

# Havells India Limited

**Q3 2014-15** {DECEMBER 31, 2014}  
{Un-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 Limited Reviewed by the Auditors of the Company and approved by the Board of Directors in their meeting held on 28<sup>th</sup> January 2015.

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## Key Highlights

### QUARTERLY RESULTS HIGHLIGHT

(Rs in crores)	Q3-FY14	Q3-FY15	Change%
<b><u>Havells (Standalone)</u></b>			
Revenue	1,184	1,247	5%
Contribution	257	281	9%
EBIDTA	163	178	9%
Profit before tax	156	159	2%
Profit after tax	121	116	(4)%

(In Euro mn)

#### **Sylvania Global**

Revenue	€111.6	€110.8	-
EBIDTA before change in pension liability	€8.7	€5.6	
Change in pension liability	€1.3	€6.1	
EBIDTA after change in pension liability	€7.4	€(0.5)	
Profit before tax	€2.2	€(7.7)	-
Profit after tax	€1.7	€(10.7)	-

(Rs in crores)

#### **Consolidated**

Revenue	2,104	2,115	1%
EBIDTA	228	169	-
Profit before tax	175	101	-
Profit after tax	137	35	-

## SECTION 1. HAVELLS INDIA (STANDALONE)

### A. Q3 2014-15 RESULTS ANALYSIS

**Table 1.1: P&L Summary (Havells India) - Quarterly**

	Q3	Q3	Change	Q2
In crores of rupees	FY14	FY15	(%)	FY15
Net Revenue	1,184.4	<b>1,247.4</b>	<b>5%</b>	<b>1,365.1</b>
<b>Contribution</b>	<b>257.3</b>	<b>280.8</b>	<b>9%</b>	<b>307.0</b>
<i>as a % of NR</i>	<i>21.7%</i>	<i>22.5%</i>		<i>22.5%</i>
Add: Depreciation	16.1	22.9		22.5
Less: Advertisement and Sales Promotion	34.4	32.3		47.3
<i>as a % of NR</i>	<i>2.9%</i>	<i>2.6%</i>		<i>3.5%</i>
Less: Other SG&A	75.8	93.3		101.9
<i>as a % of NR</i>	<i>6.4%</i>	<i>7.5%</i>		<i>7.5%</i>
<b>EBIDTA</b>	<b>163.2</b>	<b>178.1</b>	<b>9%</b>	<b>180.3</b>
<i>as a % of NR</i>	<i>13.8%</i>	<i>14.3%</i>		<i>13.2%</i>
<b>Depreciation</b>	16.1	22.9		22.5
Interest expense (A)	5.6	4.6		3.4
Foreign exchange gain)/ loss (B)	2.9	2.5		2.5
<b>Finance Cost (A)+(B)</b>	8.5	7.1		5.9
<b>Foreign Exchange (gain)/ loss</b>	(6.6)	(2.2)		(3.0)
Interest Income (C)	8.4	7.0		9.0
Others (D)	2.3	1.8		2.5
<b>Add: Other Income (C)+(D)</b>	10.7	8.8		11.5
<b>Profit before tax</b>	<b>155.9</b>	<b>159.1</b>	<b>2%</b>	<b>166.4</b>
<i>as a % of NR</i>	<i>13.2%</i>	<i>12.7%</i>		<i>12.2%</i>
Tax	34.4	42.9		46.8
<b>Net Profit</b>	<b>121.5</b>	<b>116.2</b>	<b>(4)%</b>	<b>119.6</b>
<i>as a % of NR</i>	<i>10.3%</i>	<i>9.3%</i>		<i>8.8%</i>

#### Results summary

- Lower growth in Cable and de-growth in traditional lighting (non LED) segments impacted growth in current quarter.
- Continuous improvement in margins led by most of the product segments.
- Increase in depreciation in Q3FY15 due to change in calculation under new Companies Act 2013, impacting growth of profit before tax.
- There has been an increase in tax rate during the year due to reduction or expiry of available tax exemption in certain manufacturing plants of the company. Higher tax rate impacted growth of PAT.

**Table 1.2: Segment wise Revenue analysis (Havells India) - Quarterly**

In crores of rupees	Q3 FY14	Q3 FY15	Change (%)	Q2 FY15
Switchgears	309.3	<b>327.5</b>	6%	<b>338.7</b>
Cable	475.1	<b>495.1</b>	4%	<b>591.4</b>
Lighting & Fixtures	193.4	<b>194.0</b>	-	<b>193.6</b>
Electrical Cons. Durables	206.6	<b>230.8</b>	12%	<b>241.4</b>
<b>Total</b>	<b>1,184.4</b>	<b>1,247.4</b>	<b>5%</b>	<b>1,365.1</b>

- Continued declining trend of growth in cable segment due to slackness in industrial activities and drop in commodity prices. Industrial cable segment grew by just 1% in Q3FY15.
- Domestic Cable grew by 6% in value and 9% in volume.
- LED grew by 63% in Q3FY15 as compared to Q3FY14. Havells has been very aggressive in launching new products in LED and thereby improving its positioning in the premium lighting segment. However traditional lighting continues to be substantial part of lighting division and its de growth impacted overall growth of the segment.

