

# Havells India Limited

Financial Year 2011-12 {MARCH 31, 2012}  
{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 30th May 2012.

## TABLE OF CONTENTS

### **Section 1 Havells India – Performance at a glance – stand alone**

Quarterly [January –March 2012]

Yearly [April 2011 –March 2012]

- 1.1 Summary of Financial Statements- quarterly
- 1.2 Segment wise revenue analysis- quarterly
- 1.3 Segment wise contribution margin analysis- quarterly
- 1.4 Summary of Financial Statements- yearly
- 1.5 Segment wise revenue analysis- yearly
- 1.6 Segment wise contribution margins analysis- yearly
- 1.7 Balance sheet highlights
- 1.8 Cash flow analysis
- 1.9 Capital Expenditure
- 1.10 Financial Ratios

### **Section 2 Sylvania –stand alone**

Quarterly [January –March 2012]

Yearly [April 2011 –March 2012]

- 2.1 Summary of Financial Statements-quarterly
- 2.2 Region wise revenue and margin analysis-quarterly
- 2.3 Summary of financial statements-yearly
- 2.4 Region wise revenue and margin analysis- yearly
- 2.5 Balance sheet highlights
- 2.6 Financial ratios

### **Section 3 – Shareholders information**

- 3.1 Shareholding Pattern
- 3.2 Stock Price Performance

### **Annexure – Detailed financial information**

A.1 Havells standalone financial results

A.2 Havells consolidated financial results

## Key Highlights

- ✓ INCREASE IN THE DIVIDEND PAYOUT RATIO FROM 10% TO 25%
- ✓ REFINANCING OF SYLVANIA DEBT

### YEARLY RESULTS HIGHLIGHT

	FY11	FY12	Change %
<b><u>Havells (incl Standard)</u></b>			
Revenue	Rs.2,966 cr.	Rs. 3,616 cr.	22%
Operating Profit (EBIDTA)	Rs. 361 cr.	Rs. 459 cr.	27%
Profit before tax	Rs. 330 cr.	Rs. 374 cr.	13%
Profit after tax	Rs. 261 cr.	Rs. 305 cr.	17%
<b><u>Sylvania Global</u></b>			
Revenue	Euro 450 mn	Euro 448 mn	--
Operating Profit (EBIDTA)	Euro 26 mn	Euro 37 mn	42%
Profit before tax	Euro 13 mn	Euro 16 mn	23%
Profit after tax	Euro 7 mn	Euro 10 mn	46%
<b><u>Consolidated</u></b>			
Revenue	Rs.5,613 cr.	Rs. 6,518 cr.	16%
Operating Profit (EBIDTA)	Rs. 557 cr.	Rs. 678 cr.	22%
Profit before tax	Rs. 407 cr.	Rs. 476 cr.	17%
Profit after tax	Rs. 304 cr.	Rs. 370 cr.	22%

## SECTION 1. HAVELLS INDIA (STANDALONE)

### A. Q4 2011-12 RESULTS ANALYSIS

The Business demonstrated consistent performance in the current quarter driven by each product segment.

The Hon'ble High Court of New Delhi had approved and sanctioned the Scheme of Amalgamation of Standard Electrical Limited (a wholly owned subsidiary of Havells India Limited) into Havells India Limited from the appointed date of 1 April 2011. The Order of the Hon'ble High Court has been made effective from 15 October 2011.

Hence results of Standard for the period and quarter ended 31 March 2012 has been merged with stand alone financial results of Havells India and not comparable with corresponding periods of previous year. For the purpose of comparison we are providing the comparable information.

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

	Havells	Standard	Havells+	Havells+		Havells+
	Q4	Q4	Standard	Standard	Change	Standard
In crores of rupees	FY11	FY11	Q4	Q4	(%)	Q3
			FY11	FY12		FY12
Net Revenue	840.8	22.8	863.6	1,046.7	21%	896.2
<b>EBIDTA</b>	<b>95.5</b>	<b>6.8</b>	102.3	<b>123.6</b>	<b>21%</b>	<b>126.0</b>
<i>as a % of NR</i>	<i>11.4%</i>	<i>--</i>	<i>11.8%</i>	<i>11.8%</i>		<i>14.0%</i>
Depreciation	7.8	0.2	8.0	<b>16.6</b>		10.4
Finance Cost	6.4	--	6.4	<b>19.7</b>		7.5
Foreign Exchange (gain)/ loss	(1.1)	--	(1.1)	<b>(21.4)</b>		13.5
Add: Other Income	3.4	0.3	3.7	<b>2.1</b>		2.1
Profit before tax	85.8	6.9	92.7	<b>110.8</b>	20%	96.7
<i>as a % of NR</i>	<i>10.2%</i>	<i>--</i>	<i>10.7%</i>	<i>10.6%</i>		<i>10.8%</i>
Tax	16.8	0.6	17.4	<b>19.3</b>		17.8
<b>Net Profit</b>	<b>69.0</b>	<b>6.3</b>	<b>75.3</b>	<b>91.5</b>	<b>21%</b>	<b>78.9</b>
<i>as a % of NR</i>	<i>8.2%</i>	<i>--</i>	<i>8.7%</i>	<i>8.7%</i>		<i>8.8%</i>

