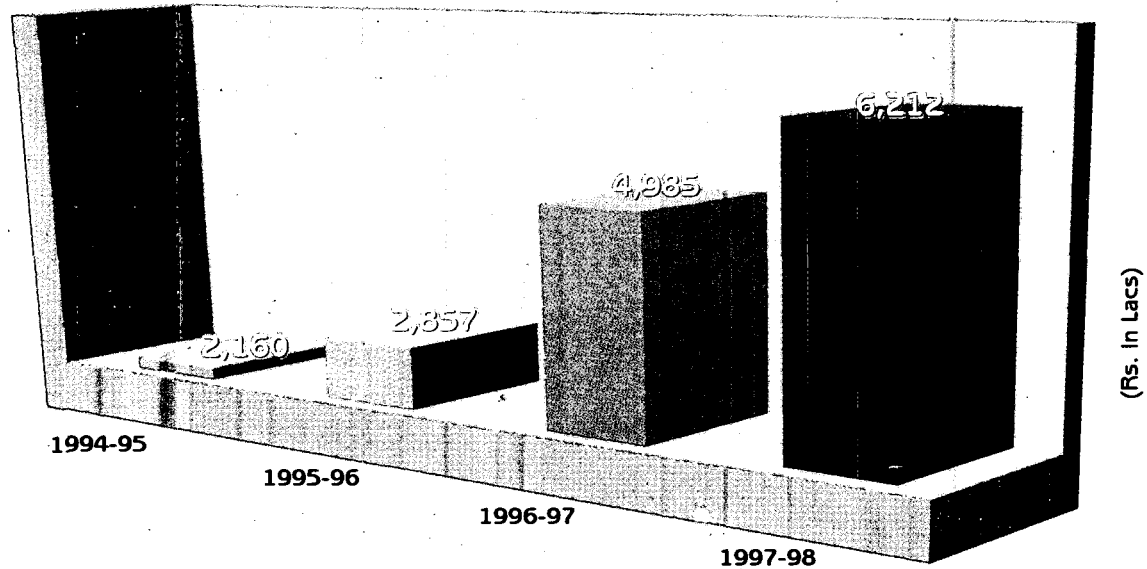




HAVELL'S INDIA LTD.

SALES GROWTH



Report  junction.com

HAVELL'S

GEYER
Germany

SCHIELE
Germany

DORMAN SMITH
United Kingdom

ALLIANCES

DZG
Germany

Crabtree
Electrical Excellence
United Kingdom

PETERREINS
Germany

HAVELL'S INDIA LIMITED



CORPORATE INFORMATION

CHAIRMAN CUM MANAGING DIRECTOR

Qimat Rai Gupta

DIRECTORS

Surjit K. Gupta
Anil Gupta
Albert Geyer

EXECUTIVE DIRECTOR

Rajesh K. Gupta

AUDITORS

V.P. Bansal & Co.
Chartered Accountants
1/18-B, Asaf Ali Road, Delhi - 110 002

BANKERS

- 1) Canara Bank
Fountain, Delhi - 110 006
- 2) ICICI Banking Corporation Ltd.
9 A, Connaught Place, New Delhi - 110 001
- 3) The Bank of Rajasthan Ltd.
82, Janpath, New Delhi - 110 001

REGISTERED OFFICE

1, Raj Narain Marg
Civil Lines, Delhi - 110 054
Ph : 2935237, Fax 2921500

WORKS

Switchgear Division
Road No. 9, Samepur Badli,
Delhi - 110 041

Controlgear Division
14/3, Mathura Road,
Faridabad - 121 002

Meter Division
6, Tilak Nagar Industrial Area
New Delhi - 110 058

Cable Division
A/461-462, Matsya Industrial Area
Alwar, Rajasthan

SHARE DEPARTMENT

1, Raj Narain Marg
Civil Lines, Delhi - 110 054
Ph : 2935237, Fax 2921500, 2933237
E Mail : Havell's @giasdl 01.vsnl. net in

HAVELL'S INDIA LIMITED**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Havell's India Limited will be held on Friday, the 28th August, 1998 at 10.30 A.M. at Shah Auditorium, Raj Niwas Marg, Civil Lines, Delhi 110 054 to transact the following business :

Ordinary Business :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date and the reports of Board of Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended on 31st March, 1998.
3. To appoint a Director in place of Sh. Surjit Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of Next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business :

5. To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution :

"Resolved that the Equity Shares of the Company be delisted from Jaipur Stock Exchange and Ahmedabad Stock Exchange."

