



V.R. BANSAL & ASSOCIATES

Chartered Accountants

A-69, Vijay Block, Laxmi Nagar, Delhi - 110092
Ph.: 22016191, 22433950, Mob.: 9810052850, 9810186101
E-mail: audit@cavrb.com, cavrbansals@gmail.com
Website: www.cavrb.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Havells HVAC LLC, USA
251, Little Falls Drive,
Wilmington, Delaware,
Zip Code- 19808

Report on the Special Purpose Standalone Financial Statements

Opinion

We have audited the accompanying Special Purpose Standalone Financial Statements of Havells HVAC LLC, USA (the 'Company'), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Standalone Financial Statements'. The Special Purpose Standalone Financial Statements have been prepared by the Management of the Company for the limited purpose of facilitating the preparation of the consolidated financial statements of Havells India Limited as at and for the year ended 31 March 2025 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Havells India Limited, the ultimate holding company to comply with the requirements of Section 129(3) of the Companies Act, 2013 ('the Act').

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Special Purpose Standalone Financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the registrar of companies Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Standalone Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Special Purpose Standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose standalone financial statements, the management is responsible for the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 SAs 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 SAs, we exercise professional judgment and maintain professional Skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose standalone 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 financial controls 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 Companies internal control.
- Conclude on the appropriateness of management's 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 standalone 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by made management.
- Evaluate the overall presentation, structure and content of the Special Purpose standalone financial statements, including the disclosures, and whether the Special Purpose standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Special Purpose Standalone financial statement that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable users of the Special Purpose standalone financial statement may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatement in the Special Purpose standalone financial statements

Basis of preparation

The Special Purpose Standalone Financial Statements have been prepared by the Management of the Company for the limited purpose of facilitating the preparation of the consolidated financial statements of Havells India Limited as at and for the year ended 31 March 2025 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Havells India Limited, the holding company to comply with the requirements of Section 129(3) of the Companies Act, 2013 ('the Act').



Restriction on Distribution and Use

Our report is intended solely for the information and use of the Board of Directors of Havells HVAC LLC, USA for the preparation of Special Purpose Financial statements for the year ended 31 Mar 2025, as aforesaid and is not intended to be and should not be used by anyone other than the specified parties.

Place: Noida
Dated: 21/04/2025



For V.R. Bansal & Associates
Chartered Accountants
Firm Registration No. 016534N

(Rajan Bansal)
Partner
Membership No. 093591

UDIN: 25093591BMKVXI 9321

Havells HVAC LLC, USA
Balance Sheet as at March 31, 2025

	Notes	AS AT March 31, 2025 (Amount in USD)	AS AT March 31, 2024 (Amount in USD)
1 Current assets			
Inventories	3	15,65,426.88	-
Financial assets			
(i) Trade receivables	4	1,57,277.61	-
(ii) Cash and cash equivalents	5	9,25,807.02	15,99,401.00
Other current assets	6	9,750.00	599.00
		26,58,261.51	16,00,000.00
Total Assets		26,58,261.51	16,00,000.00
EQUITY AND LIABILITIES			
1 Equity			
Share capital	7	35,00,000.00	16,00,000.00
Other equity	8	(8,72,285.05)	-
Total Equity		26,27,714.95	16,00,000.00
2 Liabilities			
Current liabilities			
Financial liabilities			
(ii) Other financial liabilities	9	26,652.23	-
Other current liabilities	10	3,894.33	-
		30,546.56	-
Total Equity and Liabilities		26,58,261.51	16,00,000.00