#### Results summary

- Due to change in the format of publication of results and Schedule VI of the Companies Act, 1956, the finance cost now includes all other financial cost including interest. The change has been effective in all the corresponding periods. The EBIDTA now stands for earning before finance cost, depreciation, tax and amortization. .
- The net revenue grew consistently during the current quarter, led by growth in each segment. The operating profit margin (EBIDTA) in Q4FY12 improved on y-o-y basis and is line with margins of Q3FY12, without the higher cost of product warranties and after sales services and provisions for dealer schemes, made during the current quarter. Yearly margins are better reflection of operating performance.
- Finance cost of Q4FY12 includes Rs. 9.4 crores as exchange loss.
- Foreign Exchange gain generated due to sharp movement of INR vs US\$ during current quarter, mainly on foreign currency loans, outstanding balance US\$ 21 million as on 31 March 2012.
- Financials of Standard Electrical are net of intercompany transactions between Havells and Standard. Since Standard has been merged with Havells, no separate financials are available for Standard for the current quarter.

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

In crores of rupees	Q4 FY11	Q4 FY12	Change (%)	Q3 FY12
Switchgears (Havells+ Standard)	222.8	<b>237.6</b>	7%	226.1
Cable	360.8	<b>476.7</b>	32%	390.7
Lighting & Fixtures	125.8	<b>151.1</b>	20%	144.8
Electrical Cons. Durables	154.2	<b>181.3</b>	18%	134.6
Others		--		--
<b>Total</b>	<b>863.6</b>	<b>1,046.7</b>	<b>21%</b>	<b>896.2</b>

**Net Revenue by segment**

- Domestic cable division shows higher growth in Q4FY12 leading the growth momentum in cable division.
- Electrical Consumer Durables includes net revenue from domestic appliances of Rs. 25.1 crores in Q4FY12 as compared to Rs. 4 crores during Q4FY11.

**Table 1.3: Segment wise contribution margin analysis (Havells India + Standard)**

In crores of rupees	Q4 FY11		Q4 FY12	
	Contribution Margins	Contribution Margins %	Contribution Margins	Contribution Margins %
Switchgears (Havells+ Standard)	78.8	35.4%	82.3	34.7%
Cable	16.6	4.6%	42.4	8.9%
Lighting & Fixtures	22.6	18.0%	37.6	24.9%
Electrical Cons. Durables	41.3	26.8%	50.5	27.9%
Others				
<b>Total</b>	<b>159.3</b>	<b>18.4%</b>	<b>212.9</b>	<b>20.3%</b>

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

**Contribution by Segment**

- Havells drive better margins during the current quarter. Noticeable improvement can be seen in cable and lighting & fixture division.

**Table 1.4: P&L Summary (Havells India + Standard) - Yearly**

	Havells	Standard	Havells +Standard	Havells +Standard	
In crores of rupees	FY11	FY11	FY11	FY12	Change (%)
Net Revenue	2,881.6	84.1	2,965.7	3,615.6	22%
<b>EBIDTA</b>	340.5	21.2	361.7	459.1	27%
<i>as a % of NR</i>	11.8 %	--	12.2%	12.7%	
Depreciation	29.3	1.1	30.4	44.7	
Finance Cost	19.1	0.3	19.4	44.4	
Foreign Exchange (gain)/ loss	(10.3)	--	(10.3)	3.4	
Add: Other Income	7.4	0.6	8.0	7.2	
Profit before tax	309.8	20.4	330.2	373.8	13%
<i>as a % of NR</i>	10.8%	--	11.1%	10.3%	
Tax	68.2	0.7	68.9	68.4	
<b>Net Profit</b>	241.6	19.7	261.3	305.4	17%
<i>as a % of NR</i>	8.4%	--	8.8%	8.4%	

- The net revenue grew by 22% with growth in each segment. Fascinated with the consumer preference for Havells world class products, small appliances has been launched in the premium category.
- Havells consistently focus on improving margins. Strength of brand, distribution network and quality products are driving premium position of Havells in the market.
- With the change in Schedule VI, the finance cost now includes interest expenses, bank charges, exchange difference to the extent considered as an adjustment to borrowing cost and other miscellaneous financial expenses. The change has been effective in each corresponding period mentioned above.
- The finance cost in FY12 includes exchange loss of Rs. 9.4 crores, due to exchange difference on US\$ loan up to normal interest cost in India. The other exchange difference on the same US\$ loan has been charged as foreign exchange loss of Rs. 3.4 crores in FY12 as compared to gain of Rs. 10.3 crores in FY11.
- The interest cost increased due to higher utilization of funds and increased cost.

