Registered number C 73716

Havells International Limited

Report and financial statements

31 March 2018

CONTENTS

GENERAL INFORMATION

Registration
Havells International Limited is registered in Malta as a limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The Company's registered number is C 73716.

Directors
Nicholas Trapani Galea Feriol
Manish Kaushik

Company secretary
Nicholas Trapani Galea Feriol

Registered office
Level 2 West, Mercury Tower
The Exchange Financial & Business Centre
Elia Zammit Street, St. Julian's STJ 3155
Malta

Auditors
Ernst & Young Malta Limited
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
Malta

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2018. The comparative financial statements cover the period from 23 December 2015 until 31 March 2017.

Principal activity
The Company has been incorporated to act as a holding company.

Review of the business
Havells International Limited (the "Company" or "Parent Company") is registered in Malta as a limited liability company under the Companies Act, Cap. 386 of the Laws of Malta.

During the year ended 31 March 2018 the Company sold 100% of the share capital of Sylvania Brasil Iluminacao Ltda., company incorporated in Brasil and 100% of Havells Sylvania (Thailand) Limited. Investment in Thai Lighting Asset Company Limited was fully impaired due to management decision to liquidate the subsidiary.

Results and dividends

During the year ended 31 March 2018, the Company incurred a loss before tax of €8,270,370 (period ended 31 March 2017: loss before tax of €9,607,235). The statement of comprehensive income is set out on page 7 and the movements in its reserves are disclosed in the statement of changes in equity on page 9.

The directors did not recommend the payment of any dividend in respect of the financial year ending 31 March 2018.

Principal risk
There are no material risks faced by the Company except as disclosed in note 10 to the financial statements 'Financial Risk Management Policies'.

Post balance sheet events
There were no material events after the reporting period which has a bearing on the understanding of the financial statements.

Directors
The directors of the Company who held office during the year are set out on page 1.
In accordance with the Company's Memorandum and Articles of Association, the present directors remain in office.

Statement of directors' responsibilities
The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the company for the year then ended. In preparing the financial statements, the directors should:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern;
- Account for income and charges relating to the accounting period on the accruals basis;
- Value separately the components of asset and liability items; and
- Report comparative figures corresponding to those of the preceding accounting period.

DIRECTORS' REPORT - continued

Statement of directors' responsibilities - continued

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386) This responsibility includes designing, implementing and maintaining 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. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditor
Ernst & Young Malta Limited have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed by

Manish Kaushik
Director

Nicholas Trapani Galea Feriol
Director

9 May 2018

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INDEPENDENT AUDITOR'S REPORT
to the Shareholder of Havells International Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Havells International Limited ('the Company'), set out on pages 7 to 18, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 other than our reporting on other legal and regulatory requirements.

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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholder of Havells International Limited - continued

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, 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.

Auditor's responsibilities 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, 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.
- 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 the directors 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.

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INDEPENDENT AUDITOR'S REPORT

to the Shareholder of Havells International Limited - continued

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

We also have responsibilities under the Companies Act to report to you if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The partner in charge of the audit resulting in this independent auditor's report is Anthony Doublet for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

9 May 2018

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Note	31 March 2018 €	Period from 23 December 2015 to 31 March 2017 €
Administrative and other expenses	3	(199,735)	(101,542)
Impairment loss	5	(800,000)	(9,505,693)
Loss on disposal	5	(10,892,566)	-
Other income	5	3,621,931	-
Loss before taxation		**(8,270,370)**	(9,607,235)
Income tax charge	4	-	-
Loss for the year/period		**(8,270,370)**	(9,607,235)
Other comprehensive income		-	-
Total comprehensive loss		**(8,270,370)**	(9,607,235)