**Table 1.3: Segment wise contribution margin analysis (Havells India) - Quarterly**

	Revenue Mix %	Q3 FY14		Q3 FY15		
		Contribution	Contribution Margins %	Revenue Mix %	Contribution	Contribution Margins %
Switchgears	26%	109.6	35.4%	26%	112.5	34.3%
Cable	40%	48.6	10.2%	40%	58.4	11.8%
Lighting & Fixtures	16%	45.0	23.3%	16%	53.5	27.6%
Electrical Cons. Durables	18%	54.1	26.2%	18%	56.4	24.4%
<b>Total</b>	<b>100%</b>	<b>257.3</b>	<b>21.7%</b>	<b>100%</b>	<b>280.8</b>	<b>22.5%</b>

**Contribution by Segment**

- Contribution margins are derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue.
- Improvement in margins across product divisions.
- Focus on profitability in both industrial and domestic cable. Higher growth in domestic cable favored product mix change which ultimately led to improvement in margin in overall cable segment.
- Improvement in margin in lighting & fixtures segment resulted from efficiencies drawn from cost management and shifting towards in house manufacturing.

**Table 1.4: P&L Summary (Havells India) – Nine months**

	9M	9M	Change
	FY14	FY15	(%)
In crores of rupees			
Net Revenue	3,409.7	<b>3,889.4</b>	<b>14%</b>
<b>Contribution</b>	<b>752.2</b>	<b>869.9</b>	<b>16%</b>
<i>as a % of NR</i>	22.1%	22.4%	
Add: Depreciation	47.6	66.2	
Less: Advertisement and Sales Promotion	86.7	126.5	
<i>as a % of NR</i>	2.5%	3.3%	
Less: Other SG&A	239.8	290.1	
<i>as a % of NR</i>	7.0%	7.5%	
<b>EBIDTA</b>	<b>473.3</b>	<b>519.5</b>	<b>10%</b>
<i>as a % of NR</i>	13.9%	13.4%	
<b>Depreciation</b>	47.6	66.2	
Interest expense (A)	12.0	11.3	
Foreign exchange (gain)/ loss (B)	8.2	5.1	
<b>Finance Cost (A)+(B)</b>	20.2	16.4	
<b>Foreign Exchange (gain)/ loss</b>	0.5	(6.3)	
Interest Income (C)	16.9	26.3	
Others (D)	4.8	5.5	
<b>Add: Other Income (C)+(D)</b>	21.7	31.8	
<b>Profit before tax</b>	<b>426.7</b>	<b>475.0</b>	<b>11%</b>
<i>as a % of NR</i>	12.5%	12.2%	
Tax	84.8	131.9	
<b>Net Profit</b>	<b>341.9</b>	<b>343.1</b>	<b>-</b>
<i>as a % of NR</i>	10.0%	8.8%	

## Results Summary

- Growth in revenue has an impact of slowing growth of cable division during later part of the year.
- Consistent brand building with advertising. The advertisement and sales promotion expenses increased to 3.3% of net revenue in 9MFY15 as compared to 2.5% of net revenue in 9MFY14.
- With a change in calculation of depreciation under new Companies Act 2013, there has been an increase in the depreciation by Rs 14.5 crores in 9MFY15.
- Higher applicable tax due to reduction /expiry of available tax exemption in certain manufacturing plants of the company.

**Table 1.5: Segment wise Revenue analysis (Havells India) – Nine months**

In crores of rupees	9M FY14	9M FY15	Change (%)
Switchgears	898.8	973.5	8%
Cable	1,367.4	1,621.4	19%
Lighting & Fixtures	521.4	553.0	6%
Electrical Cons. Durables	622.1	741.5	19%
<b>Total</b>	<b>3,409.7</b>	<b>3,889.4</b>	<b>14%</b>

- Growth in cable aided by growth in both industrial and domestic cable. However showing a dropping trend on sequential basis.
- The lighting product portfolio has been witnessing product mix shift towards LED lighting.

**Table 1.6: Segment wise contribution margin analysis (Havells India) – Nine months**

	9M FY14			9M FY15		
	Revenue Mix %	Contribution	Contribution Margins %	Revenue Mix %	Contribution	Contribution Margins %
Switchgears	26%	323.8	36.0%	25%	348.4	35.8%
Cable	40%	139.0	10.2%	42%	188.1	11.6%
Lighting & Fixtures	16%	122.8	23.5%	14%	148.6	26.9%
Electrical Cons. Durables	18%	166.6	26.8%	19%	184.8	24.9%
<b>Total</b>	<b>100%</b>	<b>752.2</b>	<b>22.1%</b>	<b>100%</b>	<b>869.9</b>	<b>22.4%</b>

**Contribution by Segment**

- Focus on profitability in both industrial and domestic cable.
- The lighting & fixtures margins improved as a result of the product mix shift towards better margin fixtures and efficiencies drawn from cost management and shifting towards in-house manufacturing.