**Table 1.5: Segment wise Revenue analysis (Havells India + Standard) - yearly**

In crores of rupees	Havells+ Standard	Havells+ Standard	Change (%)
	FY11	FY12	
Switchgears (Havells+Standard)	818.5	896.1	9%
Cable	1,231.8	1,593.0	29%
Lighting & Fixtures	444.7	554.4	25%
Electrical Cons. Durables	469.2	572.1	22%
Others	1.5		
<b>Total</b>	<b>2,965.7</b>	<b>3,615.6</b>	<b>22%</b>

**Net Revenue by segment**

- Export revenue in switchgear division dropped from Rs. 107 crores in FY11 to Rs. 90 crores in FY12 impacted by closure of OEM contract from UK base company. The growth in domestic market was 11% in FY12.
- A 12% volume growth in cable and 19% in wire accompanied by price increases ensued 29% revenue growth.
- The net revenue of domestic appliances during FY 12 was Rs. 84 crores as compared to Rs. 22 crores in FY11. The fan division on stand-alone basis grew by 9% during FY12.

**Table 1.6: Segment wise Contribution analysis (Havells India + Standard)**

In crores of rupees	Havells + Standard		Havells + Standard	
	FY11		FY12	
	Contribution Margins	Contribution Margins %	Contribution Margins	Contribution Margins %
Switchgears (Havells+ Standard)	306.5	37.4%	336.3	37.5%
Cable	90.4	7.3%	146.1	9.2%
Lighting & Fixtures	82.0	18.4%	139.3	25.1%
Electrical Cons. Durables	129.5	27.6%	165.0	28.8%
Others	0.6			
<b>Total</b>	<b>609.0</b>	<b>20.5%</b>	<b>786.7</b>	<b>21.8%</b>

- Havells drive better margins during whole of the financial year 2011-12. Noticeable improvement can be seen cable and lighting & fixture division.
- The commodity risk under cable division mitigated with lower inventory level and frequent change in selling prices to pass on same in the market. Also the increased focus on the profitability and consumer awareness drove better margins.
- The effective implementation of warranty clause under CFL division caused margin in lighting division to perform better.
- The new product division of domestic appliances under electrical consumer durables also drove higher margins due to premium quality and better cost management.
- With more consumer products and increased service cost, Havells is now providing higher provision of warranty and after sales service. The cost increased from Rs. 12.2 crores in FY11 to Rs. 38.7 crores in FY12.

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

	Havells As at March11 <i>Audited</i>	Havells +Standard As at March12 <i>Audited</i>	Summary
<i>In crores of rupees</i>			
<b>Shareholders Fund</b>			
Share Capital	62.4	62.4	
Reserves and Surplus	1,278.4	1,545.9	
	<b>1,340.8</b>	<b>1,608.3</b>	
<b>Non-current liabilities</b>			
Long term borrowing	85.7	69.3	
Others	54.6	58.8	
<b>Current Liabilities</b>			
Short term borrowings	16.4	27.8	
Trade Payables	428.2	542.5	
Others	244.5	340.3	
<b>Total</b>	<b>2,170.2</b>	<b>2,647.0</b>	
Fixed Assets	730.3	834.0	
Investments	715.5	775.1	
Other non-current assets	29.9	41.8	
Current Assets			
Inventories	469.8	648.9	
Trade receivables	111.7	159.7	
Cash & Bank balance	49.2	136.2	
Others	63.8	51.3	
<b>Total</b>	<b>2,170.2</b>	<b>2,647.0</b>	

- The investment of Rs. 60 crores (Euro 8.8 mn) was done to repay the entire outstanding balance of recourse facility of euro 30 million taken for Sylvania acquisition.
- The increase in inventories is due to more consumer facing products and to capture increasing distribution network, funded by higher trade payables.
- The capital expenditure during FY12 was Rs. 137 crores as compared to Rs. 163 crores in FY11.
- A severe exercise has been done at each manufacturing unit to review the use of plant and machinery in the changing technical environment. Rs. 12 crores has been booked as loss largely due to technological obsolescence in the plant and machinery.

**Table 1.8: Cash flow analysis (Havells India +Standard)**

	Havells FY11	Havells +Standard FY12	Cash Flow - Highlights
<i>In crores of rupees</i>			
Cash Flow from Operating Activities	341.6	357.2	
Less: Cash used in Investing activities	(339.0)	(194.6)	
Less: Cash flow from financing activities	(21.6)	(84.6)	
Net increase/ (decrease) in cash and cash equivalents	(19.0)	78.0	
Opening Cash	68.1	49.1	
Cash taken over on Amalgamation		8.9	
<b>Closing Cash</b>	<b>49.1</b>	<b>136.0</b>	

- Cash flow from financing activities includes payment of long term borrowing of Rs. 16 crores during FY12.



**Table 1.9: Total capital expenditure (Havells)**

	FY 2011	FY 2012
in crores of rupees		
Switchgears	49.9	17.3
Cable	52.3	9.7
Lighting & Fixtures	43.0	45.4
Electrical Consumer Durables	8.1	25.6
Other	9.5	39.3
<b>Total</b>	<b>162.8</b>	<b>137.3</b>

**Table 1.10: Financial Ratios**

Financial Ratios	FY11	FY12
<b>Profitability</b>		
OPM (%) {EBITDA/NR}	12.2%	12.7%
PAT % {PAT/NR}	8.8%	8.4 %
ROCE % {EBITDA/CE}	25.3%	28.5%
RONW % {PAT/NW}	18.0%	19.0%
<b>Liquidity Ratio</b>		
Current Ratio {CA/CL}	1.0	1.1
Debtors days {Debtors/NR}	14	16
Inventory days {Inventories/NR}	60	65
Creditors days {TC/COGS}	82	86
<b>Net Working Capital - days</b>	<b>(8)</b>	<b>(5)</b>
<b>Leverage Ratio</b>		
Debt/Total Equity	0.1	0.1

**Key Ratios**

- Continued improvement in ratios
- FY11 excludes Standard.

