alongside core business areas.

Ratings further consider HIL's sizable scale of operations with consistent growth in total operating income (TOI), healthy profitability margins, strong growth outlook, and a sound financial risk profile characterised by a strong capital structure and healthy debt coverage metrics, backed by a strong liquidity position as characterised by debt-free status (excluding lease liabilities), minimal reliance on external borrowings with significant gross cash accruals (GCA) generations, and sizeable cash and liquid investments.

Despite a challenging operating environment marked by raw material price volatility and increasing competitive intensity, HIL's integrated manufacturing, strong brand equity, and focus on premiumisation and innovation are expected to support its sustainable growth in the medium term.

However, ratings take note of the highly competitive intensity prevailing in industry segments in which HIL operates, the company's exposure to sharp fluctuation in raw material prices, and aggressive expansion plans that may affect leverage or profitability metrics. HIL's strong cash flows, low gearing, and sizeable liquidity provide adequate cushion to manage these risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors:

- Significant loss in market share in its key product segments and drop in its return on capital employed (ROCE) below 20% on a sustained basis.
- Weakening of liquidity position with cash and cash equivalents falling below ₹500 crore on a sustained basis, alongside significantly deteriorating debt coverage indicators.
- Sizeable capex or acquisition funded with debt, resulting in overall gearing beyond 0.5x on a sustained basis.

Analytical approach: Consolidated; factoring in operational and management linkages between the parent and subsidiaries being in the same line of business. List of entities getting consolidated are given under Annexure-6.

Outlook: Stable

Stable outlook factors in the consistent growth in turnover and sizable scale of operations, with HIL being a market leader in multiple segments. The financial risk profile is expected to remain strong amidst healthy cash flow generation from operations, low gearing, and absence of debt-laden expansion plans.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Presence in diversified business segments aided by reputed brand name, established market position, and strong distribution network

HIL maintains a strong presence in cables, domestic electrical appliances, and equipment market, supported by a diversified product portfolio that includes switchgears, cables, electrical consumer durables, and lighting and fixtures. In FY26, cables contributed 39% to the company's total income, followed by the Lloyd brand at 18%, electric consumer durables, such as fans and appliances at 17%, switchgears at 12%, and lighting and fixtures at 7%. The company holds a well-established market position with premium product positioning, significant market share across key categories, and strong brand recall. In addition to the flagship Havells brand, HIL's other major brands include Havells Crabtree, Standard, Reo, and Lloyd, the latter acquired to expand its footprint in the consumer durables segment. Its manufacturing base is well-diversified, with facilities across 17 manufacturing units at 9 locations, and ~90% of its sales are supported by in-house manufacturing.

In FY26, HIL had a presence in ~3,000+ towns across India. Its extensive distribution network, comprising ~20,700 direct dealers and a retail reach of ~2.72 lakh outlets, further strengthens its market position. The company's consistent focus on innovation, premiumisation, and introduction of new product variants and categories continues to support its growth.

Healthy scale of operations and sustained profitability

In FY26, the company recorded a 3% year-on-year (y-o-y) growth in TOI, rising from ₹21,805 crore in FY25 to ₹22,550 crore in FY26. Despite subdued consumer demand and persistent inflationary pressures, the cables segment posted a 21% y-o-y growth. Havells' FY26 growth was limited mainly due to a delayed summer reducing demand for cooling products, and weak consumer sentiment caused by inflation and price hikes, which led to lower sales in consumer segments despite strong industrial performance. Thus, Lloyd segment reported a 23% decline in revenue. Performance was affected by elevated channel inventories and subdued consumer sentiment amid inflationary pressures. Despite these near-term challenges, Lloyd continued to strengthen its product portfolio, manufacturing capabilities, and distribution network. With its expanding presence across home appliance categories and ongoing investments in brand building, Lloyd is well positioned to contribute meaningfully to Havells' revenue growth and profitability in the medium-to-long term. The company is also focused on brand building, as reflected in its advertising and sales promotion expenditure, which stood at ₹607 crore in FY26 compared to ₹624 crore in FY25, accounting for ~2.7% of revenue.

Operating margins remained stable at 10.01% in FY26, compared to 10.34% in FY25. The company remains debt-free, with no significant interest burden, resulting in a healthy profit after tax (PAT) of ₹1,689 crore and GCA of ₹2,180 crore in FY26.

Strong financial risk profile

HIL's capital structure has been strong with low reliance on external debt and a strong tangible net worth (TNW) base of ₹7,938 crore as on March 31, 2026. HIL's total debt stands at ₹265.2 crore as on March 31, 2026, comprising only lease liability. The company's overall gearing ratio strong at 0.03x as on March 31, 2026 (PY: 0.05x). The company had free cash and liquidity available of ₹2,364 crore as on March 31, 2026, which depicts strong liquidity position of the company. CareEdge Ratings observes, the gearing will continue to be strong in the absence of debt-funded capex, considering the strong liquidity position. Higher-than-expected increase in debt levels due to expansion plans leading to deterioration in its leverage and coverage indicators shall remain a key monitorable.

