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HAVELLS

HAVELL'S INDIA LTD.

TRANSFORMING BUSINESS TRANSFORMING LIVES

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Chairman's Letter

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Dear Shareholders,

Havells has taken a giant leap of faith in this year demonstrating both its commitment to growth and its ambition to expand its footprint globally, by deciding to acquire SLI Sylvania business worldwide. While Havells continues to grow and increase its strength in India by intensifying its market reach, by setting up world class manufacturing plants, by addition of new product groups, by innovating and developing new technologies, we were always preparing ourselves in all our operations and human resource capabilities for an acquisition which can give us the access to global markets with the critical size which can help us leap-frog to the next level.

At Havells, the ability to foresee and consequently capitalize on change, has enabled us to constantly expand the sphere of leadership. Our recent acquisition of Sylvania, only re-emphasize these attributes. SLI Sylvania is one of *the world's largest manufacturers of artificial light sources with a strong presence in Europe and Latin America while* expanding rapidly in fast growth markets in Asia. The company has a portfolio of strong brand names which it uses to cater to different geographies, product groups and market segments. Sylvania is used for light sources worldwide except for USA, Canada, Mexico, Australia and New Zealand, where it goes with SLI brand. The other brands include premium architechtural lighting & fixtures brands like Concord:marlin, Lumiance, Claude, Linolite, and Zenith. Offering a full line of lamps and fixtures for professional and consumer lighting, Sylvania focuses its resources and technical know-how on innovative and customer orientated lighting solutions.

Sylvania is one of the most globally recognized brands in the industry and has been there for over a century. The synergy between SLI Sylvania and Havells offers tremendous opportunities for the newly created company and its customers and potential customers. Havells Sylvania now possesses a global manufacturing and distribution platform, which supports a rapidly expanding international position, especially in high-growth developing markets.

We will learn the culture of all the different countries, where Sylvania conducts business, and add the Havells vision and philosophy to take our combined entity to bigger successes. We have to constantly adapt our organizational structures and processes to the changing environment. I strongly believe that the attributes that will make us stand out and will produce consistent results over the next decade will be our diversity, our technology, our strategic focus, our geographic reach, and above all, the culture and philosophy of our company. In case of Havells the culture is founded on integrity, honesty and mutual trust.

Havell's India Limited in the meantime continues to grow at its unabated pace, with revenue growth of 54% and profit after tax growth of 62%, with a strong performance in all product segments. As we continue to be very confident on the future business prospects, we have been investing in expanding infrastructure of manufacturing, distribution and human capital. While we had a capital expenditure of Rs.100 crore last year, we have plans for close to Rs.200 crores this year as we expand capacities in Switchgear, Cables, Fans, and Lighting, besides setting up plants for three new product categories, namely, Electric Motors, Power Capacitors, and "Havells" Modular Plate Switches. These projects will be going on-line in the current year and shall serve as a growth catalyst from the next year.

Havells recognizes the responsibility of every corporate citizen towards the welfare of the society and continues to try and contribute its bit for social and environmental causes on a regular basis. The Company is closely associated with QRG Foundation, a trust which provides healthcare services through mobile healthcare van for the slum areas of Delhi region. The company also participates in the mid day meal programme of Governments of India and Rajasthan and provides a meal every day to over 10,000 students of primary schools around its cable plant in Alwar region. We have plans to increase this number five-fold in the current year.

The basic philosophy in the Company is to achieve business excellence and to increase the long-term shareholder value, as we believe that will automatically take care of the needs and interests of all its other stakeholders as well, i.e. employees, suppliers, and customers. Sylvania acquisition is again a step in this direction as it adds immediately to the shareholder value by being Earnings per Share (EPS) accretive.

Today, with the Sylvania acquisition, Havells is one of the India's largest electrical companies; a Top 5 global lighting player with a growing presence in 40 countries and a global sales of US$ One billion. But tomorrow is more promising, with a new set of synergies, a wide range of products for the world market and a clear target to achieve World leadership in other product segments. To further strengthen the size of Havells-Sylvania is within the realms of possibility, driven by passion and led by a vision that extends beyond tomorrow...

