

SLI Europe 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 SLI Europe 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 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.
The company did not record material movements in loan amounts payable.

Results

The net asset value of the Company as at 31 December 2014 amounts to EUR 30,214,994 (31 December 2013: EUR 8,873,180).
The result for the year 2014 amounts to a profit of EUR 21,341,852 (2013: EUR 10,877,457 loss).

Liquidity and capital resources

Liquidity has slightly increased and shareholder's equity has increased with the profit for the year.
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.

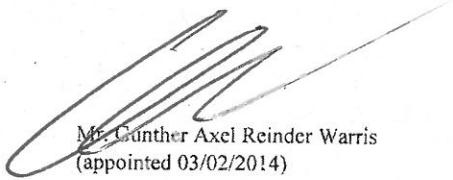
Future outlook


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 Rai Gupta


Intertrust Netherlands B.V.


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


Mr. Arneet Kumar Gupta

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

	Notes	2014	2013
Fixed assets			
Financial fixed assets			
Interests in group entities	1	103,952,632	82,422,918
<i>Total fixed assets</i>		<u>103,952,632</u>	<u>82,422,918</u>
Current assets			
VAT	2	1,367	557
Cash and Equivalents	3	2,273	96
<i>Total current assets</i>		<u>3,640</u>	<u>654</u>
Current liabilities (due within one year)			
Amounts due to group entities	4	10,060,185	9,869,430
Accruals and deferred income	5	9,019	8,887
<i>Total current liabilities</i>		<u>10,069,204</u>	<u>9,878,317</u>
Current assets less current liabilities		<u>(10,065,564)</u>	<u>(9,877,663)</u>
Total assets less current liabilities		93,887,069	72,545,255
Long term liabilities (due after one year)			
Loans from group entities	6	63,672,075	63,672,075
Net asset value		<u><u>30,214,994</u></u>	<u><u>8,873,180</u></u>
Capital and reserves			
Paid up and called up share capital	7	1,013,220	1,013,220
Share premium account		204,444,267	204,444,267
Translation reserves		-	-
Other reserves		(196,584,345)	(185,706,849)
Unappropriated results		21,341,852	(10,877,457)
<i>Total capital and reserves</i>		<u><u>30,214,994</u></u>	<u><u>8,873,180</u></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
Holding activities			
Returns on investment	8	21,529,714	(10,610,217)
<i>Result holding activities</i>		<u>21,529,714</u>	<u>(10,610,217)</u>
Financing activities			
Interest on loans from group entities	9	(124,196)	(201,978)
<i>Result financing activities</i>		<u>(124,196)</u>	<u>(201,978)</u>
Other financial income and expenses			
Currency exchange rate differences	10	164	(2)
<i>Total other financial income and expenses</i>		<u>164</u>	<u>(2)</u>
Other income and expenses			
General and administrative expenses	11	(63,830)	(65,260)
<i>Total other income and expenses</i>		<u>(63,830)</u>	<u>(65,260)</u>
Result before corporate income tax		<u>21,341,852</u>	<u>(10,877,457)</u>
Corporate income tax	12		
Result after corporate income tax		<u><u>21,341,852</u></u>	<u><u>(10,877,457)</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 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:

	31.12.2014	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. The company belongs to the fiscal unity of Havells Netherlands Holding bv.

	2014	2013
	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% (2013 100%)	81,287,650	75,898,716
Flowil International Lighting (Holding) BV	The Netherlands	100% (2013 100%)	22,664,982	6,524,202
Havells Sylvania Brasil Iluminacao Ltda	Brasil	0.00005% (2013 0.00005%)	-	-
			<u>103,952,632</u>	<u>82,422,918</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	82,422,918
Acquisitions	-
Disposals	-
Increase (Decrease) in Net Asset value	21,529,714
Balance as per 31 December	<u>103,952,632</u>

2 VAT

Prepaid VAT	1,367	557
	<u>1,367</u>	<u>557</u>

3 Cash and Equivalents

Deutsche Bank Current account	USD	562	462	96
HSBC Current account USD	USD	986	811	-
HSBC Current account EURO	EURO		1,000	-
			<u>2,273</u>	<u>96</u>

The funds are at the free disposal of the Company.

