

**Sylvania Lighting International B.V.**  
**Amsterdam**

**Annual report and accounts**  
**for the year 2014**

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## Report of the management

Management herewith presents to the shareholder the annual accounts of Sylvania Lighting International B.V. (hereinafter "the Company") for the year 2014.

## General

The Company is a private company with limited liability incorporated under the laws of The Netherlands on 24 July 1992 and acts as an investment holding company. The Company has its statutory seat and its principal place of business at Prius Bernhuysplein 200, 1097 RB Amsterdam.

The immediate shareholder of the Company is SCL Europe BV and the ultimate parent company is Havells India Limited, India. The Company is the holding company of subsidiaries involved with the design, manufacture and distribution of lighting products in Latin America.

## Overview of activities

The Company received dividend from Havells Mexico SA de CV in the amount of Eur 1,129,034; from Havells Sylvania NV in the amount of Eur 1,823,072 and from Panama Americas Trading Hub SA in the amount of Eur 1,278,958.

The Company also issued a loan to Havells Sylvania Brazil in the amount of Eur 418,138. The loans issued in 2013, to Havells Sylvania Costa Rica in the amount of Eur 122,342 and to Havells Sylvania Panama in the amount of Eur 36,354 were fully paid back.

The Company did not start up other new activities during the financial year under review.

## Results

The net asset value of the Company as at 31 December 2014 amounts to EUR 81,287,650 (2013: EUR 75,898,716). The result for the year 2014 amounts to a profit of EUR 5,563,539 (2013: EUR 17,382,755 loss).

## Liquidity and capital resources

Liquidity has increased slightly and shareholder's equity has decreased with the loss for the year. However, both are considered sufficient in view of the nature of the Company's business.

## Financial instruments

The Company does not make use of financial instruments nor of related risk management activities. The company makes use of cashpooling.

## Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period nor in the previous year.

## Future outlook

Management is of the opinion that the present level of activities will be maintained during the next financial year.

Amsterdam, 15 April 2015

Mr. Anil Kumar Gupta

Amsterdam, Netherlands, B.V.

Mr. Günther Axel Reinder Warris

Mr. Anand Kumar Gupta

**Balance sheet as at 31 December 2014**  
 (Before the proposed appropriation of the result and expressed in Euros)

	Notes	2014	2013
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
Interests in group entities	1	36,606,330	34,604,000
<b>Total fixed assets</b>		<u>36,606,330</u>	<u>34,604,000</u>
<b>Current assets</b>			
<b>Debtors</b>			
Amounts owed by group entities	2	64,090,213	64,192,696
VAT	3	3,475	609
Cash and Equivalents	4	339,333	43,662
<b>Total current assets</b>		<u>64,433,021</u>	<u>64,236,967</u>
<b>Current liabilities (due within one year)</b>			
Amounts due to group entities	5	19,720,193	22,906,084
Creditors	6	20,122	9,236
Accruals and deferred income	7	11,386	26,931
<b>Total current liabilities</b>		<u>19,751,701</u>	<u>22,942,251</u>
<b>Current assets less current liabilities</b>		<u>44,681,320</u>	<u>41,294,716</u>
<b>Total assets less current liabilities</b>		<u>81,287,650</u>	<u>75,898,716</u>
<b>Net asset value</b>		<u>81,287,650</u>	<u>75,898,716</u>
<b>Capital and reserves</b>			
Paid up and called up share capital	8	1,029,652	1,029,652
Share premium account		16,582,331	16,582,331
Other reserves		49,013,733	66,396,489
Translation adjustment		9,098,395	9,273,000
Unappropriated results		5,563,539	(17,382,756)
<b>Total shareholder's equity</b>		<u>81,287,650</u>	<u>75,898,716</u>

The accompanying notes form an integral part of these financial statements.

## Profit and loss account for the year 2014

(Expressed in Euros)	Notes	2014	2013
<b>Holding activities</b>			
Returns on investment	9	6,408,000	(16,467,677)
<i>Result holding activities</i>		<u>6,408,000</u>	<u>(16,467,677)</u>
<b>Financing activities</b>			
Interest bank	10	-	-
Interest on loans to group entities	11	8,054	19,477
Interest on loans from group entities	12	(743,262)	(844,393)
<i>Result financing activities</i>		<u>(735,208)</u>	<u>(824,916)</u>
<b>Other financial income and expenses</b>			
Currency exchange rate differences	13	152,831	(54,769)
<i>Total other financial income and expenses</i>		<u>152,831</u>	<u>(54,769)</u>
<b>Other income and expenses</b>			
General and administrative expenses	14	(262,084)	(35,395)
<i>Total other income and expenses</i>		<u>(262,084)</u>	<u>(35,395)</u>
<b>Result before taxation</b>		<u>5,563,539</u>	<u>(17,382,756)</u>
Corporate income tax	15	-	-
<b>Result after taxation</b>		<u><u>5,563,539</u></u>	<u><u>(17,382,756)</u></u>

The accompanying notes form an integral part of these financial statements.