Yours sincerely,

Qimat Rai Gupta
Chairman and Managing Director

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Board of Directors

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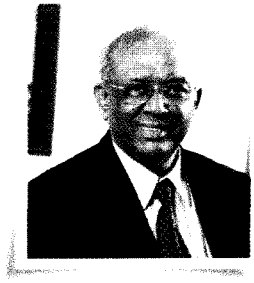
Qimat Rai Gupta
Chairman & Managing Director

Anil Gupta
Joint Managing Director



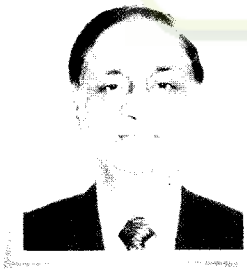
Surjit Gupta
Director

Rajesh Gupta
Director (Finance)

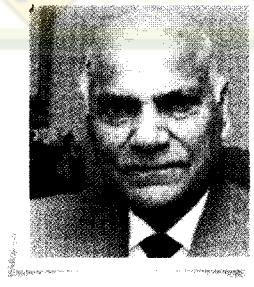
S B Mathur
Director

Dr. Abid Hussain
Director

A P Gandhi
Director



N Balasubramanian
Director



Maj. Gen. D N Khurana
Director

Josephine Price
Director

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Company Secretary	*Ms. Ritu Mehrotra*
Auditors	M/s V.P. Bansal & Co. Chartered Accountants B-1, Sector-2, Noida
Bankers	Canara Bank, Janpath, New Delhi-110001 Corporation Bank, Arya Samaj Road, New Delhi-110005 State Bank of India, IFB, New Delhi-110001 IDBI Bank Ltd., K.G. Marg, New Delhi-110001 Union Bank of India, IFB, New Delhi-110001 Yes Bank Ltd. Nyay Marg, Chanakya Puri, New Delhi-110021
Share Transfer Agent	MCS Limited (Unit-Havell's India Limited) W-40, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel:011-41406149, Website: www.mcsind.com
Listed In	The National Stock Exchange of India Ltd. The Bombay Stock Exchange Ltd
Registered Office	1/7, Ram Kishore Road, Civil Lines, Delhi-110054
Corporate Office	E-1, Sector-59, Noida-201 307 (U.P.) Tel: +91-120-2477777 Fax: +91-120-2477666 Website: www.havells.com

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About Us

Vision: "To be a globally recognized corporation that provides best *electrical & lighting solutions, delivered by best-in-class people.*"

Mission: To achieve our vision through fairness, business ethics, global reach, technological expertise, building long term relationships with all our associates, customers, partners, and employees.

Values:

Customer Delight: A commitment to surpassing our customer expectations. Leadership by example. A commitment to set standards in our business and transactions based on mutual trust.

Integrity and Transparency: A commitment to be ethical, sincere and open in our dealings.

Pursuit of Excellence: A commitment to strive relentlessly, to constantly improves ourselves, our teams, our services and products so as to become the best in class.

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Havell's India Ltd, is one of the largest & India's fastest growing electrical and power distribution equipment company, manufacturing products ranging from Building Circuit Protection, Industrial & Domestic Switchgear, Cables & Wires, Energy Meters, Fans, CFL Lamps, Luminaires for domestic, commercial & Industrial application and modular switches.

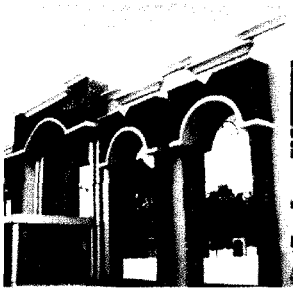
Havells owns some of the prestigious global brands like Crabtree, Sylvania, Concord:marlin, Lumiance, Claude, Linolite, SLI Lighting & Zenith.

With 43 branch / representative office and over 4000 professionals spread over, the group has achieved rapid success in the past few years. Its 10 state of the art manufacturing plants churns out globally acclaimed products like switchgear, luminaires, CFLs etc. Havell's India Ltd is a name synonymous with excellence and expertise in the electrical industry. Its 20000 strong global distribution network is always ready to service it's clients.

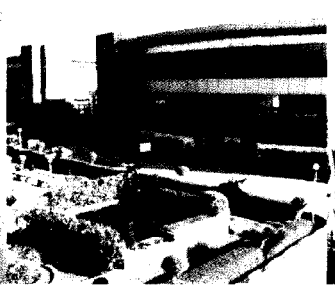
The company's various products have qualified a number of International certifications like CSA, KEMA, CB, CE, ASTA, CPA, SEMKO, SIRIUM (Malaysia), SPRING (Singapore), TSE (Turkey), SNI (Indonesia) and EDD (Bahrain). Today Havell's and our other brands have emerged as the preferred choice for a discerning range of individual and industrial consumers both in India and abroad.

The essence of its success lies in the expertise of a fine team of professionals, strong relationship with associate, the ability to adapt quickly and efficiently and ably supported with the vision to think ahead.

