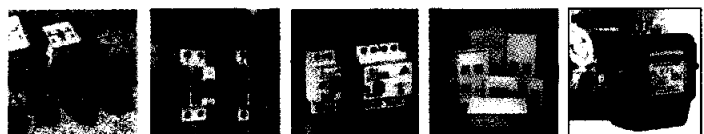




18th

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annual report - 2000-2001



HAVELL'S INDIA LTD.

18th Annual Report



SHRI QIMAT RAI GUPTA

Chairman & Managing Director, Havell's Group

*Havell's is different.
We are an independent Medium-
sized company with a small company
Culture and a truly Global
perspective.*

CORPORATE INFORMATION

**BOARD**

Sh. Qimat Rai Gupta	Chairman Cum Managing Director
Sh. Surjit Gupta	Director
Sh. Rajesh Gupta	Director (Finance)
Sh. Anil Gupta	Director
Ms. Sabine Geyer	Director
Sh. P.K.Kaul	Director
Sh. Abid Hussain	Director

COMPANY SECRETARY

M/s Ritu Roongta

AUDITORS

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

Statutory Auditor

BANKERS

Canara Bank
Fountain, Delhi - 110 006

ICICI Banking Corporation Ltd.
9A, Connaught Place, New Delhi - 110 001

The Bank of Rajasthan Ltd.
82, Janpath, New Delhi - 110 001

Punjab National Bank
Civil Lines, Delhi - 110 054

REGISTERED OFFICE

1, Raj Narain Marg
Civil Lines, Delhi - 110 054
Ph : 3935237, Fax 3921500

WORKS

Switchgear Division
Road No. 9, Samaypur 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

13 Alipur Road,
Exchange Store Building, Civil Lines,
Delhi 110 054.

LISTED IN

The Delhi Stock Exchange Association Limited.
Stock Exchange, Mumbai.
National Stock Exchange



NOTICE

NOTICE is hereby given that the Eighteenth Annual general Meeting of HAVELL'S INDIA LIMITED will be held at Shah Auditorium, Raj Niwas Marg, Civil Lines, Delhi – 110 054 on Friday the 24th August, 2001 at 4:30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended on 31st March, 2001
3. To appoint a Director in place of Shri Anil 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 the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT in conformity with the provisions of Section 260 of the Companies Act, 1956, **Dr. Abid Hussain**, who was appointed as an Additional Director of the Company and who holds office only up to this Annual General Meeting and in respect of whom, the Company has received a notice in writing alongwith a deposit of Rs.500 in terms of Section 257 of the Companies Act, 1956 from a member proposing the candidature of **Dr. Abid Hussain** for the office of Director of the Company be and is hereby elected and appointed a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT in conformity with the provisions of Section 260 of the Companies Act, 1956, **Shri Pratap Kishen Kaul**, who was appointed as an Additional Director of the Company and who holds office only up to this Annual General Meeting and in respect of whom, the Company has received a notice in writing alongwith a deposit of Rs.500 in terms of Section 257 of the Companies Act, 1956 from a member proposing the candidature of **Shri Pratap Kishen Kaul** for the office of Director of the Company be and is hereby elected and appointed a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby accords its approval and consent to the re-appointment of **Shri Qimat Rai Gupta** as Managing Director of the Company for a period of five years with effect from March 21, 2002 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as are set out in the Explanatory Statement which is annexed to the Notice convening the Annual general Meeting, a copy whereof initialed by the Chairman of the meeting for the purpose of identification is placed before this meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to alter or vary any or all of the terms, conditions and remuneration of the said re-appointment as approved vide this resolution as they deem fit and in such manner as may be agreed to between the Board of Directors and **Shri Qimat Rai Gupta**, so however not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby accords its approval and consent to the re-appointment of **Shri Rajesh Gupta** as Director (Finance) of the Company for a period of five years with effect from March 21, 2002 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as are set out in the Explanatory Statement which is annexed to the Notice convening the Annual General Meeting, a copy whereof initialed by the chairman of the meeting for the purpose of identification is placed before this meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to alter or vary any or all of the terms, conditions and remuneration of the said re-appointment as approved vide this resolution as they deem fit and in such manner as may be agreed to between the Board of Directors and **Shri Rajesh Gupta**, so however not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