**Table 1.7: Balance Sheet highlights (Havells India standalone)**

In crores of rupees	As at March 14 <i>Audited</i>	As at Sept 14 <i>Un-Audited</i>	As at Dec 14 <i>Un-Audited</i>
<b>Shareholders' Fund</b>			
Share Capital	62.4	62.4	62.4
Reserves and Surplus	2,067.5	2,300.8	2,417.0
	2,129.9	2,363.2	2,479.4
<b>Loan Funds</b>			
Term loans	120.1	102.7	95.0
Working Capital Loan	-	-	-
Fixed Deposit	63.0	-	-
Deferred Tax Liability	51.7	45.7	44.6
Other Non-current liabilities	42.5	6.0	6.5
<b>Current Liabilities</b>			
Short term borrowings	12.4	23.2	11.6
Trade Payables	439.6	469.0	364.7
Others	538.9	514.0	531.2
<b>Total</b>	<b>3,398.1</b>	<b>3,523.8</b>	<b>3,533.0</b>
Fixed Assets	934.1	965.0	988.2
Investments	882.5	918.6	935.9
Other non-current assets	71.5	48.5	38.3
Current Assets			
Inventories	682.7	891.6	803.2
Trade receivables	136.5	169.5	147.8
Cash & Bank balance	626.1	438.3	545.8
Others	64.7	92.3	73.8
<b>Total</b>	<b>3,398.1</b>	<b>3,523.8</b>	<b>3,533.0</b>

**Summary**

- Rs 17.3 crores (Euro 2.2 million) was invested in Q3FY15 in Havells Holdings Limited to repay the installment of recourse debt of Euro 26 million which reduces the Havells guarantee by the same amount. As on 31<sup>st</sup> December 2014 total outstanding principal amount is Euro 10.8 million.
- Fixed deposits under loan funds are from dealers under dealer incentive scheme. The funds under the scheme have been deployed under separate scheme now.



**Table 1.8: Cash flow highlights (Havells India)**

In crores of rupees	YTD Dec 13	YTD Sept 14	YTD Dec 14
<b>Profit before tax</b>	<b>426.7</b>	<b>316.0</b>	<b>475.0</b>
Unrealised foreign exchange (gain)/loss(net)	11.8	0.1	2.9
Other Adjustments	49.9	29.8	50.7
<b>Operating Profit before working capital changes</b>	<b>488.4</b>	<b>345.9</b>	<b>528.6</b>
Movement in working capital			
(Increase)/Decrease in trade receivables	30.2	(31.8)	(10.3)
(Increase)/Decrease in inventories	(61.7)	(208.9)	(120.5)
Increase/(Decrease) in trade payables	51.5	30.1	(76.0)
Others	87.2	73.1	107.6
<b>Cash generated from/(used) in operations</b>	<b>595.6</b>	<b>208.4</b>	<b>429.4</b>
Direct taxes paid(net of refunds)	(77.0)	(75.9)	(110.7)
<b>Net cash flow from/(used)in Operating Activities(A)</b>	<b>518.6</b>	<b>132.5</b>	<b>318.7</b>
<b>Cash Flow from Investing Activities</b>			
Capital Expenditure	(66.9)	(75.2)	(122.0)
Investment in shares of subsidiary companies	(57.4)	(36.1)	(53.4)
Others	18.0	7.5	18.8
<b>Net Cash flow from/(used)in investing Activities (B)</b>	<b>(106.3)</b>	<b>(103.8)</b>	<b>(156.6)</b>
<b>Cash Flow from Financing Activities</b>			
(Repayment)/Proceeds of borrowing	75.3	(72.3)	(93.8)
Dividend payout	(93.6)	(124.8)	(124.8)
Interest expenses	(10.0)	(8.2)	(13.5)
Others	(10.4)	(11.3)	(11.3)
<b>Net cash flow from/(used)in Financing Activities(C)</b>	<b>(38.7)</b>	<b>(216.6)</b>	<b>(243.4)</b>
<b>Net increase/decrease in cash &amp; cash equivalents (A+B+C)</b>	<b>373.6</b>	<b>(187.9)</b>	<b>(81.3)</b>
Opening Cash	246.5	626.1	626.1
Others	0.6	0.1	1.0
<b>Closing Cash</b>	<b>620.7</b>	<b>438.3</b>	<b>545.8</b>

**Cash Flow – Highlights**

- Reduction of inventory by Rs 88.4 crores in December quarter led improvement in cash flow from operating activities.
- Cash flow from investing activities includes capex of Rs 44.9 crores for water heater plant being set up at Neemrana.

