

Sylvania Lighting International B.V.
Amsterdam

Annual report and accounts
for the year 2013

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 2013.

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 Prins Bernhardplein 200, 1097 JB Amsterdam.

The immediate shareholder of the company is SLI 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 lightning products in Latin America.

Overview of activities

During the year, the Company made capital contributions in the form of share premium to the Havells Sylvania Brasil in the amount of Eur 5,476,880; to Havells Sylvania Mexico in the amount of Eur 5,314,798; to Havells Sylvania Argentina in the amount of Eur 1,027,542 and to Havells Sylvania Chile in the amount of Eur 549,153. Furthermore, the Company received dividend from Havells Sylvania Mexico in the amount of Eur 746,115; from Havells Sylvania Ecuador in the amount of Eur 1,655,158 and from Havells Sylvania Panama in the amount of Eur 1,852,589. The Company also issued loans to Havells Sylvania Costa Rica in the amount of Eur 122,342 and to Havells Sylvania Panama in the amount of Eur 36,354.

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 2013 amounts to EUR 75,898,716 (2012: EUR 93,281,472). The result for the year 2013 amounts to a loss of EUR 17,382,755 (2012: EUR 3,338,006 profit).

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.

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 Raj 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	34,604,000	42,742,000
<i>Total fixed assets</i>		<u>34,604,000</u>	<u>42,742,000</u>
Current assets			
Debtors			
Amounts owed by group entities	2	64,192,697	63,672,075
VAT	3	609	1,027
Cash and Equivalents	4	43,662	3,085
<i>Total current assets</i>		<u>64,236,968</u>	<u>63,676,187</u>
Current liabilities (due within one year)			
Amounts due to group entities	5	22,906,084	13,106,302
Creditors	6	9,236	3,481
Accruals and deferred income	7	26,931	26,931
<i>Total current liabilities</i>		<u>22,942,251</u>	<u>13,136,714</u>
Current assets less current liabilities		<u>41,294,716</u>	<u>50,539,472</u>
Total assets less current liabilities		<u>75,898,716</u>	<u>93,281,472</u>
Net asset value		<u><u>75,898,716</u></u>	<u><u>93,281,472</u></u>
Capital and reserves			
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		69,075,488	65,737,483
Translation adjustment		6,594,000	6,594,000
Unappropriated results		(17,382,756)	3,338,006
<i>Total shareholder's equity</i>		<u><u>75,898,716</u></u>	<u><u>93,281,472</u></u>

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

Profit and loss account for the year 2013

	Notes	2013	2012
(Expressed in Euros)			
Holding activities			
Returns on investment	9	(16,467,676)	3,623,917
<i>Result holding activities</i>		<u>(16,467,676)</u>	<u>3,623,917</u>
Financing activities			
Interest bank	10	-	(383)
Interest on loans to group entities	11	19,477	-
Interest on loans from group entities	12	(844,393)	(342,674)
<i>Result financing activities</i>		<u>(824,916)</u>	<u>(343,057)</u>
Other financial income and expenses			
Currency exchange rate differences	13	(54,769)	172,131
<i>Total other financial income and expenses</i>		<u>(54,769)</u>	<u>172,131</u>
Other income and expenses			
General and administrative expenses	14	(35,395)	(21,967)
<i>Total other income and expenses</i>		<u>(35,395)</u>	<u>(21,967)</u>
Result before taxation		<u>(17,382,756)</u>	<u>3,431,024</u>
Corporate income tax	15	-	(93,018)
Result after taxation		<u><u>(17,382,756)</u></u>	<u><u>3,338,006</u></u>

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 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:

	31.12.2013	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***Direct subsidiaries*

Name	Domicile	Owned		
Havells SLI de Mexico S.A. De C.V.	Mexico	100% (2012 100%)	10,068,000	5,656,000
Havells Sylvania Brasil Iluminacao Ltda	Brazil	100% (2012 100%)	-	10,722,000
Havells Sylvania Argentina S.A.	Argentina	100% (2012 100%)	4,568,000	7,041,000
Havells Sylvania N.V.	Dutch Antilles	100% (2012 100%)	4,720,000	4,507,000
Havells Sylvania Iluminacao Ltda	Chile	100% (2012 100%)	135,000	-
Sylvania S.A de C.V.	El Salvador		1,478,000	1,415,000
Havells Sylvania Guatemala S.A.	Guatemala		629,000	1,317,000
Havells Sylvania Costa Rica S.A.	Costa Rica		7,923,000	7,168,000
Havells Sylvania Peru sac	Peru		-	112,000
Havells Sylvania Panama Path	Panama		3,028,000	3,201,000
Havells Sylvania Panama S.A.	Panama		2,055,000	1,603,000
			<u>15,113,000</u>	<u>14,816,000</u>