9. To consider and if thought fit to approve with or without modifications, the following procedure of allotment of shares to M/s Geyer AG, Germany :

In accordance with the resolution passed by the shareholders, under Section 81 of the Companies Act, 1956, in the Extra Ordinary Genral Meeting of the Company held on 31st March'2000 the Company hereby confirms the allotment made to M/s Geyer AG, Germany for 87700 shares of Rs.10/- each at a premium of Rs. 130/- each by the Board of Directors in their meeting held on 30th June,2000

Regd. Office:

1, Raj Narain Marg,
Civil Lines, Delhi 110 054
Delhi, May 22, 2001

By order of the Board

Surjit Gupta
Director

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 relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 are annexed hereto and form part of this Notice.
3. The Register of Members and Share Transfer Register will remain closed from Tuesday, 7th August, 2001 to Tuesday, 14th August, 2001 (both days inclusive).
4. The dividend, if any declared, shall be payable to those Shareholders whose name(s) stand registered:
 - a) as Beneficial Owner as at the end of business on 6th August, 2001 as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - b) as member in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company as at the end of business on 6th August, 2001
5. **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.**
6.
 - 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 1, Raj Narain Marg, Civil Lines, Delhi-110054 so that change could be effected in the Register of Members before closure.
 - iii) Members who are holding shares in Demat mode are requested to notify any change in their residential address or Bank A/c details immediately to their respective Depository Participants.
 - iv) 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.
7. Members/Proxies are requested to fill in and sign the Attendance Slip for attending the meeting.
8. Those members who have so far not encashed their dividend warrants from the accounting year ended 31st March, 1996 to 31st March, 2000 may approach the company with their dividend warrants for revalidation.
9. Pursuant to the requirements of the Listing Agreement with Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Notice.
10. **Depository System:**
The Company consequent to introduction of the Depository System (DS), has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.
Effective March 26, 2001 trading in dematerialised form for the shares of the Company has been made compulsory for all categories of persons.

If you wish to maintain your shareholding in the electronic form by joining the DS, you will have to open an account with a Depository Participants (DP), who are agents of NSDL or CDSL and lodge your share certificates through the DP with the Share Department of the Company for Dematerialisation. The Company will send confirmation of Dematerialisation to NSDL or CDSL who in turn confirm the same to respective DP. You are also permitted under the Depository System to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge some amount to the investors for its services, which may vary from one DP to another.

It may be noted that the dividend warrants in respect of shares held in electronic form will be sent by the Company to the respective shareholders directly to their address.

It is reiterated that request for Dematerialisation or Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company.

The Company is also pleased to inform the shareholders that with effect from 19th May, 01 it has started offering the facility of simultaneous transfer cum dematerialisation of physical shares. Under this scheme, on completion of process of transfer of physical shares, sent by you to the Company, the Company will give the option to the concerned shareholders for getting the said shares dematerialised. In case, the option is accepted by the shareholder and the formalities are completed within the prescribed time, the Company will arrange to confirm the credit (against the said physical shares) in electronic form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

The Board of Directors has co-opted **Dr. Abid Hussain** as Additional Director on 29th August, 2000 and further as Additional Director on 8th September, 2000. **Dr. Abid Hussain** has been an outstanding civil servant and served in various capacities at center. He was Commerce Secretary, Government of India, Chairman of Indian Institute of Foreign Trade (IIFT). He was Member, Planning commission in 1958. He was India's Ambassador to the United States of America and in the year 1988, was honoured with PADMA BHUSHAN for meritorious services.



NOTICE

His long standing experience brings a wealth of professional expertise and experience to the Board. In term of Section 260 of the Companies Act, 1956, **Dr. Abid Hussain** will hold office only upto the date of ensuing Annual General Meeting. Notice has been received from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of **Dr. Abid Hussain** for the office of Director and signifying his intention to move the resolution as set out in Item No. 5 of this Notice.

The Directors recommend the resolution at Item No. 5 for the approval of the shareholders.

None of the Directors except Dr. Abid Hussain who is seeking the appointment, is concerned or interested in the resolution.