**Table 1.9: Total Net Debt (Havells India Standalone)**

In crores of rupees	31 March 2014	30 Sept 2014	31 Dec 2014
1. Short Term	12.4	23.2	11.6
2. Term loan	120.1	102.7	95.0
3. Deposits	63.0	-	-
Total debt	195.5	125.9	106.6
Less: Cash	626.1	438.3	545.8
<b>Total Net debt</b>	<b>(430.6)</b>	<b>(312.4)</b>	<b>(439.2)</b>

- Term loan includes External Commercial Borrowing of USD 20 million from HSBC bank (Mauritius) Limited repayable in 12 equal quarterly repayment of USD 16,66,667 started from April 2014.
- As on 31<sup>st</sup> December 2014 total outstanding principal amount is USD 15.0 million.
- Repayment of Rs 10.4 crores done in Q3FY15.

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

Financial Ratios	Q3FY14	Q2FY15	Q3FY15
<b>Profitability</b>			
OPM (%) {EBIDTA/NR}	13.8%	13.2%	14.3%
PAT % {PAT/NR}	10.3%	8.8%	9.3%
ROCE % {EBITDA TTM/ Average CE}	29.0%	30.0%	29.0%
RONW % {PAT TTM/ Average NW}	22.1%	21.8%	20.4%
<b>Liquidity Ratio</b>			
Current Ratio {CA/CL}	1.7	1.5	1.7
Debtors days {Debtors /NR TTM}	8	12	10
Inventory days {Inventories /NR TTM}	57	62	56
Creditors days {TC /COGS TTM}	57	54	42
<b>Net Working Capital - days</b>	<b>8</b>	<b>20</b>	<b>24</b>
Debt/Total Equity	0.1	0.1	-

## SECTION 2. SYLVANIA (STANDALONE)

**Table 2.1: P&L Summary (Sylvania standalone) - Quarterly**

In millions of Euro	Q3FY14	Q3FY15	Q2FY15
Net Revenue	€ 111.6	€ 110.8	€ 112.5
<b>EBIDTA before change in pension liability as a % of NR</b>	<b>€8.7 7.8%</b>	<b>€5.6 5.1%</b>	<b>€5.5 4.9%</b>
Change in pension liability	€ 1.3	€ 6.1	€ 0.9
<b>EBIDTA after change in pension liability as a % of NR</b>	<b>€7.4 6.6%</b>	<b>€(0.5) -</b>	<b>€4.6 4.1%</b>
Depreciation	€ 1.5	€ 3.0	€ 1.7
Finance Cost	€ 1.3	€ 1.7	€ 1.3
Foreign Exchange (gain)/Loss	€ 2.7	€ 2.8	€ 1.3
Add:other Income	€ 0.3	€ 0.3	€ (0.1)
Profit before tax as % of NR	€ 2.2 2.0%	€ (7.7) -	€ 0.2 0.2%
Tax	€ 0.5	€ 3.0	€ 1.3
<b>Net Profit</b>	<b>€1.7</b>	<b>€(10.7)</b>	<b>€(1.1)</b>

### Results Summary

- As Sylvania financial year closure coincides with Havells Q3, the quarterly results comprise of certain year end adjustments.
- Q3 results thus could not fully represent operating performance for the quarter.
- Q3 FY15 EBIDTA includes charge of Euro 2.9 million due to sales return and rebates in Thailand. Since this charge pertains to full year, the operating EBIDTA (before change in pension liability) for Q3FY15 before such charge would be Euro 8.5 million, i.e., 7.7% of net revenue.
- Europe and Americas performance have been largely stable with a positive bias.
- Thailand operations were reorganized with a new leadership team to strengthen the sales organization and internal control system.
- The team highlighted several issues such as sales return and rebates of Euro 2.9 million which have been entirely accounted for during Q3FY15 for a clean slate in 2015.
- Please refer separate discussion in Table 2.5 for change in pension liability and its impact on EBIDTA.
- Depreciation of Q3FY15 includes Euro 1.3 million as impairment of fixed assets.
- Higher tax for Q3FY15 includes Euro 2.0 million pertaining to tax assessment in Italy for past years (2005-2012).

## Table 2.2: Region wise revenue and margin analysis (Sylvania)

### Europe results highlights

In millions of Euro	Q3 FY14	%	Q3 FY15	%	Growth	Q2 FY15	%
Net Revenue	€66.0		€67.7		2.6%	€65.1	
EBIDTA before change in pension liability	€6.7	10.2%	€5.9	8.7%		€2.6	4.0%
Change in pension liability	€1.3		€6.1			€0.9	
EBIDTA after change in pension liability	€5.4	8.2%	€(0.2)	-		€1.7	2.6%

- Stable performance both on topline and margins.

### Americas (Latin America & USA) results highlights

In millions of Euro	Q3 FY14	%	Q3 FY15	%	Growth	Q2 FY15	%
Net Revenue	€37.6		€40.2		6.9%	€41.0	
EBIDTA	€1.8	4.8%	€2.6	6.5%		€2.7	6.5%

- Constant currency growth without considering any change in USD/ Euro was 12% in Q3FY15 as compared to Q3FY14.

