19th

annual report - 2001-2002

Havell's India Ltd.

PROFILE

Havell's is committed to unparalleled excellence in quality products with skilled professionals to achieve the satisfaction of its customers with effective management practices to meet the challenges of new millennium with integrity and technological expertise.

It was only a few decades ago.

In a business environment where the big raced each other to become bigger, and the bigger spent all their time in becoming mammoth, Havell's emerged as a small, fast, direct corporation that gained dramatically by going against the conventional wisdom.

It's not different today.

In a global world, where we increasingly see, hear and feel the presence of every large corporations who seem to have little in common with their customers. Havell's once again, is different.

We are an independent medium sized company with a small company culture and a truly global perspective.

We believe, it is our ethical standards and remarkably flat structure that keeps us ahead. Keeping the key decision-makers in close contact with our customers, allows us to quickly and easily adapt the world's latest technologies to their needs.

Not surprisingly, we have been growing by a healthy 30 percent, year after year to develop into not only a highly respectable name, but also a recognised single source to all electrical requirements of an Indian customer.

As you flip through the pages, you will see the vision that has driven us for over 3 decades come alive in front of your eyes.

Welcome to the world of Havell's.

HAVELL'S

At Havell's, we think one of our biggest achievements has been developing and nurturing the largest electrical equipment distribution network in the country.

Over one thousand dealers. Thousands of authorised retailers. A countrywide after sales network. Exports. Highly qualified mobile service engineers. And company offices in all important towns, big or small.

For years, long trucks carrying electrical equipment from Havell's eight manufacturing facilities, has been a familiar sight on Indian roads.

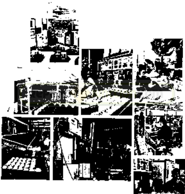
For years, customers in the farthest and the most inaccessible corners of India have depended upon Havell's to reach critical electrical equipment to their sites.

And for years, sudden demand for safe electrical equipment anywhere across the length and breadth of the country has been met with the same response.

"There must be a Havell's dealer here somewhere."

Our reputation depends upon it.

HAVELL'S



MANUFACTURING

Havell's is geared to meet the demands of tomorrow's environment by making huge investments into futuristic designing, manufacturing and business systems, today.

Our manufacturing specialists are considered to be among the finest few in this part of the world.

Why?

Is it because they are among the most qualified people in their respective fields ? Or,
because they control some of the most complex manufacturing facilities in India ? Or,
because they have been exposed to the best technologies the world has to offer ?

Or is it something else altogether ?

The secret, you'll be surprised, lies in a little phenomenon called 'Anticipation and Expectation'. First anticipating, then matching and soon exceeding the customer's expectations. Product after product, range after range, market after market.

Sounds simple but isn't.

At Havell's, each of the eight manufacturing facilities considers itself an R&D extension of the corporation's marketing arm, and each production engineer considers himself to be a marketing person with enviable technical prowess.

Which is why you find, they often tear themselves away from some of the most advanced product development and manufacturing equipment in the world to pursue their favourite activity.

Looking inside the customer's mind.

HAVELL'S

BOARD OF DIRECTORS

Sh. Qimat Rai Gupta, Chairman and Managing Director
Sh. Surjit Gupta, Director
Sh. Rajesh Gupta, Director (Finance)
Sh. Anil Gupta, Director
Ms. Sabina Gupta, Director
Sh. P.K. Kaul, Director
Dr. Abid Hussain, Director

COMPANY SECRETARY

Sh. Satis Singhal

AUDITORS

M/s. V.P. Bansal & Co.
Chartered Accountants
1 ..., Asaf Ali Road, New Delhi-110002

BANKERS

Canara Bank
Fountain, Delhi-110006

State Bank of India
Industrial Finance Branch
Vatika Bldg., Jhandewalan Road, New Delhi-110055

ICICI Bank Ltd.
9A, Connaught Place, New Delhi-110001

The Bank of Rajasthan Ltd.
62, Janpath, New Delhi-110001

IDBI Bank Ltd.
Surya Kiran Building, K.G. Marg, New Delhi-110001

Punjab National Bank
Civil Lines, Delhi-110054

REGISTERED CUM CORPORATE OFFICE

1, Raj Narain Marg
Civil Lines, Delhi-110054
Ph. 3915237, fax 3912020

WORKS

Switchgear Division
Plot No.9, Samaypur Badli, Delhi-110042

Controlgear Division
14/3, Mathura Road, Faridabad-121003

Meter Division
6, Tilak Nagar Industrial Area
New Delhi-110058

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

SHARES & FIXED DEPOSIT DEPARTMENT

10, Alipur Road, Exchange Store Building
Civil Lines, Delhi-110054

LISTED IN

The Delhi Stock Exchange Association Limited
The Stock Exchange, Mumbai
The National Stock Exchange of India Ltd.

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HAVELL'S

"RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to forward a copy of the said resolution to the concerned authorities."

By order of the Board

Delhi, May 24, 2002

Surjit Gupta
Director

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 Wednesday, the 14th day of August, 2002 to Friday, the 23rd day of August, 2002 (both days inclusive).

3. 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 13th August, 2002 as per the lists to be furnished by National Securities Depository 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 13th August, 2002.