## SECTION 2. SYLVANIA (STANDALONE)

In the year 2011 the focus was on attain sustainability through profitability focus. The objective was transparently discussed and agreed with each country teams to ensure full ownership and cooperation at country individual unit level. Havells core philosophy is engaging people to achieve objective has been summarily subsumed in Sylvania. We have achieved our objective of seamless integration of Sylvania into Havells family.

Europe on macro basis continues to be sluggish with policies headwinds. Our focus in these markets is to remain stable through a combination of product mix, rationalizing low margin business of customers and moving up the value chain from products to solutions

In emerging markets of Latin America, Sylvania has been working progressively to gain reasonable market share. Year 2011 had seen sharp volatility in the currencies of many of these markets.

### Refinancing of Debt at Sylvania

In a rather challenging credit environment, Sylvania has been able to complete its refinancing requirements, underpins the strength of Havells group and resilience of Sylvania business. The refinancing is in line with the Havells Group philosophy of conservative debt practices, deleveraging and optimising interest costs.

### Total Debt Due in Sylvania

in millions of Euro	Initial April 2007	As at 31 March 2012	Due date of payment
1. Total acquisition debt			
1a. Working Capital revolving facility	€ 40	€ 39	April 2012
1b. Term Loan	€ 80	€ 63	April 2013
<b>Total (1a+1b)</b>	<b>€120</b>	<b>€102</b>	
2. New debt raised			
2a. Guaranteed debt by Havells India	---	€ 40	April 2013
2b. Secured Facility by Sylvania	---	€77.5	May 2016

Havells India has raised Euro 40 million debt in Havells Holding Limited, Isle of Man, a wholly owned subsidiary for providing equity participation and shareholders loan to Sylvania. This Euro 40 million debt is repayable in one year ie upto April 2013 at a cost of euribor plus margins (190 bps).

Sylvania has raised Euro 77.5 million from Standard Chartered Bank, HSBC Bank plc and ICICI Bank, UK PLC at a cost of euribor plus margins (350 bps, and is on reducing basis reaching upto 250 bps provided debt:ebidta is less than 1.5:1 as compared to current debt:ebidta of 2.5:1)

Repayment Schedule of Euro 77.5 million, based on half yearly installments, starts from 31 December 2012:

Calendar Year	Amount
2012	€ 4 million
2013	€ 11 million
2014	€ 14 million
2015	€ 16 million
2016 (May)	€ 32.5 million
<b>Total</b>	<b>€77.50 million</b>

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

In millions of Euro	Normalized	Normalized	Q4	Normalized
	Q4	Q4	Q4	Q3
	FY11	FY12	FY12	FY12
Net Revenue	€113.4	€112.0	€112.0	€113.9
EBIDTA	€9.1	€9.5	€8.3	€11.1
as a % of NR	8.0%	8.5%	7.4%	9.7%
Depreciation	€2.1	€1.9	€1.9	€1.8
Finance Cost	€2.3	€2.1	€2.1	€3.6
Add: Other Income	€1.4	€1.3	€2.5	€0.6
Exceptional item	€0.1	--	--	--
Profit before tax	€6.0	€6.8	€6.8	€6.3
as % of NR	5.3%	6.1%	6.1%	5.5%
Tax	€2.7	€2.5	€2.5	€1.1
<b>Net Profit</b>	<b>€3.3</b>	<b>€4.3</b>	<b>€4.3</b>	<b>€5.2</b>

### Results Summary

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- Due to various yearly adjustments in quarter performance, yearly financial reporting provide better understanding of the financial results of Sylvania
- Normalised Q4FY12 excludes the previous period reclassification.
- Normalised Q4FY11 excludes pension and yearly audit adjustments, including this, the reported EBIDTA was Euro 13.3 million and profit after tax was Euro 6.3 million. Normalised Q3FY12, on the same way, excludes pension and yearly audit adjustment, including this, the reported EBIDTA was Euro 7.8 million and profit after tax Euro 1.9 million.
- The financials for Q4FY12 registered consistent performance in both topline and profit margins.

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

### Europe results highlights

In millions of Euro	Q4 FY11	%	Q4 FY12	%	Change (%)	Q3 FY12	%
Net Revenue	€73.2		€70.3		(4)%	€71.8	
Operating profit- EBIDTA	€5.4	7.4%	€6.8	9.7%	26%	€9.4	13.1%

The margins at Europe show the similar trend. During Q3FY12, the operating profit margins also include benefit of low material cost of Euro 2.5 million without which EBIDTA would have been Euro 6.9 million (9.6%). During Q4FY12, EBIDTA without the benefit of low material cost would have been 7%.