**Table 2.3: P&L Summary (Sylvania standalone) – Nine months**

In millions of Euro	9MFY14	9MFY15	Change %
Net Revenue	€ 325.1	€ 330.6	2%
EBIDTA before change in pension liability	€ 16.5	€ 16.5	-
<i>as a % of NR</i>	5.1%	5.0%	
Change in Pension liability	€ 1.8	€ 7.9	
<b>EBIDTA after change in pension liability</b>	<b>€ 14.7</b>	<b>€ 8.6</b>	
<i>as a % of NR</i>	<b>4.5%</b>	<b>2.6%</b>	
Depreciation	€ 4.9	€ 6.2	
Finance Cost	€ 3.9	€ 4.2	
Foreign Exchange (gain)/Loss	€ 5.2	€ 4.5	
Add: other Income	€ 0.5	€ 0.2	
Profit before tax	€ 1.2	€ (6.1)	
<i>as % of NR</i>	0.4%	-	
Tax	€ 1.9	€ 5.4	
<b>Net Profit</b>	<b>€(0.7)</b>	<b>€(11.5)</b>	

**Results Summary**

- Stable performance for the nine months period ended December 2014.
- Please refer separate discussion in Table 2.5 for change in pension liability and its impact on EBIDTA.

**Table 2.4: Region wise revenue and margin analysis (Sylvania)****Europe results highlights**

In millions of Euro	9M FY14	%	9M FY15	%	Growth
Net Revenue	€ 186.3		€ 197.1		5.8%
EBIDTA before change in pension liability	€ 10.0	5.4%	€ 11.5	5.8%	
Change in pension liability	€ 1.8		€ 7.9		
EBIDTA after change in pension liability	€ 8.2	4.4%	€ 3.6	1.8%	

## Americas (Latin America & USA) results highlights

In millions of Euro	9M FY14	%	9M FY15	%	Growth
Net Revenue	€117.1		€117.0		-
EBIDTA	€6.3	5.4%	€7.3	6.2%	

**Table 2.5: Change in pension liability and its impact on EBIDTA**

In millions of Euro	UK	Germany	Others	Total
Present value of Benefit obligation	€74.6	€42.4	€7.7	€124.7
Less: Fair Value of Plan Assets	€70.8	€2.1	-	€72.9
Net Liability as at Dec'14	€3.8	€40.3	€7.7	€51.8

- The net pension liability at the end of December 2014 was Euro 51.8 million. The schemes are closed for fresh contribution.
- Germany accounts for ~80% of the group pension net liability. The pension liability in Germany is not backed by assets unlike UK pension fund and thus a decline in bond yield has contributed major increase in net liability.
- The annual pension payout in Germany is ~Euro 1.4 million which is captured in the operating EBIDTA. A similar payout is expected over the next 7-8 years.

In millions of Euro	9M FY14	9M FY15
<b>Net Revenue</b>	<b>€325.1</b>	<b>€330.6</b>
EBIDTA before change in pension liability as a % of NR	16.5 5.1%	16.5 5.0%
Change in pension liability	€1.8	€7.9
<b>EBIDTA after change in pension liability</b> as a % of NR	<b>€14.7</b> <b>4.5%</b>	<b>€8.6</b> <b>2.6%</b>

- As per IFRS the change in pension value due to variation in bond yield is accounted under Reserves. However pursuant to Indian GAAP the same is accounted under operating profit.
- We have thus disclosed the operating EBIDTA before and after change in pension liability.

**Table 2.6: Balance sheet – Highlights (Sylvania standalone)**

In millions of Euro	As at March 14 <i>Audited</i>	As at Dec 14 <i>Un-Audited</i>	Summary
<b>Shareholders' Fund</b>			
Share Capital	€ 141.3	€ 141.3	<ul style="list-style-type: none"> <li>The standalone balance sheet provides operational performance of Sylvania business along with its subsidiaries up to Malta level.</li> </ul>
Reserves and Surplus	€ (78.1)	€ (87.4)	
	€ 63.2	€ 53.9	
<b>Non-current liabilities</b>			
Long term borrowing	€ 59.5	€ 45.9	
Deferred Tax liability(net)	€ (0.6)	€ (0.9)	
Others	€ 46.9	€ 53.7	
<b>Current Liabilities</b>			
Short term borrowings	€ 12.8	€ 11.1	
Trade Payables	€ 95.1	€ 86.9	
Others	€ 62.6	€ 71.4	
<b>Total</b>	<b>€339.5</b>	<b>€322.0</b>	
<b>Fixed Assets</b>			
Fixed Assets	€ 32.0	€ 30.1	
Other non-current assets	€ 1.1	€ 0.6	
Goodwill	€ 53.0	€ 53.0	
<b>Current Assets</b>			
Inventories	€ 98.6	€ 91.9	
Trade receivables	€ 106.4	€ 102.8	
Cash & Bank balance	€ 28.8	€ 28.3	
Others	€ 19.6	€ 15.3	
<b>Total</b>	<b>€339.5</b>	<b>€322.0</b>	