For V. R. Bansal & Associates
Firm Registration No. 016534N


Rajan Bansal
Partner


Date: 21 April 2025
Place: Noida



For Havells International Inc

For Havells HVAC LLC


Anil Rai Gupta
Director


Mishaal Nathani
Vice President

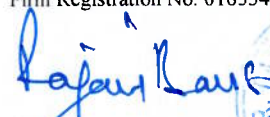
Havells HVAC LLC, USA

Statement of Profit and Loss for the year ended March 31, 2025

	Notes	Year ended March 31, 2025 (Amount in USD)	Year ended March 31, 2024 (Amount in USD)
INCOME			
Revenue from operations	11	6,04,207.94	-
Other income	12	38,765.55	-
Total Income		6,42,973.49	-
EXPENSES			
Purchase of traded goods	13	20,75,412.83	-
Change in inventories	14	(15,65,426.88)	-
Employee benefits expense	15	5,21,174.42	-
Other expenses	16	4,84,098.17	-
Total Expenses		15,15,258.54	-
Profit/(loss) before tax		(8,72,285.05)	-
Tax expenses			-
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year		(8,72,285.05)	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(8,72,285.05)	-
Earnings per unit			
(nominal value of unit \$ 1000/-)			
Basic (\$)		(0.25)	-
Diluted (\$)		(0.25)	-
Summary of material accounting policies	2		
Contingent liabilities, commitments and litigations	17		
Other notes on accounts	18		

For V. R. Bansal & Associates

Firm Registration No. 016534N


Rajan Bansal
 Partner
 Membership No. 093591

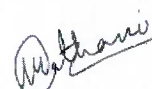
Date: 21 April 2025

Place: Noida

For Havells International Inc For Havells HVAC LLC



Anil Rai Gupta
 Director



Mishaal Nathani
 Vice President

Havells HVAC LLC

Statement of Changes in Equity for the year ended March 31, 2025

A) Share Capital

Particulars	Amount (USD)
As at March 31, 2023	-
Add: Units issued	16,00,000.00
As at March 31, 2024	16,00,000.00
Add: Units issued	19,00,000.00
As at March 31, 2025	35,00,000.00

B) Other Equity

Particulars	Amount (USD)
	Retained Earnings
As at March 31, 2023	-
Profit/(loss) for the Year	-
Other comprehensive income for the year	-
As at March 31, 2024	-
Profit/(loss) for the Year	(8,72,285.05)
Other comprehensive income for the year	-
As at March 31, 2025	(8,72,285.05)

For V. R. Bansal & Associates
Firm Registration No. 016534N

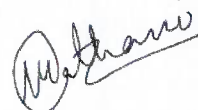

Rajan Bansal
Partner
Membership No. 093591



For Havells International Inc


Anil Rai Gupta
Director

For Havells HVAC LLC


Mishaal Nathani
Vice President

Date: 21 April 2025
Place: Noida

Havells HVAC LLC., USA

Statement of Cash flows for the year ended March 31, 2025

	Year ended March 31, 2025	Year ended March 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(8,72,285.05)	-
Change in operating assets and liabilities		
(Increase)/decrease in inventory	(15,65,426.88)	-
(Increase)/decrease in receivable	(1,57,277.61)	-
(Increase)/decrease in other current assets	(9,151.00)	(599.00)
Increase/(decrease) in other financial liabilities	26,652.23	-
(Increase)/decrease in other current liabilities	3,894.33	-
Cash generated from operations	(25,73,593.98)	(599.00)
Net cash outflow from operating activities (A)	(25,73,593.98)	(599.00)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash inflow /(outflow) from Investing Activities (B)	-	-
C. Cash flow from Financing Activities		
Proceeds from Issue of Share Capital	19,00,000.00	16,00,000.00
Net cash inflow /(outflow) from Financing Activities (C)	19,00,000.00	16,00,000.00
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6,73,593.98)	15,99,401.00
Cash and cash equivalents at the beginning of the year	15,99,401.00	-
Cash and cash equivalents at the end of the year	9,25,807.02	15,99,401.00

Notes :

- The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents :-

Cash and cash equivalents (Refer note 5)

Balances with banks:

Current account with Citi Bank, USA

As at March 31, 2025	As at March 31, 2024
9,25,807.02	15,99,401.00
9,25,807.02	15,99,401.00

For V. R. Bansal & Associates
Firm Registration No. 016534N

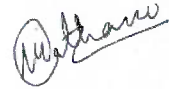

Rajan Bansal
Partner
Membership No. 093591



Date: 21 April 2025
Place: Noida

For Havells International Inc For Havells HVAC LLC


Anil Rai Gupta
Director


Mishaal Nathani
Vice President

1 CORPORATE INFORMATION

Havells HVAC LLC was incorporated in USA on December 11, 2023 and deals in business of distributing electrical and electronic goods (primarily air conditioners) has its registered office at 251, Little Falls Drive, Wilmington, Delaware, Zip Code 19808.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these Ind AS financial statements. These policies have been consistently applied to the current year.

