

**FINANCIAL STATEMENTS OF  
HAVELLS SYLVANIA DUBAI FZCO.  
DUBAI - (U.A.E.)**

**FOR THE YEAR ENDED**

**31 DECEMBER 2013**

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## COMPANY INFORMATION

### 1. Name & Address of the Company

Havells Sylvania Dubai FZCo.  
P.O.Box 54350,  
Dubai (U.A.E.)

Tel: 04 - 2998141

Fax: 04 - 2998142

Location: Dubai Airport Free Zone, Dubai (U.A.E.)

### 2. Banker to the Company

HSBC Bank Middle East  
P.O. Box 66, Dubai (U.A.E.)

### 3. Auditors to the Company

**M/s.SALIM RAJKOTWALA**

**Chartered Accountants**

P.O.Box 40972,

Dubai (U.A.E.)

Tel: 04 - 2368945

Fax: 04 - 2368944

*A member firm of MGI International*

## OFFICE BEARERS

### Directors

1. Mr. Yogesh Bansal  
Director  
Longbow House  
14-20 Chiswell Street  
London EC1Y 4TW  
  
Tel : +442070119712
  
- 2 Mr. Fakhruddin Sethjiwala  
*Director*  
P.O.Box 54350,  
Dubai (U.A.E.)  
  
Tel: 04 - 2998141
  
- 3 Mr. Ajith Govindan Nambiar  
*Director*  
P.O.Box 54350,  
Dubai (U.A.E.)  
  
Tel: 04 - 2998141



**AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF**  
**HAVELLS SYLVANIA DUBAI FZCO.**  
**DUBAI (U.A.E.)**

***Report on the Financial Statements***

We have audited the accompanying balance sheet of M/s. HAVELLS SYLVANIA DUBAI FZCO., DUBAI, as of **31 December 2013**, and the related income statement, statement of cash flows and statement of changes in equity for the year then ended, and other explanatory notes set out on Pages 2 to 16.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements, referred to above present fairly, in all material respects, the financial position of M/s. HAVELLS SYLVANIA DUBAI FZCO., DUBAI, as of **31st December 2013**, and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards. We also confirm no breach of the Implementing Regulations No. 1 of 2000 applicable to Free Zone Companies, and the UAE Federal Commercial Companies Law No. 8 of 1984 (as amended), has occurred during the year which would have a material effect on the company's business or financial position.



SALIM RAJKOTWALA CHARTERED ACCOUNTANTS

DUBAI 26 MAR 2014

Registration No. 805

P.O.Box 40972, Dubai - U.A.E. Tel. :+971 4 2368945 Fax : +971 4 2368944

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**HAVELLS SYLVANIA DUBAI FZCO.**  
**P.O.BOX 54350, DUBAI (U.A.E.)**  
**BALANCE SHEET AS AT 31 DECEMBER 2013**  
**IN UAE DIRHAMS**

	<u>Notes</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	3	31,032	67,924
<b>Current assets</b>			
Inventories	4	988,027	443,694
Accounts receivable and prepayments	5	7,039,975	7,630,463
Due from related parties	6	10,541,960	11,381,457
Cash and bank balances	7	1,170,004	991,606
Total current assets		<u>19,739,966</u>	<u>20,447,220</u>
<b>Total assets</b>		<u><b>19,770,998</b></u>	<u><b>20,515,144</b></u>
<b><u>SHAREHOLDERS' FUNDS AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	8	600,000	600,000
Legal reserve	9	300,000	300,000
Retained profits		12,956,320	11,717,077
Total shareholders' funds		<u>13,856,320</u>	<u>12,617,077</u>
<b><u>Liabilities</u></b>			
<b>Non-current liabilities</b>			
Employees' terminal benefits	10	789,996	599,662
<b>Current liabilities</b>			
Accounts payable and accruals	11	1,564,730	1,756,077
Due to related parties	12	3,559,952	5,542,328
Total current liabilities		<u>5,124,682</u>	<u>7,298,405</u>
Total liabilities		<u>5,914,678</u>	<u>7,898,067</u>
<b>Total Shareholders' funds and liabilities</b>		<u><b>19,770,998</b></u>	<u><b>20,515,144</b></u>

Annexed Schedule of Notes forms an integral part of these financial statements.

For HAVELLS SYLVANIA DUBAI FZCO.