**Table 2.7: Total Net Debt**

In millions of Euro	31 March 2014	31 Dec 2014
1.Term Loan	€ 72.5 mn	€ 62.5 mn
2. Other short term	€ 12.8 mn	€ 11.1 mn
3.Capital lease obligation	€ 1.2 mn	€ 0.8 mn
<b>Total debt</b>	<b>€86.5 mn</b>	<b>€74.4 mn</b>
Less: Cash	€ 28.8 mn	€ 28.3 mn
<b>Net Debt</b>	<b>€57.7 mn</b>	<b>€46.1 mn</b>

**Table 2.8: Financial Ratios(Sylvania standalone)**

<b>Financial Ratios</b>	<b>Q3FY14</b>	<b>Q3FY15</b>
<b>Profitability</b>		
OPM (%) (EBIDTA/NR)	6.6%	-
PAT % (PAT/NR)	-	-
ROCE % (EBITDA TTM/ Average CE)	-	-
RONW % (PAT TTM/ Average NW)	-	-
<b>Liquidity Ratio</b>		
Current Ratio (CA/CL)	1.6	1.4
Debtors days (Debtors/NR TTM)	84	83
Inventory days (Inventories/NR TTM)	81	74
Creditors days (TC/COGS TTM)	135	135
<b>Net Working Capital-days</b>	<b>30</b>	<b>22</b>

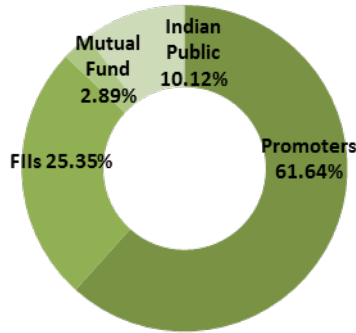
- Efforts for optimization of inventory level resulted in significant reduction in inventory.



## SECTION 3. SHAREHOLDING RELATED INFORMATION

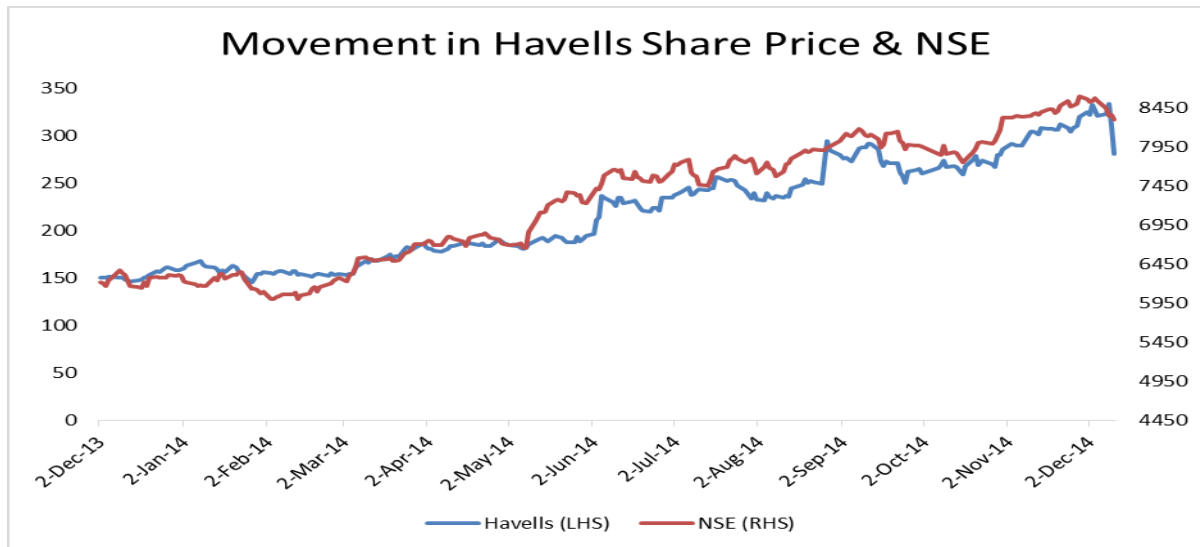
**Table 3.1: Shareholding Pattern**

Shareholding Pattern as on 31.12.14



### 3.2: Stock Price Performance

The graph below depicts the Havells stock price performance vis-à-vis NSE during Dec 13- Dec14.



## DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY

Havells will be issuing fresh information Update, like the one you are reading now; on the day it declares its Quarterly/ Half Yearly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions. Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints. The information contained in such updates is made public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992. For further information / clarification, you may contact Mr. Sushil Singhal, DGM (Investor Relations) at Havells India Limited, QRG Towers, 2D Sector 126, Expressway, Noida UP (India), Tel: +91-120-4771000 Fax no.: +91-120-4772000; **E-mail : ir@havells.com**.