	2014	2013
	EUR	EUR
4 Amounts due to group entities		
Havells Sylvania Lighting Belgium N.V.	1,449	-
Havells Netherlands B.V.	6,298,597	6,298,597
Havells Sylvania Europe Ltd	3,760,139	3,570,833
loan bears 3,2070 % interest per annum	<u>10,060,185</u>	<u>9,869,430</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	6,298,597
Increase/(decrease)	-
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 3,2070% interest per annum.

Balance as per 1 January	3,570,833
Increase/(decrease)	65,111
Interest	124,195
Balance as per 31 December	<u>3,760,139</u>

5 Accruals and deferred income

Third party payable	7,394	6,387
Accrued professional fees	1,625	2,500
	<u>9,019</u>	<u>8,887</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 5,056,100 divided into 112,500 shares of EUR 45 each. Issued and paid up capital is EUR 1,013,220 divided in 22916 shares of EUR 45 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>Translation Reserves</u>	<u>Other reserves</u>
Balance as per 01.01.2013	1,013,220.00	204,444,266.95	-	(188,021,412)
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	-	2,314,563
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 01.01.2014	<u>1,013,220</u>	<u>204,444,267</u>	-	<u>(185,706,849)</u>
Paid-in / (repaid)	-	-	-	-
Transfer	-	-	-	(10,877,496)
Dividend	-	-	-	-
Result for the period	-	-	-	-
Balance as per 31.12.2014	<u><u>1,013,220</u></u>	<u><u>204,444,267</u></u>	-	<u><u>(196,584,345)</u></u>

	<u>Unappr results</u>
Balance as per 01.01.2013	2,314,563
Paid-in / (repaid)	-
Transfer	(2,314,563)
Dividend	-
Result for the period	(10,877,457)
Balance as per 01.01.2014	<u>(10,877,457)</u>
Paid-in / (repaid)	-
Transfer	10,877,457
Dividend	-
Result for the period	21,341,852
Balance as per 31.12.2014	<u><u>21,341,852</u></u>

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

	2014	2013
	EUR	EUR
Profit and loss account		
8 Return on Investment		
Result interest in group entities	21,529,714	(10,610,217)
	<u>21,529,714</u>	<u>(10,610,217)</u>
9 Interest on loans from group entities		
Havells Sylvania Europe Ltd	(124,196)	(138,853)
Havells Netherlands B.V.	-	(63,125)
	<u>(124,196)</u>	<u>(201,978)</u>
10 Currency exchange rate differences		
On financing participations	164	(2)
	<u>164</u>	<u>(2)</u>
11 General and administrative expenses		
Management fees	(39,996)	(39,996)
Professional services	(22,526)	(24,033)
Bank charges	(1,308)	(1,231)
	<u>(63,830)</u>	<u>(65,260)</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

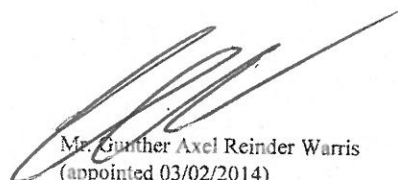
The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

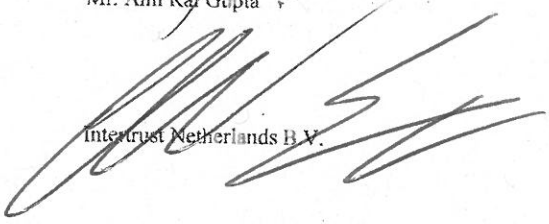
Directors

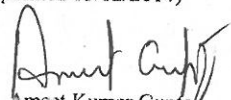
The Company has four (previous year: four) managing directors, two of which receive a remuneration. The Company has no (previous year: none) supervisory directors.

Amsterdam, 15 April 2015


Mr. Anil Raj Gupta


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


Intertrust 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 article 20 of the AoA and art. 216 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.

Contingent liabilities

The company has a contingent liability of EUR 77.5 million regarding facility agreement with HSBC.

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 company issued a guarantee letter to Banco Brasil for the amount of R\$ 5.5 million.