Key weaknesses

Raw material price volatility and competitive nature of industry

The company's operations are highly raw material intensive, with raw materials accounting for ~68–70% of its total revenue. Key raw materials include copper, stainless-steel strips and rods, G.I. wires, PVC & DOP, and aluminium. Most orders are executed under variable-price contracts. The company typically maintains an inventory of 2 to 2.5 months, for which pricing is already locked in. As most orders are fulfilled within a three-month timeframe, the company is partially protected against adverse raw material price movements. However, considering sharp fluctuations, there may be a temporary impact on margins until increased costs are passed on to customers.

The West Asia crisis also resulted in heightened volatility in commodity markets; however, the impact on HIL remained largely manageable due to its inventory and pricing strategy. The consumer durables sector in India has seen increasing competition in recent years. HIL faces strong competition in the cables segment from players like KEI Industries Limited (rated 'CARE AA+; Stable/

CARE A1+') and Polycab India Limited, and in the electrical consumer durables segment from Crompton Greaves Consumer Electricals Limited, all of whom have established strong brand recall and consumer connect. New players have announced plans to enter and set up capacities in the wires and cables space, which is expected to further intensify competition. HIL also faces competition from the unorganised sector; however, price advantage of unorganised players has narrowed following the implementation of the goods and services tax (GST).

Liquidity: Strong

Strong liquidity is reflected by a healthy cash and liquid investments of ₹2,364 crore as on March 31, 2026. HIL is expected to generate ~₹2100-2300 crore of GCA annually in next 2-3 fiscal years, against which the company does not have major repayment obligations apart from minor lease liabilities. With a gearing of 0.03x as of March 31, 2026, the issuer had sufficient gearing headroom, to raise additional debt for its capex. Utilisation of fund-based limits stood nil for 12 months ended on March 2026. Thus, its unutilised bank lines are adequate to meet its incremental working capital needs.

Environment, social, and governance (ESG) risks

CareEdge Ratings believes that HIL's ESG profile supports its strong credit risk profile. The sector has a moderate environmental and social impact, primarily driven by its raw material sourcing strategies, waste-intensive processes, and direct impact on well-being of its customers. Key highlights are mentioned as follows:

Environment: HIL aspires to achieve zero waste to landfill by responsible end-of-life disposal of products. The 5Rs approach (reduce, reuse, recycle, recover, and residual management) is adopted to enable this goal. The company ensures that manufacturing and usage of products yield low carbon footprints and carbon intensity. HIL continues to increase its investments towards meeting regulatory standards and reduce environmental risk.

Social: The company empowers employees through effective learning and development, leadership and succession planning, employee engagement, fair treatment and diversity and inclusion, among other favourable initiatives, and policies. Thus, the company's social risk remains low and does not materially affect its credit profile

Governance: The company is managed by professional board of directors, who have extensive experience in industry. The Board comprises 14 directors including one women director as on March 31, 2026. Independent directors are over 50% of total number of directors. There is audit committee, nomination and remuneration committee, stakeholder relationship committee; risk management committee, which reduces governance risk.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Consumer electronics

Incorporated in August 1983, HIL is one of the leading players in consumer electrical products sector in India. HIL operates in four broad business segments, switchgears, cables, electrical consumer durables, and lighting and fixtures. Apart from the flagship brand Havells, HIL owns brands including Havells Crabtree, Standard, Reo, and Lloyd. The company's manufacturing plants are at Haridwar, Baddi, Ghiloth, Sahibabad, Alwar, Neemrana, Sri City, and Tumkur.

Brief Financials (₹ crore) Consolidated	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	21805.04	22550.87
PBILDT*	2254.42	2277.28
Profit after tax (PAT)	1470.24	1689.25
Overall gearing (x)	0.05	0.03
Interest coverage (x)	34.77	31.58

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	-	-	Proposed	Proposed	500.00	CARE A1+
Fund-based - LT-Cash Credit		-	-	-	100.00	CARE AAA; Stable
Non-fund-based - ST-BG/LC		-	-	-	1427.50	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (07-Jul-25)	1)CARE AAA; Stable (08-Oct-24)	1)CARE AAA; Stable (09-Oct-23)

2	Non-fund-based - ST-BG/LC	ST	1427.50	CARE A1+	-	1)CARE A1+ (07-Jul-25)	1)CARE A1+ (08-Oct-24)	1)CARE A1+ (09-Oct-23)
3	Commercial Paper-Commercial Paper (Standalone)	ST	500.00	CARE A1+	-	1)CARE A1+ (07-Jul-25)	1)CARE A1+ (08-Oct-24)	1)CARE A1+ (09-Oct-23)
4	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (09-Oct-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities - Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Havells Guangzhou International Limited	Full	Wholly owned subsidiary
2	Havells International Inc.	Full	Wholly owned subsidiary
3	Havells HVAC LLC	Full	Step Down subsidiary
4	Havells Lighting LLC	Full	Step Down subsidiary
5	Kundan Solar (Pali) Private Limited	Moderate	Associate

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority * Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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