Total interest in group entities

<u>34,604,000</u>	<u>42,742,000</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	42,742,000
Acquisitions	12,368,373
Disposals	-
Increase in net asset value	<u>(20,506,373)</u>
Balance as per 31 December	<u>34,604,000</u>

		2013	2012
		EUR	EUR
2	Amounts owed by group entities		
	SLI Europe B.V.	63,672,075	63,672,075
	Havells Sylvania Costa Rica	122,342	-
	Havells Sylvania Panama	398,280	-
		<u>64,192,697</u>	<u>63,672,075</u>
<p>The loan to SLI Europe Bv bears no interest and has no maturity date. The loans issued to both Havells Sylvania Costa Rica and Havells Sylvania Panama bear interest at 4.2011% per annum and have maturity dates of 31 March 2014.</p>			
3	VAT		
	VAT (payable)/receivable	609	1,027
		<u>609</u>	<u>1,027</u>
4	Cash		
	Current account.	USD 60,319	
		43,662	3,085
		<u>43,662</u>	<u>3,085</u>
<p>The funds are at the free disposal of the Company.</p>			
5	Amounts due to group entities		
	Havells Sylvania Europe Ltd	22,906,084	13,105,515
	Havells Sylvania Lighting Belgium B.V.B.A.	-	787
		<u>22,906,084</u>	<u>13,106,302</u>
<p>The loan payable to Havells Sylvania Europe Ltd bears interest at 3.3471% per annum. The loan is scheduled to be repaid on the 21st of January 2014.</p> <p>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.</p> <p>Movement in the loans from Havells Sylvania Europe Limited has been as follows:</p>			
	Balance as per 1 January	13,105,515	
	Increase/(decrease)	8,956,176	
	interest capitalized	844,393	
	Balance as per 31 December	<u>22,906,084</u>	
6	Creditors		
	Fees for professional services	9,236	3,481
		<u>9,236</u>	<u>3,481</u>
7	Accruals and deferred income		
	Accrued professional services	26,931	26,931
		<u>26,931</u>	<u>26,931</u>

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 06 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>Other reserves</u>	<u>Translation Reserves</u>
Balance as per 01.01.2012	1,029,652	16,582,331	62,670,650	6,594,000
Paid-in / (repaid)	-	-	(329,537)	-
Transfer	-	-	3,396,370	-
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 01.01.2013	<u>1,029,652</u>	<u>16,582,331</u>	<u>65,737,483</u>	<u>6,594,000</u>
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	3,338,006	-
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 31.12.2013	<u><u>1,029,652</u></u>	<u><u>16,582,331</u></u>	<u><u>69,075,488</u></u>	<u><u>6,594,000</u></u>
	<u>Unappr.results</u>			
Balance as per 01.01.2012	3,396,370			
Paid-in / (repaid)	-			
Transfer	(3,396,370)			
Dividend	-			
Result for the period	<u>3,338,006</u>			
Balance as per 01.01.2013	<u>3,338,006</u>			
Paid-in / (repaid)	-			
Transfer	(3,338,006)			
Dividend	-			
Result for the period	<u>(17,382,756)</u>			
Balance as per 31.12.2013	<u><u>(17,382,756)</u></u>			

The shares of the Company have been pledged , by its shareholder 13 May 2012, to HSBC Corporate Trustee Company (UK) Limited

	2013	2012
	EUR	EUR
Profit and loss account		
9 Returns on investments		
Result interest in group entities	(16,467,676)	3,623,917
	<u>(16,467,676)</u>	<u>3,623,917</u>
10 Interest bank		
Interest Deutsche Bank	-	(383)
	<u>-</u>	<u>(383)</u>
11 Interest on loans to group entities		
Havells Sylvania Costa Rica	14,416	-
Havells Sylvania Panama	5,061	-
	<u>19,477</u>	<u>-</u>
12 Interest on loans from group entities		
Havells Sylvania Europe Ltd	(844,393)	(99,392)
Havells Sylvania Brasil Iluminacao Ltda	-	(165,535)
Havells Sylvania US	-	(77,747)
	<u>(844,393)</u>	<u>(342,674)</u>
13 Currency exchange rate differences		
On financing participations	(54,769)	172,131
	<u>(54,769)</u>	<u>172,131</u>

	2013	2012
	EUR	-
14 General and administrative expenses		
Other professional services	(31,134)	(20,695)
Bank charges	(4,261)	(1,272)
	<u>(35,395)</u>	<u>(21,967)</u>
15 Corporate income tax		
Provision for C.I.T. 2013 (2012)	<u>-</u>	<u>(93,018)</u>
	<u>-</u>	<u>(93,018)</u>

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 directors.

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

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

The balance of the loans payable to Havells Sylvania Europe Limited per 31 December 2013 was repaid on the 21st of January 2014. The Company also entered new loan agreement with Havells Sylvania Europe Limited.

No further events has 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.