  
DIRECTOR

  
DIRECTOR



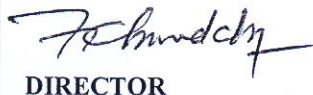


**HAVELLS SYLVANIA DUBAI FZCO.**  
**P.O.BOX 54350, DUBAI (U.A.E.)**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013**  
**IN UAE DIRHAMS**

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<b><u>Income</u></b>			
Sales		24,288,130	32,245,152
Less: Cost of sales	13	15,953,194	22,530,430
<b>Gross profit</b>		<b><u>8,334,936</u></b>	<b><u>9,714,722</u></b>
<b><u>Operating expenses</u></b>			
Salaries and benefits		5,467,913	5,580,691
Selling, general and administrative expenses	14	2,117,044	2,183,611
Provision for slow moving stock		(303,332)	281,792
Provision for doubtful debts		26,000	(22,000)
Depreciation		49,547	112,837
		<b><u>7,357,172</u></b>	<b><u>8,136,931</u></b>
<b>Operating profit</b>		<b>977,764</b>	<b>1,577,791</b>
Finance cost	15	153,781	97,257
		<b>823,983</b>	<b>1,480,534</b>
Other income	16	415,260	481,986
<b>NET PROFIT FOR THE YEAR</b>		<b><u>1,239,243</u></b>	<b><u>1,962,520</u></b>

Annexed Schedule of Notes forms an integral part of these financial statements.

For HAVELLS SYLVANIA DUBAI FZCO.

  
DIRECTOR

  
DIRECTOR



**HAVELLS SYLVANIA DUBAI FZCO.**  
**P.O.BOX 54350, DUBAI (U.A.E.)**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013**  
**IN UAE DIRHAMS**

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net profit for the year		1,239,243	1,962,520
<u>Adjustment for:</u>			
Depreciation		49,547	112,837
Operating profit before working capital changes		<u>1,288,790</u>	<u>2,075,357</u>
(Increase) in inventories		(544,333)	(5,282)
Decrease in accounts receivable and prepayments		590,488	2,939,890
Decrease/(Increase) in amounts due from related parties		839,497	(3,551,667)
(Decrease) in accounts payable and accruals		(191,347)	(2,941,317)
(Decrease)/Increase in amounts due to related parties		(1,982,376)	293,596
Increase in employees' terminal benefits provision		190,334	153,849
Net cash received from/(used in) operating activities	(A)	<u>191,053</u>	<u>(1,035,574)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment		(12,655)	(37,616)
Net cash (used in) investing activities	(B)	<u>(12,655)</u>	<u>(37,616)</u>
Net increase/(decrease) in cash and cash equivalents	(A+B)	178,398	(1,073,190)
Cash and cash equivalents at the beginning of the year		<u>991,606</u>	<u>2,064,796</u>
Cash and cash equivalents at the end of the year	17	<u>1,170,004</u>	<u>991,606</u>

For HAVELLS SYLVANIA DUBAI FZCO.



DIRECTOR



DIRECTOR





**HAVELLS SYLVANIA DUBAI FZCO.**  
**P.O.BOX 54350, DUBAI (U.A.E.)**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013**  
**IN UAE DIRHAMS**

	<u>Share Capital</u>	<u>Legal Reserve</u>	<u>Retained Profits</u>	<u>Total</u>
Balance as on 01.01.2012	600,000	300,000	9,754,557	10,654,557
Profit for the year	-	-	1,962,520	1,962,520
<b>Balance as on 31.12.2012</b>	<b>600,000</b>	<b>300,000</b>	<b>11,717,077</b>	<b>12,617,077</b>
Profit for the year	-	-	1,239,243	1,239,243
<b>Balance as on 31.12.2013</b>	<b>600,000</b>	<b>300,000</b>	<b>12,956,320</b>	<b>13,856,320</b>

For HAVELLS SYLVANIA DUBAI FZCO.



DIRECTOR



DIRECTOR



AUDITORS' REPORT - PAGE 1

**HAVELLS SYLVANIA DUBAI FZCO.**  
**P.O.BOX 54350, DUBAI (U.A.E.)**  
**SCHEDULE OF NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**  
**FIGURES IN UAE DIRHAMS**

**1. LEGAL STATUS**

- 1.1 M/s.HAVELLS SYLVANIA DUBAI FZCO., DUBAI, is a free zone company with Limited Liability registered with Dubai Airport Free Zone Authority in Dubai, UAE. The following are its Shareholders:

	Share in Capital
Havells Sylvania Europe Ltd., UK	83.33%
Flowil International Lighting (Holding) B.V., The Netherlands	16.67%
	100%

- 1.2 The principal activities of the company are import and export of electrical and electronic goods, components and parts and providing related services.
- 1.3 The principal place of business of the company is located at Dubai Airport Free Zone.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the Standards Interpretations Committee of the IASB.

