

SLI Europe B.V.
Amsterdam

Annual report and accounts
for the year 2013

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Report of the management

Management herewith presents to the shareholder the annual accounts of SLI Europe B.V. (hereinafter "the Company") for the year 2013.

General

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as an holding company. The ultimate holding company is Havells India Limited, India.

Overview of activities

During the year the Company did not start up new activities.

Results

The net asset value of the Company as at 31 December 2013 amounts to EUR 8,873,180 (31 December 2012: EUR 19,750,638). The result for the year 2013 amounts to a loss of EUR 10,877,457 (2012: EUR 2,314,563 profit).

Liquidity and capital resources

Liquidity has decreased 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.

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, 27 March 2014




Mr. Anil Rai Gupta



Intertrust Netherlands B.V.



Mr. Gunther Axel Reinder Warris
appointed 03/02/2014



Mr. Ameet Kumar Gupta

Balance sheet as at 31 December 2013

(Before the proposed appropriation of the result and expressed in Euros)

	Notes	2013	2012
Fixed assets			
Financial fixed assets			
Interests in group entities	1	82,422,918	93,281,472
<i>Total fixed assets</i>		<u>82,422,918</u>	<u>93,281,472</u>
Current assets			
Debtors			
VAT	2	557	1,662
Cash and Equivalents	3	96	296
<i>Total current assets</i>		<u>654</u>	<u>1,958</u>
Current liabilities (due within one year)			
Amounts due to group entities	4	9,869,430	9,601,605
Accruals and deferred income	5	8,887	259,112
<i>Total current liabilities</i>		<u>9,878,317</u>	<u>9,860,717</u>
Current assets less current liabilities		<u>(9,877,663)</u>	<u>(9,858,759)</u>
Total assets less current liabilities		72,545,255	83,422,713
Long term liabilities (due after one year)			
Loans from group entities	6	63,672,075	63,672,075
Net asset value		<u>8,873,180</u>	<u>19,750,638</u>
Capital and reserves			
Paid up and called up share capital	7	18,000	18,000
Share premium account		205,439,526	205,439,526
Translation reserves		783,840	783,840
Other reserves		(186,490,728)	(188,805,291)
Unappropriated results		(10,877,457)	2,314,563
<i>Total capital and reserves</i>		<u>8,873,180</u>	<u>19,750,638</u>

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

Profit and loss account for the year 2013

(Expressed in Euros)	Notes	2013	2012
Holding activities			
Returns on investment	8	(10,610,217)	2,760,133
<i>Result holding activities</i>		(10,610,217)	2,760,133
Financing activities			
Interest on loans from group entities	9	(201,978)	(383,060)
<i>Result financing activities</i>		(201,978)	(383,060)
Other financial income and expenses			
Currency exchange rate differences	10	(2)	(19)
<i>Total other financial income and expenses</i>		(2)	(19)
Other income and expenses			
General and administrative expenses	11	(65,260)	(62,491)
<i>Total other income and expenses</i>		(65,260)	(62,491)
Result before corporate income tax		(10,877,457)	2,314,563
Corporate income tax	12	-	-
Result after corporate income tax		(10,877,457)	2,314,563

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

Notes to the annual accounts for the year ended 31 December 2013

General

The Company was incorporated as a private company with limited liability under the laws of The Netherlands on 11 December 1997 and has its statutory seat in Amsterdam. The direct shareholder is Havell's Netherlands B.V. The ultimate shareholder is Havells India Limited, India. The principal activity of the Company is to act as a holding 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

Other 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:

	31.12.2013	31.12.2012
1 EUR = USD (US dollar)	1.38150	1.32210
1 EUR = GBP (Pound sterling)	0.83590	0.81840

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

Dividends from group entities are recorded as income when received. Other income and expenses, including taxation, are recognised and reported on accrual basis.

f. Corporate income tax

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

	2013	2012
	EUR	EUR

Balance sheet**1 Interests in group entities**

The net asset value per group entity is:

Name	Domicile	Owned		
Sylvania Lighting International B.V.	The Netherlands	100% (2012 100%)	75,898,716	93,281,472
Flowil International Lighting (Holding) BV	The Netherlands	100% (2012 100%)	6,524,202	-
			<u>82,422,918</u>	<u>93,281,472</u>

The investments of the subsidiaries are stated at net asset value.

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

Balance as per 1 January	93,281,472
Acquisitions (investment in SLI bv)	-
Disposals	-
Increase (Decrease) in Net Asset value	(10,858,554)
Balance as per 31 December	<u>82,422,918</u>

2 VAT

Prepaid VAT		557	1,662
		<u>557</u>	<u>1,662</u>

3 Cash and Equivalents

Deutsche Bank Current account	USD	133	96	296
			<u>96</u>	<u>296</u>

The funds are at the free disposal of the Company.

