

**HAVELLS EXIM LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF  
INCORPORATION) TO 31 MARCH 2018**

# HAVELLS EXIM LIMITED

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## **HAVELLS EXIM LIMITED**

### **DIRECTORS' REPORT**

The directors of Havells Exim Limited (the "Company") submit herewith their first report together with the audited financial statements of the Company for the period from 7 June 2017 (date of incorporation) to 31 March 2018.

#### **INCORPORATION AND COMMENCEMENT**

The Company was incorporated in Hong Kong with limited liability on 7 June 2017 and commenced business on 5 October 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is trading of electrical and electronic goods.

#### **FINANCIAL STATEMENTS**

The financial performance of the Company for the period from 7 June 2017 (date of incorporation) to 31 March 2018 and its financial position as at 31 March 2018 are set out in the annexed financial statements.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend in respect of the period ended 31 March 2018.

#### **SHARE CAPITAL**

Details of movements in the share capital of the Company during the period, together with the reasons therefore, are set out in note 11 to the financial statements.

#### **BUSINESS REVIEW**

A business review is not included in this report as the Company is a wholly owned subsidiary of another body corporate in the period in accordance with section 388(3)(b) of the Hong Kong Companies Ordinance.

#### **DIRECTORS**

The directors of the Company who held office during the period were:

Mahender Singh, BAGRI	(first director on incorporation)
Nilesh Jaysinh, BHATIA	(first director on incorporation and resigned on 30 April 2018)
Ajith Govindan, NAMBIAR	(first director on incorporation)

In accordance with Article 11 of the Company's Articles of Association, all existing directors of the Company continue in office for the ensuing year.

## HAVELLS EXIM LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as disclosed in note 11 to the financial statements headed "Other Related Party Disclosures" and elsewhere in this annual report and financial statements, no director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company, or its parent and ultimate parent or fellow subsidiaries was a party during the year.

#### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Save as disclosed in note 11 to the financial statements headed "Other Related Party Disclosures" and elsewhere in this annual report and financial statements, at no time during the year was the Company, or its parent and ultimate parent or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### **MANAGEMENT CONTRACTS**

During the period, the Company created provision for management service fee of USD16,000 and USD6,000 to Havells Guangzhou International Limited, a fellow subsidiary, and Havells India Limited, parent and ultimate parent, respectively, in connection with the administration of its business.

#### **INDEMNITY OF DIRECTORS**

A permitted indemnity provision, as defined in section 469 of the Hong Kong Companies Ordinance, for the benefit of the directors of the Company is currently in force and was in force throughout this year.

#### **AUDITOR**

The financial statements have been audited by Messrs. K.M. LIN & CO., Certified Public Accountants who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board



**Mahender Singh, BAGRI**

Director

Hong Kong, 09 MAY 2018



連建明會計師事務所  
K.M. LIN & CO.  
Certified Public Accountants

Unit 613, 6/F., Tower A, Hunghom Commercial Centre  
39 Ma Tau Wai Road, Hunghom, Kowloon  
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**INDEPENDENT AUDITOR'S REPORT  
TO THE SOLE MEMBER OF  
HAVELLS EXIM LIMITED**  
(incorporated in Hong Kong with limited liability)

***Opinion***

We have audited the financial statements of Havells Exim Limited (the "Company") set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 7 June 2017 (date of incorporation) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the period from 7 June 2017 (date of incorporation) to 31 March 2018 in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Information Other than the Financial Statements and Auditor's Report Thereon***

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



連建明會計師事務所  
K.M. LIN & CO.  
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE SOLE MEMBER OF**  
**HAVELLS EXIM LIMITED**  
(incorporated in Hong Kong with limited liability)

***Responsibilities of the Directors and Those Charged with Governance for the Financial Statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

***Auditor's Responsibility for the Audit of the Financial Statements***

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



連建明會計師事務所  
K.M. LIN & CO.  
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE SOLE MEMBER OF**  
**HAVELLS EXIM LIMITED**  
(incorporated in Hong Kong with limited liability)

*Auditor's Responsibility for the Audit of the Financial Statements (continued)*

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

K.M. LIN & CO.  
Certified Public Accountants  
Hong Kong, 09 MAY 2018

## HAVELLS EXIM LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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	Note	USD
<b>Revenue</b>	(6)	2,944,277
Cost of sales		<u>(2,914,977)</u>
<b>Gross profit</b>		29,300
Administrative expenses		<u>(25,404)</u>
<b>Profit before income tax</b>	(7)	3,896
Income tax	(9)	<u>-</u>
<b>Profit for the period</b>		<u><u>3,896</u></u>

The annexed notes form part of these financial statements.