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

In millions of Euro	Q4 FY11	%	Q4 FY12	%	Change (%)	Q3 FY12	%
Net Revenue	€35.5		€38.2		8%	€35.8	
Operating profit- EBIDTA	€3.5	9.9%	€2.7	7.1%	--	€2.1	5.9%

#### Financials in US\$ million

Net Revenue	\$48.1		\$50.7			\$48.2	
Operating profit – EBIDTA	\$4.8	9.9%	\$3.6	7.1%		\$2.9	5.9%

## Table 2.3: P&L Summary (Sylvania stand alone) - Yearly

In millions of Euro	FY11	FY12	Change (%)
Net Revenue	€449.4	€448.2	--
EBIDTA as a % of NR	€26.6 5.9%	€37.4 8.3%	41%
Pension (liability)/ benefits	€5.4	€(4.5)	
Depreciation	€8.3	€7.6	
Finance Cost	€10.5	€14.6	
Add: Other Income	--	€5.2	
Exceptional Items	€0.6	--	
Profit before tax as a % of NR	€12.6 2.8%	€15.9 3.5%	
Tax	€5.6	€5.7	
<b>Net Profit</b>	<b>€7.0</b>	<b>€10.2</b>	<b>46%</b>

### Summary

- The reported EBIDTA including change in pension liability was Euro 32 million in FY11 and Euro 32.9 million in FY12.
- The improvement in margins is a function of deliberate efforts to achieve better profitability through price discipline, cost variablization and introducing improved products.
- Finance Cost includes foreign exchange fluctuations. FY11 includes benefit of Euro 1.1. mn as compared to a loss of Euro 2.9 mn in FY12.
- The profit after tax shows the similar trend of 46% growth during the financial year 2011-12.

**Table 2.4: Net revenue breakup on regional basis – Yearly**

In millions of Euro	Net Revenue		EBIDTA		EBIDTA %	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Europe	€ 280.6	€ 275.2	€ 13.9	€ 26.0	4.9%	9.4%
Americas	€ 145.0	€ 149.1	€ 13.2	€ 12.0	9.1%	8.1%
Others	€ 23.8	€ 23.9	€ (0.5)	€ (0.6)	--	--
<b>Total</b>	<b>€ 449.4</b>	<b>€ 448.2</b>	<b>€ 26.6</b>	<b>€ 37.4</b>	<b>5.9%</b>	<b>8.3%</b>

Sylvania performance improved with higher operating margin from 5.8% to 8.3% largely attributable to operating efficiencies resulting from our focus on profitability.

The Europe profit margins also include benefit of Euro 5.0 million in FY12 due to low raw material cost. Without which EBIDTA margins would have been 7.6% during FY12 showing an improvement over FY11, as strategized.

**Table 2.5: Balance sheet – Highlights (Sylvania stand alone)**

In millions of Euro	FY11	FY12
Shareholders Fund		
Share Capital	€ 111.3	€ 120.1
Reserves and Surplus	€ (115.5)	€ (101.7)
	€ (4.2)	€ 18.4
Loan Funds	€ 155.5	€ 131.4
<b>Total</b>	<b>€ 151.3</b>	<b>€ 149.8</b>
Fixed Assets	€ 41.7	€ 38.3
Goodwill	€ 53.0	€ 53.0
Current Assets, Loans & Advances		
Inventories	€ 96.2	€ 106.2
Debtors	€ 103.9	€ 106.7
Cash & Bank balance	€ 18.6	€ 12.5
Others	€ 10.3	€ 19.5
Less: Current Liabilities & provisions		
Sundry Creditors	€ 56.2	€ 72.6
Others	€ 73.3	€ 69.7
Pension Liabilities	€ 42.9	€ 44.1
Net current Assets	€ 56.6	€ 58.5
<b>Total</b>	<b>€ 151.3</b>	<b>€ 149.8</b>

#### Summary

- With the repayment of Euro 10 during FY12, the loan of Euro 30 million taken at the time of acquisition, having recourse of Havells India, was completely paid.
- Euro 12 million has been paid from Sylvania as scheduled repayment under its Euro 80 million term loan facility.
- The increase in creditors is due to buyers credit facility availed on global procurement activity at China.
- The Sylvania balance sheet includes all the wholly owned subsidiaries of the company incorporated for the acquisition purpose.

**Table 2.6: Financial Ratios (Sylvania standalone)**

Financial Ratios	FY11	FY12
<b>Profitability</b>		
OPM (%) {EBITDA/NR}	5.9%	8.3%
PAT % {PAT/NR}	1.5%	2.3%
ROCE % {EBITDA/CE}	--	--
RONW % {PAT/ANW}	--	--
<b>Liquidity Ratio</b>		
Current Ratio {CA/CL}	1.1	1.1
Debtors days {Debtors/NR}	88	87
Inventory days {Inventories/NR}	82	86
Creditors days {TC/COGS}	95	121
<b>Net Working Capital - days</b>	<b>75</b>	<b>56</b>

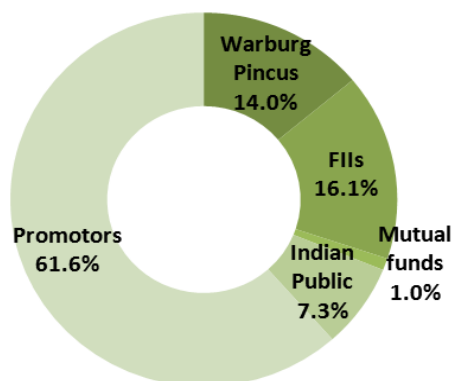
**Summary**

- Improvement in ratios at each level.