2.01 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time), presentation requirement of Division II of schedule III to the Companies Act, 2013, (Ind AS compliant schedule III) and other relevant provision of the Act. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Assets held for sale-measured at fair value less cost to sell

The financial statements are presented in US Dollar ("USD") and all values are rounded to nearest absolute dollar, except when otherwise indicated.

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.04 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Debt instruments at amortized cost

A debt instrument is measured at amortized cost if both the following conditions are met:

- a) **Business Model Test**: The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Investment in associates, joint venture and subsidiaries

the Company has accounted for its investment in subsidiaries and associate and joint venture at cost.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortised cost**: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts**: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

- (ii) **Financial liabilities:**
Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivative are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.05 Inventories

Basis of valuation:

Inventories are valued at lower of cost and net realisable value. Cost of these inventories comprises of all costs incurred in bringing the inventories to their present location, after adjusting for taxes wherever applicable applying moving weighted average cost method. Inventories do not include spare parts, servicing equipment, and standby equipment which meet the definition of property, plant and equipment according to IND AS 16.

2.06 Revenue Recognition

The Company trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery/ despatch of the goods as applicable.

a) Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

i) Variable Consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Contract Assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2.07 Other Income

(a) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.08 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

2.09 Earnings Per unit

Basic earnings per unit are calculated by dividing the net profit or loss for the period attributable to equity unitholders by the weighted average number of equity units outstanding during the period. The weighted average number of equity units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, unit split, and reverse unit split (consolidation of units) that have changed the number of equity units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to equity unitholders and the weighted average number of units outstanding during the period are adjusted for the effect of all potentially dilutive equity units.

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.11 Provisions and Contingent Liabilities


Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.



	As at March 31, 2025 (Amount in USD)	As at March 31, 2024 (Amount in USD)
3 Inventories (Valued at lower of cost and net realisable value unless otherwise stated)		
Traded Goods	15,65,426.88	-
	<u>15,65,426.88</u>	<u>-</u>

Notes:
Refer Accounting Policy 2.05 for mode of valuation.

CURRENT FINANCIAL ASSETS

4 Trade Receivables (valued at amortised cost)		
Unsecured		
Trade receivables from contract with customers - considered good	1,57,277.61	-
Trade receivables - Credit impaired	-	-
Trade receivables (gross)	<u>1,57,277.61</u>	<u>-</u>
Less : Impairment allowance for trade receivables	-	-
Trade receivables (net)	<u>1,57,277.61</u>	<u>-</u>

Trade Receivables ageing schedule as at 31st March,2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables	81,716.20	74,913.41	648.00	-	-	-	1,57,277.61
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Total	81,716.20	74,913.41	648.00	-	-	-	1,57,277.61

Trade Receivables ageing schedule as at 31st March,2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Notes:
(i) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.
(ii) Trade receivables includes from related parties \$ 36,205.05 (March 31, 2024 Nil) refer note 18 (4).

5 CASH AND CASH EQUIVALENTS

Balances with banks:		
Current account with Citi Bank, USA	9,25,807.02	15,99,401.00
	<u>9,25,807.02</u>	<u>15,99,401.00</u>

6 OTHER CURRENT ASSETS

Unsecured, considered good		
Advances other than capital advance	9,750.00	\$99.00
Prepaid expenses	<u>9,750.00</u>	<u>\$99.00</u>

7 EQUITY

Share capital		
Issued, subscribed	35,00,000.00	16,00,000.00
Paid up capital		
2,000,000 (March 31, 2024 : 1,600,000) Class A-1 Units of \$ 1/- each fully paid up	35,00,000.00	16,00,000.00
	<u>35,00,000.00</u>	<u>16,00,000.00</u>