The following accounting policies have been applied in dealing with items considered material to the company's financial statements:

2.1 Accounting Convention

These financial statements have been prepared under the historical cost convention.

2.2 Accrual Concept

Income and expenditure have been accounted on accrual basis.

2.3 Property, Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation. Cost is depreciated on straight line basis over their expected useful lives as follows:

<u>Item</u>	<u>No.of years</u>
Furniture and fixtures	5 years
Equipment	3 years





2.4 Inventories

Stocks have been valued at the lower of cost or net realisable value where cost comprises cost of acquisition after making due allowances for obsolete or slow moving items, and net realisable value.

Provision for slow moving and obsolete stock is made at landed cost plus appropriate overheads.

2.5 Accounts Receivable and Prepayments

Trade receivables are recognised at fair value less provision for impairment. A trade receivable provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of sales.

2.6 Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade payables are recognised at fair value.

2.7 Staff Benefits

The company provides end of service severance benefits for its employees in accordance with the UAE's Federal Labour Law. The entitlement of these benefits are based upon employees' final salary and length of service, subject to a completion of minimum service period. The service benefit plan is unfunded.

Adequate provision has been made for staff terminal benefits as per UAE Labour Law.

2.8 Foreign Currency Conversion

Balances in foreign currencies have been converted into UAE Dirhams at the rate of exchange prevailing at the balance sheet date.

Transactions in foreign currencies are converted at rates ruling when the transaction was entered into.

Gains or losses resulting from foreign currency transactions are taken to profit and loss account.

2.9 Legal Reserve

UAE Commercial Companies Law No.8 of 1984, as amended, requires that 10% of the net profit for the year be transferred to legal reserve till it reaches 50% of the authorised share capital of the company. This reserve is not available for distribution to the shareholders except in the circumstances stipulated in the Commercial Companies Law.

2.10 Sales

Sales are stated net of trade discounts and sales returns. Revenue from supply of goods is recognised as soon as all substantial risk and rewards relating to the title of the goods has been transferred to the customers.





2.11 Purchases

Purchases are stated net of discounts and returns and include all direct expenses to determine the landed cost.

2.12 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement consist of cash, balances with banks, overdrafts, and deposits with banks with a maturity of three months or less from the date of deposit.

2.13 Impairment of Assets

Financial Assets

At each balance sheet date, the company assesses if there is any objective evidence indicating impairment of financial assets or non-collectibility of receivables.

Non-financial Assets

At each balance sheet date, the company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the company estimates the recoverable amount of the asset and recognizes an impairment loss in the income statement. The company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or gain are recognized immediately in the income statement.

2.14 Financial Instruments

Financial instruments comprise cash, bank balances, deposits, advances, trade debtors, amounts due from/to related parties, trade creditors, accruals and borrowings. The financial instruments are recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

2.15 Interest Income

This represents income received by the company on deposits placed with banks and interest charged to customers and others on delayed proceeds of sales and advances, and interest charged to a related party on temporary loan placed to them.

2.16 Interest Expense

This represents a charge to the income statement for interest paid on bank borrowings and to suppliers for additional credit period.

2.17 Capital Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurate with the level of risk.

The company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the company may adjust the amount of dividends paid to shareholders, return subordinated loans to shareholders, increase share capital, or sell assets to reduce its exposure to debt.



*[Handwritten signatures]*



31.12.2013      31.12.2012

### 3. PROPERTY AND EQUIPMENT

	<u>Furniture &amp; Fixture</u>	<u>Equipment</u>	<u>Total</u>	<u>Total</u>
<b><u>Cost</u></b>				
As at 01.01.2013	473,698	124,583	598,281	599,637
Additions during the year	-	12,655	12,655	37,616
Less: Disposal during the year	-	(12,725)	(12,725)	(38,972)
As at 31.12.2013	<u>473,698</u>	<u>124,513</u>	<u>598,211</u>	<u>598,281</u>
<b><u>Less: Depreciation</u></b>				
As at 01.01.2013	444,380	85,977	530,357	456,492
For the year	27,443	22,104	49,547	112,837
Relating to disposal	-	(12,725)	(12,725)	(38,972)
Upto 31.12.2013	<u>471,823</u>	<u>95,356</u>	<u>567,179</u>	<u>530,357</u>
<b><u>Net Book Value</u></b>				
As on 31.12.2013	<u>1,875</u>	<u>29,157</u>	<u>31,032</u>	<u>67,924</u>
As on 31.12.2012	<u>29,318</u>	<u>38,606</u>	<u>67,924</u>	<u>143,145</u>