**SECTION 3. SHAREHOLDING RELATED INFORMATION**

**Table 3.1: Shareholding Pattern**

**Share holding pattern**

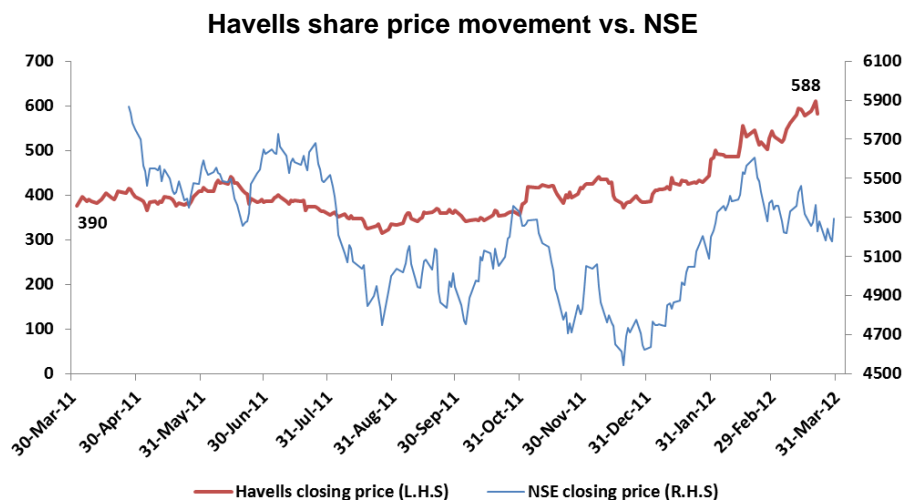


**Shareholding pattern**

- The promoters holding is 61.6% with Warburg Pincus as the main investor holds 14.0%.

### **3.2: Stock Price Performance**

The graph below depicts the Havells stock price performance vis-à-vis NSE during FY12



### **Increase in dividend pay out**

Havells believe in sharing profits with the shareholders while keeping a balance with investment requirement for growth. Havells has been a regular dividend paying company since its listing at the stock exchanges in 1993. The Board has now decided to increase the dividend payout ratio based on consolidated profit from 10% in FY11 to 25% in FY12. Hence dividend per share will be increased from Rs. 2.50 per share to Rs. 6.50 per share.

As a result, Rs. 94.26 has been kept as proposed dividend (including dividend tax) for the financial year 2011-12 as compared to Rs. 31.19 crores for the financial year 2010-11.

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

Havells will be issuing a 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](mailto:ir@havells.com)**.

**AUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED MARCH 31, 2012**

S.N./Particulars	(Rs in crores)					
	Standalone		Standalone		Consolidated	
	Quarter Ended		Year to Date		Year to Date	
	31-Mar-12	31-Dec-11	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-11
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1 Income from operations</b>						
(a) Net Sales/Income from Operations (Net of expense share)	1046.68	896.17	840.82	3615.61	2881.65	6518.20
(b) Other Operating Income	1.80	2.00	3.30	6.39	6.99	39.70
<b>Less:</b> Cost/Income from Operations (net)	(1048.48)	(898.17)	(844.12)	(3022.00)	(2898.60)	(6557.90)
<b>2 Expenditure</b>						
(a) Cost of materials consumed	579.31	490.10	504.75	2051.59	1706.44	2565.25
(b) Purchases of stock-in-trade	88.91	87.38	99.32	353.38	307.54	1248.92
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	6.59	(15.97)	(29.80)	(113.88)	(113.80)	(116.86)
(d) Employee benefits expense	25.75	36.44	34.64	141.71	110.34	700.44
(e) Depreciation and amortisation expense	16.59	10.35	7.81	44.66	29.34	94.85
(f) Foreign Exchange Fluctuation loss/(gain)	(21.39)	13.51	(1.14)	3.38	(10.30)	21.18
(g) Other expenses:	210.64	172.30	138.78	723.74	538.58	1422.06
(h) Loss expenses	919.32	794.11	792.09	3204.58	2560.14	5595.72
<b>3 Profit from operations before other income, finance costs and exceptional items (11-2)</b>	131.66	104.06	92.10	417.42	328.46	802.18
Other Income	0.32	0.14	0.10	0.78	0.47	1.65
<b>4 Profit from ordinary activities before finance costs and exceptional items (13-4)</b>	130.48	104.20	92.13	418.20	328.93	803.83
Finance Costs	(19.88)	7.46	6.37	44.39	19.11	128.10
<b>7 Profit from ordinary activities after finance costs but before exceptional items (15-4)</b>	110.60	96.74	85.76	373.81	309.82	475.73
Exceptional Items	-	-	-	-	-	3.59
<b>8 Profit from ordinary Activities before tax (7+8)</b>	110.60	96.74	85.76	373.81	309.82	475.73
19-Expenses	(19.28)	(17.68)	(16.72)	(68.38)	(62.24)	(105.81)
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	91.52	78.88	69.04	305.43	247.58	369.92
Exceptional Items (net of tax expenses)	-	-	-	-	-	0.47
<b>13 Net Profit for the period (11+12)</b>	91.52	78.88	69.04	305.43	247.58	369.92
Minority interest	-	-	-	-	-	0.00
<b>15 Profit after taxes and minority interest (13-14)</b>	91.52	78.88	69.04	305.43	247.58	369.92
Prepaid Equity Share Capital (Face value of Rs.5/- each)	62.39	62.39	62.39	62.39	62.39	62.39
Reserves excluding revaluation reserves as per balance sheet of previous year	-	-	-	1,545.83	1278.42	893.72
<b>18 Earnings per share (EPS) after extraordinary items (of Rs.5/-each) (not annualised):</b>						
(a) Basic and Diluted	7.33	6.32	5.53	24.48	19.36	29.65
<b>Earnings per share (EPS) after extraordinary items (of Rs.5/-each) (not annualised):</b>						
(a) Basic and Diluted	7.33	6.32	5.53	24.48	19.40	29.65
<b>A. PARTICULARS OF SHAREHOLDING</b>						
1 Public shareholding						
- Number of Shares	47961980	47961980	47961980	47961980	47961980	47961980
- Percentage of shareholding	38.44	38.44	38.44	38.44	38.44	38.44
2 Promoters and Promoter Group Shareholding						
(a) Encumbrances	NIL	NIL	NIL	NIL	NIL	NIL
- Number of shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- 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-encumbrances	76812852	76812852	76812852	76812852	76812852	76812852
- Number of shares	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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)	61.56	61.56	61.56	61.56	61.56	61.56
<b>B. INVESTOR COMPLAINTS</b>						
Pending at the beginning of the quarter	Nil	Nil	Nil	Nil	Nil	Nil
Received during the quarter	9	9	9	9	9	9
Disposed of during the quarter	9	9	9	9	9	9
Remaining unresolved at the end of the quarter	Nil	Nil	Nil	Nil	Nil	Nil
<b>Notes:</b>						
a) The figures for the current period/year in this statement have been reported in the form recommended as per SEBI circular dated 16th April 2012. The comparative figures have also been related to conform with the current period presentation.						
b) The figures for the quarter ended 31st March, 2012 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the first quarter of the current financial year.						
c) Pursuant to the Scheme of Amalgamation as approved by the Hon'ble High Court of Delhi vide its order dated September 27, 2011 the wholly owned subsidiary company Standard Electrical Limited has been amalgamated with the Company with effect from appointed date i.e. April 1, 2011. Consequently the figures for the quarter and year ended March 31, 2012 are not comparable with corresponding quarter/year.						
d) The figures of amalgamated company 'Standard Electrical Limited' have been amalgamated with the Company in the 'Switcheer' segment.						
e) The Board of Directors have recommended a dividend of Rs. 6.50 per equity share of Rs.5/- each for the financial year ended 31st March, 2012.						
f) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th May, 2012.						

For & on behalf of the Board  
 Havelis India Limited  
 (Gmat Rai Gupta)  
 Chairman & Managing Director

**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

S.N./Particulars	(Rs in crores)					
	Standalone		Standalone		Consolidated	
	Quarter Ended		Year to Date		Year to Date	
	31-Mar-12	31-Dec-11	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-11
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1 Net Segment Revenue</b>						
(a) Switchgears	237.56	226.08	199.97	896.15	734.39	896.15
(b) Cablechairs	476.66	390.71	360.80	1592.99	1231.81	1592.99
(c) Lighting & Fixtures	151.13	144.84	125.82	554.39	441.97	544.89
(d) Electrical Consumer Durables	181.33	134.58	114.23	572.08	469.15	572.08
(e) Others	-	-	-	1.63	-	1.63
<b>Total</b>	1046.68	896.17	840.82	3615.61	2881.65	6518.20
<b>Less: Inter Segment Revenue</b>	(1048.48)	(898.17)	(844.12)	(3022.00)	(2898.60)	(6557.90)
<b>Sales/Income from Operations</b>	(1046.68)	(896.17)	(840.82)	(3615.61)	(2881.65)	(6518.20)
<b>2 Segment Results</b>						
(Profit+/-) before Tax and Interest						
(a) From each Segment:						
(i) Switchgears	82.34	89.40	69.84	338.28	271.90	338.28
(ii) Cablechairs	42.43	38.51	12.29	146.13	92.04	146.13
(iii) Lighting & Fixtures	37.58	37.83	22.80	139.33	80.03	1080.50
(iv) Electrical Consumer Durables	50.53	38.95	41.28	165.03	129.47	165.03
(v) Others	-	-	-	0.01	-	0.01
<b>Total</b>	212.88	204.73	148.99	786.77	574.05	1727.94
<b>Less: (i) Finance cost</b>	16.68	7.46	6.37	44.39	19.11	128.10
(ii) Other non-allocable expenses net of non-allocable income	82.40	100.59	57.88	368.57	245.12	1124.11
<b>Total Profit before Tax</b>	110.80	96.74	85.76	373.81	309.82	475.73
<b>3 Capital Employed (Government Assets - Segment Liabilities)</b>						
(a) Switchgears	393.34	343.91	317.85	393.34	317.85	393.34
(b) Cablechairs	188.09	156.35	184.27	188.09	164.57	188.09
(c) Lighting & Fixtures	277.86	282.08	223.75	277.86	223.75	1298.88
(d) Electrical Consumer Durables	143.79	130.35	106.69	143.79	106.69	143.79
(e) Others-Unallocable	1003.18	892.67	832.86	1003.18	832.86	2024.10
<b>Total</b>	1608.19	1611.06	1340.81	1608.19	1340.81	3553.70
<b>4 Segment Results</b>						
(a) Long-term borrowings	69.27	85.71	43.84	53.62	55.65	55.65
(b) Deferred tax liabilities (net)	2.72	0.75	1.54	13.64	13.64	13.64
(c) Other long-term liabilities	0.34	0.24	301.98	270.92	270.92	270.92
<b>Sub-Total Non-current liabilities</b>	72.33	86.70	347.36	168.18	140.21	340.21
(a) Short-term borrowings	21.71	16.41	429.87	375.38	375.38	375.38
(b) Trade payables	278.81	111.75	890.63	1069.68	1179.80	1179.80
(c) Other current liabilities	271.88	186.97	700.61	674.63	674.63	674.63
(d) Short-term provisions	128.64	87.47	207.64	119.46	119.46	119.46
<b>Sub-Total Current liabilities</b>	640.94	398.55	2049.62	2049.62	2049.62	2049.62
<b>TOTAL EQUITY AND LIABILITIES</b>	2644.95	2170.18	4175.39	3553.70	3553.70	3553.70
<b>8 ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Fixed assets	833.95	730.30	1094.62	1020.40	1020.40	1020.40
(b) Goodwill on consolidation	-	-	-	362.46	335.41	



