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Signed by Guangdong Southtianyuan Certified Public Accountants
(general partnership)

Reporting reference number: Southtianyuan Shen Zi (2021) No.334

Client: Havells Guangzhou International Limited

Firm name: Guangdong Southtianyuan Certified Public Accountants
(general partnership)

Report type: Annual audit report (unqualified opinion)

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Signing CPA: Wang Enping

Feng Chuanping

Havells Guangzhou International Limited

Audit Report for 2020

Firm name: Guangdong Southtianyuan Certified Public Accountants (general partnership)

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Review report

Southtianyuan Shen Zi (2021) No.334

To the Shareholders of Havells Guangzhou International Limited:

1. Audit Opinion

We have audited the attached financial statements of Havells Guangzhou International Limited (hereinafter referred to as the "Company"); including the balance sheet as of December 31, 2020, the income statement, the cash flow statement and the explanatory notes to financial statements of 2020.

In our opinion, the financial statements have been prepared by the Company in accordance with the Accounting Standards for Small Enterprises in all major aspects, which fairly reflect the Company's financial conditions as of December 31, 2020, as well as its operating results and cash flow of 2020.

2. Form the Basis of Audit Opinions

We conducted our audit work in accordance with the Standards on Auditing for Certified Public Accountants. The "responsibility of certified public accountants for auditing financial statements" section of the audit report further elaborates our responsibilities under these standards. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of your company and fulfill other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the publication of audit opinions.

3. Management and Governance layer's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of financial statements, make it fair to reflect, and designing, implementing and maintaining necessary internal control, in order to avoid any material misstatement in these financial statements due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing matters related to continuing operations, and applying the assumption of going concern unless there is no plan to liquidate, terminate operations or have no other realistic options.

The governance layer is responsible for overseeing the company's financial reporting process.

4. Auditor's Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance whether the financial statements are free from any material misstatement due to fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but there is no guarantee that audits performed in accordance with auditing standards will always be found in the presence of a material misstatement. A misstatement may be due to fraud or error, and is generally considered significant if it is reasonably expected that the misstatement, individual or aggregate, may affect the economic decisions made by the financial statements' users based on the financial statements.

We exercise professional judgment and maintain professional skepticism as we conduct our audit in accordance with audit standards. At the same time, we also perform the following work:

(1) Identify and assess material misstatement risks in financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for the issuance of audit opinions. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or overriding internal control, the risk of material misstatement due to fraud is not higher than the risk of not discovering a material misstatement due to an error.

(2) Understand the internal controls relevant to the audit in order to design appropriate audit procedures, but not for the purpose of commenting on the effectiveness of the internal controls.

(3) Evaluate the appropriateness of accounting policies selected by the management and make accounting estimates and the reasonableness of related disclosures.

(4) Draw conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we can draw a conclusion on whether there are significant uncertainties in the matters or situations that may cause significant doubts about your company's ability to continue as a going concern. If we conclude that there is significant uncertainty, the auditing standards require us to draw the attention of statement users to relevant disclosures in financial statements in our audit reports, and a non-unqualified opinion should be published if the disclosure is not sufficient. Our conclusions are based on information available as of the audit report date. However, future events or circumstances may render your company unsustainable.

(5) Evaluate the overall presentation, structure and content of the financial statements (including disclosures) and evaluate whether the financial statements fairly reflect the relevant transactions and events.

We communicate with governance layer on planned audit coverage, timeline, and major audit findings, including the internal control deficiencies that we identified during the audit that are of concern.

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Guangdong Southtianyuan Certified Public Accountants
(general partnership)



Chinese CPA: 

Chinese CPA: 

