

# BALANCE SHEET

HAVELL'S INDIA LTD.



	SCHEDULE NO.	AS AT 31.03.05 (Rs. in Lacs)	AS AT 31.03.04 (Rs. in Lacs)
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHARE CAPITAL</b>			
Share capital	1	579.56	579.56
Reserves and surplus	2	8082.00	5357.01
		<u>8661.56</u>	<u>5936.57</u>
<b>2. LOAN FUNDS</b>			
Secured loans	3	14208.60	9346.41
Unsecured loans	4	3213.60	831.01
		<u>17422.20</u>	<u>10177.42</u>
<b>3. DEFERRED INCOME TAX</b>			
		741.45	432.63
		<u>26825.21</u>	<u>16546.61</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
Gross block	5	10411.02	5547.10
Less: Depreciation		1591.34	1191.53
Net block		8819.68	4355.58
Add: Capital work-in-progress		413.38	275.46
<b>Total fixed assets</b>		<u>9233.06</u>	<u>4631.03</u>
<b>2. INVESTMENTS</b>			
	6	316.58	316.58
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	10607.53	5613.04
Sundry debtors		16362.25	11278.94
Cash and bank balances		818.00	661.48
Other current assets		149.51	36.73
Loans and advances		2449.69	1847.07
		<u>30386.98</u>	<u>19437.26</u>
Less: Current liabilities and provisions	8		
Current liabilities		11821.99	6806.46
Provisions		1290.49	1033.27
		<u>13112.48</u>	<u>7839.74</u>
<b>NET CURRENT ASSETS</b>		<u>17274.50</u>	<u>11597.52</u>
<b>4. MISCELLANEOUS EXPENDITURE</b>			
	9	1.07	1.48
		<u>26825.21</u>	<u>16546.61</u>
<b>Accounting policies, contingent liabilities and notes on accounts</b>	19		

For and on behalf of the Board of Directors of  
Havell's India Limited

**Qimat Rai Gupta**  
Chairman & Managing Director

**Surjit Gupta**  
Director

**Ritu Mehrotra**  
Company Secretary

**Yogesh Bansal**  
Senior Manager

Noida, May 12, 2005

**AUDITOR'S REPORT**  
As per our Report attached

For V.P.Bansal & Co.  
**Chartered Accountants**

**V.P.Bansal**  
Proprietor

	<b>AS AT 31.03.05 (Rs.in Lacs)</b>	<b>AS AT 31.03.04 (Rs. in Lacs)</b>
<b>SCHEDULE NO. 1</b>		
<b>SHARE CAPITAL</b>		
Authorised		
23,000,000 Equity Shares of Rs.5/- each	<u>1150.00</u>	<u>1150.00</u>
Issued and subscribed		
11,591,154 Equity Shares of Rs.5/- each	<u>579.56</u>	<u>579.56</u>
Paid Up		
11,591,154 Equity Shares of Rs.5/- each of the above :	579.56	579.56
1,625,554 Equity Shares have been allotted as fully paid up pursuant to a contract without payment being received in cash.		
1,475,500 Equity Shares issued as fully paid up bonus shares by capitalisation of profit		
	<u>579.56</u>	<u>579.56</u>
 <b>SCHEDULE NO. 2</b>		
<b>RESERVES AND SURPLUS</b>		
Capital reserve	<u>519.35</u>	<u>519.35</u>
	519.35	519.35
Securities premium account	<u>547.02</u>	<u>547.02</u>
	547.02	547.02
General reserve		
As per last balance sheet	375.49	155.49
Add: Transfer from profit and loss account	<u>320.00</u>	<u>220.00</u>
	695.49	375.49
Profit and loss account		
Balance as per profit and loss account	<u>6320.14</u>	<u>3915.15</u>
	6320.14	3915.15
	<u>8082.00</u>	<u>5357.01</u>
 <b>SCHEDULE NO. 3</b>		
<b>SECURED LOANS</b>		
<b>Loans and advances</b>		
<b>Working capital loans from banks</b>		
Cash credit account	3733.42	2428.58
Working capital demand loan	1300.00	1280.00
FCNR working capital loan	453.86	474.25
Export packing credit	328.11	-
Export bills discounted	530.87	-
Against commercial papers	2000.00	1000.00
Short term working capital loan	1000.00	1000.00
<b>Term loans from banks</b>		
Term loan from Canara Bank	248.00	416.00
Term loan from UTI Bank Limited	200.00	600.00
Term loan from ICICI Bank Limited	317.60	635.27
Term loan from Syndicate Bank	1980.00	1340.00
Against hypothecation of commercial equipments	-	9.14
Against hypothecation of motor cars	116.74	145.19

