

Signed

**Havells Holdings Limited**

**Financial Statements**

**31 March 2015**

**HAVELLS HOLDINGS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**HAVELLS HOLDINGS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	Sean Kevin Dowling Ameet Kumar Gupta Anil Rai Gupta Ella Christabel Pinnock (Alternate director to Sean Kevin Dowling)
<b>Registered office</b>	33-37 Athol Street Douglas Isle of Man IM1 1LB
<b>Accountants</b>	Appleby Trust (Isle of Man) Limited  33-37 Athol Street Douglas Isle of Man IM1 1LB
<b>Bankers</b>	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD
<b>Auditors</b>	Ernst & Young LLC Rose House 51-59 Circular Road Douglas Isle of Man IM1 1AZ

**HAVELLS HOLDINGS LIMITED**  
**THE DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2015.

**Principal activities and business review**

The principal activity of the company during the year was that of an investment holding company.

**Results and dividends**

The results of the company for the year are set out in the Profit and Loss Account on page 7.

The directors do not recommend the payment of a dividend (2014: nil).

**Directors**

The directors who served the company during the year were as follows:

Sean Kevin Dowling

Ameet Kumar Gupta

Anil Rai Gupta

Verardi - Nicholas Brian Achille

Resigned 1 May 2014

(Alternate Director to Sean Kevin Dowling)

Ella Christabel Pinnock

Appointed 15 May 2014

(Alternate director to Sean Kevin Dowling)

**Registered Agent**

The Registered Agent of the company is Appleby Trust (Isle of Man) Limited.

**Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The directors have elected to prepare financial statements for each financial year in accordance with United Kingdom Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures discussed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They 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.

The company did not acquire any of its own shares in the period.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

A resolution to re-appoint Ernst & Young LLC as auditor for the ensuing year will be proposed at the annual general meeting.

**Registered office:**  
33-37 Athol Street  
Douglas  
Isle of Man IM1 1LB

Signed by order of the directors



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**DIRECTOR**

Anil Rai Gupta

Approved by the directors on

8<sup>th</sup> May 2015

**HAVELLS HOLDINGS LIMITED  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVELLS HOLDINGS LIMITED  
FOR THE YEAR ENDED 31 MARCH 2015**

We have audited the financial statements of Havells Holdings Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, Statement of Total recognised Gains and Losses, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards.

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom accounting standards.

*Ernst & Young LLC*

Ernst & Young LLC  
Chartered Accountants  
Isle of Man

Date *11 May 2015*

**HAVELLS HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	<u>2015</u> EUR	<u>2014</u> EUR
<b>Turnover</b>		-	-
<b>Expenses</b>			
Administration Fees		(26,692)	(26,723)
Audit Fees		(7,540)	(10,162)
Legal Fees		-	(3,565)
Bank Charges & Expenses		-	(10,261)
Interest Expense - Loans Payable		(229,553)	(395,777)
Amortisation of Loan Arrangement Fee		(261,979)	(133,332)
Interest Received		-	17
Exchange Gain/(Loss)		51	(12)
		<u>(525,713)</u>	<u>(579,815)</u>
<b>Taxation</b>		-	-
<b>Loss for the financial year</b>		<u>(525,713)</u>	<u>(579,815)</u>

**HAVELLS HOLDINGS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	<u>2015</u>	<u>2014</u>
		EUR	EUR
Loss for the financial year attributable to the shareholders		(525,713)	(579,815)
Total gains and losses recognised since the last annual report		<u>(525,713)</u>	<u>(579,815)</u>



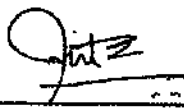
**HAVELLS HOLDINGS LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2015**