CHINA · GUANGZHOU

Mar 15th 2021

Balance Sheet

Dec 31, 2020

Entity: Havells Guangzhou International Limited

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Unit: RMB

Items	Balance at the end of the period	Balance at the beginning of the period	Items	Balance at the end of the period	Balance at the beginning of the period
Current Assets:			Current liability:		
Bank and Cash	4,090,336.56	2,253,754.29	Short-term loans		
Current Investment			Notes payable		
Notes receivable	420,694.23	523,142.17	Accounts payable	858,214.95	176,419.24
Account receivable	2,815,218.47	1,110,161.77	Advance from customers	679,014.75	298,326.18
Prepayment	812,283.27	230,935.19	Meet the employees pay	226,203.98	259,152.82
Dividend receivable			Taxes and fees due	885,350.48	173,832.45
Interest receivable			Interest payable		
Other receivable	395,638.00	250,685.84	Profit payable		
Inventory			Other payable	381,249.42	237,914.68
of which: raw materials			Other current liability		
goods in process					
finished goods					
revolving materials					
Other current assets	1,019,448.64	623,935.67	Total current liability	3,030,033.58	1,145,645.37
Total current assets	9,553,619.17	4,992,614.93	Non-current liability:		
Non-current assets:			Long-term loans		
long-term bond investments			Long-term payable		
long-term equity investments			Deferred income		
Fixed assets-cost	254,427.49	235,177.49	Other non-current liabilities		
Less: Accumulated depreciation cost	140,471.00	95,687.71			
Fixed assets book value	113,956.49	139,489.78			
Long-term contract			Total non-current liabilities	-	-
Materials held for construction of fixed assets			Total liability	3,030,033.58	1,145,645.37
Disposal of fixed assets			Owners' Equity		
Production of biological assets			Paid in capital	477,666.00	477,666.00
Intangible assets			Capital surplus		
Development expenditure			Surplus reserve		
Long-term deferred expense		38,348.92	Retained profits after appropriation	6,159,876.08	3,547,142.26
Other non-current assets					
Total non-current assets	113,956.49	177,838.70	Total Equity	6,637,542.08	4,024,808.26
Total assets	9,667,575.66	5,170,453.63	Total Liability & Equity	9,667,575.66	5,170,453.63

Legal Representative:

Responsible Person in Charge of
Accounting Work:

Profit and Profit Distribution Table

2020

Entity: Havells Guangzhou International Limited

Items	Amount due this period	Amount due last period
Revenue	27,533,388.76	17,608,469.84
Of which: Main Operating Income	27,523,766.13	17,595,262.31
Other Operating Income	9,622.63	13,207.53
Less: Cost of Sales	16,161,555.11	6,989,139.84
Of which : Cost of Main Operation	16,161,555.11	6,989,139.84
Cost of Other Operation		
Sales Tax	58,464.71	67,383.80
Of which: Business Tax		
City maintenance and construction Tax	27,554.50	36,258.59
Resources Tax		
Land appreciation tax		
Urban and town land usage tax, Estate tax, Vehicle and vessel tax, Stamp tax	11,228.40	5,226.20
Education Surtax, Mineral resources compensation fees, sewage charges	19,681.81	25,899.01
Selling & Distribution expense	4,640,244.80	5,314,512.84
Of which: Maintenance of commodity		
Advertisement and propaganda expenses		
G&A expense	2,409,063.75	2,695,817.99
Of which: Organization costs		
Business entertainment expenses	8,062.05	39,810.81
Research expenditure		
Finance expense	735,153.31	69,387.30
Of which : Interest enpenses (profit list as "-")	-4,586.64	-3,166.06
Add: Investment income (loss list as "-")		
Profit from operation (Loss list "-")	3,528,907.08	2,472,228.07
Add:Non-operating income	5,665.55	
Including: Public subsidy		
Less: Non-operating expense	6,148.00	120,810.54
Including: Bad debt loss		-4,271.84
Uncollectible long-term bond investment loss		
Uncollectible long-term equity investment loss		
Losses from natural disaster		
Tax overdue fine		125,077.26
Profit before Tax	3,528,424.63	2,351,417.53
Less: Income tax	915,690.81	199,241.91
Net profit	2,612,733.82	2,152,175.62
Add: Undistributed profit at the start of year	3,547,142.26	2,025,868.66
Others		-630,902.02
Distributive profit	6,159,876.08	3,547,142.26
Less: Extract for statutory surplus reserve		
Extract of discretionary surplus reserve		
Staff bonus and welfare fund*		
Extract for reserve fund*		
Enterprise expansion fund*		
Return investment by profit**		
Distributive profit for investors	6,159,876.08	3,547,142.26
Less: Dividends payable		
Retained earnings	6,159,876.08	3,547,142.26

Legal Representative:
of Accounting Work:

Responsible Person in Charge

Cash Flow Statement

Dec 31, 2020

Entity: Havells Guangzhou International Limited

Items	Amount due this period	Amount due last period	Items	Amount due this period	Amount due last period
I. Cash Flow from Operating Activities					
Cash from selling commodities or offering labor	26,209,020.63	15,949,593.08	Convert net profit to cash flow from operating activities		
Other cash received related to operating activities	3,499,824.44	2,743,033.35	Net profit	2,612,733.82	2,152,175.62
Cash paid for commodities or labor	14,121,562.19	8,000,788.76	Add: Depreciation for fixed assets, productive assets	44,783.29	46,077.11
Cash paid to employees	3,833,008.25	4,317,854.29	Amortization of intangible assets		
Taxes and fees paid	649,553.74	1,986,123.75	Amortization of long-term deferred expenses		64,576.52
Other cash paid related to operating activities	9,248,888.62	3,722,779.08	Loss of disposing fixed assets, intangible assets and other long-term assets(Less: profit)		5.12
Cash flow generated from operating activities Net Amount	1,855,832.27	665,080.55	Scrap loss of fixed assets		
II. Cash Flow from Investing Activities					
Cash from temporary investments, long-term bond investments and long-term equity investments			Financial expenses		1,138.27
Cash from investment income			Investment losses(Less: profit)		
Net cash from disposing fixed assets, intangible assets and other long-term assets			Decrease of inventory(Less: increase)		
Cash paid for temporary investments, long-term bond investments and long-term equity investments			Decrease of operation receivables (Less: increase)	-2,723,821.97	-1,285,873.96
Cash paid for buying fixed assets, intangible assets and other long-term assets	19,250.00		Increase of operation payables (Less: decrease)	1,922,137.13	326,982.34
Cash flow generated from investing activities Net Amount	-19,250.00	-11,730.00	Others		-640,000.47
III. Cash Flow from Financing Activities					
Borrowings			Net Cash from Operating Activities	1,855,832.27	665,080.55
Cash received from accepting investments					
Cash paid for debt					
Cash paid for interest					
Cash paid for distribute profit					
Cash flow generated from financing activities Net Amount	-	-			
IV. Net Increase of Cash					
	1,836,582.27	653,350.55			
Add: Cash beginning balance	2,253,754.29	1,600,403.74			
V. Cash ending balance	4,090,336.56	2,253,754.29			

Unit: RMB

Legal Representative:

Responsible Person in Charge of Accounting Work:



Havells Guangzhou International Limited

Notes to Financial Statements

For the Year 2020

Unit: RMB

Article 1 Introduction to the company

Havells Guangzhou International Limited (hereinafter referred to as the “Company”) was registered and obtained its Business License on October 17, 2016, with the approval of Guangzhou Administration for Industry and Commerce of Tianhe district. The registration number is: 91440101MA59FBUR8B; the registered capital is: RMB Five Hundred Thousand only (¥500,000.00); the paid-up capital is: RMB Four Hundred and Seventy-seven Thousand and Six Hundred and Sixty-six only (¥477,666.00); the legal representative is: MAHENDER SINGH BAGRI; office address: Room 905, No.1168 East Xingang Road, Haizhu District, Guangzhou City. The business scope includes: Lamps, decorative items; wholesale; wholesale of household appliances; import and export of commodity (exclude commodity specialize under government control); commission agency; Product information consulting service; (Projects subject to approval according to law, business activities can be carried out after approval by relevant departments).

Article 2 Preparation basis for the financial statements

The Company’s preparation of financial statements is based on the going-concern assumption, according to the actual transactions and affairs, pursuant to the *Accounting Standards for Small Enterprises* (Cai Kuai [2011] No.17) issued by the Ministry of Finance on October 18, 2011 and based on the following significant accounting policies and accounting estimates.

Article 3 Declaration about compliance with the Accounting Standards for Small Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Small Enterprises, which reflect the financial status, operating results, cash flow and other information of the Company truly and completely.

Article 4 Explanation on the principal accounting policies and accounting Estimates

1. Accounting system

The Company adopts the *Accounting Standards for Small Enterprises* and the attached accounting subjects.

2. Accounting year



The accounting year of the Company is from January 1 to December 31 of each calendar year.

3. Bookkeeping currency

The Company uses RMB as bookkeeping currency.

4. Bookkeeping basis and pricing principle

The Company adopts the accrual method as bookkeeping basis and adopts the historical costing system as pricing principle.