ITEM NO. 6

The Board of Directors has co-opted **Shri Pratap Kishen Kaul** as Additional Director on 29th August, 2000 and further as Additional Director on 8th September, 2000. **Shri Pratap Kishen Kaul**, has been an outstanding civil servant and served in various capacities at state and center. He worked for 10 years in the Ministry of Finance, including two years as Finance Secretary and Secretary of the Department of Economic Affairs. He was the Chairman of "The State Trading Corporation" and also Chairman of the Trade Fair Authority of India. He worked as Secretary in the Department of Defence and also as Secretary to the Cabinet.

His long-standing experience brings a wealth of professional expertise and experience to the Board. In term of Section 260 of the Companies Act, 1956, **Shri Pratap Kishen Kaul** will hold office only upto the date of ensuing Annual General Meeting. Notice has been received from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of **Shri Pratap Kishen Kaul** for the office of Director and signifying his intention to move the resolution as set out in Item No. 6 of this Notice.

The Directors recommend the resolution at Item No. 6 for the approval of the shareholders.

None of the Directors except Shri Pratap Kishen Kaul, who is seeking the appointment, is concerned or interested in the resolution.

ITEM NO. 7

Shareholders in the 14th Annual General Meeting held on 13th September, 1996 had approved the re-appointment of **Shri Qimat Rai Gupta** as Managing Director of the Company for a period of five years with effect from 21st March, 1997 and payment of remuneration to him. Subsequently in the 16th Annual General Meeting held on 30th July, 1999 the shareholders had approved enhancement in remuneration payable to **Shri Qimat Rai Gupta** for the remaining tenure of his office.

Shri Qimat Rai Gupta is the founder and Chairman of Havell's India Limited. Under his stewardship the Havell's group has achieved the distinction of becoming India's leading Electrical group. The credit for commendable performance goes substantially to the dynamic leadership and vision imparted to the group by **Shri Qimat Rai Gupta**. His vision is responsible for Havell's consistent track record of establishing integrated, world scale and world class asset in India, with demonstrated global competitiveness and international quality of products.

In view of the above, it is just and equitable that **Shri Qimat Rai Gupta**, Chairman cum Managing Director be re-appointed at enhanced remuneration within the overall limits prescribed under the Schedule XIII of the Companies Act, 1956. The Board of Directors have in their meeting held on 22nd May, 2001 approved, subject to the approval of shareholders of the Company in General Meeting, the re-appointment of **Shri Qimat Rai Gupta** as Managing Director of the Company with effect from 21st March, 2002 for a further period of five years, on the following remuneration as to salary, commission and other perquisites, subject however to the overall ceiling on remuneration laid down under Sections 198 & 309 read with Schedule XIII to the Companies Act, 1956:

1. Period : Five years with effect from 21st March, 2002
2. Remuneration/Salary : Rs. 2,25,000/- per month
3. Perquisites : For this purpose perquisites are classified into three categories A, B and C:

Category 'A'

- a) Medical Reimbursement : Expenses incurred, including Medical Insurance, for self and family subject to a ceiling of one month's salary in a year or three month's salary over the period of three years.
- b) Leave Travel Concession : For self and family once a year incurred in accordance with the rules of the Company.
- c) Club Fees : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- d) Personal Accident Insurance: Premium not exceeding Rs. 5000 /-

Category 'B'

- i. Company's contribution towards Provident Fund, Superannuation Fund. This will not be included for the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable shall not exceed one months' salary for each completed years of service.

HAVELL'S INDIA LTD.

NOTICE

**Category 'C'**

The Company shall provide a car with chauffeur and a telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

The Directors recommend the adoption of the resolution at Item no. 7 of the Notice.

Except Shri Qimat Rai Gupta, Shri Anil Gupta and Shri Surjit Gupta, no Director of the Company is concerned or interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

Copies of all the documents referred to above are available for inspection by members at the Registered Office of the Company on any working day between 10a.m. to 12 noon (except Saturday) upto the date of Annual General Meeting.

A statement containing details of the Shri Qimat Rai Gupta is attached herewith.