### 4. INVENTORIES

Finished goods (Notes: a & b)	1,696,487	1,311,536
Less: Provision for slow moving stock (Note: c)	<u>(708,460)</u>	<u>(1,011,792)</u>
	988,027	299,744
Add: Goods in transit	-	143,950
	<u>988,027</u>	<u>443,694</u>

**Notes:**

- Goods lying in third party warehouse.
- Inventory is pledged to banks against term loan obtained by a related party.
- Excess provision for slow moving stock written back

(303,332)



	<u>31.12.2013</u>	<u>31.12.2012</u>
<b>5. <u>ACCOUNTS RECEIVABLE AND PREPAYMENTS</u></b>		
Trade debtors (Notes: a, b, c, d & e)	6,967,896	7,525,949
Less: Provision for doubtful debts (Notes: f)	<u>(70,000)</u>	<u>(44,000)</u>
	6,897,896	7,481,949
Advances to suppliers	-	23,911
Staff advances	10,754	6,699
Prepayments and other receivable	131,325	117,904
	<u>7,039,975</u>	<u>7,630,463</u>

Notes:a) Ageing of trade debtors:

More than a year	62,056	-
Due between 7 to 12 months	17,049	159,115
Due for less than 6 months	6,888,791	7,366,834
	<u>6,967,896</u>	<u>7,525,949</u>

b) Due from top five trade debtors at the year-end 5,472,120 5,032,201

c) Number of trade debtors at the year-end 22 26

## d) Trade debtors are geographically distributed as follows:

i) AGCC Countries	99%	91%
ii) Egypt and Jordan	1%	6%
iii) Iran	0%	2%
iv) Others	0%	1%
	<u>100%</u>	<u>100%</u>

e) Trade debtors are pledged to banks against term loan obtained by a related party.

f) Shortage/(Excess) provision for doubtful debts 26,000 (22,000)

**6. DUE FROM RELATED PARTIES**

Havells Sylvania Europe Ltd., UK - short-term loan (Note: a)	10,389,022	11,160,219
Havells Sylvania Europe Ltd., UK - on account of expenses (Note: b)	117,868	221,238
Havells India Ltd., India - on account of expenses	35,070	-
	<u>10,541,960</u>	<u>11,381,457</u>

Notes:

a. Amounts due from related parties on account of short-term loan are unsecured, receivable on demand and carries interest as per prevailing market conditions.

b. Amounts due from related parties on account of expenses are unsecured and free of interest.

	<u>31.12.2013</u>	<u>31.12.2012</u>
<b>7. <u>CASH AND BANK BALANCES</u></b>		
Cash on hand	5,000	5,000
<u>Cash at a bank</u>		
In current account	467,004	582,085
In call deposit account	698,000	404,521
	<u>1,170,004</u>	<u>991,606</u>

**8. SHARE CAPITAL**

The authorised share capital of the company consists of 6 ordinary shares of AED 100,000 each, issued, subscribed and fully paid-up, as under:

Havells Sylvania Europe Ltd., UK	5 shares	500,000	500,000
Flowil International Lighting (Holding) B.V., The Netherlands	1 share	100,000	100,000
		<u>600,000</u>	<u>600,000</u>

**9. LEGAL RESERVE**

Balance as on 01.01.2013	300,000	300,000
Balance as on 31.12.2013	<u>300,000</u>	<u>300,000</u>

**10. EMPLOYEES' TERMINAL BENEFITS**

Adequate provision has been made for staff terminal benefits as per UAE Federal Labour Law. This cost is expensed annually to the profit and loss account. The charge for the year ended 31 December 2013 amounted to AED 220,297 (2012 - 217,590)

Balance as on 01.01.2013	599,662	445,813
Add : Provision for the year	220,297	217,590
Less: Paid during the year	(29,963)	(63,741)
Balance as on 31.12.2013	<u>789,996</u>	<u>599,662</u>

**11. ACCOUNTS PAYABLE AND ACCRUALS**

Trade creditors	990,702	710,959
Advances received from customers	194,612	136,317
Accrued expenses	379,416	908,801
	<u>1,564,730</u>	<u>1,756,077</u>





31.12.2013                      31.12.2012

**12. DUE TO RELATED PARTIES**

Havells Sylvania Europe Ltd., UK	2,345,863	3,287,142
Havells Sylvania Fixtures, UK	13,669	-
Havells India Ltd., India	535,606	107,105
Havells Sylvania Asia Pacific, Hongkong	-	129,694
Jiangsu Havells Sylvania, China	664,814	2,018,387
	<u>3,559,952</u>	<u>5,542,328</u>

**Note:**

Amounts due to related parties are unsecured, free of interest and payable as per terms of purchase of goods and services.