5. Confirmation standard for cash & cash equivalent

The cash reflected in the cash flow statement of the Company is the cash on hand and the deposit which can be used for payment at any time.

6. Accounting method and translation method of foreign currency transaction

1) Translation method of foreign currency transaction

In the initial recognition of the foreign currency transaction of the Company, the amount of foreign currency will be converted into RMB based on the spot exchange rate of the transaction date; upon the receipt of foreign currency capital from investors, the capital amount will be converted into RMB based on the spot exchange rate of the transaction date.

2) Treatment of foreign currency monetary item and foreign currency non-monetary item in balance sheet date

Regarding to the foreign currency monetary item, it will be converted into RMB based on the spot exchange rate of balance sheet date. The exchange balance incurred due to the difference between the spot exchange rate of the balance sheet date and that of the initial recognition date or the prior balance sheet date will be recorded in the current profit and loss.

Regarding to the foreign currency non-monetary item which is priced as historical costing, it will be converted into RMB based on the spot exchange rate of transaction date without changing the amount of bookkeeping currency.

3) Translation method of foreign currency financial statement

The Company converts all the items contained in the foreign currency balance sheet, income statement and cash flow statement by adopting the spot exchange rate of balance sheet date.

7. Receivables and bad debt losses

The Company's recognition standards for bad debt losses are as follows: the debtor is declared bankruptcy, close or dissolution by laws or the debtor's business license is canceled or revoked by laws, while his liquidation property is insufficient for the settlement of debts; the debtor is dead or declared missing or dead by laws, while his property or heritage is insufficient for the settlement of debts; the debtor fails to pay off his debts for more than three overdue years, and there is unquestionable evidence to prove that he is unable to recover the debt; after a debt reorganization agreement between the Company and the debtor is reached or after the court approves the bankruptcy restructuring plan, it is impossible to demand payment of the debt; it is impossible to recover the debt due to force majeure, such as natural disaster and war; other conditions specified by the competent department for



finance or taxation of the State Council.

The bad debt losses of receivables shall be recorded in non-business expenditure and charged against the receivables when they are actually incurred.

8. Inventories

The Company's inventories include raw materials, commodity stocks and so on. The acquired inventories are recorded at actual cost, and the issued inventories are priced in weighted average method. The inventory system of the Company is perpetual inventory system.

9. Fixed assets

The fixed assets of the Company refer to the tangible assets which are related to production, labor service, rental or operating management with a useful life over one year. The fixed assets are recorded generally at actual cost on acquisition. The depreciation of fixed assets is calculated in straight-line method, and the depreciation rate is based on the balance by subtracting the net salvage from the original value and the expected useful life of each class of fixed assets. The classified depreciation rate is as follows:

Fix asset class	Expected net salvage rate (%)	Expected useful life (year)	Annual depreciation rate (%)
Office equipment & others	5	5	19

10. Long-term deferred expense

The company's long-term deferred expenses refer to the expenses that the company has incurred but should be shared by the current and future periods with amortization period of more than one year (excluding one year). Long-term deferred expenses are recorded at actual expenditure, and are amortized over the period of amortization using the straight-line method, which is included in the cost of related assets or management expense.

11. Revenue recognition principle

1) Recognition method of sales revenue

In general, the Company will recognize the sales revenue after it transfers the goods and receives the payment for goods or the proceeds right. In addition, the Company will recognize the amount of sales revenue according to the contract or agreement price received or receivable from purchasers.

2) Recognition method of revenue from providing labor service

The Company will recognize the realization of labor service income under completion percentage method as the result of labor service transaction can be estimated in a reliable way on the balance sheet date. The Company will recognize the realization of labor service income as the labor service income can be confirmed in a reliable way; relevant costs can be measured reliably; or revenue amount can be calculated reliably.

3) Recognition method of revenue from assignment of right to use assets



The Company will recognize the realization of royalty revenue from assignment of right to use assets when the related economic benefits can come into its business and the revenue amount can be calculated reliably.

12. Income tax

The income tax of the Company is prepaid quarterly and paid off during annual final settlement. In annual final settlement, the underpaid income tax amount will be paid off within the next year; the overpaid income tax amount will be deducted for income tax within the next year.