ITEM NO. 8

Shareholders in the 14th Annual General Meeting held on 13th September, 1996 had approved the re-appointment of **Shri Rajesh Gupta** as Director (Finance) of the Company for a period of five years with effect from 21st March, 1997 and payment of remuneration to him.

Shri Rajesh Gupta, a Chartered Accountant by profession is associated with the Company for 20 years. **Shri Rajesh Gupta's** deep personal involvement in the affairs of the Company has yielded rich dividends. Under his stewardship the Company has also embarked on ambitious restructuring plan of the Havell's group which will be completed by the end of this financial year.

In view of the above, it is just and equitable that **Shri Rajesh Gupta**, Director (Finance) be re-appointed at enhanced remuneration within the overall limits prescribed under the Schedule XIII of the Companies Act, 1956. The Board of Directors have in their meeting held on 22nd May, 2001 approved, subject to the approval of shareholders of the Company in General Meeting, the re-appointment of **Shri Rajesh Gupta** as Director (Finance) of the Company with effect from 21st March, 2002 for a further period of five years, on the following remuneration as to salary, commission and other perquisites, subject however to the overall ceiling on remuneration laid down under Sections 198 & 309 read with Schedule XIII to the Companies Act, 1956:

1. Period : Five years with effect from 21st March, 2002
2. Remuneration / Salary : Rs.1,00,000/- Per Month
3. Perquisites : For this purpose perquisites are classified into three categories A, B and C:

Category 'A'

- a) Medical Reimbursement : Expenses incurred, including Medical Insurance, for self and family subject to a ceiling of one month's salary in a year or three month's salary over the period of three years.
- b) Leave Travel Concession : For self and family once a year incurred in accordance with the rules of the Company.
- c) Club Fees : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- d) Personal Accident Insurance : Premium not exceeding Rs. 5000 p.a.

Category 'B'

- i. Company's contribution towards Provident Fund, Superannuation Fund. This will not be included for the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable shall not exceed one month's salary for each completed years of service.

Category 'C'

The Company shall provide a car with chauffeur and a telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

The Directors recommend the adoption of the resolution at item no. 8 of the Notice.



NOTICE

Except Shri Rajesh Gupta, no Director of the Company is concerned or interested in the resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

Copies of all the documents referred to above are available for inspection by members at the Registered Office of the Company on any working day between 10a.m. to 12 Noon (except Saturday) upto the date of Annual General Meeting.

A statement containing details of the Shri Rajesh Gupta is attached herewith.

ITEM NO. 9

Shareholders in the Extra Ordinary General Meeting of the Company held on 31st March, 2000 had accorded their consent to the Board of Directors for issue/ offer of Equity Shares of the Company as the Board may at its sole discretion decide, so as the paid up share capital of the Company shall not exceed Rs.7,50,00,000/- (Rupees 7.50 Crores), to certain persons/ entities such as Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Mutual Funds, Companies and other entities/ authorities through private placements, conversion of loans or otherwise.

The Company was in need of additional funds for expansions programs, increase in existing production capacity and to reduce the long-term liability. The cost of collecting additional funds through right issue would have taken time and involved large amount of expenses. The Management therefore decided to approach Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Mutual Funds, Companies and other entities/ authorities for requirement of additional funds through preferential allotment. In accordance with this resolution only one entity namely Geyer AG, Germany, foreign collaborators of the Company, holding 680000 shares, had applied for further 87700 shares. The Board of Directors had in their meeting held on 30th June, 2000 allotted 87700 shares at Rs.140/- per share, including Rs.130/- premium per share, price calculated as per the guidelines issued by Securities and Exchange Board of India (SEBI). The shareholding of Geyer AG, Germany, has increased from 13.89% to 15.41% in the paid up share capital of the Company. There had been no change in composition of Board of Directors of the Company or Management, consequential to such allotment. The amount received by the Company from such allotment has been utilised to meet out internal funds required for expansion/ business needs of the Company.