	<b>AS AT 31.03.05 (Rs.in Lacs)</b>	<b>AS AT 31.03.04 (Rs. in Lacs)</b>
<b>From others</b>		
Term loan from Rabo India Finance Private Limited	2000.00	-
Director of Industries, Haryana	-	17.98
[Term loans due within a year Rs.1187.99 lacs (last year Rs 2118.04 lacs)]		
[Commercial papers due for maturity within a year Rs.20 crores ( Previous year Rs 10 crores)]	<u>14208.60</u>	<u>9346.41</u>

**Notes**

- 1 Working Capital limits are under consortium of Canara Bank, Corporation Bank, Union Bank of India, IDBI Bank Limited, State Bank of India, UTI Bank Limited and Standard Chartered Bank.
- 2 Working capital limits from consortium banks and term loan from Canara Bank are secured by way of
  - \* pari-passu first charge on stocks of raw materials, semi-finished, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of the company.
  - \* pari-passu first charge on land and building at 14/3, Mathura Road, Faridabad
  - \* pari-passu first charge on plant and machinery installed at Badli, Faridabad, Tilak Nagar and Alwar Units
  - \* pari-passu second charge on land and building at A-461/462 MIA Alwar ( Rajasthan)
  - \* pari-passu second charge on plant and machinery installed in the Company.
  - \* negative lien on Flat No. 14, Leonard Lane, Richmond Town, Bangalore, and
  - \* personal guarantees of S/Shri Qimat Rai Gupta, Surjit Gupta and Anil Gupta, Directors of the Company.
- 3 The Company has issued Commercial Papers (CP) in favour of Corporation Bank and Bank of Baroda for Rs. 10 crores each. Working Capital limits have been earmarked to consortium members against the issue of commercial papers.
- 4 Short term working capital loan is from IndusInd Bank Limited and is secured by way of subservient charge on the current assets of the company and personal guarantees of S/Sh. Qimat Rai Gupta, Surjit Gupta and Anil Gupta, Directors of the Company.
- 5 Term loan from Syndicate Bank, Rabo India Finance Private Limited, ICICI Bank Limited and UTI Bank Limited are secured by way of
  - \* parri-passu first charge on all the assets of the company except those charged against working capital limits
  - \* term loans from Syndicate Bank, ICICI Bank Limited and UTI Bank Limited are further secured by personal guarantees of S/Sh. Qimat Rai Gupta, Surjit Gupta and Anil Gupta, Directors of the company
  - \* the documentation for creating the charge on securities in favour of Rabo India Finance Private Limited is under process.

**SCHEDULE NO. 4  
UNSECURED LOANS**

4% Fully convertible debentures (including interest accrued and due Rs.22.20 lacs)	2372.20	-
Fixed deposits from public	824.90	814.01
Other loans and advances from companies	16.50	17.00
[Due within year Rs.839.08 lacs (last year Rs 699.96 lacs)]	<u>3213.60</u>	<u>831.01</u>