**HAVELLS EXIM LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 31 MARCH 2018

	Note	USD
<b>ASSETS AND LIABILITIES</b>		
<b>Current assets</b>		
Trade receivables from parent and ultimate parent		172,079
Bank balances		<u>274,676</u>
		<u>446,755</u>
<b>Less:</b>		
<b>Current liabilities</b>		
Trade payables and other payables	(10)	<u>422,859</u>
<b>NET CURRENT ASSETS AND NET ASSETS</b>		<u><u>23,896</u></u>
<b>EQUITY</b>		
Share capital	(11)	20,000
Retained earnings		<u>3,896</u>
<b>TOTAL EQUITY</b>		<u><u>23,896</u></u>

The annexed notes form part of these financial statements.

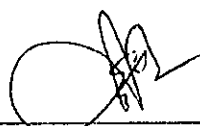
Approved and authorised for issue by the board of directors on

09 MAY 2018


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**Mahender Singh, BAGRI**  
Director


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**Ajith Govindan, NAMBIAR**  
Director

## HAVELLS EXIM LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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	<u>Share Capital</u> USD	<u>Retained Earnings</u> USD	<u>Total</u> USD
<b>At 7 June 2017 (date of incorporation)</b>			
Issue of share capital (note 11)	20,000	-	20,000
Profit for the period	<u>-</u>	<u>3,896</u>	<u>3,896</u>
<b>At 31 March 2018</b>	<u><u>20,000</u></u>	<u><u>3,896</u></u>	<u><u>23,896</u></u>

The annexed notes form part of these financial statements.

## HAVELLS EXIM LIMITED

### STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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	USD
<b>OPERATING ACTIVITIES</b>	
Profit before income tax	<u>3,896</u>
Operating cash flows before changes in working capital	3,896
Increase in trade receivables	(172,079)
Increase in trade and other payables	<u>422,859</u>
Cash generated from operations	<u>254,676</u>
Net cash generated from operating activities	<u>254,676</u>
<b>FINANCING ACTIVITIES</b>	
Proceeds on issue of shares	<u>20,000</u>
Net cash from financing activities	<u>20,000</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	274,676
Cash and cash equivalents at beginning of the period	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	
Bank balances	<u><u>274,676</u></u>

The annexed notes form part of these financial statements.

# HAVELLS EXIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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### 1. GENERAL INFORMATION

Havells Exim Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The Company’s registered office is located at Unit 613, 6/F., Tower A, Hunghom Commercial Centre, 39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong. In opinion of the Company’s directors, the parent and ultimate parent of the Company is Havells India Limited, a company incorporated and listed in India, which has produced financial statements available for public use.

The Company had commenced business on 5 October 2017 and its principal activity is trading of electrical and electronic goods.

### 2. BASIS OF PREPARATION

#### Statement of compliance

These financial statements are the first set of financial statements of the Company covering a period from 7 June 2017 (date of incorporation) to 31 March 2018.

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance.

All financial figures are expressed in United States Dollars (“USD”) unless otherwise indicated. The measurement basis used in the preparation of these financial statements is historical cost.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

### 3. PRINCIPAL ACCOUNTING POLICIES

#### Trade receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest.

Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. Where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial, the receivables are in such cases stated at cost less allowance for impairment of bad and doubtful debts.

At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

#### Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest.

Trade and other payables are initially recognised at the transaction price and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

# HAVELLS EXIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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### 3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### **Cash and cash equivalents in the statement of cash flows**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### **Share capital**

Ordinary shares are classified as equity.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. Provided it is probable that the economic benefits will flow to the Company and the revenue and relevant costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Revenue from sales of goods is recognised when the Company has delivered the goods to the customer and the customer has accepted the goods together with the risks and rewards of ownership of the goods.

#### **Foreign currency transaction**

##### **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### **Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## HAVELLS EXIM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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#### 3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### **Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are generally recognised for all temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (taxable temporary differences). Deferred tax assets are generally recognised for all temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled (deductible temporary differences)—but only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **Related parties**

For the purpose of these financial statements, related parties include a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Company if that person:
  - (i) is a member of the key management personnel of the Company or of a parent of the Company, where applicable;
  - (ii) has control over the Company; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others), where applicable.
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant voting power in the entity

# HAVELLS EXIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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#### 4. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgements are currently evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates, assumptions and judgements concerning future. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment for the carrying amounts recognised in the financial statements are discussed below.

##### **Income tax**

The Company is not subject to Hong Kong Profits Tax. Judgment is required in determining whether the Company is subject to taxation in any other jurisdictions in which it operates.