		<u>2015</u>	<u>2014</u>
	Note	EUR	EUR
<b>Fixed assets</b>			
Investments	6	<b>141,258,014</b>	141,258,014
		<b>141,258,014</b>	141,258,014
<b>Current assets</b>			
Cash at bank and in hand		<b>32,054</b>	12,229
<b>Total current assets</b>		<b>32,054</b>	12,229
<b>Creditors: Amounts falling due within one year</b>	3	<b>8,131</b>	8,558,198
<b>Net current liabilities</b>		<b>23,923</b>	(8,545,969)
<b>Total assets less current liabilities</b>		<b>141,281,937</b>	132,712,045
<b>Creditors: Amounts falling due after more than one year</b>	4	-	8,538,048
		<b>141,281,937</b>	124,173,997
<b>Capital and reserves</b>			
Called-up equity share capital	7	<b>147,098,298</b>	129,464,645
Profit and loss account	8	<b>(5,816,361)</b>	(5,290,648)
<b>Shareholders' funds</b>	9	<b>141,281,937</b>	124,173,997

The directors acknowledge their responsibilities for:

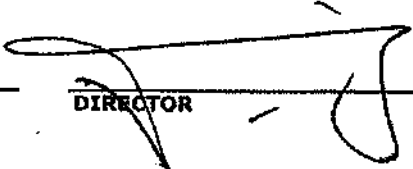
- (i) ensuring that the company keeps proper accounting records, and
- (ii) which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, and enable financial statements to be produced which otherwise comply with the requirements of the Acts relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors and authorised for issue on 08.05.2015, and are signed on their behalf by:



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DIRECTOR  
Anil Rai Gupta.



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DIRECTOR

**HAVELLS HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). These financial statements have been prepared on the going concern basis on the understanding that the parent will provide quarterly capital contributions in order to enable the company to meet its liabilities as they fall due.

**Income & Expenses**

Income and expenses are accounted for under the accruals concept.

**Foreign currencies**

Items included in the company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Euro, which reflects the primary economic environment of the company's subsidiaries.

The company has adopted the Euro as its presentation currency.

Monetary assets and liabilities denominated in currencies other than the Euro are translated into Euros at the closing rates at each period end. Transactions during the period are translated at the rate prevailing on the date of the transaction. Gains and losses on translation are taken to the profit and loss account.

**Investments**

Investments in subsidiaries are held at cost, less a provision for any permanent diminution in value.

**Taxation**

The company is resident in the Isle of Man for income tax purposes. The standard rate of corporate income tax in the Isle of Man is 0%, except where the profits are derived from Isle of Man land and property, banking business or in certain circumstances retail business, which are subject to corporate income tax at a rate of 10%. As Havells Holdings Limited does not derive its income from Isle of Man land and property, banking business or retail business, its profits are subject to the standard rate of corporate income tax of 0%.

**Group Accounts**

The company has taken advantage of an exemption under FRS 2 not to produce consolidated group accounts, as the ultimate parent company, Havells India Limited, prepares consolidated financial statements that are publicly available.

**Cash Flow Statement**

Under FRS 1 "Cash Flow Statements", the company is exempt from preparing a cash flow statement as it qualifies as a small company.

**Loans and borrowings**

All loans and borrowings are recognised at net proceeds, calculated as the fair value of the proceeds received less issue costs.

**HAVELLS HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**Cash at bank and in hand**

Cash is defined as cash in hand, demand deposits and short term, highly liquid investments which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**2 Other operating income**

Operating loss is stated after charging/(crediting):

	2015 EUR	2014 EUR
Auditor's fees	7,540	10,162
Net (profit)/loss on foreign currency translation	(51)	12
	<u>7,489</u>	<u>10,174</u>

**3 Creditors: Amounts falling due within one year**

	2015 EUR	2014 EUR
Trade creditors	8,131	24,863
Bank loan (see note 4)	-	8,533,335
	<u>8,131</u>	<u>8,558,198</u>

**4 Creditors: Amounts falling due after more than one year**

	2015 EUR	2014 EUR
Loans and overdrafts	-	8,538,048
	<u>-</u>	<u>8,538,048</u>

During the 2013 year end the company entered into a loan agreement with Standard Chartered Bank for a loan in the sum of €26,000,000. The loan was interest bearing at 1.5% above EURIBOR. The loan was repayable in quarterly instalments of €2,166,667 with the final repayment due 36 months after the drawdown date of 19 March 2013. The company's parent guaranteed the loan and the repayments. The loan arrangement fee of €400,000 was capitalised within the loan balance and has been amortised over the course of the loan. On the 19 March 2015 the loan was repaid in full and the remaining amortisation of the arrangement fee has been taken to profit and loss this year.