**SCHEDULE NO. 5  
FIXED ASSETS**

SL. NO.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01.04.04 Rs.	ADDITIONS DURING THE YEAR Rs.	SALES/ADJUSTMENT Rs	AS AT 31.03.05 Rs	UP TO LAST YEAR Rs	FOR THE YEAR Rs	SALES/ADJUSTMENT Rs	TO DATE Rs	AS AT 31.03.05 Rs	AS AT 31.03.04 Rs
1	Industrial land Freehold Leasehold	289.56 12.92	60.15 292.61	- -	349.71 305.53	- -	- -	- -	- -	349.71 305.53	289.56 12.92
2	Factory buildings	863.68	1,670.59	1.18	2,533.09	-	-	-	160.71	2,372.38	753.61
3	Office premises	29.79	-	-	29.79	4.71	0.49	-	5.20	24.59	25.08
4	Plant and machinery	2,770.39	2,139.53	1.27	4,908.64	509.87	164.94	0.60	674.21	4,234.44	2,260.52
5	Generators	132.60	84.59	2.75	214.43	35.82	8.00	1.99	41.83	172.60	96.78
6	Furniture and fixtures	290.10	88.15	-	378.25	121.85	34.01	-	155.86	222.39	168.25
7	Electric fans and installations	144.31	290.33	-	434.64	45.16	24.92	-	70.08	364.56	99.15
8	Water supply installations	11.90	0.19	-	12.08	3.75	0.56	-	4.31	7.77	8.14
9	Weighing scale	12.09	1.75	-	13.84	2.63	0.60	-	3.23	10.61	9.46
10	EDP Equipments	461.70	96.36	1.30	556.77	234.25	77.46	0.19	311.52	245.25	227.45
11	Office equipments	81.68	25.00	0.58	106.09	27.76	6.61	0.08	34.29	71.80	53.92
12	Airconditioners	119.81	3.83	-	123.65	22.27	5.79	-	28.06	95.58	97.54
13	Vehicles	310.99	98.83	15.88	393.95	70.17	33.53	6.26	97.44	296.51	240.82
14	R & D Equipments	15.58	34.98	-	50.56	3.21	1.39	-	4.60	45.96	12.37
	Add:Capital Work-in-Progress	5,547.10	4,886.89	22.96	10,411.02	1,191.53	408.93	9.12	1,591.34	8,819.68	4,355.58
		275.46	2,095.19	1,957.27	413.38	-	-	-	-	413.38	275.46
	<b>TOTAL-CURRENT YEAR</b>	<b>5,822.56</b>	<b>6,982.08</b>	<b>1,980.23</b>	<b>10,824.40</b>	<b>1,191.53</b>	<b>408.93</b>	<b>9.12</b>	<b>1,591.34</b>	<b>9,233.06</b>	<b>4,631.03</b>
	<b>PREVIOUS YEAR</b>	<b>4,136.11</b>	<b>2,228.32</b>	<b>541.86</b>	<b>5,822.56</b>	<b>1,135.60</b>	<b>264.26</b>	<b>208.33</b>	<b>1,191.53</b>	<b>4,631.03</b>	<b>3,000.51</b>

- Notes: -
- 1 Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on SLM basis on the gross value of fixed assets including taxes, duties, freight and other incidental expenses related to acquisition and installation and further adjusted by CENVAT credit and fluctuations in exchange rates.
  - 2 Depreciation in respect of assets for a value not exceeding Rs.0.05 lacs has been provided at the rate of 100%.
  - 3 Factory Buildings at Badli (Delhi) and at Tilak Nagar (Delhi) are on rented premises.
  - 4 Sales/ adjustments in factory building represent the debit note raised on building contractor and depreciation on the same charged in earlier year has been adjusted accordingly.
  - 5 Office premises include Rs.4.85 lacs and Rs.1.60 lacs being the cost of premises purchased at Leonard Road, Bangalore and Bombay. Title deeds in respect of these premises have not been executed as yet.
  - 6 Additions in fixed assets at Alwar, Faridabad, Haridwar and Baddi include a sum of Rs.50.79 lacs (last year Rs.1.89 lacs) capitalised on account of interest and other borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets till the date of commercial use.
  - 7 Additions in fixed assets include Rs.5.13 lacs (last year Rs.0.10 lacs) on account of exchange rate fluctuations.
  - 8 Leasehold land includes two nos. industrial plots at Bawana Industrial area in respect of which possession has not been taken as yet.
  - 9 Capital work in progress includes Rs.309.81 lacs being expenditure incurred on installation of new unit at Haridwar (Uttaranchal).
  - 10 A sum of Rs. 30 lacs has been adjusted against the cost of plant and machinery being capital investment subsidy receivable in respect of plant at Baddi (H.P.).