"Resolved further that the Board of Directors of the Company be and are hereby authorised to take all actions necessary & incidental for the purpose of delisting of these securities from said Stock Exchanges in accordance with the guidelines and instructions issued by the SEBI."

Regd. Office :

1, Raj Narain Marg
Civil Lines
Delhi 110 054

Delhi, 10th June, 1998

By Order of the Board

Surjit Gupta
Director

HAVELL'S INDIA LIMITED



NOTICE

NOTES

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Register will remain closed from Tuesday, 28th July, 1998 till Friday, 31st July, 1998. (both days inclusive).
3. The dividend, if any declared, shall be payable to those Shareholders whose name(s) will appear in the Register of Members on 31st July, 1998.
4. **Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so that the information be made available by the management at the day of the meeting.**
 - i) No tax at source would be deducted from the Dividend payable to Shareholders as per the provisions of Finance Act, 1997.
 - ii) Members are requested to immediately intimate any change in Address to the Company at Share Department 1, Raj Narain Marg, Civil Lines, Delhi 110 054 so that change could be effected in the Register of Members before closure.
 - iii) Members may intimate their Saving Account/Current Account No. and the name of Bank with whom such account is held to enable the Company to print the said detail on the Dividend Warrant to prevent fraudulent encashment of the same.
6. Members/Proxies are requested to fill in and sign the Attendance Slip for attending the meeting.
7.
 - i) Members are hereby informed that the Company would transfer the Unclaimed Dividend for the Financial Year 1994-95 to the Central Government in October 1998. Members who have not claimed the aforesaid dividend may approach the Company for the same.
 - ii) Those members who have so far not encashed their dividend warrants for the accounting year ended 31st March, 1996 and 31st March, 1997 may immediately approach the company with their dividend warrants for revalidation.
8. The explanatory statement pursuant to sec. 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.

HAVELL'S INDIA LIMITED**ANNEXURE TO THE NOTICE**

Contd.

Explanatory Statement Pursuant to Sec. 173(2) of the Companies Act, 1956

The explanatory statement for item No. 5 of the accompanying notice are as under :

Item No. 5 :

As per Circular issued by the SEBI dated 29th April, 1998, Dr. Chandratre Committee's recommendations for voluntary de-listing in all Stock Exchanges other than the Regional Stock Exchange have been accepted by the Board. According to SEBI, Companies opting for voluntary de-listing would have to make arrangements to give "Buy Offer" to all the shareholders in that particular Region.

Yours Directors have decided to get the securities delisted from Jaipur as well as Ahmedabad Stock Exchange because of the fact that there is insignificant trading in these Stock Exchanges and the payment of annual listing fee creates unnecessary financial burden on the Company which adversely affects its profitability and thereby the interest of the Shareholders.

Necessary steps will be taken by the Board in consultation with the relative Stock Exchanges for delistment according to the Guidelines issued by the SEBI after approval of the resolution by the members.

No one Director is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

Regd. Office :

1, Raj Narain Marg
Civil Lines, Delhi 110 054

Delhi, 10th June, 1998

By Order of the Board

Surjit Gupta
Director

HAVELL'S INDIA LIMITED



DIRECTORS REPORT

Your Directors have pleasure in presenting the 15th Annual Report and audited financial accounts for the year ended 31st March, 1998 :

Financial Results

(Rs. in Lacs)

	1997-98	1996-97
Gross Sales	6212.15	4985.48
Less Excise	950.93	717.24
Net Sales	5261.22	4268.24
Other Income	34.12	14.26
Total Expenditure	4739.98	3757.36
Interest	256.33	180.50
Net profit after interest but before Depreciation and Taxation	299.03	344.64
Less Depreciation	76.31	54.69
Taxation	75.02	59.78
	147.70	230.17
Add Balance brought forward from previous year	392.38	246.64
Add Investment Allowance Reserve written back	—	1.73
Less Payment against short provision for dividend	—	—
	540.08	478.54
Appropriation of Profits		
Proposed Dividend	70.66	67.43
Transfer to General Reserve	8.00	12.00
Corporate Dividend Tax	7.07	6.74
Balance carried over to balance sheet	454.35	392.37
	540.08	478.54

Performance of the Company

The Company has achieved good results for the Financial Year ended 31st March'98 and turnover of the Company has gone up by around 25%. In spite of unstable market conditions your Company has earned a profit of Rs. 147.70 Lacs. Your Directors are quite hopeful for achieving commendable results during current year.