Reconciliation of the units outstanding at the beginning and at the end of the year

	March 31, 2025		March 31, 2024	
Units	No. of shares	Amount in USD	No. of shares	Amount in USD
At the beginning of the year	16,00,000	16,00,000.00	-	-
Add: Changes in units during the year	19,00,000	19,00,000.00	16,00,000	16,00,000.00
	<u>35,00,000</u>	<u>35,00,000.00</u>	<u>16,00,000</u>	<u>16,00,000.00</u>

Details of shareholders holding more than 5% shares in the Corporation is set out below (representing legal and beneficial ownership):

Name of unitholders	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Havells International Inc	28,00,000	80%	16,00,000.00	100%
Sales Mark Ventures LLC	7,00,000	20%	-	-
	<u>35,00,000</u>	<u>100%</u>	<u>16,00,000.00</u>	<u>100%</u>

	As at March 31, 2025 (Amount in USD)	As at March 31, 2024 (Amount in USD)
8 OTHER EQUITY		
Retained Earnings	(8,72,285.05)	-
	<u>(8,72,285.05)</u>	<u>-</u>
Notes:		
Retained Earnings		
Opening balance	-	-
Net profit/(loss) for the period/ year	(8,72,285.05)	-
Items of other comprehensive income recognised directly in retained earnings	-	-
Closing Balance	<u>(8,72,285.05)</u>	<u>-</u>
Nature and Purpose of Reserves		
Retained Earnings		
Retained Earnings are profits/loss that the corporation has earned till date less transfer to General Reserves, dividend or other distribution or transaction with shareholders.		
CURRENT FINANCIAL LIABILITIES		
9 Other financial liabilities		
Other liabilities		
Employee benefit obligation	1,686.73	-
Other payables	24,965.50	-
	<u>26,652.23</u>	<u>-</u>
10 Other current liabilities		
Statutory dues payable	3,894.33	-
	<u>3,894.33</u>	<u>-</u>
	For the year March 31, 2025 (Amount in USD)	For the year March 31, 2024 (Amount in USD)
11 Revenue from operations		
Sale of products	6,04,207.94	-
	<u>6,04,207.94</u>	<u>-</u>
(i) Timing of revenue recognition		
Goods transferred at a point in time	6,04,207.94	-
Services transferred over the time	-	-
Total revenue from contract with customers	<u>6,04,207.94</u>	<u>-</u>
(ii) Disaggregation of revenue based on product or service		
Air conditioners	6,04,207.94	-
Others	-	-
Total revenue from contract with customers	<u>6,04,207.94</u>	<u>-</u>
(iii) Revenue by location of customers		
India	-	-
Outside India	6,04,207.94	-
Total revenue from contract with customers	<u>6,04,207.94</u>	<u>-</u>
(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	6,04,207.94	-
Less: Cash discount	-	-
Total revenue from contract with customers	<u>6,04,207.94</u>	<u>-</u>
(v) Performance obligation		
Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.		
2 Other income		
Other non-operating income		
Miscellaneous income	38,765.55	-
	<u>38,765.55</u>	<u>-</u>
3 Purchase of traded goods		
Air conditioners	20,75,412.83	-
	<u>20,75,412.83</u>	<u>-</u>

Havells HVAC LLC, USA
Notes to Financial Statements for the year ended March 31, 2025

14 Change in inventories

Change in inventories
Air conditioners

(15,65,426.88)	-
<u>(15,65,426.88)</u>	<u>-</u>

Opening stock of finished goods

Air conditioners

Closing stock of finished goods

Air conditioners

15,65,426.88	-
<u>(15,65,426.88)</u>	<u>-</u>

15 Employee Benefits Expenses

Salaries, wages and bonus

5,21,174.42	-
<u>5,21,174.42</u>	<u>-</u>

16 OTHER EXPENSES

Legal And Professional Charges

Travel Expenses

Office expenses

Shipping and Storage

Bank Charges

Advertisement expense

Rent

Rates and taxes

Insurance

Certification and other fees

IT expense

Business support service

Miscellaneous expense

19,744.54	-
14,235.33	-
226.38	-
1,58,323.52	-
1,618.47	-
1,00,604.37	-
599.00	-
300.00	-
6,183.94	-
33,915.00	-
13,499.16	-
1,15,000.00	-
19,848.46	-
<u>4,84,098.17</u>	<u>-</u>