The accounting policies and explanatory notes on pages 11 to 18 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	Note	As at 31 March 2018	As at 31 March 2017
		€	€
ASSETS			
Current assets			
Investment in subsidiaries	5	-	1,600,000
Amount due from related party	5	2,806,158	-
Cash and cash equivalents	6	275,824	788,669
Other assets	7	2,449	4,897
		3,084,431	2,393,566
TOTAL ASSETS		**3,084,431**	2,393,566
EQUITY AND LIABILITIES			
Equity			
Share capital	9	18,121,800	11,960,500
Accumulated losses		(17,877,605)	(9,607,235)
		244,195	2,353,265
LIABILITIES			
Current Liabilities			
Other payables	8	34,078	40,301
Amount due to third parties	5	2,806,158	-
		2,840,236	40,301
TOTAL LIABILITIES		**2,840,236**	40,301
TOTAL EQUITY AND LIABILITIES		**3,084,431**	2,393,566

The accounting policies and explanatory notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements on pages 7 to 18 were authorised for issue by the board of directors on 9 May 2018 and were signed on its behalf by:

Manish Kaushik
Director

Nicholas Trapani Galea Feriol
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2018

	Share capital €	Accumulated losses €	Total equity €
As at 31 March 2017	11,960,500	(9,607,235)	2,353,265
Issue of share capital (note 9)	6,161,300	-	6,161,300
Loss for the year	-	(8,270,370)	(8,270,370)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(8,270,370)	(8,270,370)
As at 31 March 2018	**18,121,800**	**(17,877,605)**	**244,195**
As at 23 December 2015	-	-	-
Issue of share capital (note 9)	11,960,500	-	11,960,500
Loss for the year	-	(9,607,235)	(9,607,235)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(9,607,235)	(9,607,235)
As at 31 March 2017	11,960,500	(9,607,235)	2,353,265

The accounting policies and explanatory notes on pages 11 to 18 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

	Note	Year ended 31 March 2018 €	Period from 23 December 2015 to 31 March 2017 €
Cash flows from operating activities			
Loss for the year before tax		(8,270,370)	(9,607,235)
Adjustments to reconcile loss before tax to net cash flows:			
Impairment loss	5	800,000	9,505,693
Loss on disposal	5	10,892,566	-
Other income (waiver)	5	(3,621,931)	-
Increase/(Decrease) in current liabilities		2,799,935	40,301
(Increase)/Decrease in current assets		(2,803,710)	(4,897)
Net cash used in operating activities		(203,510)	(66,138)
Cash flows from investing activities			
Capital infusion	5	(8,070,635)	(11,105,693)
Disposal of investments	5	1,600,000	-
Net cash used in investing activities		(6,470,635)	(11,105,693)
Cash flows from financing activities			
Proceeds from the issue of share capital	9	6,161,300	11,960,500
Net cash from financing activities		6,161,300	11,960,500
Net (decrease)/increase in cash and cash equivalents		(512,845)	788,669
Cash and cash equivalents at 31 March 2017		788,669	-
Cash and cash equivalents at 31 March 2018	6	275,824	788,669

The accounting policies and explanatory notes on pages 11 to 18 form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Havells International Limited (the "Company") is a limited liability company and was incorporated in Malta on 23 December 2015 under Companies Act, Cap. 386 of the Laws of Malta

2 BASIS OF PREPARATION AND CHANGES IN COMPANY'S ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements are prepared on a historical cost basis. These financial statements are in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta.

These financial statements present information about the Company as an individual undertaking and not about the Group of which the Company is the parent. The company has availed itself of the exemption set out in section 174 of the Companies Act, Cap. 386 of the Laws of Malta and accordingly consolidated financial statements covering the company and its subsidiary have not been drawn up. The ultimate parent of Havells International Limited (as disclosed in the Note 11) prepares consolidated financial statements in a manner alike equivalent to the required by the Maltese Companies Act, 1955 and are to be delivered to the Registrar of the Companies in Malta.

Functional and presentation currency
The Company's functional currency is the €, which is the currency of the share capital of the Company. The Company's performance is evaluated and its liquidity is managed in €. Therefore, the € is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company's presentation currency is also the €. The financial statements are presented in €.

Going concern
The financial statements have been prepared on the going concern basis of accounting. The validity of this assumption is dependent on the support given by the Company's shareholder. The shareholder has confirmed its support in writing. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is still appropriate for the financial statements to be prepared on the going concern basis.