	2013	2012
	EUR	EUR
4 Amounts due to group entities		
Havells Sylvania Lighting Belgium N.V.	-	788
Havells Netherlands B.V.	6,298,597	6,235,472
Havells Sylvania Europe Ltd	3,570,833	3,365,345
loan bears 3,3471 % interest per annum	<u>9,869,430</u>	<u>9,601,605</u>

The loan to Havells Netherlands B.V. has not been secured, has no maturity date and is noted in euro.

Balance as per 1 January	6,235,472
Increase/(decrease)	63,125
Currency exchange rate differences	-
Balance as per 31 December	<u>6,298,597</u>

The loan to Havells Sylvania Europe Ltd is noted in Euro, has not been secured, has no maturity date, and bears 3,3471% interest per annum.

Balance as per 1 January	3,365,345
Increase/(decrease)	205,488
Currency exchange rate differences	-
Balance as per 31 December	<u>3,570,833</u>

5 Accruals and deferred income

Third party payable	6,387	8,276
provision for investments	-	248,336
Accrued professional fees	2,500	2,500
	<u>8,887</u>	<u>259,112</u>

6 Loans from group entities

Sylvania Lighting International B.V.	63,672,075	63,672,075
	<u>63,672,075</u>	<u>63,672,075</u>

This loan has not been secured, has no maturity date and bears no interest.

Balance as per 1 January	63,672,075
Increase/(decrease)	-
Balance as per 31 December	<u>63,672,075</u>

7 Capital and reserves

The authorised share capital of the Company amounts to EUR 90,000 divided into 2,000 shares of EUR 45 each. Issued and paid up are 400 shares of EUR 45 each.

In the annual general meeting of shareholders held on 6 November 2013 it was decided to add the balance of the unappropriated result 2012 to the other reserves.

	<u>Share capital</u>	<u>Share premium</u>	<u>Translation Reserves</u>	<u>Other reserves</u>
Balance as per 01.01.2012	18,000	205,439,526	783,840	(190,299,983)
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	-	1,494,692
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 01.01.2013	<u>18,000</u>	<u>205,439,526</u>	<u>783,840</u>	<u>(188,805,291)</u>
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	-	2,314,563
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 31.12.2013	<u><u>18,000</u></u>	<u><u>205,439,526</u></u>	<u><u>783,840</u></u>	<u><u>(186,490,728)</u></u>

	<u>Unappr.results</u>
Balance as per 01.01.2012	1,494,692
Paid-in / (repaid)	-
Transfer	(1,494,692)
Dividend	-
Result for the period	2,314,563
Balance as per 01.01.2013	<u>2,314,563</u>
Paid-in / (repaid)	-
Transfer	(2,314,563)
Dividend	-
Result for the period	(10,877,457)
Balance as per 31.12.2013	<u><u>(10,877,457)</u></u>

The shares of the Company have been pledged to HSBC Corporate Trustee Company (UK) Limited.

	2013	2012
	EUR	EUR
Profit and loss account		
8 Return on Investment		
Result interest in group entities	(10,610,217)	2,760,133
	<u>(10,610,217)</u>	<u>2,760,133</u>
9 Interest on loans from group entities		
Havells Sylvania Europe Ltd	(138,853)	(96,901)
Havells Sylvania Netherlands B.V.	(63,125)	(286,159)
	<u>(201,978)</u>	<u>(383,060)</u>
10 Currency exchange rate differences		
On financing participations	(2)	(19)
	<u>(2)</u>	<u>(19)</u>
11 General and administrative expenses		
Management fees	(39,996)	(40,000)
Professional services	(24,033)	(21,566)
Bank charges	(1,231)	(925)
	<u>(65,260)</u>	<u>(62,491)</u>
12 Corporate income tax		
Current Tax	-	-
	<u>-</u>	<u>-</u>

The Company forms part of a fiscal unity for corporate income tax with its parent company Havells Netherlands Holding BV which is the head of the fiscal unity. The Company and its parent company agreed that the corporate income tax due / receivable by the Company will be born by and accounted for in the parent company.

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: four) managing directors, two of which receive a remuneration.

The Company has no (previous year: none) supervisory directors.

Amsterdam, 27 March 2014



Mr. Anil Rai Gupta



Mr. Gunther Axel Reinder Warris
appointed 03/02/2014



Intetrust Netherlands B.V.



Mr. Ameet Kumar Gupta

Other information

Appropriation of results

Unappropriated results are in accordance with the Company's articles of association at the disposal of the general meeting of shareholders. Furthermore Book 2 of the Dutch Civil Code prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the paid and called up part of the share capital and the reserves to be maintained by the law and the articles of association of the Company.

The management proposes to the shareholder to add the result for the year to the other reserves.

Audit of annual accounts

The Company qualifies as a small entity and in conformity with article 396, Book 2 of the Dutch Civil Code, auditing of its annual accounts is not required.

Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.