Manufacturing: Strong Manufacturing Infrastructure continues to boost Havells to greater heights. With Strong belief in quality output, manufacturing takes center stage in Havells strategy, Its 10 plants in India is representative of this fact. Havells continues to *invest in new & modern infrastructure to meet stringent consumer expectations. In the last two years Havells has invested over Rs* 150 crs in Indian plants alone. All the plants are ISO 9001 certified. Today Havells is the Largest Manufacturer of MCBs & CFLs in India. Also Havells has the largest integrated fan factory in the country. To reap market advantage on a sustained basis, it uses high technology for regular process break through and for better-cost efficiencies . Implementation of Just-in-time(JIT), Six Sigma, Juran Trilogy to name a few has streamlined the manufacturing system. Havells strong manufacturing & R&D capabilities assures its consumers about quality products that are built to last. With world class manufacturing equipment, processes, quality systems and with sizable capacities becoming operational, Havells is poised to extend its Brand footprint across more markets and more categories.



ıpacitor plant, Noida



Domestic Switchgear, Baddi

Head office, Noida

Cable plant, Alwar

Switchgear plant, Faridal

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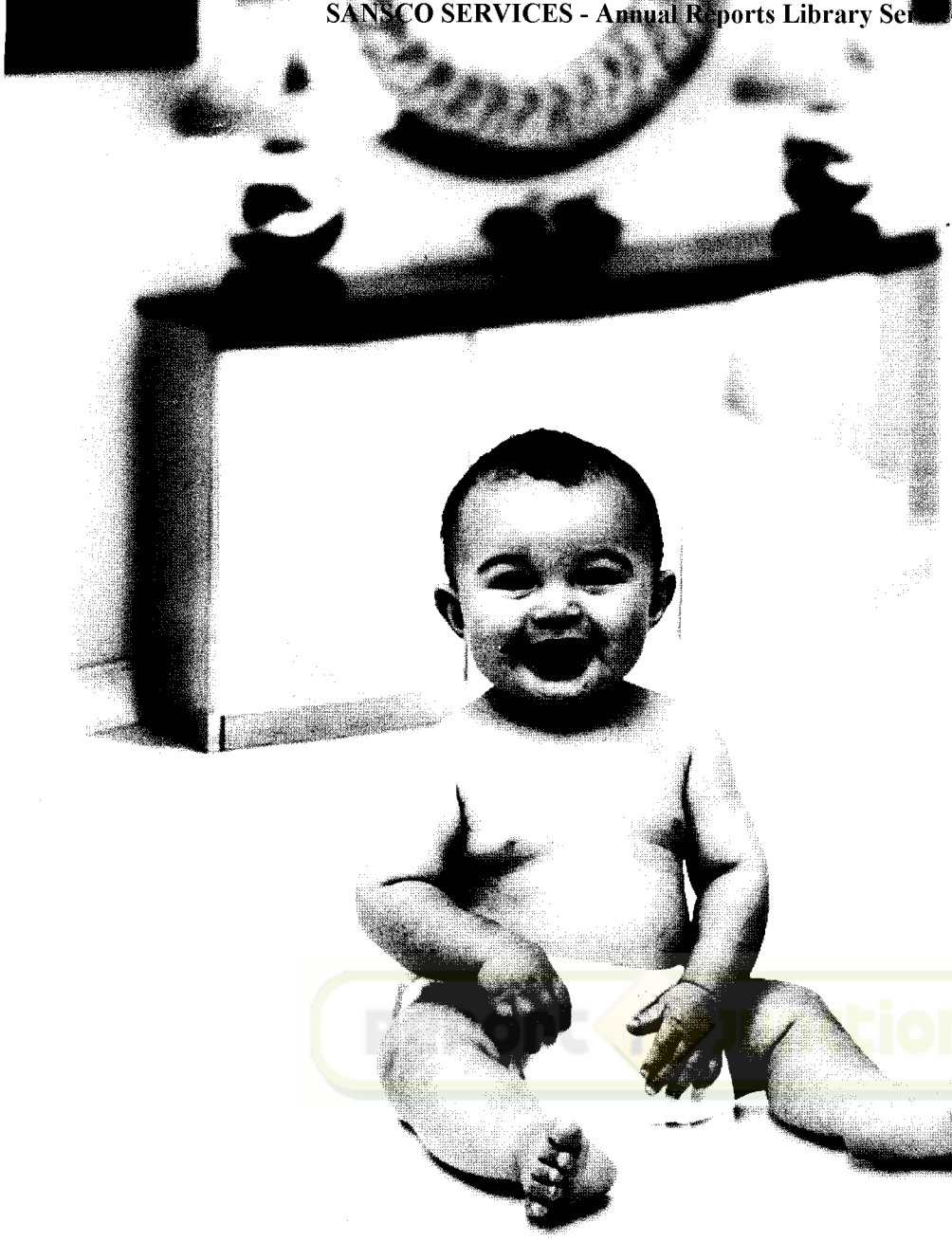
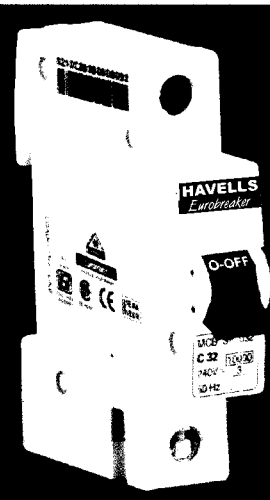