2.2 Changes in accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year

- Amendments to IAS 7: Disclosure Initiative (effective for financial year beginning on or after 1 January 2017)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective for financial year beginning on or after 1 January 2017)
- Annual Improvements to IFRS Standards 2014-2016 Cycle (effective for financial year beginning on or after 1 January 2017)

The adoption of these standards did not have significant impact on the financial statements or performance of the Company.

NOTES TO THE FINANCIAL STATEMENTS – continued

2 BASIS OF PREPARATION AND CHANGES IN COMPANY'S ACCOUNTING POLICIES - continued

2.2 Changes in accounting policies - continued

Standards, interpretations and amendments to published standards as adopted by the EU which are not yet effective

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Company has not early adopted, but plans to adopt upon their effective date. The new and amended standards follow:

- Amendments to IAS 40: Transfer of Investment Property (effective for financial year beginning on or after 1 January 2018)
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective for financial year beginning on or after 1 January 2018)
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective for financial year beginning on or after 1 January 2018)
- Clarifications to IFRS 15 Revenue from Contracts with Customers (effective for financial year beginning on or after 1 January 2018)
- IFRS 9 Financial Instruments (effective for financial year beginning on or after 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15 (effective for financial year beginning on or after 1 January 2018)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for financial year beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for financial year beginning on or after 1 January 2019)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective for financial year beginning on or after 1 January 2019)

Standards, interpretations and amendments that are not yet endorsed by the EU

- IFRS 17 Insurance Contracts (effective for financial year beginning on or after 1 January 2021)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for financial year beginning on or after 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective for financial year beginning on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for financial year beginning on or after 1 January 2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective for financial year beginning on or after 1 January 2019)
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for financial year beginning on or after 1 January 2020)

The Company is still assessing the impact of these new standards.

NOTES TO THE FINANCIAL STATEMENTS – continued

2 BASIS OF PREPARATION AND CHANGES IN COMPANY'S ACCOUNTING POLICIES – continued

2.3 Summary of the significant accounting policies

Investments in subsidiaries
Investments in subsidiaries are accounted for by the cost method of accounting i.e. cost less impairment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Cash and cash equivalents
Cash and cash equivalents consist of balances with banks. Cash at banks are carried at face value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

Other payables

Liabilities for other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

Liabilities for other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Foreign currency transactions

Transactions in foreign currencies have been converted into € at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into € at the rates of exchange ruling at the reporting date. All resulting differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Related parties
The term related party refers to any related party as defined in IAS 24 Related party disclosures.

Expenses
Expenses are generally recognised on an accrual basis. These are incurred in the direction and general administration of day-to-day operation of the Company.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.4 Significant Accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

3 ADMINISTRATIVE AND OTHER EXPENSES

	Year ended 31 March 2018	Period from 23 December 2015 to 31 March 2017
		€
Auditor's remuneration	16,439	12,500
Tax compliance fees	1,770	1,770
Professional fees	58,178	49,738
Directors' remuneration	3,570	4,256
Unrealised exchange losses	115,520	28,630
Other	4,258	4,648
	199,735	101,542

4 TAXATION

Reconciliation between the applicable income tax rate in Malta of 35% and the effective income tax rate for the period is as follows:

	Year ended 31 March 2018	Period from 23 December 2015 to 31 March 2017
		€
Loss before tax	(8,270,370)	(9,607,235)
Theoretical taxation at 35%	(2,894,630)	(3,362,532)
Tax effect of:		
Expenses not-deductible for tax purposes	4,162,306	3,362,532
Non-taxable income	(1,267,676)	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS – continued

5 INVESTMENT IN SUBSIDIARIES

	Year ended 31 March 2018	Period from 23 December 2015 to 31 March 2017
		€
As at beginning of the year	1,600,000	-
Additions during the year	8,070,635	11,105,693
Disposal during the year	(8,870,635)	-
Impairment charge	(800,000)	(9,505,693)
As at end of the year	-	1,600,000