Article 5 Major taxes:

Categories of taxes	Tax rate	Tax base
Value-added tax	13%, 6%	Sales revenue
Urban construction and maintenance tax	7%	Paid turnover tax
Education surcharge	3%	Paid turnover tax
Local education surcharge	2%	Paid turnover tax
Enterprise income tax	25%	Taxable income

Article 6 Explanation on changes in accounting policies and accounting estimates and accounting error correction

1. There is no change in accounting policies of the Company in the current year.
2. There is no change in accounting estimates of the Company in the current year.
3. There is no change in accounting errors in the previous of the year and the amount of correction,

Article 7 Notes to relevant data in financial statements (the following monetary unit is RMB, unless otherwise specified)

1. Monetary capital

Items	Balance at the ending of the period	Balance at the beginning of the period
Cash	9.24	273.63
Bank deposit	4,090,327.32	2,253,480.66
Total	4,090,336.56	2,253,754.29

2. Notes Receivable

1) Balance at ending of the year

Items	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
LC	420,694.23	100.00	523,142.17	100.00



Total	420,694.23	100.00	523,142.17	100.00
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2) Top 5 of notes receivable

Customer name	Amount	Percentage (%)
STRATALLIG INTERNATIONAL TRAD LLC	420,694.23	100.00
Total	420,694.23	100.00

3. Accounts receivable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	1,705,056.70	60.57	1,110,161.77	100.00
1-2 years	1,110,161.77	39.43		
Total	2,815,218.47	100.00	1,110,161.77	100.00

2) Top 5 of accounts receivable

Customer name	Amount	Percentage (%)
Havells India	1,524,091.49	54.14
TRADEFIN LIMITED	706,227.97	25.09
Manwin Limited	304,184.31	10.80
DAYLIGHT AGENCIES (PTY) LTD	280,714.70	9.97
Total	2,815,218.47	100.00

4. Advances to Vendors

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	782,304.27	96.31	230,935.19	100.00
1-2 years	29,979.00	3.69		
Total	812,283.27	100.00	230,935.19	100.00

2) Details of advances to vendors

Customer name	Amount	Percentage (%)
Zhejiang Sharbo Electric Appliance Co., Ltd.	261,657.40	32.21
TCL Air Condition(Zhongshan) Co., Ltd	216,481.45	26.65
Wuxi Little Swan Electric Co., Ltd	191,273.98	23.55
Hefei Midea Washing Machine Co., Ltd.	111,491.44	13.73
Foshan Nanhai Chaodi Electri Appliance Co., Ltd	18,479.00	2.27
Total	799,383.27	98.41

5. Other receivables



1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	220,582.04	55.75	101,412.71	40.45
1-2 years	25,782.83	6.52	149,273.13	59.55
2-3 years	149,273.13	37.73		
Total	395,638.00	100.00	250,685.84	100.00

2) Top 5 of other receivables

Customer name	Amount	Percentage (%)
Zhongshan Hongsheng Import & Export Co., Limited	215,382.04	54.44
Rental Deposit	156,793.56	39.63
International Call Deposit	8,000.00	2.02
CIIC Guangzhou Economic & Technical Co., Ltd	6,362.40	1.61
Nansha Custom	5,200.00	1.31
Total	391,738.00	99.01

6. Other current assets

Items	Balance at the ending of the period	Balance at the beginning of the period
Amount of input tax to be deducted	1,018,848.64	623,935.67
ICP Rental	600.00	
Total	1,019,448.64	623,935.67

7. Fixed assets and accumulated depreciation

Items	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
1. Original value of fixed assets				
Including: office equipment and others	235,177.49	19,250.00		254,427.49
Total	235,177.49	19,250.00		254,427.49
2. Accumulated depreciation				
Including: office	95,687.71	44,783.29		140,471.00



equipment and others				
Total	95,687.71	44,783.29		140,471.00
3. Book value of fixed assets				
Including: office equipment and others	139,489.78	19,250.00	44,783.29	113,956.49
Total	139,489.78	19,250.00	44,783.29	113,956.49

8. Long-term deferred expense

Items	Original value	Balance at the beginning of the period	Increase during the period	Amortized during the period	Balance at the ending of the period
Fire engineering	42,500.00	4,722.08		4,722.08	
Renovation costs	60,440.20	16,111.04		16,111.04	
ICP rental	109,066.65	16,515.80	83,179.01	99,694.81	
Parking management fee and rent	1,000.00	1,000.00		1,000.00	
Total	213,006.85	38,348.92	83,179.01	121,527.93	