Dividend

Aiming at maximisation of Shareholder's Wealth and maintaining a stable Dividend Policy your Directors are pleased to recommend a **dividend** of Rs. 1.5/- per share on Fully Paid-up Equity Shares of Rs. 10/- each of the Company. The proposed dividend, if approved at the ensuing Annual General Meeting, would result in appropriation of Rs. 77.73 Lacs out of the profits including provision made for Corporate Dividend Tax of Rs. 7.07 Lacs, and would entail a transfer of Rs. 8.00 Lacs to the general reserve.

Switchgear & Controlgear Division

The two divisions resulted in turnover of Rs. 3815.00 Lacs as compared to Rs. 2715.51 Lacs for the previous year. The Company has been successful in recording a growth rate of 40.48% over the previous year. Throughout the year, the Company consistently endeavoured to improve productivity and contain costs. Havell's is gaining the **market leader position in MCBs** in the country. We would also commence on our plans for exporting MCBs through one of our JV partners in world-wide market in the current year. This should not only give bigger volumes but also enhance Havell's brand image and position in domestic as well as international markets.

Meter Division

During the financial year, the Meter Division resulted in sales of Rs. 828 Lacs. The sales have gone down last year because

HAVELL'S INDIA LIMITED**DIRECTORS REPORT****Contd.**

of very low volume of purchase by State Electricity Boards. The market has improved meanwhile and showing positive signs for current year. Nonetheless the Company has decided to reduce its dependance on SEBs and has started work on developing new products for other market segments.

Cable Division

Havell's entered cables business under their own brand only last year. It has shown tremendous growth in sales from Rs. 875 Lacs to Rs. 1569 Lacs. The Company is very confident of doubling this turnover again in the current year. Havell's is enjoying a reputation of high quality manufacturer for cables. Cable factory at Alwar is now ISO-9001 certified. Havell's has also launched domestic wires last year, which is receiving a tremendous response from our All Indian Dealer network.

Expansion

In its continuous zeal to expand in related products and synergetic businesses, Havell's Group has taken over a Company named "Electric Controls & Switchboards Pvt. Limited." engaged in the manufacturing of Electrical Switchboards, Panels, Bus Ducts, Motor Control centres, etc. The company's activities are a forward integration for Havell's as its products are used in manufacturing the company's product range. ECS shall provide customized solutions to the customer by packaging Havell's products into a complete power distribution system for industries and commercial buildings etc. The turnover during financial year 1997-98 is Rs. 7.25 Crore which is targetted to be increased aggressively with the help of Havell's country-wide marketing set-up, thus increasing the market reach. Havell's shall also aim at upgrading the existing manufacturing facilities to meet the increased demand in the coming year.

New Joint Venture

Havell's group has signed a new JV agreement with the **Deutsche Zahlergesellschaft (DZG)**, Germany, to set up a manufacturing base in India to meet the increasing demand for top quality energy management equipments including Ferraris Energy Meter, Electrome Meter, Automatic Computer controlled Energy Meter test Benches, Reference Meters etc. The project for manufacturing single phase Ferraris Meter has already started in a group company TTL Limited for manufacturing meters to be re-exported to Germany. The same product shall be sold in Indian and rest of the world markets.

Havell's Dorman Smith Limited

The 50:50 JV company "Havell's Dorman Smith Ltd. (formerly Havell's Dorman Smith (P) Ltd.)" in which Havell's India Ltd. is a 25% shareholder had launched Moulded Case Circuit Breakers last year in the Indian market. The Company has now completely indigenised the product within eleven months of operations. The Company also launched "Crabtree" brand modularplate switches which is being perceived as the best available product in the market. The company has also started exploring export market for exporting the product.

Delisting of Shares

Yours Directors have decided to get the securities delisted from Jaipur as well as Ahmedabad Stock Exchanges because of the insignificant trading in these Stock Exchanges. The payment of annual listing fee creates unnecessary financial burden on the Company which adversely affects its profitability and thereby the interest of the Shareholders. The necessary resolution for your approval in this regard will be placed in the ensuing Annual General Meeting.

Directors

Sh. Surjit Gupta is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommend his re- appointment.

Auditors

Your company's Auditors M/s V.P. Bansal & Co., Chartered Accountants, Delhi, will retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed. The Board recommends their reappointment. Notes to the Auditors' Report for Financial Year 1997-98 are self explanatory, and do not call for any further comments.

Fixed Deposit

The Company continued its Fixed Deposit Scheme but the procurement has been modest due to high incentives being offered by Finance Companies. Now, the interest rates being offered by the Company are competitive and with increasing safety consciousness in investors, the Company is hopeful of mobilizing greater funds through this route. During the year, the Company received Fixed Deposits aggregating to Rs. 1.60 Crores.