Company	Registered Office	Class of shares held	Percentage of shares held 2017	2018
Thai lighting Assets Co. Ltd.	2 Ploenchit Center Building, 19th floor, Sukhamvit 2 road, Klongtoey, Bangkok 10110, Thailand	Common shares & Preference shares	100%	100%
Sylvania Brasil Iluminacao Ltda.	Rua Jaceru, 151, 3º Andar, Vila Gertrudes- São Paulo- SP,CEP/ZIP Code 04705-000	Common shares	100%	-
Havells Sylvania (Thailand) Limited	2 Ploenchit Center Bldg, 19th Floor, Sukhumvit Soi 2 Road, Klongtoey Bangkok 10110, Thailand	Common & preference shares	49%	-

The investment in Thai Lighting Assets Company Limited has been fully impaired in March 2018.

During the year Havells International Limited and Thai Lighting Assets Company Limited sold its investment held in Havells Sylvania (Thailand) Limited at an agreed price of €1.6 million. Thai Lighting Assets Company Limited, waived its right to receive the proceeds of the sale. Thus, Havells International Limited, recognised gain on waiver amounting to €816k.

Investment in Sylvania Brasil Iluminacao Ltda. was also sold during the year. This resulted to a loss of €10.9 million. As part of the agreement, Havells International Limited is liable to pay the former's intercompany payables. However, this debt was assigned by Havells International Limited to Havells Holdings Limited amounting to €2.8 million.

NOTES TO THE FINANCIAL STATEMENTS – continued

6 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents are comprised of the following

	as at 31 March 2018	as at 31 March 2017 €
Cash at bank	275,824	788,669

7 OTHER ASSETS

	as at 31 March 2018	as at 31 March 2017 €
Prepaid expenses	2,449	4,897

8 OTHER PAYABLES

	as at 31 March 2018	as at 31 March 2017 €
Other payables	15,788	26,031
Accrued expenses	18,290	14,270
	34,078	40,301

Trade payables are non-interest bearing and are normally on 30 day term.

9 EQUITY AND RESERVES

	as at 31 March 2018 €	as at 31 March 2017 €
Authorised share capital		
20,000,000 (2017: 20,000,000) ordinary shares of €1.00 each	20,000,000	20,000,000
Issued and fully paid-up share capital		
18,121,800 (2017: 11,960,500) ordinary shares of €1.00 each	18,121,800	11,960,500

During the year, the sole shareholder of the Company increased the issued share capital by 6,161,300 ordinary shares, each having a nominal value of €1.00 each. Thus, share capital at year-end amounts to €18,121,800.

Accumulated losses

The balance represents accumulated losses of the company carried forward.

NOTES TO THE FINANCIAL STATEMENTS – continued

10 FINANCIAL RISK MANAGEMENT POLICIES

At 31 March 2018, the Company's main financial instruments on the statement of financial position comprised of cash at bank, other assets and other payables. The Company is exposed to credit risk and liquidity risk. Company is not exposed to market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities. As at 31 March 2018, the financial assets of the company are with related parties or placed with quality financial institutions. Accordingly, in the opinion of the Directors, the Company has no significant concentration of credit risk.

Fair values

Fair value of financial assets and liabilities are assessed by Directors as not materially different from the carrying amounts shown in the statement of financial position, due to short term maturity periods attached to these instruments. Financial assets and liabilities of the company are held at amortised cost.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank accounts and amounts due to related companies. In the opinion of the Directors, the Company was not exposed to significant liquidity risk as at 31 March 2018.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. There were no changes in the objectives of capital management in the period under review

11 RELATED PARTIES, IMMEDIATE AND ULTIMATE BENEFICIARIES

The ultimate parent company of Havells International Limited is Havells India Limited whilst the immediate shareholder the Company is Havells Holding Limited.

Related parties also comprise the Company's directors who has the ability to control or exercise significant influence in the financial and operating decisions, and subsidiaries (Note 5).

There were no transactions carried out and, respectively, no balances with related parties during the period ended 31 March 2018.

Remuneration of directors

The directors' fees paid during the year ended 31 March 2018 amounted to €3,570 (period ended 31 March 2017: €4,256)

NOTES TO THE FINANCIAL STATEMENTS – continued

12 EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events which would require adjustment or disclosure in the financial statements of the Company.