## Notes to the annual accounts for the year ended 31 December 2014

**General**

The Company was incorporated as a private company with limited liability under the laws of The Netherlands on 24 July 1992 and has its statutory seat in Amsterdam. The direct shareholder is SLI Europe B.V. and ultimate holding company is Havells India Limited, India. The principal activity of the Company is to act as a holding and finance company and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam.

**Basis of presentation**

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Dutch Civil Code, the most significant of which are as follows:

**a. Financial fixed assets**

Investments in subsidiaries are stated in the Company's accounts at the Company's share of the net asset value of the subsidiary. Net asset value is calculated using the accounting policies applied in these annual accounts. Participating interests whose financial information cannot be aligned to these policies are valued based on their own accounting policies. Participating interests with an equity deficit are carried at NIL.

**b. Foreign currencies**

Assets and liabilities in foreign currencies are translated into Euros at their exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into Euros at the exchange rate in effect at the time of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account. Translation differences on long term loans that relate to the financing of participating interests are taken directly to currency translation reserves.

The exchange rates used in the annual accounts are:

	31.12.2014	31.12.2013
1 EUR = USD (US dollar)	1.21650	1.38150
1 EUR = GBP (Pound sterling)	0.78180	0.83590

**c. Assets and liabilities**

All other assets and liabilities are shown at face value, unless stated otherwise in the notes.

**d. Consolidation**

In conformity with article 408, Book 2 of the Dutch Civil Code, the Company does not prepare consolidated annual accounts. The annual accounts of the Company and its subsidiaries are included in the consolidated accounts of the ultimate holding company, which are filed with the Chamber of Commerce in Amsterdam.

**e. Recognition of income**

Where significant influence is exercised over associated companies, the share of the legal entity in the associated companies' results is included in the profit and loss account.

Where no significant influence is exercised or the associate is valued at cost, the dividend income is accounted for in the profit and loss as financial income.

**f. Corporate income tax**

Provisions for taxation have been made in accordance with Dutch corporate income tax law.

		2014	2013
		EUR	EUR
<b>Balance sheet</b>			
<b>1 Interests in group entities</b>			
<i>Direct subsidiaries</i>			
<u>Name</u>	<u>Domicile</u>	<u>Owned</u>	
Havells SLI de Mexico S.A. De C.V.	Mexico	99% (2013 99%)	
Havells Sylvania Brasil Iluminacao Ltda	Brazil	99.99% (2013 99.99%)	7,639,280
Havells Sylvania Argentina S.A.	Argentina	99% (2013 99%)	-
Havells Sylvania N.V.	Curacao	100% (2013 100%)	3,138,490
Havells Sylvania Iluminacao Ltda	Chile	99% (2013 99%)	6,489,870
Havells Americas Trading Hub,S.A.	Panama	100% (2013 100%)	-
Havells Sylvania Export NV	Curacao	100% (2013 100%)	4,272,000
			15,066,690
			<u>36,606,330</u>
			<u>12,085,000</u>
			<u>34,604,000</u>
<i>Subsidiaries of Havells Sylvania nv Dutch Antilles are valued :</i>			
<u>Name</u>	<u>Domicile</u>		
Havells Sylvania El Salvador S.A de C.V.	El Salvador		
Havells Sylvania Guatemala S.A.	Guatemala		
Havells Sylvania Costa Rica S.A.	Costa Rica		
Havells Sylvania Panama S.A.	Panama		
			1,747,690
			982,740
			7,923,000
			2,473,560
			<u>15,066,690</u>
			<u>12,085,000</u>
			<u>34,604,000</u>
			<u>36,606,330</u>
			<u>34,604,000</u>
			<u>36,606,330</u>
			<u>34,604,000</u>

The investments in subsidiaries are stated against net asset value.

Movements in the interests in group entities have been as follows:

Balance as per 1 January	34,604,000
Acquisitions	-
Other Comprehensive Income (Loss)	(174,670)
Dividends	(4,231,000)
Result of the year	6,408,000
Balance as per 31 December	<u>36,606,330</u>