HAVELL'S INDIA LIMITED



DIRECTORS REPORT

Contd.

Human Resources

The employer and employees relations were cordial throughout the year under review. Your company has a highly dedicated technical and professional team to manage various operations. The results that your Company has achieved would not have been possible without the co operation and full support of its employees. Your Directors wish to place on record their deep sense of appreciation for the contribution made by the employees for its success.

Particulars of Employees

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto under Annexure-A which forms part of this report.

Particulars regarding conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

Particulars as required to be disclosed as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, are set out in the statement attached hereto under Annexure B and forms part of this report.

Acknowledgments

Your Board places on record their appreciation for the overwhelming cooperation and assistance received from IDBI, FIICO, other Financial Institutions and Canara Bank, the Bankers of the Company, Central and State Government Departments and Local Authorities, Contractors, Suppliers, Dealers and Customers, during the period under review.

For and On Behalf of Board

Date : 10th June, 1998

Qimat Rai Gupta
Chairman Cum Managing Director

ANNEXURE - A PARTICULARS OF EMPLOYEES

Statement of Particulars of Employees
Forming part of the Directors Report under Section 217 (2A) of the Companies Act, 1956.

S. No.	Name	Designation	Remuneration (Rs.)	Age	Qualifications	Experience	Date of Appointment	Previous Employment
1.	Sh. Qimat Rai Gupta	Chairman Cum Managing Director	3,12,810	62 years	B.A.	29 years	08.08.1983	Self Employed
2.	Sh. Rajesh Gupta	Executive Director-Finance	4,80,364	41 years	F.C.A. AIIA (USA)	18 years	01.12.1980	N/A
3.	Sh. K.L. Malik	Executive Director	5,15,440	60 years	Graduate	38 years	06.04.1993	Indo Asian Fuesgear Ltd.
4.	Sh. A.K. Puri	General Manager	3,40,629	46 years	B.E (Mech. Engg.) M.B.A.	23 years	12.05.1997	Bhartiya Cutler Hammer

NOTES :

1. Remuneration includes Salary, Commission, and HRA.
2. The above appointment is contractual in nature

For and On Behalf of Board of Directors

Delhi, 10th June, 1998

QIMAT RAI GUPTA
Chairman Cum Managing Director

HAVELL'S INDIA LIMITED



ANNEXURE - B TO THE DIRECTORS' REPORT

Information under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 1998.

A. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**a) Research & Development**

1) Specific Areas in R & D carried out by the company

- (i) Import Substitution (ii) Technology upgradation (iii) Quality Improvement

2) Benefits derived as a result of above

- (i) Usage and Design Improvement (ii) New Product Introductions
(iii) Quality Upgradation (iv) Cost Reduction

3) Future plan of action

- (i) To continue R & D work in upgradation of technology of the existing products, in continuing with efforts on import substitution and in developing new products helping the company to expand its range of products.

4) Expenditure on R & D

	(Rs. in Lacs)	
	Current Year	Previous Year
Capital	0.17	.46
Recurring	1.82	1.91
Total	1.99	2.37
Total R & D expenditure as a percentage of total turnover	0.03%	0.04%

b) Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company is regularly pursuing the upgradation of technology in existing products and development of new products and also adopted the latest developments made by its collaborators.

2. Benefits derived as a result of above efforts, e.g. product improvement, cost reduction, production development, import substitution etc.

Improvement in quality of the products, improvement in manufacturing process, resulting in cost reduction and acceptability of the products in international market, grant of ISO 9001 certification.

3. In case of imported technology (imported during the last 5 years) reckoned from the beginning of the financial year, following information may be furnished:

- (i) Technology - Upgradation of designs and technology of MCBs
- Complete manufacturing technology of ELCBs
- (ii) Year of Import - MCBs - February, 1988
- ELCBs - 1991-92
- (iii) Has technology been fully absorbed - MCBs - Yes
- ELCBs - Technology for manufacturing of ELCBs has been fully absorbed. The Company is making continuous efforts to indigenize the relay for which the technology has been transferred but is yet to be absorbed completely.
- (iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action - MCBs - Further improvement if any, shall be absorbed too.
ELCBs - The Company is already ahead of schedule in absorption of technology and further expects to completely indigenize it in current year.

c) Foreign Exchange earnings and outgo

Total Foreign exchange used and earned

	(Rs. in Lacs)	
	1997-98	1996-97
Foreign exchange earned	4.24	23.40
Foreign exchange used	145.53	71.56

For and On Behalf of Board of Directors

QIMAT RAI GUPTA

Chairman Cum Managing Director

Delhi, 10th June, 1998