The Company has no deferred tax assets to be recognised as it there is no deductible temporary differences.

##### **Impairment of assets**

###### **Trade receivables**

The Company's management determines impairment of receivables on a regular basis. This estimate is based on the credit history of its customers/ borrowers and current market conditions. Management reassesses the impairment of receivables at each reporting date.

#### 5. CATEGORIES OF FINANCIAL INSTRUMENTS

USD

##### **Financial assets**

*Financial assets that are debt instruments  
measured at amortised cost less impairment*

- Trade receivables	172,079
- Bank balances	<u>274,676</u>
	<u>446,755</u>

##### **Financial liabilities**

*Financial liabilities measured at amortised cost*

- Trade and other payables	<u>422,859</u>
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#### 6. REVENUE

An analysis of the Company's revenue for the period including the Company's turnover (representing revenue arising from the principal activities of the Company) is as follows:

USD

##### **Turnover**

Sales of goods	<u>2,944,277</u>
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# HAVELLS EXIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

### 7. PROFIT BEFORE INCOME TAX

	USD
Profit before income tax is stated after charging:	
<b>Staff costs</b>	
Salaries, wages and other benefits	-
Contributions to defined contribution retirement plans	-
	<hr/>
Total staff costs (inclusive of directors)	-
	<hr/> <hr/>
<b>Other items</b>	
Auditor's remuneration	1,910
Cost of sales	2,914,977
	<hr/> <hr/>

### 8. DIRECTORS' REMUNERATION AND MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

#### (i) Directors' remuneration

Directors' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	USD
<b>Services as a director:</b>	
Fees	-
<b>Other services:</b>	
Emoluments	
- Salaries and bonuses	-
- Contributions paid under a retirement benefits scheme	-
- Benefits otherwise than in cash: tuition fee	-
Retirement benefits	-
Compensation for loss of office	-
Consideration provided to or receivable by third parties for making available directors' services	-
	<hr/>
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#### (ii) Material interests of directors in transactions, arrangements and contracts

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its parent and ultimate parent or fellow subsidiaries was a party and in which the directors of the Company or a connected entity (within the meaning of section 486 of the Hong Kong Companies Ordinance) had a material interest, whether directly or indirectly, were entered into or subsisted at the end of the period or at any time during the period.



## HAVELLS EXIM LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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#### 9. INCOME TAX

No Hong Kong Profits Tax has been provided as the Company did not earn profits arising in, or derived from, Hong Kong and therefore the Company is not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

##### Reconciliation of tax expense:

	US\$
Profit before income tax	<u>3,896</u>
Tax at Hong Kong Profits Tax rate of 16.5%	642
Tax effect of non-taxable offshore profits	<u>(642)</u>
Income tax charge for the year	<u>-</u>

At the reporting date, there were no temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

#### 10. TRADE AND OTHER PAYABLES

	USD
<b>Trade payables</b>	
- Amount due to a third party	398,122
- Amount due to parent and ultimate parent *	6,000
- Amount due to a fellow subsidiary *	<u>16,000</u>
	<u>420,122</u>
<b>Other payables</b>	
- Accrued charges	<u>2,737</u>
	<u>422,859</u>

\* Trade payables to parent and ultimate parent and a fellow subsidiary are unsecured, non-interest bearing and repayable on demand.

# HAVELLS EXIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 7 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

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### 11. SHARE CAPITAL

	USD
<b>Issued and fully paid:</b>	
20,000 new ordinary shares issued	<u>20,000</u>
<b>At the reporting date</b>	<u><u>20,000</u></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The Company was incorporated in Hong Kong with limited liability on 7 June 2017 and on that date, 20,000 ordinary shares were issued by reference to the Company's Articles of Association for total cash consideration of USD20,000 to provide initial working capital for the Company.

### 12. OTHER RELATED PARTY DISCLOSURES

In addition to the transactions/ information disclosed elsewhere in these financial statements, during the period, the Company had the following transactions with a related party:

<b>Related party relationship</b>	<b>Nature of transactions</b>	USD
Havells India Limited #	Sales	2,944,277
Havells India Limited #	Management fee paid	6,000
Havells Guangzhou International Limited &	Management fee paid	<u>16,000</u>

# Parent and ultimate parent  
& Fellow subsidiary

### 13. AGGREGATE AMOUNT OF AUTHORISED LOANS

There were no loans made under the authority of sections 280 and 281 of the Hong Kong Companies Ordinance (Cap. 622) during or at the end of the period ended 31 March 2018.