

29th July, 2011

The National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai- 400051

NSE Symbol: HAVELLS

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Scrip code: 517354

Sub: Information under Clause 36

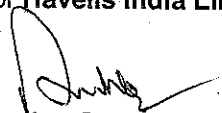
Dear Sir,

Pursuant to Clause 36 of the Listing Agreement, please find attached herewith a brief note in response to an article that featured in the 28th July, 2011 edition of the English Daily – Financial Chronicle.

This is for your kind information and record please.

Thanking you.

Yours faithfully
for Havells India Limited


Sanjay Gupta
Company Secretary

Encl. As above

Response to Financial Chronicle's Article

This response is with reference to a news article carried by one of the English Daily – Financial Chronicle in its New Delhi Edition dated 28 July 2011.

At the outset, we would like to clarify that the lawsuit in Atlanta stands dismissed against eight out of nine entities which includes Havells India Ltd, Havells, Inc. and Havell's Holdings, Inc.

Osram Sylvania Inc. ("Osram") had filed a complaint on 20 June 2011 before the District Court of Northern District of Georgia, Atlanta Division against 9 entities, namely Havells India Ltd., Havells Inc., Havells Holdings Inc., Havells USA Inc., SLI Lighting Company, SLI Lighting Products Inc., Sylvania Lighting International BV and Flowil International Lighting (Holding) BV ("Flowil") (together "Respondents"). Alongwith the complaint, Osram had also filed an emergency motion for Temporary Restraining Order ("TRO"), primarily seeking the following reliefs:

- (i) the Respondents be prevented from enlisting Chinese customs authorities from detaining SYLVANIA branded products that were destined from North America; and
- (ii) the Respondents be directed to communicate to Chinese customs whatever is necessary to ensure immediate release of detained shipments and to allow future shipments to leave China.

On 05 July 2011, the aforementioned complaint was dismissed by the District Court against all the Respondents except for Havells USA on jurisdictional grounds. The Atlanta Court observed that it lacks personal jurisdiction over the Respondents Havells India and therefore necessarily over Flowil. The Court further observed that Osram provided no independent basis for jurisdiction over the Respondents other than Havells USA. In view thereof, the Atlanta Court also denied the TRO and motion for preliminary injunction. The remaining company of the Havells Group i.e. Havells USA is now resisting the unfounded allegation of Osram and the matter is sub-judice.

It is clarified that the predecessors of Osram and Flowil had entered into the Amended and Restated Intellectual Property Allocation and License Agreement dated 06 August 1992 ("Allocation Agreement"). Under this Agreement the predecessors of Osram *inter alia* acquired the right to use the trademark "SYLVANIA" for Lamps and Lighting products in USA, Canada, Puerto Rico and Mexico, whereas the predecessors of Flowil acquired the right to use the trade mark "SYLVANIA" for Lamps and Lighting products in rest of the world. Even though Flowil was acquired by Havells India, Havells USA was never a party to the Allocation Agreement and has at no point in time acquired any rights or interests under the same.

It is further stated that Havells USA is not selling lighting products bearing the SYLVANIA tag in North America. On the contrary, the website of Havells USA clearly indicates that it is selling lighting products under the brands Luminance and Concord alone. The mere disclosure on the

website that Havells USA is associated with Havells Sylvania and is the North American Division of the same does not tantamount to breach of the 1992 Agreement in any manner.

Since the ownership in the SYLVANIA mark in rest of the world except North America vests with Flowil, the said trademark was registered by Flowil in China. As pleaded before the Atlanta Court, Osram had been manufacturing SYLVANIA branded products in China through third parties in contravention to the Allocation Agreement. In order to check such infringement activities, the Chinese Custom officials, under the relevant Chinese Customs law and trademark law, had detained Osram's North America bound SYLVANIA shipments in April 2011. The Chinese Custom authorities have independent and full power to detain the consignments of goods which do not belong to the registered owners of a Trademark and by doing so, they are performing their duties. It is stated that Havells has not enlisted support of the Chinese Customs officials for the detention of Osram's goods. In order to circumvent the actions taken under the relevant Chinese law, Osram sought refuge under the US laws and filed the complaint before the District Court which was dismissed.

The Chinese law requires a court sanction if such goods retained by the Customs are to be confiscated by the issue of an Asset Preservation Order. The Chinese Court on 20 July 2011, has passed an Asset Preservation Order to keep Osram's goods detained under its custody. This order further provides sanctity to the action taken by the Chinese Customs Authority in April 2011.

These actions taken by the Chinese Customs authority cannot be construed to benefit Havells USA, since the manufacture of the SYLVANIA branded products by Osram in China is a breach of the Allocation Agreement and hence justifies the action taken by the Chinese Customs officials.

In any event, it is a matter of record that disputes regarding the use of the trade mark are currently pending before various forums, *inter alia* dispute over breach of the Allocation Agreement is pending before a duly constituted Arbitral Tribunal by the ICC wherein Osram has filed its amended Request for Arbitration, while the infringements disputes are pending before several Courts of competent jurisdiction.

To further elaborate the pending proceedings, Osram through its connections had allowed the sale of personal computers and other products bearing the SYLVANIA Trademark in India is clear violation and breach of Trademark ownership of Flowil as per the Allocation Agreement. Flowil filed a case of Trademark infringement against Osram and others in the Delhi High Court and after great resistance by Osram, the Court granted an injunction against restraining Osram from indulging in such violations. The injunction is continuing and the case is subjudice.

Such matters have no adverse impact on any business of Havells India and its Group Companies.