9. Accounts Payable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	858,214.95	100.00	176,419.24	100.00
Total	858,214.95	100.00	176,419.24	100.00

2) Main creditors of accounts payable

Customer name	Amount	Percentage (%)
Foshan Electric Lighting Co., Ltd.	424,978.63	49.52
Wenzhou Weinuoxi Technology Co., Ltd	284,766.09	33.18
Shenzhen Fluence Technology PLC	90,265.57	10.52
Zhejiang Super Lighting Appliance Co., Ltd	21,769.91	2.54
Zhongshan Mingtong Lighting Electric Factory	19,318.58	2.25
Total	841,098.78	98.01

10. Advances from Customers

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	627,824.13	92.46	281,955.13	94.51
1-2 years	35,878.61	5.28	16,371.05	5.49
2-3 years	15,312.01	2.26		
Total	679,014.75	100.00	298,326.18	100.00

2) Main creditors of advance receipts

Customer name	Amount	Percentage (%)
DAYLIGHT AGENCIES (PTY) LTD	210,891.29	31.06
KTC INTERNATIONAL TRADING FZC	152,917.56	22.52
KAVALANI SONS W.L.L	96,861.49	14.27
SAMITAH TRADING LLC	91,348.60	13.45
Dinesh Trading CO LLC	32,937.70	4.85
Total	584,956.64	86.15

11. Employee Payable

Items	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
Payroll, bonus, allowance, and subsidy	259,152.82	3,909,059.41	3,942,008.25	226,203.98
Staff welfare expenses		612,555.88	612,555.88	
Social Insurance				
Of which: Medical insurance premium		79,920.00	79,920.00	
Basic pension insurance premium		57,553.72	57,553.72	
Supplementary pension				
Unemployment insurance premium		2,034.60	2,034.60	
Work injury insurance premium		423.86	423.86	
Maternity insurance		20,204.56	20,204.56	
Housing fund		232,054.00	232,054.00	
Union funds				
Employee education expenses				
Non-monetary benefits				
Dismissal benefits		124,661.50	124,661.50	
Others				
Total	259,152.82	5,038,467.53	5,071,416.37	226,203.98

**12. Tax payable**

Items	Applicable tax rate	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
Value-added tax	13%/6%	37,239.99	393,635.85	393,900.43	36,975.41
Urban construction and maintenance tax	7%	2,606.80	27,554.50	27,573.02	2,588.28
Education surcharge	3%	1,117.20	11,809.09	11,817.03	1,109.26
Local education surcharge	2%	744.80	7,872.72	7,878.01	739.51
Stamp duty			11,228.40	11,228.40	
Individual income tax		56,885.23	302,050.58	293,520.18	65,415.63
Corporate income tax	25%	75,238.43	900,440.81	197,156.85	778,522.39
Total		173,832.45	1,654,591.95	943,073.92	885,350.48

13. Other Payable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	143,334.74	37.60	108,286.42	45.51
1-2 years	108,286.42	28.40	129,628.26	54.49
2-3 years	129,628.26	34.00		
Total	381,249.42	100.00	237,914.68	100.00

2) Top five creditors of other payable:

Name	Amount	Percentage (%)
Export Freight	225,014.86	59.02
Others	80,000.00	20.98
SINGH	30,964.02	8.12
Xian Ronghao	14,483.95	3.80
Xue Zhengqiang	11,210.95	2.94
Total	361,673.78	94.86

14. Paid-up capital

Investor	Balance at the beginning of the period	Shareholding ratio %	Increase during the period	Decrease during the period	Balance at the ending of the period	Shareholding ratio %
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HAVELLS INDIA	477,666.00	100.00			477,666.00	100.00
Total	477,666.00	100.00			477,666.00	100.00

15. Undistributed profit

Item	Amount due this period
Undistributed profit at the start of the year	3,547,142.26
Add: Net profit this year	2,612,733.82
Previous year's profit and loss adjustment	
Distributable profit	6,159,876.08
Less: Statutory surplus reserve	
Withdraw any surplus reserve	
Undistributed profit at the end of the year	6,159,876.08