Current                      Previous  
Year                              Year

**13. COST OF SALES**

Opening inventories	1,311,536	782,795
Purchases (include direct expenses)	<u>16,338,145</u>	<u>23,059,171</u>
	17,649,681	23,841,966
Less: Closing inventories	1,696,487	1,311,536
	<u>15,953,194</u>	<u>22,530,430</u>

**14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Office rent	339,259	339,618
Storage charges	118,747	72,140
Freight charges	227,924	317,261
Telephone and Utilities expenses	293,185	298,112
Insurance expenses	64,257	45,606
Travelling expenses	232,958	298,645
Entertainment	39,181	55,320
Recruitment expenses	35,333	24,795
Printing and stationery	8,108	6,976
Visa fees	42,673	63,722
General and office expenses	133,536	118,341
Advertisement and sales promotions	430,692	436,684
Commission	32,468	-
Local conveyance	77,195	57,391
Legal and audit fees	41,528	49,000
	<u>2,117,044</u>	<u>2,183,611</u>



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	<u>Current Year</u>	<u>Previous Year</u>
<b>15. <u>FINANCE COST</u></b>		
Bank charges	153,781	97,257
	<u>153,781</u>	<u>97,257</u>
<b>16. <u>OTHER INCOME</u></b>		
Interest received from a related party	341,268	402,671
Interest received from a bank	114	248
Exchange gains	27,194	61,984.00
Miscellaneous income	46,684	17,083.00
	<u>415,260</u>	<u>481,986</u>
	<u>31.12.2013</u>	<u>31.12.2012</u>

**17. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprises of the following:

Cash on hand	5,000	5,000
Cash balances with a bank	1,165,004	986,606
	<u>1,170,004</u>	<u>991,606</u>

**18. TRANSACTIONS WITH RELATED PARTIES**

The company has in the ordinary course of business, entered into trading and financial transactions with concerns which fall within the definition of "related parties" as contained in the International Accounting Standard No. 24. The terms of such transactions were approved by the management. The amounts due from the related parties are unsecured, interest free and payable on demand.

a) Transactions with related parties

Sales to a related party	-	131,328
Purchases from related parties	12,790,166	6,362,288
Reimbursement of expenses to related parties	93,942	283,714
Interest received from a related party	341,268	402,671

b) Outstanding balances with related parties at the year-end:

Due from related parties on account of expense reimbursement, etc.	152,938	221,238
Due from related parties on account and temporary loan	10,389,022	11,160,219
Due to related parties on account of purchases	3,559,952	5,542,328

31.12.201331.12.2012**19. FINANCIAL INSTRUMENTS**Derivative and exchange rate risks

The company does not use derivative financial instruments for speculative purposes.

The company does not have any policy of entering into foreign exchange forward contracts or options to manage its exposure to fluctuations in foreign currency exchange rates. Significant foreign currency assets in AED at 31 December 2013 were as follows:

Financial assets in foreign currency:

Trade debtors	6,967,896	7,525,949
Advances to suppliers	-	23,911
Amounts due from related parties	10,541,960	11,381,457
Bank balances	951,864	609,260
	<u>18,461,720</u>	<u>19,540,577</u>

Financial liabilities in foreign currency:

Trade creditors	743,303	710,959
Advances received from customers	194,612	136,317
Amounts due to related parties	3,559,952	5,542,328
	<u>4,497,867</u>	<u>6,389,604</u>

Credit risks

Financial assets which potentially subject the company to concentration of credit risk consist principally of bank and cash balances and trade debtors. Bank balances are with regulated financial institutions. Credit risk of trade debtors is stated in Note 5 (a), (b), (c) & (d).

Interest rate risks

The company's short-term deposits with a bank are at fixed interest rate and mature within one year. Temporary loan to a related party bears interest as per prevailing market conditions. Interest is paid on short-term borrowings from banks and a related party as per prevailing market conditions.

Fair Value

At the balance sheet date, the carrying amount of bank and cash balances, debtors and creditors approximated their fair values.

**20. CAPITAL COMMITMENTS**

As at the balance sheet date, the company had no capital commitments.





21. COMPARATIVE FIGURES

Comparative figures have been re-grouped/re-classified wherever necessary to conform the current year's presentation.

For HAVELLS SYLVANIA DUBAI FZCO.

  
DIRECTOR

  
DIRECTOR