**HAVELLS INDIA LIMITED**

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 CIN: L31900DL1983PLC016304

**UNAUDITED STANDALONE FINANCIAL RESULTS  
 FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014**

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year to Date		Year ended
		31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
		(Unaudited)			(Unaudited)		(Audited)
<b>1</b>	<b>Income from operations</b>						
	a) Net Sales/Income from Operations (Net of excise duty)	1236.22	1353.12	1174.03	3856.39	3384.14	4684.23
	b) Other Operating Income	11.22	11.97	10.41	33.01	25.55	35.46
	Total income from operations (net)	1247.44	1365.09	1184.44	3889.40	3409.69	4719.69
<b>2</b>	<b>Expenditure</b>						
	a) Cost of materials consumed	615.88	760.68	655.30	2133.88	1842.10	2546.21
	b) Purchases of stock-in trade	96.09	137.76	84.77	318.61	281.94	359.69
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	40.29	(75.16)	(4.09)	(100.34)	(28.77)	(4.19)
	d) Employee benefits expense	80.76	78.26	61.64	232.46	182.75	247.48
	e) Depreciation and amortisation expense	22.95	22.48	16.13	66.22	47.63	63.63
	f) Foreign Exchange Fluctuation loss/(gain)	(2.20)	(2.96)	(6.64)	(6.25)	0.48	(8.41)
	g) Other expenses	236.32	283.19	223.53	785.31	658.36	928.90
	Total expenses	1090.09	1204.25	1030.64	3429.89	2984.49	4133.31
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1- 2)</b>	157.35	160.84	153.80	459.51	425.20	586.38
<b>4</b>	<b>Other Income</b>	8.85	11.45	10.64	31.84	21.67	35.65
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	166.20	172.29	164.44	491.35	446.87	622.03
<b>6</b>	<b>Finance Costs</b>	7.15	5.91	8.51	16.37	20.20	26.93
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	159.05	166.38	155.93	474.98	426.67	595.10
<b>8</b>	<b>Exceptional items</b>	-	-	-	-	-	-
<b>9</b>	<b>Profit from ordinary Activities before tax (7+8)</b>	159.05	166.38	155.93	474.98	426.67	595.10
<b>10</b>	<b>Tax expenses</b>	42.84	46.77	34.46	131.89	84.82	116.41
<b>11</b>	<b>Net Profit from ordinary activities after tax (9-10)</b>	116.21	119.61	121.47	343.09	341.85	478.69
<b>12</b>	<b>Extraordinary Items (net of tax expenses)</b>	-	-	-	-	-	-
<b>13</b>	<b>Net Profit for the period (11+12)</b>	116.21	119.61	121.47	343.09	341.85	478.69
<b>14</b>	<b>Minority interest</b>	-	-	-	-	-	-
<b>15</b>	<b>Net Profit after taxes and minority interest (13-14)</b>	116.21	119.61	121.47	343.09	341.85	478.69
<b>16</b>	<b>Paid up Equity Share Capital (Face value of Rs.1/- each)</b>	62.44	62.44	62.39	62.44	62.39	62.39
<b>17</b>	<b>Reserves excluding revaluation reserves as per balance sheet of previous year</b>	-	-	-	-	-	2,067.46
<b>18</b>	<b>Earnings per share (EPS) before extraordinary items (of Rs.1/-each) (not annualised) :</b>						
	a) Basic and Diluted	1.86	1.92	1.95	5.50	5.48	7.67
	<b>Earnings per share (EPS) after extraordinary items (of Rs.1/-each) (not annualised) :</b>						
	a) Basic and Diluted	1.86	1.92	1.95	5.50	5.48	7.67
<b>A.</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
<b>1</b>	<b>Public shareholding</b>						
	- Number of Shares	239530115	239530115	239145835	239530115	239145835	239145835
	- Percentage of shareholding	38.36	38.36	38.32	38.36	38.32	38.32
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>						
	a) Pledged/Encumbered						
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	- Percentage of shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Non - encumbered						
	- Number of shares	384957920	384957920	384957920	384957920	384957920	384957920
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	61.64	61.64	61.68	61.64	61.68	61.68
<b>B.</b>	<b>INVESTORS COMPLAINTS</b>						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	1					
	Disposed of during the quarter	1					
	Remaining unresolved at the end of the quarter	Nil					

Notes :

- During the quarter, the Company has made further investment of Rs.17.33 crores in its wholly owned subsidiary "Havells Holdings Limited".
- Effective from April 1, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the quarter ended December 31, 2014, is higher by Rs. 4.83 crores. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 3.42 crores (net of Deferred Tax) has been adjusted with retained earnings.
- In accordance with the opinion of Expert Advisory Committee (EAC) of 'The Institute of Chartered Accountants of India' (issued in the month of March 2014), the Company has during the period, consolidated the financial statements of 'Havells Employees Welfare Trust' in the financial statements of the Company.
- Tax expense includes current tax, deferred tax and MAT credit.
- Prior period figures have been reclassified/regrouped wherever considered necessary for comparative purposes.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28th day of January, 2015. These results have been limited reviewed by the Statutory Auditors of the Company.