	AS AT 31.03.05 (Rs.in Lacs)	AS AT 31.03.04 (Rs. in Lacs)
<b>SCHEDULE NO. 6</b>		
<b>INVESTMENTS</b>		
(Long term, trade, unquoted, at cost )		
<b>Subsidiary Company</b>		
Havell's (U.K.) Limited		
2 Ordinary Shares of 1 (one) GBP each.	0.002	-
<b>Others</b>		
G.S.Lighting Private Limited		
44210 Equity Shares of Rs.100/- each. (purchased at Rs.712.51 per share, including share transfer stamps)	316.58	316.58
Aggregate value of unquoted investments	<u>316.58</u>	<u>316.58</u>
<b>SCHEDULE NO. 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Inventories (as taken, valued and certified by the management)		
Raw materials and components	1944.65	1191.47
Semi finished goods	1167.76	805.62
Finished goods	6746.52	3055.89
Consumable stores, tools and spare parts	33.22	21.04
Dies and tools	562.27	427.35
Packing materials	137.28	92.23
Fuel and gases	9.31	7.15
Scrap materials	6.52	12.29
	<u>10607.53</u>	<u>5613.04</u>
Sundry Debtors (unsecured)		
Debts outstanding for a period exceeding six months		
considered good	1479.52	1682.15
considered doubtful	111.83	81.03
	<u>1591.35</u>	<u>1763.18</u>
Less: provision for doubtful debts	111.83	81.03
	<u>1479.52</u>	<u>1682.15</u>
Other debts -considered good	14882.73	9596.79
	<u>16362.25</u>	<u>11278.94</u>
Cash and bank balances		
Cash in hand	7.66	4.11
With scheduled banks		
In current accounts	26.46	6.50
In EEFC account ( US\$ 1405.69; last year US\$ 1805.69)	0.61	0.78
In unclaimed dividend account	8.77	8.17
In fixed deposit account		
Margin money	608.91	489.30
Pledged with government departments	2.82	1.09
Lien against public deposits	90.94	63.84
No Lien account	32.29	48.07
Interest accrued on fixed deposits	39.27	39.63
With other banks		
In current accounts	0.27	-
	<u>818.00</u>	<u>661.48</u>
Other current assets - (considered good)		
Export incentives receivable	51.03	34.97
DEPB licences in hand	66.84	1.60
Capital investment subsidy receivable	30.00	-
Claims receivable	1.64	0.15
	<u>149.51</u>	<u>36.73</u>

	<b>AS AT 31.03.05 (Rs.in Lacs)</b>	<b>AS AT 31.03.04 (Rs. in Lacs)</b>
Loans and advances (unsecured- considered good)		
Loans and advances to subsidiary	8.35	-
Advances recoverable in cash or in kind or for value to be received	841.79	491.60
Earnest money and security deposits	448.60	378.14
Balance with excise department		
Excise duty	87.94	78.29
Service tax	44.41	-
Advance income tax and tax at source	1018.60	899.04
	<u>2449.69</u>	<u>1847.07</u>
	<u>30386.98</u>	<u>19437.26</u>

**SCHEDULE NO. 8**

**CURRENT LIABILITIES AND PROVISIONS**

**CURRENT LIABILITIES**

Acceptances	5461.52	2182.37
Sundry creditors- due to SSI undertakings	233.23	282.54
- due to other than SSI undertakings	3237.38	2273.50
Advances from customers	115.92	113.01
Unclaimed dividend	8.77	8.17
Other liabilities	1261.15	811.96
Security deposits from dealers/consignment agents	847.10	770.17
Sales tax payable	139.54	104.87
Excise duty payable	453.48	165.49
Service tax payable	0.82	-
Interest accrued but not due	63.08	94.38
	<u>11821.99</u>	<u>6806.46</u>

**PROVISIONS**

Income tax	961.24	869.05
Wealth tax	1.60	0.77
Proposed dividend	289.78	144.89
Corporate dividend tax	37.87	18.56
	<u>1290.49</u>	<u>1033.27</u>
	<u>13112.48</u>	<u>7839.73</u>

**SCHEDULE NO. 9**

**MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Expenditure on increase in capital		
As per last balance sheet	1.48	1.90
Less: written off	0.41	0.41
	<u>1.07</u>	<u>1.48</u>