		2014	2013
		EUR	EUR
<b>2</b>	<b>Amounts owed by group entities</b>		
	SLI Europe B.V.	63,672,075	63,672,074
	Havells Sylvania Costa Rica	-	122,342
	Havells Sylvania Brazil	418,138	-
	Havells Sylvania Panama	-	398,280
		<u>64,090,213</u>	<u>64,192,696</u>
	The loan to SLI Europe Bv bears no interest and has no maturity date. The loan issued to Havells Sylvania Brazil bear interest at 3.6700% per annum and has maturity date of 27 February 2015.		
<b>3</b>	<b>VAT</b>		
	VAT (payable)/receivable	<u>3,475</u>	<u>609</u>
<b>4</b>	<b>Cash</b>		
	Current account.		
	Current account.	1,000	-
		EURO	-
		USD	43,662
		411,582	43,662
		<u>339,333</u>	<u>43,662</u>
	The funds are at the free disposal of the Company.		
<b>5</b>	<b>Amounts due to group entities</b>		
	Havells Sylvania Europe Ltd	19,718,744	22,906,084
	Havells Sylvania Lighting Belgium NV	1,449	-
		<u>19,720,193</u>	<u>22,906,084</u>
	The loan payable to Havells Sylvania Europe Ltd bears interest at 3.2070% per annum. The loan is renewable monthly and the interest is also paid on a monthly basis. The balance of the interest payable at the end of the period is capitalized. Each new loan contract is stated at the current market interest rates.		
	Movement in the loans from Havells Sylvania Europe Limited has been as follows:		
	Balance as per 1 January	22,906,084	
	Increase/(decrease)	(3,930,602)	
	interest capitalized	743,262	
	Balance as per 31 December	<u>19,718,744</u>	
<b>6</b>	<b>Creditors</b>		
	Fees for professional services	<u>20,122</u>	<u>9,236</u>
		20,122	9,236
<b>7</b>	<b>Accruals and deferred income</b>		
	Accrued professional services	<u>11,386</u>	<u>26,931</u>
		11,386	26,931



**8 Capital and reserves**

The authorised share capital of the Company amounts to EUR 5,148,259 divided into 51,482,595 shares of EUR 0.10 each. Issued and paid up are 10,296,519 shares of EUR 0.10 each.

In the annual general meeting of shareholders held on 28 March 2014 it was decided to add the balance of the unappropriated result 2013 to the other reserves.

	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Equity</u>
Balance as per 01.01.2013	1,029,652	16,582,331	72,331,483	-
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	3,338,006	-
Dividend	-	-	-	-
Result for the period	-	-	(9,273,000)	9,273,000
Balance as per 01.01.2014	<u>1,029,652</u>	<u>16,582,331</u>	<u>66,396,489</u>	<u>9,273,000</u>
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	(17,382,756)	-
Dividend	-	-	-	-
Result for the period	-	-	-	(174,605)
Balance as per 31.12.2014	<u><u>1,029,652</u></u>	<u><u>16,582,331</u></u>	<u><u>49,013,733</u></u>	<u><u>9,098,395</u></u>

	<u>Unappr. results</u>
Balance as per 01.01.2013	3,338,006
Paid-in / (repaid)	-
Transfer	(3,338,006)
Dividend	-
Result for the period	(17,382,756)
Balance as per 01.01.2014	<u>(17,382,756)</u>
Paid-in / (repaid)	-
Transfer	17,382,756
Dividend	-
Result for the period	5,563,539
Balance as per 31.12.2014	<u><u>5,563,539</u></u>

The shares of the Company have been pledged, by its shareholder 13 May 2012, to HSBC Corporate Trustee Company (UK) Limited Translation adjustment has been transferred to other reserves as the company is nominated in euro since 2002

	2014	2013
	EUR	EUR
<b>Profit and loss account</b>		
<b>9 Returns on investments</b>		
Result interest in group entities	6,408,000	(16,467,677)
	<u>6,408,000</u>	<u>(16,467,677)</u>
<b>10 Interest bank</b>		
Interest Deutsche Bank	-	-
	<u>-</u>	<u>-</u>
<b>11 Interest on loans to group entities</b>		
Havells Sylvania Costa Rica	1,354	14,416
Havells Sylvania Brazil	6,700	
Havells Sylvania Panama	-	5,061
	<u>8,054</u>	<u>19,477</u>
<b>12 Interest on loans from group entities</b>		
Havells Sylvania Europe Ltd	(743,262)	(844,393)
Havells Sylvania Brasil Iluminacao Ltda	-	-
Havells Sylvania US	-	-
	<u>(743,262)</u>	<u>(844,393)</u>
<b>13 Currency exchange rate differences</b>		
On financing participations	152,831	(54,769)
	<u>152,831</u>	<u>(54,769)</u>

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	2014 EUR	2013
<b>14 General and administrative expenses</b>		
Other professional services	(17,741)	(31,134)
Bank charges	(2,733)	(4,261)
Withholding tax	(257,080)	(357,395)
	<u>(277,554)</u>	<u>(392,790)</u>
<b>15 Corporate income tax</b>		
Provision for C 11 2013 (2012)		

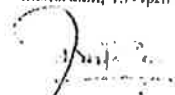
**Staff numbers and employment costs**

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

**Directors**

The Company has three (previous year: three) managing director, two of which receive a remuneration. The Company has no (previous year: none) supervisory director.

Amsterdam, 15 April 2015



Mr. Anil Kumar Gupta



Amsterdam, Netherlands, B.V.



Mr. Gunther Axel Reinder Warts



Mr. Anil Kumar Gupta