The shareholding pattern of the Company after such allotment is as follows:

CATEGORY	NO. OF SHARES HELD	%AGE OF HOLDING
A. Promoter's Holding		
- Indian Promoters	2526900	50.71
- Foreign Promoters	767700	15.41
Sub -Total	3294600	66.12
B. Non-Promoters Holding		
I. Institutional Investors		
1. Mutual Funds and UTI	Nil	Nil
2. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non Govt. Institutions)	400	0.01
3. FII	Nil	Nil
Sub-Total	400	0.01
II. Others		
1. Private Corporate Bodies	899500	18.05
2. Indian Public	710900	14.27
3. NRIs/OCBs	77400	1.55
Sub-Total	1687800	33.87
Grand Total	4982800	100

The Board puts up this procedure of allotment of shares for approval of the share holders as Item No. 9 for good order sake.

None of the Directors except Ms. Sabine Geyer, is concerned or interested in the above item

By order of the Board

Surjit Gupta
Director

Delhi, May 22, 2001

ANNEXURE



PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED

Name of Director	Sh. Pratap Kishen Kaul	Dr. Abid Hussain	Shri Qimat Rai Gupta	Shri Anil Gupta	Shri Rajesh Gupta
Date of Birth	03.07.1929	19.12.1926	24.01.1937	20.04.1969	17.06.1957
Qualification	B.Sc., M. A., Master in Public Administration (Harvard University, U.S.A.) Retrd. I.A.S. 1951 (U.P. Cadre)	M.A.	Bachelor of Arts	B.A. (Economics) MBA (Marketing & Finance) From Wake Forest University, U.S.A.	F.C.A.
Nature of expertise	Shri P. K. Kaul has been an outstanding civil servant and served in various capacities at Government of India. He was Finance Secretary to the Govt. of India	Shri Abid Hussain has been an outstanding civil servant and served in various capacities at Government of India. He was Commerce of India	Shri Qumat Rai Gupta is an Industrialist having rich business experience and co-founder of Havell's. He is a Chairman-cum Managing Director of the Company	Shri Anil Gupta is a professional having rich experience of the best management policies in the World	Shri Rajesh Gupta is Chartered Accountant having rich experience in finance and allied field. He is serving the Company for last 20 years.
Name of the Companies in which he holds Directorship	Bakelite Hylam Limited Chambal Fertilisers & chemicals Limited Tata Iron & Steel Co. Limited Sagar Tourist Resorts Limited Lupin Chemicals Limited Duncan Industries Limited Creditcapital Investment Trust Company Limited Select Holiday Resorts Limited World Resorts Limited Numero Uno International Limited Eveready Industries India Limited Sagar Entertainment Limited Dynamic Advertising & Research Team Pvt. Limited Emergy Worldwide (India) Pvt. Limited Tata Iron & Steel Co. Limited - Audit Committee (Member) Duncan Industries Limited - Audit Committee (Chairman) Bakelite Hylam Limited - Audit Committee (Chairman)	Hyderabad Flextech Limited Morgan Stanley Asset Management (I) limited Nagarjuna Oil Corporation Limited DCM Limited GVK Industries Limited GVK Taj Hotels & Resorts Limited Zodiac Clothing Co. Limited Wockhardt Limited Jodhpur Electric Power Company TTL Limited Modi Wellvest Pvt. Limited MODICORP Visaka Cyber Technology Limited U.T.I. Bank	TTL Ltd. Havell's Financial Services Ltd. Crabtree India Limited Precision Meters (Pvt.) Ltd. Duke Arnics Electronics (Pvt.) Ltd. A.J. Shehfar & Co. Limited Aquafit Industries (Pvt.) Limited	TTL Ltd. Havell's Financial Services Ltd. Crabtree India Limited Havell's Industries Limited Havell's Switchgear Ltd. Standard Electricals Limited Duke Arnics Electronics (P) Ltd. Precision Metres (P) Limited A.J. Shehfar & Co. Limited ECS Limited	Standard Electrical Limited
Name of the Companies of which he holds Membership/ Chairmen ship					



DIRECTORS REPORT

Directors have pleasure in presenting the 18th Annual Report and audited financial accounts for the year ended 31st March, 2001:

Financial Results

	(Rs. in Lacs)	
	2000-01	1999-2000
Gross Sales	17108.20	10513.30
Less Excise	2241.04	1342.68
Net Sales	14867.16	9170.62
Other Income	184.52	89.17
Total Expenditure	13299.26	8261.21
Interest	633.35	451.40
Net profit after interest but before Depreciation and Taxation	1119.07	547.18
Less Depreciation	119.42	101.87
Profit before Taxation	999.65	445.31
Less Taxation	378.61	113.51
	621.04	331.80
Add Balance brought forward from previous year	759.26	571.90
	1380.30	903.70
Appropriation of Profits		
Proposed Dividend	99.22	97.90
Transfer to General Reserve	50.00	25.00
Corporate Dividend Tax	10.12	21.54
Balance carried over to balance sheet	1220.96	759.26
	1380.30	903.70

Performance of the Company

The year under review has been eventful for the Company. The turnover of your Company has increased by **63%** from Rs.10513 Lacs in the last Financial Year 1999-00 to Rs.17108 Lac in this financial year. The Net Profit registered an increase of **87%** from Rs.332 Lacs to Rs.621 Lacs.

Dividend

Your Directors are pleased to recommend a **dividend of Rs. 2.00/-** 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.109.34 Lacs out of the profits including provision made for Corporate Dividend Tax of Rs.10.12 Lacs. The Company has made transfer of Rs.50.00 Lacs to the general reserve. The dividend is payable pro rata on the equity shares issued to Foreign Collaborator under preferential issue.

Switchgear Division

The division resulted in a turnover of Rs. 6260 Lac as compared to Rs. 5067 Lacs for the previous year, a **growth of 24%**. This has been possible due to the enhanced brand and quality images of the Company and the fact that Indian market for the product group is expanding. We should all feel proud that our Company is now the market leader in domestic Switchgear products like MCBs, DBs etc. in India. The effort is now on international marketing and the Company is getting its products certified by internationally recognised authorities. The Company is expected to post another excellent growth in the coming year when we start getting substantial volumes in export markets.

Meter Division

The Division has taken a leadership position in Electrical Meters. The Company could maintain its position due to continuous product innovation backed by its unique distribution network with an extensive reach throughout the country. The strength is amply demonstrated by the growth of **292% in turnover** of the division from Rs. 1407 Lacs recorded last year to Rs. 5513 Lacs recorded this year.

Cable Division

The Company is now recognised as quality manufacturers of cable with a major presence in the country leading to fast growth in volume. The cable division has shown tremendous growth in sales from Rs. 4038 Lacs to Rs. 5334 Lac a **32% growth** over the previous year. A similar growth is expected in the current year.

Standard Electricals Limited

Your Company has acquired the controlling stake of 60% in Standard Electricals limited on April 1st, 2000. The Company in the first year of operation as joint venture has shown a growth in turnover from Rs. 3753 Lacs to Rs. 4237 Lacs. We are now able to position Switchgear products in the market with two well-established brands, 'Havell's' and 'Standard'. The two Companies have started to benefit out of synergies like economies of scale in manufacturing, sharing of Research and Development expenses & joint product development.

Crabtree India Limited

The joint venture Company 'Havell's Dorman Smith Limited' of your Company has been renamed as 'Crabtree India Limited' as most of the Company's business is ensuing from Modular Plate Switches sold under the 'Crabtree' brand. Crabtree is now enjoying a strong recognition as a leader in the premium segment of the market. The Company has shown a **growth of 69%** in turnover from Rs.1712 Lacs to Rs.2895 Lacs.

Duke Arnics Electronics Private Limited

TTL Limited, a Havell's Group Company has acquired controlling stake of 60% in another industry major, Duke Arnics Electronics Private Limited, Hyderabad in November, 2000. Duke is one of the few companies in India for industrial and grid meters and enjoys strong recognition in all electrical utilities. With this Partnership, TTL Limited has become the only company in India to have the complete range of energy meters.

A. J. Shehfar & Co. Limited

Your Company acquired a controlling stake of 99.99% in another Company A. J. Shehfar & Co. Limited w.e.f. 26th February, 2001. A. J. Shehfar & Co. Limited owned a property in Noida with complete building ideally located for setting up a new manufacturing facility.

HAVELL'S INDIA LTD.