"Make your Home Havells safe". Havells lives upto this assurance with high quality MCBs, RCCBs, Changeovers & Stylish Distribution Boards. The "Fast Trip Protection (FTP)" MCBs are created to make your home Havells safe.



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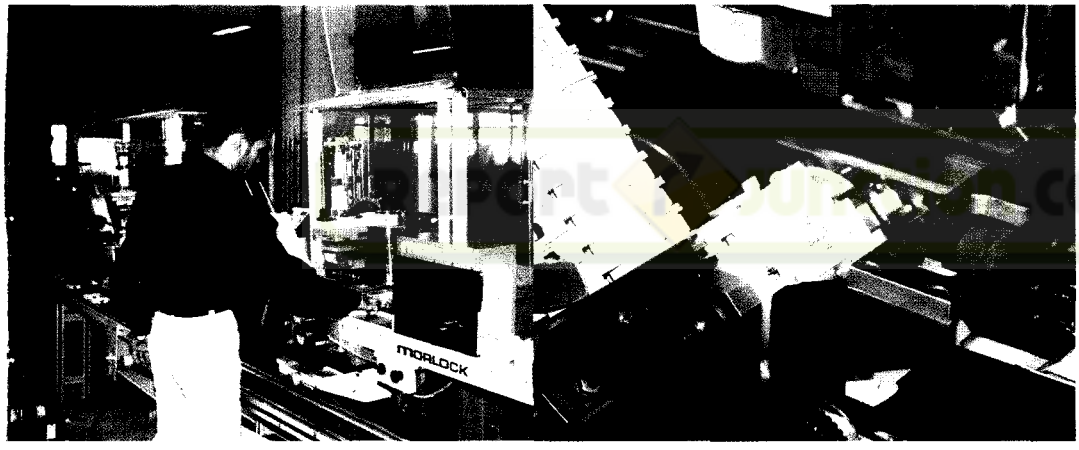
HAVELLS SWITCHGEAR

Havells is the WORLD'S 8th LARGEST & India's No. 1 manufacturer of Miniature Circuit Breakers and allied products. It manufactures a wide range of Miniature Circuit Breakers, Residual Current Circuit Breakers & Distribution Boards suitable for every application and need. There is an excellent infrastructure not only for manufacturing but also for servicing the requirements of the customers in terms of sales and after sales parameters. The quality and process systems ensure that Havells not only remains the market leader in India but also 40% of its production is exported mainly to European countries (Approx.52% of MCBs sold in UK are manufactured by Havells).

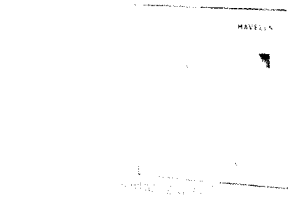
There are two state-of-the-art manufacturing plants at Badli,

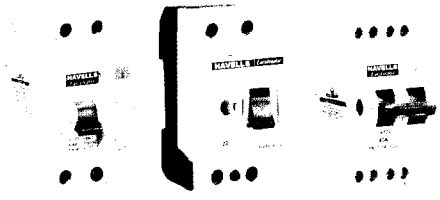


Delhi & Baddi, H.P producing as many as 45 million MCB poles, 500,000 RCCB units and DBs worth Rs. 75 crores per annum.

Havells plant in Baddi is the only plant in India having fully automated production lines for calibration, testing, printing & packing at par with the best facilities worldwide.

The quality & system processes are geared to meet the requirements of the markets worldwide. All the plants process are certified in accordance with ISO 9001:2000 and ISO 14000. The testimonials to Havells world class quality processes are ISI (India), Kema Keur (Holland), CSA (Cannada), CE (Europe), SIRIM (Malaysia), CB ASTA CPT (Russia),





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