For and on behalf of the Board  
Havells India Limited

(Anil Rai Gupta)  
Chairman and Managing Director

Noida, January 28, 2015

**HAVELLS INDIA LIMITED**

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 CIN: L31900DL1983PLC016304

**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Rs.in Crores)

S.N.	Particulars	Quarter Ended			Year to Date		Year ended
		31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
		(Unaudited)			(Unaudited)		(Audited)
1	Net Segment Revenue						
	a) Switchgears	327.49	338.68	309.29	973.48	898.78	1219.19
	b) Cable	495.14	591.44	475.09	1621.38	1367.35	1926.43
	c) Lighting & Fixtures	193.99	193.56	193.45	552.97	521.44	720.69
	d) Electrical Consumer Durables	230.82	241.41	206.61	741.57	622.12	853.38
	Total	1247.44	1365.09	1184.44	3889.40	3409.69	4719.69
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Sales/ Income from Operations	1247.44	1365.09	1184.44	3889.40	3409.69	4719.69
2	Segment Results						
	(Profit+)/ Loss(-) before Tax and Interest from each Segment						
	a) Switchgears	112.46	123.93	109.60	348.42	323.79	403.17
	b) Cable	58.45	70.91	48.56	188.14	138.96	210.99
	c) Lighting & Fixtures	53.45	52.08	45.03	148.54	122.77	178.70
	d) Electrical Consumer Durables	56.42	60.04	54.08	184.79	166.65	230.40
	Total	280.78	306.96	257.27	869.89	752.17	1023.26
	Less : (i) Finance cost	7.15	5.91	8.51	16.37	20.20	26.93
	(ii) Other un-allocable expenses net of un-allocable income	114.58	134.67	92.83	378.54	305.30	401.23
	Total Profit before Tax	159.05	166.38	155.93	474.98	426.67	595.10
3	Capital Employed						
	(Segment Assets - Segment Liabilities)						
	a) Switchgears	309.26	310.75	340.17	309.26	340.17	302.71
	b) Cable	383.98	445.78	309.27	383.98	309.27	329.63
	c) Lighting & Fixtures	246.21	276.71	246.73	246.21	246.73	252.60
	d) Electrical Consumer Durables	253.29	206.31	178.53	253.29	178.53	164.78
		1192.74	1239.55	1074.70	1192.74	1074.70	1049.72
	e) Others-Unallocable	1286.68	1123.67	1140.44	1286.68	1140.44	1080.13
	Total	2479.42	2363.22	2215.14	2479.42	2215.14	2129.85

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**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED DECEMBER 31, 2014**

S.No	Particulars	Quarter Ended(Consolidated)31-Dec-14				Quarter Ended(Consolidated)31-Dec-13				Period ended Ended (Consolidated) 31-Dec-14				Period ended Ended (Consolidated) 31-Dec-13				Year Ended (Consolidated) 31-March-14			
		Havells	Sylvania	Elimination	Consolidated	Havells	Sylvania	Elimination	Consolidated	Havells	Sylvania	Elimination	Consolidated	Havells	Sylvania	Elimination	Consolidated	Havells	Sylvania	Elimination	Consolidated
1	Net Revenue	1247.4	857.9	-9.8	2115.1	1184.4	942.7	23.4	2103.7	3889.4	2640.3	78.7	6451.0	3,409.7	2,610.5	63.5	5,956.7	4,719.7	3,575.1	109.0	8,185.8
2	Earning before finance cost, depreciation, tax and amortisation	178.1	-14.9	-5.8	169.0	163.2	62.4	-2.5	228.1	519.5	59.5	-11.2	590.2	473.3	118.9	-3.0	595.2	641.5	129.9	-7.7	779.1
3	Less: Depreciation	22.9	13.0	-0.3	36.2	16.1	12.4	-0.1	28.6	66.2	39.3	-0.8	106.3	47.6	39.2	-0.3	87.1	63.6	51.6	-0.3	115.5
4	Less: Finance cost	7.1	13.0	-0.4	20.5	8.5	11.0	-1.3	20.8	16.4	33.7	-1.6	51.7	20.2	31.6	-4.0	55.8	26.9	42.1	-5.1	74.1
5	Less : Foreign Exchange Fluctuation (net)	-2.2	21.6	0.0	19.4	-6.6	22.8	0.0	16.2	-6.3	35.3	-0.1	29.1	0.5	42.1	0.0	42.6	-8.4	45.0	0.0	36.6
6	Add: Other income	8.8	3.0	3.3	8.5	10.7	2.0	0.1	12.6	31.8	2.3	2.7	31.4	21.7	4.5	0.3	25.9	35.7	7.5	2.0	41.2
7	Add: Exceptional item												0.0	0.0			0.0	0.0			0.0
8	Profit Before Tax	159.1	-59.5	-1.8	101.4	155.9	18.2	-1.0	175.1	475.0	-46.5	-6.0	434.5	426.7	10.5	1.6	435.6	595.1	-1.3	-0.3	594.1
9	Less: Tax expenses	42.9	23.8	0.1	66.6	34.4	3.8	-0.1	38.3	131.9	42.9	0.0	174.8	84.8	15.3	0.0	100.1	116.4	31.4	0.0	147.8
10	Net Profit after tax	116.2	-83.3	-1.9	34.8	121.5	14.4	-0.9	136.8	343.1	-89.4	-6.0	259.7	341.9	-4.8	1.6	335.5	478.7	-32.7	-0.3	446.3