16. Business income and cost

1) Main business income and cost

Item	Main business income		Main business cost	
	Amount of current period	Amount of last period	Amount of current period	Amount of last period
Export lamps and small appliances	13,150,612.17	8,898,715.56	9,240,063.82	6,538,042.42
Export washing machines	1,638,154.80		1,440,217.44	
Export air conditioners	5,751,064.90		5,191,413.82	
Export floor fan	344,115.15		284,210.75	451,097.42
Domestic sales		700,207.31		
Services fee income	6,634,155.18	7,996,339.44		
Export samples	5,663.93		5,649.28	
Total	27,523,766.13	17,595,262.31	16,161,555.11	6,989,139.84

2) Other business income and cost

Item	Other business income		Other business cost	
	Amount of current period	Amount of last period	Amount of current period	Amount of last period



Re-inspection fee income	9,622.63	13,207.53		
Total	9,622.63	13,207.53		

17. Taxes & Surcharges

Item	Amount of current period	Amount of last period
Urban construction and maintenance tax	27,554.50	36,258.59
Education surcharge	11,809.09	15,539.42
Local education surcharge	7,872.72	10,359.59
Stamp tax	11,228.40	5,226.20
Total	58,464.71	67,383.80

18. Sales expenses

Items	Amount of current period	Amount of last period
Business entertainment	3,985.00	2,952.00
Travel expenses	337,943.60	777,947.21
Courier fee	13,126.10	1,763.11
Social insurance	139,829.82	490,751.89
Employee's salary	3,168,849.41	3,380,146.33
Employee welfare	296,832.61	279,845.62
Housing funds	232,054.00	237,405.10
Cell phone fee	28,264.51	31,211.17
Transportation fee	1,919.41	114.00
Others	530.00	609.00
Office expenses		2,613.64
Customs clearance fee	227,523.20	60,570.03
Export freight	21,630.89	20,543.00
Freight		8,342.55
Sample fee	33,104.18	1,438.00
Transportation expenses		6,350.00
Storage and destruction cost		3,209.43
Third-party testing fee	9,000.00	8,700.76
Economic compensation and payment in lieu of notice	124,661.50	
CIIC service fee	990.57	
Total	4,640,244.80	5,314,512.84

**19. Administrative expenses**

Items	Amount of current period	Amount of last period
Asset depreciation costs	44,783.29	46,077.11
Administrative expense	50,109.56	45,770.73
Utility fee	5,644.70	6,347.40
Travel expense	38,529.00	42,900.05
Rental fee	448,658.32	397,806.19
Business entertainment fee	8,062.05	39,810.81
Vehicle usage fee	261,239.07	307,036.00
Wages	740,210.00	657,485.00
Social insurance	20,456.92	84,322.39
Employee welfare	315,723.27	467,588.47
Agent employment fee	250,602.37	157,227.09
Consultant fee		196,768.57
Property management fee	118,087.20	108,246.60
Fire engineering fee	4,722.08	14,166.72
Cell phone fee	2,646.67	2,741.94
Phone charge	35,954.55	31,889.33
Audit fee	36,160.66	
Repair fee	16,111.04	50,409.80
Others	1,164.00	3,375.00
Courier fee	4,699.00	18,700.79
Rent LLOYD		11,648.00
Cleaning fee	5,500.00	5,500.00
Total	2,409,063.75	2,695,817.99

20. Financial expenses

Items	Amount of current period	Amount of last period
Interest expense		1,138.27
Bank service charges	71,602.12	34,652.72
Exchange gain or loss (Less revenue)	668,137.83	36,762.37
Less: Interest revenue	4,586.64	3,166.06
Total	735,153.31	69,387.30

21. Non-operating income

Items	Amount of current period	Amount of last period
Individual income tax refund	5,665.55	



Total	5,665.55
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22. Non-operating expenses

Items	Amount of current period	Amount of last period
Tax overdue fine, other fines and penalty	4,148.00	125,077.26
Bad debts		-4,271.84
Loss on disposal of fixed assets		5.12
Individual income tax handling fee	2,000.00	
Total	6,148.00	120,810.54

23. Income Tax

Items	Amount of current period	Amount of last period
Income tax of current period	915,690.81	199,241.91
Total	915,690.81	199,241.91