**HAVELLS INDIA LIMITED**

Regd. Off. : 1/7, Ram Kishore Road, Civil Lines, Delhi - 110 054  
Corp Off. : QRG Towers, 2D, Sector - 126, Expressway, Noida - 201 304

**AUDITED FINANCIAL RESULTS**

**FOR THE QUARTER AND YEAR ENDED MARCH 31, 2012**

Annexure A2

(Rs. in crores)

S.N.	Particulars	Qtr Ended (Consolidated) 31 Mar-12				Quarter Ended (Consolidated) 31 Mar 11					Year Ended (Consolidated) 31 March-12				Year Ended (Consolidated) 31 Mar 11				
S.N.	Particulars	Havells	Sylvania	Others/ Elimination	Total	Havells	Sylvania	Standard	Others/ Elimination	Total	Havells	Sylvania	Others/ Elimination	Total	Havells	Sylvania	Standard	Others/ Elimination	Total
1	Net Revenue	1,046.7	738.9	7.9	1,777.7	840.8	702.4	26.2	20.9	1,548.6	3,615.6	2,954.7	52.1	6,518.2	2,881.7	2,707.7	96.8	73.5	5,612.6
2	Earning before finance cost, depreciation, tax and amortisation	123.6	55.0	-3.1	181.7	95.5	83.3	6.8	-1.3	187.0	459.1	216.5	-2.9	678.5	340.5	194.5	21.0	-0.8	556.8
3	Less: Depreciation	16.6	12.8	0.0	29.3	7.8	12.7	0.3	0.0	20.8	44.7	50.2	0.0	94.8	29.3	50.0	1.1	0.0	80.4
4	Less: Finance cost	19.7	19.3	-1.7	40.8	6.4	18.9	0.0	-1.0	26.2	44.4	78.6	-5.2	128.1	19.1	69.8	0.2	-1.0	90.0
5	Less : Foreign Exchange Fluctuation (net)	-21.4	-3.7	0.0	-25.1	-1.1	-4.6	0.0	0.1	-5.8	3.4	17.7	-0.1	21.2	-10.3	-6.5	0.0	0.1	-16.9
6	Add: Other income	2.1	18.1	0.3	19.9	3.4	-0.1	0.3	0.4	3.2	7.2	34.5	0.3	41.4	7.4	0.1	0.6	1.3	6.9
7	Less: Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	3.6	0.0	0.0	3.6
8	Profit Before Tax	110.8	44.7	-1.1	156.7	85.8	55.7	6.9	0.0	148.4	373.8	104.5	2.6	475.7	309.8	77.8	20.4	1.4	406.6
9	Less: Tax expenses	19.3	16.5	0.0	35.8	16.8	16.9	0.6	0.0	34.3	68.4	37.4	0.0	105.8	68.2	34.2	0.6	0.0	103.1
10	<b>Net Profit after tax</b>	<b>91.5</b>	<b>28.2</b>	<b>-1.1</b>	<b>120.9</b>	<b>69.0</b>	<b>38.8</b>	<b>6.3</b>	<b>0.0</b>	<b>114.2</b>	<b>305.4</b>	<b>67.1</b>	<b>2.6</b>	<b>369.9</b>	<b>241.6</b>	<b>43.6</b>	<b>19.7</b>	<b>1.4</b>	<b>303.5</b>