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.**

5. i) Tax at source would be deducted from the Dividend payable to Shareholders as per the provisions of the Finance Act, 2002.

   ii) As per the Income Tax Act, 1961, it is mandatory for every person receiving any payment from which tax has been deducted, to intimate his Permanent Account Number (PAN) to the person making such payment. Therefore, all the shareholders are requested to intimate their PAN immediately to the Share Department of the Company at Exchange Store Building, 15, Alipure Road, Civil Lines, Delhi-110 054.

   iii) Members are requested to immediately intimate any change in Address to the Share Department of the Company, at Exchange Store Building, 15, Alipure Road, Civil Lines, Delhi-110054 so that change could be effected in the Register of Members before closure.

   iv) 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.

   v) Members are requested to fill up the enclosed mandate form and return it to us so that the ECS facility otherwise they are requested to intimate their Savings 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. The Company has sent the letter to the shareholders whose Dividend remained unclaimed for the financial years ended 31st March, 1996 to 31st March, 2000. In case the Dividend still remained unclaimed from the financial years 1995-96 to 2000-01, the shareholders may approach the company with their dividend warrants for revalidation.

8. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Notice.

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

ITEM NO.6

Pursuant to the provisions of Section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Company had at the last Annual General Meeting of the Company held on 24th August, 2001 re-appointed Shri Rajesh Gupta, Director (Finance) for a period of five years with effect from March 21, 2001 at a remuneration of Rs.1,00,000/- per month and other perquisites as applicable.

Shri Rajesh Gupta, a Chartered Accountant by profession is associated with the Company for more than 20 years. His deep personal involvement in the affairs of the Company has yielded rich dividend. Under his supervision and stewardship the company has successfully completed the restructure plan of the Havell's Group this year. The Board appreciates his valuable and sincere contribution by him in the progress of the company.

In view of the above, it is just and equitable that remuneration of Shri Rajesh Gupta be increased from existing Rs.1,00,000/- p.m. to Rs 1,25,000/- per month with effect from 1st April, 2002 and also to approve the annual increment as decided by the Board of

PROGRESS AT A GLANCE OF LAST 10 YEARS

Results for the year

(Rs. in Lacs)

PARTICULARS	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Turnover	1266.29	1712.20	2159.74	2866.51	4985.45	6292.15	8247.40	10571.30	17158.30	22002.16
Index	1.00	1.35	1.71	2.26	3.96	4.91	6.51	8.30	13.51	17.53
PBDIT	125.04	151.77	250.00	301.98	394.64	299.03	403.7	546.81	1118.47	1467.29
Index	1.00	1.21	2.10	2.59	3.16	2.96	3.69	5.09	9.38	15.04
Depreciation	8.91	20.10	27.31	17.03	54.69	76.31	66.74	101.60	119.42	190.91
Index	1.00	2.34	3.04	4.10	6.10	8.51	8.87	10.36	13.31	21.38
PBT	100.03	131.63	200.73	244.95	265.95	222.72	411.82	444.84	999.25	1266.15
Index	1.00	1.34	2.03	2.45	2.66	2.23	3.34	4.45	9.99	12.96
Tax	53.21	40.67	57.67	29.88	59.78	75.01	65.75	113.14	398.31	498.65
Index	1.00	0.80	0.04	1.50	1.13	1.41	1.29	2.01	7.41	8.25
PAT	46.63	91.00	145.05	185.07	280.17	147.70	345.94	351.8	601.04	857.15
Index	1.00	1.94	3.10	3.53	4.91	3.15	5.33	7.46	12.56	18.30

Year end position

Gross Block	374.00	481.16	703.56	1126.91	1327.03	1888.36	1564.94	2011.10	2384.58	4440.90
Index	1.00	1.78	2.57	3.78	4.04	5.07	6.44	7.84	8.78	13.73
Net Block	338.58	426.34	642.81	839.11	1194.79	1591.43	1450.34	1596.91	1858.71	2375.72
Index	1.00	1.78	2.69	3.03	4.96	5.02	6.07	6.49	8.56	10.79
Net Current Assets	518.77	845.36	931.90	1014.60	1445.52	2106.73	3550.57	3460.6	4564.49	6518.07
Index	1.00	1.16	1.71	1.93	2.60	3.91	4.73	5.89	9.21	12.94
Net Worth	344.73	360.19	899.31	1004.41	1105.33	1385.71	1529.85	1748.42	2337.50	3686.38
Index	1.00	2.29	3.60	3.81	3.80	4.43	4.44	5.07	6.64	9.42
Dividend (in %)	15%	15%	0%	15%	15%	15%	20%	30%	30%	35%
EPS (in Rs.)	1.56	2.07	3.25	3.64	5.13	3.02	5.41	6.78	12.52	17.07
Share Capital	299.51	459.87	448.07	448.30	489.51	489.51	489.51	489.51	498.28	579.56
Reserves & Surplus	45.78	408.37	498.65	599.15	858.74	928.75	1060.38	1278.64	1984.37	3016.11
Book Value (in Rs.)	11.51	13.53	19.08	22.40	25.75	28.17	37.25	35.73	45.54	58.45