Article 8 Related party relation and trade

(1) Related party with control relationship

1. Economic nature or type, name, legal representative, registered address and main business

Related Party Name	Registered address	Main business	Registered Capital	Shareholding Ratio to the Company %
HAVELLS INDIA LTMITED	904, 9th Floor, Surya Kiran Building, Kasturba Gandhi Marg, Connaught Place New Delh	Electric cable, wire, electrical machine and household appliances production and sale		100%

2. Related party open credit balance

Related party name	Related transaction content	Balance at the ending of the period
HAVELLS INDIA LTMITED	Accounts receivable	1,524,091.49

Article 9 Explanation on contingency

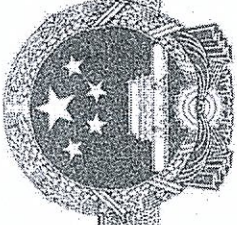
There is no contingency of the Company for the year.

Article 10 Other explanation after the balance sheet date

There is no balance sheet future event that need to be disclosed this year.

Article 11 Other matters for explanation

There is no other matter of the Company for the year which needs special explanation.



编号: S0452020048624G(1-1)

统一社会信用代码

914401047889167341

营业执照

(副本)



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名称 广东南方天元会计师事务所(普通合伙)

类型 合伙企业(普通合伙)

执行事务合伙人 王恩平

经营范围 商务服务业(具体经营项目请登录广州市商事主体信息公示平台查询,网址: <http://cri.gz.gov.cn/>。依法须经批准的项目,经相关部门批准后方可开展经营活动。)

成立日期 2006年05月25日

合伙期限 2006年05月25日至长期

主要经营场所 广州市越秀区中山一路51号后座二楼2-221房



登记机关

证书序号: 0002735

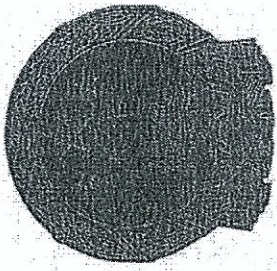
说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
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发证机关:



中华人民共和国财政部制



会计师事务所 执业证书

名称: 广东南方天元会计师事务所(普通合伙)

合伙)

首席合伙人: 王思平

主任会计师:

经营场所: 广州市越秀区中山一路51号后座二楼2-221房

组织形式: 普通合伙

执业证书编号: 44010130

批准执业文号: 粤财会[2006]56号

批准执业日期: 2006年05月12日



	姓名	王恩平
	Full name	
	性别	男
	Sex	
	出生日期	1954-04-07
Date of birth		
工作单位	广州同亿合伙会计师事务所	
Working unit		
身份证号码	340503540407003	
Identity card No.		

证书编号: 440100340003
No. of Certificate

批准注册协会: 广东省注册会计师协会
Authorized Institute of CPAs

发证日期: 一九九二年十一月十七日
Date of Issuance: 2011年4月30日换发



注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年 月 日
/y /m /d

同意调入
Agree the holder to be transferred to

根据广东省财政厅2013年第50号公告
更名为广东南方天元会计师事务所
事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs
2014年1月 /y /m /d



王恩平(440100340003), 已通过广东省注册会计师协会2020年任职资格检查。通过文号: 粤注协〔2020〕132号。



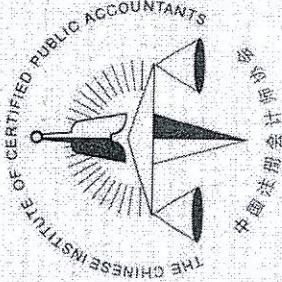
440100340003



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440100340003



姓名 冯传平
 Full name 冯传平
 性别 男
 Sex 男
 出生日期 1970-03-18
 Date of birth 1970-03-18
 工作单位 广东南方天元会计师事务所
 Working unit (普通合伙)
 身份证号码 422406197003180011
 Identity card No. 422406197003180011



冯传平(421001064512), 已通过广东省注册会计师协会2019年任职资格检查。通过文号: 粤注协(2019) 94号。



421001064512

证书编号: 421001064512
No. of Certificate

批准注册协会: 湖北省注册会计师协会
Authorized Institute of CPAs

发证日期: 2002 年 10 月 24 日
Date of Issuance

2019年4月换发



冯传平(421001064512), 已通过广东省注册会计师协会2020年任职资格检查。通过文号: 粤注协(2020) 132号。



421001064512