

HAVELLS SYLVANIA SWITZERLAND AG

BALANCE SHEET AT 31 DECEMBER 2010

Expressed in Swiss Francs

<u>Assets</u>	31-12-2009	31-12-2010
Current assets		
Cash and banks	29,555	30,661
Intercompany accounts receivable	2,37,811	32,944
Other accounts receivable including VAT	0	663
Prepaid and other assets	54,168	47,594
Prepaid taxes	0	0
Intercompany loan	14,29,579	42,53,032
Loan to shareholder	77,97,293	79,09,234
Total current assets	95,48,406	1,22,74,128
Fixed assets		
Fixed assets cost	10,34,010	4,13,795
Accumulated depreciation	-7,85,732	-3,72,948
Net fixed assets	2,48,278	40,847
Total assets	97,96,684	1,23,14,975
 <u>Liabilities and shareholder's equity</u>		
Liabilities		
Trade accounts payable	45,992	1,03,009
Intercompany accounts payable	-544	5,098
Other payable including VAT	1,29,648	2,57,992
Accrued expenses	2,20,574	1,43,778
Accrued taxes	94,000	5,20,000
Intercompany loan	0	0
Total liabilities	4,89,670	10,29,877
Shareholder's equity		
Share capital	1,00,000	1,00,000
General legal reserve	50,000	50,000
Retained earnings	91,57,014	1,11,35,098
Total shareholder's equity	93,07,014	1,12,85,098
Total liabilities and shareholder's equity	97,96,684	1,23,14,975

See notes to financial statements

Martina Lindner

Robert Immer

HAVELLS SYLVANIA SWITZERLAND AG

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2010

Expressed in Swiss Francs

	31-12-2009	31-12-2010
Sales commission	15,38,850	14,87,493
Gross margin	15,38,850	14,87,493
Personnel expenses	-13,44,853	-13,15,749
Other operating expenses	-5,77,515	-3,63,990
Depreciation	-55,497	-54,305
Intercompany charges	-54,227	-21,955
Management fees	0	0
Operating Profit / (loss)	-4,93,242	-2,68,506
Interest income	4,06,631	3,14,232
Other non-operating expenses	0	23,56,189
Net foreign exchange gains / (losses)	-2,294	-3,037
Result bevor taxation	-88,905	23,98,878
Taxes	-48,000	-4,20,794
Net Income / (loss) for the year	-1,36,905	19,78,084

See notes to financial statements

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NOTES TO FINANCIAL STATEMENTS AS OF 31 DECEMBER 2010

Note 1 - Activity of the company

Havells Sylvania Switzerland AG (hereinafter "the Company") is a wholly owned subsidiary of Flowil International Lighting (Holding) BV, Netherlands.

The company provides worldwide services to various affiliated companies of the group and distributes lighting products of Havells India Ltd.

Note 2 - Accounting policies

The financial statements based on the historical cost principle are in conformity with the following principles:

Foreign currencies

The company records its purchases and sales in various currencies and prepares Swiss francs financial statements for statutory purposes. In the enclosed financial statements the account balances held in currencies other than Swiss francs are converted as follows:

- Assets and liabilities at the rate of the financial statement date;
- Revenues and expenses at the rate of the last day of the previous month.

Fixed assets valuation

Fixed assets are valued at their historical cost. The depreciation is based upon the straight-line method over the estimated economic life.

Taxes

Income taxes are covered by a provision. Taxes on shareholder's equity are also payable by the Company.

Note 3 - Fixed assets

As of 31 December 2010, the fire risk insurance for fixed assets amounted to CHF 3'823'969 (2009: 2'792'828)

Note 4 - Off-Balance sheet commitments

As of 31 December 2010, the commitments on the current rental- and leasing contracts amounted to CHF 147'949 (2009: 317'032)

Risk evaluation

Havells Sylvania Switzerland AG is a wholly owned subsidiary of Flowil International Lighting Flowil International Lighting (Holding) BV, Netherlands. Based on the structure of an agency the operational risks are minimal. A risk for Havells Sylvania Switzerland AG exists in view of the continuation of the agency agreement with a notice period of 6 months for the year end. This risk is actually considered as minimal. In the administrative board meetings, which normally take place twice a year, this risk is evaluated and put to protocol.

HAVELLS SYLVANIA SWITZERLAND AG

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

AT 31 DECEMBER 2010

Expressed in Swiss Francs

	31-12-2009	31-12-2010
Retained earnings brought forward	92,93,919	91,57,014
Profit / (loss) for the year	-1,36,905	19,78,084
Retained earnings available	91,57,014	1,11,35,098
Proposed dividends	0	0
Retained earnings carried forward	91,57,014	1,11,35,098

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