17 COMMITMENTS AND CONTINGENCIES

	As At March 31,2025 (Amount in USD)	As At March 31,2024 (Amount in USD)
A Contingent liabilities (to the extent not provided for)		
B Commitments		
a) Estimated value of contracts remaining to be excuted on account of capital commitments (Net of advance)	-	-

18 Other Notes to Accounts

1 The Corporation was incorporated on 11 December 2023.

2 The Corporation is a subsidiary of Havells International Inc.

3 Segment Reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of Havells International Inc ('the Holding Company').

4 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

(A) Names of related parties and description of relationship :

(i) Ultimate Holding Corporation

Havells India Limited

(ii) Holding Corporation

Havells International Inc

(B) Names of other related parties :

Name

Sales Mark Ventures LLC

Wellington Works LLC

Relationship

Enterprise in which KMP is interested

Enterprise in which KMP is interested

(C) Transactions during the year

(i) Units issued

Havells International Inc

Sales Mark ventures LLC

(ii) Purchase of goods

Havells India Limited

Wellington Works LLC

(iii) Sale of products

Wellington Works LLC

(D) Balances at the year end

(i) Amount Receivable

Wellington Works LLC

	Year ended 31 March,2025	Year ended 31 March,2024
	12,00,000.00	16,00,000.00
	7,00,000.00	
	<u>19,00,000.00</u>	<u>16,00,000.00</u>
	14,65,107.07	-
	4,42,554.68	-
	<u>19,07,661.75</u>	<u>-</u>
	1,64,272.41	-
	<u>1,64,272.41</u>	<u>-</u>
	As at 31 March,2025	As at 31 March,2024
	36,205.05	-
	<u>36,205.05</u>	<u>-</u>

5 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	As at March 31,2025	As at March 31,2024	As at March 31,2025	As at March 31,2024
Financial instruments by category				
Financial assets at amortized cost				
Cash and cash equivalents	9,25,807.02	15,99,401.00	9,25,807.02	15,99,401.00
Trade Receivables	1,57,277.61	-	1,57,277.61	-
Financial Liabilities at amortized cost				
Other financial liabilities (current)	26,652.23	-	-	-

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

1) Payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

2) The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2025, are as shown below:

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2025

	Carrying Value March 31, 2025	Level 1	Fair Value Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Trade Receivables	1,57,277.61	-	-	1,57,277.61
Liabilities carried at amortized cost for which fair value are disclosed				
Other financial liabilities (current)	26,652.23	-	-	26,652.23

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2024

	Carrying Value March 31, 2024	Level 1	Fair Value Level 2	Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	-	-	-	-
Trade Receivables	-	-	-	-
Other Financial Assets	-	-	-	-
Liabilities carried at amortized cost for which fair value are disclosed				
Trade Payables	-	-	-	-
Lease Liability (Current and Non Current)	-	-	-	-
Borrowings (Non current)	-	-	-	-
Other financial liabilities (current)	-	-	-	-

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

6 Financial risk management objectives and policies

(i) The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

(ii) The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

(iii) The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Members. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

(iv) The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31 2025. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2025.

(i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2025 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	As at 31 March 2025	As at 31 March 2024
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and cash equivalents	9,25,807.02	15,99,401.00
	<u>9,25,807.02</u>	<u>15,99,401.00</u>

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2025	Less than 1 year	More than 1 year	Total
Trade payables	-	-	-
Borrowings	-	-	-
Lease Liability	-	-	-
Other current financial liabilities	26,652.23	-	26,652.23
As at March 31, 2024	Less than 1 year	More than 1 year	Total
Trade payables	-	-	-
Borrowings	-	-	-
Lease Liability	-	-	-
Other current financial liabilities	-	-	-

7 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The calculation of the capital for the purpose of capital management is as below:

	March 31, 2025	March 31, 2024
Particulars		
Loans and borrowings	-	-
Cash and cash equivalents	9,25,807.02	15,99,401.00
Net Debt	-9,25,807.02	-15,99,401.00
Equity	26,27,714.95	16,00,000.00
Total Capital	26,27,714.95	16,00,000.00
Capital and Net Debt	17,01,907.93	599.00
Gearing ratio (Net Debt/Capital and Net Debt)	NA	NA

Note:

Borrowing do not include lease liabilities

8 Earnings per unit**a) Basic Earnings per unit**

Numerator for earnings per unit

Profit/ (loss) after taxation

(8,72,285.05)

-

Denominator for earnings per unit

Weighted number of equity units outstanding during the year

35,00,000.00

16,00,000.00

Earnings per unit-Basic (one unit of \$1/- each)

(0.25)

-

b) Diluted Earnings per unit

Numerator for earnings per unit

Profit/ (loss) after taxation

(8,72,285.05)

-

Denominator for earnings per unit

Weighted number of equity units outstanding during the year

35,00,000.00

16,00,000.00

Earnings per unit-Basic (one unit of \$1/- each)

(0.25)

-

Note:

There are no instruments issued by the Corporation which have effect of dilution of basic earning per unit

9 Ratio analysis:-

	2024-25			2023-24			Variance	Explanation for change in the ratio by more than 25% as compared to the previous year
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
(a) Current Ratio (times) = Current Assets / Current liabilities	26,58,261.51	30,546.56	87.02	-	-	NA	NA	Not Applicable
(b) Debt - Equity Ratio (times) = Total Borrowings/ Shareholder's equity	-	26,27,714.95	NA	-	16,00,000.00	NA	NA	Not Applicable
(c) Return on Equity Ratio % = Net profits after taxes/ Average Shareholder's Equity	(8,72,285.05)	42,27,714.95	-21%	-	16,00,000.00	NA	NA	Not Applicable
(d) Inventory Turnover Ratio (times) = Revenue from operations/ Average inventory	6,04,207.94	15,65,426.88	39%	-	-	NA	NA	Not Applicable
(e) Trade Receivables Turnover Ratio (times) = Net credit revenue from operations/ Average trade receivables	6,04,207.94	1,57,277.61	NA	-	-	NA	NA	Not Applicable
(f) Trade Payables Turnover Ratio (times) = Net credit purchases / Average trade payables	20,75,412.83	-	NA	-	-	NA	NA	Not Applicable
(g) Net Capital Turnover Ratio (times) = Revenue from operations / working capital	6,04,207.94	26,27,714.95	23%	-	-	NA	NA	Not Applicable
(h) Net Profit Ratio % = Net profit / Revenue from operations	(8,72,285.05)	6,04,207.94	NA	-	-	NA	NA	Not Applicable
(i) Return on Capital Employed % = EBIT / Capital employed (refer note ii)	(8,72,285.05)	26,27,714.95	-33%	-	-	NA	NA	Not Applicable
(j) Return on Investment % = EBIT / Average total assets	(8,72,285.05)	42,58,261.51	-20%	-	-	NA	NA	Not Applicable

Havells HVAC LLC, USA

Notes to Financial Statements for the year ended March 31, 2025

Notes :

- i) Debt Service = Interest & lease Payments + Principal Repayments
 - ii) Capital Employed = Tangible Net Worth + Total Borrowings + Deferred Tax Liability
 - iii) Tangible Net Worth is Computed as Total Assets - Total Liabilities
- *Borrowings does not includes Lease liabilities

- 10 The figures have been presented in US Dollars (\$) upto two decimal.
- 11 The Corporation has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority
- 12 Struck off Companies: Nil
- 13 Note No. 1 to 18 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For V.R. Bansal & Associates
Chartered Accountants
ICAI Registration No. 016534N

Rajan Bansal
Partner
Membership No.: 093591

Date: 21 April 2025
Place: Noida



For Havells International Inc

Anil Rai Gupta
Director

For Havells HVAC LLC

Mishaal Nathani
Vice President