

January 25, 2016

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers,
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange
of India Ltd
Exchange Plaza, C-1,
Block – G,
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

The Calcutta Stock Exchange
Limited
7, Lyons Range
Kolkata - 700001

Dear Sirs,

We are enclosing herewith an Information Update released today by the Company.

The above is for your information and records.

Thanking you,

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.



(T. PUNWAN)
SENIOR GENERAL MANAGER – LEGAL
& COMPANY SECRETARY

Enclo : As Above.

INFORMATION UPDATE

Eveready Industries India Ltd. (Eveready) today declared its financial results for the quarter ended Dec 31, 2015. Major highlights of the standalone results are the following.

Item	Q3 2015-16 (Rs.crores)	Q3 2014-15 (Rs.crores)	Gain %	YTD 15-16 (Rs.crores)	YTD 14-15 (Rs.crores)	Gain %	FY 14-15 (Rs.crores)
Operating Income	324.13	325.42	-	1040.05	1003.79	4	1278.92
Operating EBIDTA	37.11	34.18	9	106.76	104.39	2	123.68
PBT	23.72	19.77	20	65.23	56.62	15	62.00
Net Profit	16.95	15.33	11	46.65	43.58	7	49.03

The turnover for the quarter was flat as compared to the same quarter of the previous year due to –

- Overall muted consumer demand – particularly in the rural segment
- The battery market, in particular, being disturbed by poor quality dumped imports from China
- The organized segment of the flashlights category experiencing de-growth on account of proliferation of cheap flashlights of poor quality by the unorganized & gray market players
- However, the above were somewhat compensated by a robust growth of 44% in the lighting products - contributed significantly by turnover of LED bulbs

Despite having no growth in turnover, the Company could achieve a higher EBIDTA (at 11.4% of net sales as compared to 10.5% in the same quarter of the previous year) due to the following reasons:

- Overall tightening of costs – done consciously – despite taking on an additional charge of Rs.1.8 crores during the current quarter pertaining to the previous year on account of changes in the Payment of Bonus Act
- Decreased spends on A & P during the quarter at 4.1% of net sales, though for the whole year this will normalize to around 5% of net sales
- Favorable impact of lower commodity prices and price increase in batteries (about 5%) being higher than the steep depreciation in the Rupee (7%)

The operating EBIDTA for the current quarter was higher at Rs.37.11 crores (Rs.34.18 crores in the corresponding quarter of previous year), due to the reasons mentioned above. Consequentially both Profit before and after taxes were higher.



Countermeasures against Chinese dumping have been afoot for some time – both from an internal marketing perspective as well as in seeking regulatory support within the legal framework. It may be relevant to mention that the Directorate General of Anti-dumping & Allied Duties has already issued Initiation process for anti-dumping investigation on imports of 'AA' batteries (accounting for nearly 70% of the market) from China & Vietnam and the matter is now in progress as per due procedure.

The industry players have also taken up the matter of product standards with BIS so that consumers are protected against such poor quality dumped batteries. The matter is in progress.

Marketing efforts are being pursued to spur demand in the flashlights segment, though the benefit of this may be seen only from the following financial year.

The Company's efforts on scaling up of turnover of lighting products remain on track. Furthermore, plans are on track to extend the product range in the Appliances category, which will see a soft launch during the following quarter.

Based on the above, it is expected that top line growth will revert to higher numbers in the coming quarters.

Outlook on batteries remain stable – may improve significantly if regulatory support is received against dumping of batteries in the country. Improvement measures for flashlights – while initiated – may take a while to gain root. The segment of lighting products – particularly LED bulbs – is expected to be a major contributor of growth in the coming quarters. Given these and other measures, the Company stands to improve operating margins in the coming quarters.

Background

Eveready is the country's market leader of batteries and flashlights – selling more than 1.2 billion batteries and nearly 25 million flashlights. Apart from these, Eveready offers a basket of other products – LED, CFL & GLS lamps & other lighting products, and packet tea. Eveready has an extensive distribution network of 3000 distributors reaching all the way down to 5000 population towns.

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