**5 Related Party Transactions**

The ultimate parent company is Havells India Limited, a company incorporated in India and listed on the Bombay Stock Exchange. The directors consider Havells India Limited to be the ultimate controlling party by virtue of its controlling interest in the company's share capital. The consolidated financial statements of Havells India Limited are the largest financial statements that are publicly available which incorporate the results of the company. Copies of the Havells India Limited financial statements can be obtained from Havells India Limited, 1 Raj Narain Marg, Civil Lines, Delhi 110054, India.

The company has availed itself of an exemption granted by FRS 8 not to disclose details of transactions with fellow group entities.

Mr Sean Dowling, a director of the company, is also a director of Appleby Trust (Isle of Man) Limited ('ATIOM'). ATIOM has charged the company €26,692 during the year ended 31 March 2015 (2014: €26,723) for the provision of administration and registered agent services. At the balance sheet date ATIOM was owed €3,131 (2014: €2,634).

**HAVELLS HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**6 Investments**

Investment in Underlying company	Non-cumulative redeemable			Total EUR
	'A' Class Shares EUR	'B' Class Shares EUR	4% pref shares EUR	
<b>Cost/fair value</b>				
Balance brought forward	45,999	-	141,212,015	141,258,014
Additions	-	-	-	-
<b>Balance carried forward</b>	<b>45,999</b>	<b>-</b>	<b>141,212,015</b>	<b>141,258,014</b>
<b>Net book value</b>				
Balance carried forward	45,999	-	141,212,015	141,258,014
Balance brought forward	45,999	-	141,212,015	141,258,014

Subsidiary Undertaking	Principal Activity	Domicile	Share Class	Holding %
Havells Malta Limited	Investment Holding Lighting Production	Malta	A	100
			B	-
			Non cumulative redeemable 4% preference shares	100

The holder of the 'A' class shares has the right to receive notice of and to attend all general meetings of Havells Malta Limited (the Company) and to vote on all Ordinary Resolutions and Extraordinary Resolutions. They also have the right to receive dividends and to participate in the profits of the Company.

The holder of the 'B' class share has the right to receive notice of and to attend all general meetings of the Company and the right to vote on Extraordinary resolutions but shall not have the right to vote on Ordinary Resolutions. They do not have the right to receive any dividends or to participate in the profits of the Company.

The holder of the 'B' share shall have no right to participate in any surplus assets and profits of the Company upon the dissolution of said Company other than the return of the nominal value of the shares invested thereby.

The preference shares have the right to receive a dividend of 4% per annum if the dividend is declared by General Meeting, but no right to participate in any surplus upon the dissolution of the Company other than the return of the nominal value of the shares. No dividends have been declared to date.

**HAVELLS HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**7 Share capital**

<b>Ordinary share of £1 each</b>	<b>2015 EUR</b>	<b>2014 EUR</b>
111,624,892 shares brought forward	<b>129,464,645</b>	120,144,645
13,187,020 shares issued at par	<b>17,633,653</b>	9,320,000
124,811,912 shares carried forward	<b><u>147,098,298</u></b>	<u>129,464,645</u>

Throughout the year additional capital of €17,633,653 was made available from the company's sole shareholder in respect of the issuance of the above shares.

**8 Reserves**

	<b>2015 EUR</b>	<b>2014 EUR</b>
Balance brought forward	<b>(5,290,648)</b>	(4,710,833)
Loss for the year	<b>(525,713)</b>	(579,815)
Balance carried forward	<b><u>(5,816,361)</u></b>	<u>(5,290,648)</u>

**9 Shareholders' Funds**

	<b>2015 EUR</b>	<b>2014 EUR</b>
Balance brought forward	<b>124,173,997</b>	115,433,812
Loss for the year	<b>(525,713)</b>	(579,815)
Share capital issued	<b>17,633,653</b>	9,320,000
Balance carried forward	<b><u>141,281,937</u></b>	<u>124,173,997</u>