



# HELLA INDIA LIGHTING LTD ANNUAL REPORT 2014-15



[www.hella.co.in](http://www.hella.co.in)

# HELLA INDIA LIGHTING LTD.

## SOE & IAM PRODUCT PORTFOLIO



Module 90  
(High Beam)



Module 90  
(Low Beam)



Module 90  
(Fog Lamp)



Module 60  
(High Beam)



Module 60  
(Low Beam)



Module 60  
(Work Lamp)



LED Tail  
Lamp



90mm Rear  
Lamp(Bulb)



LED Plough  
Lamp(700/1200/1800 lm.)



Work Lamp  
W394



Decorative  
Lamp (LED)



End-Outline  
Marker Lamp



Fog Lamp



Hazard Warning  
Switch



ON-OFF  
Switch



Comet 500  
(Driving & Fog)



Comet 450  
(Driving & Fog)



Comet 550  
(Driving & Fog)



Disc Horn  
(Red Grill)



Trumpet (TE 16)



Two Wheeler  
Horn (Mach 33)



High Performance  
Horn (Vibrosonic)



Premium  
Trumpet (Chrome)



Day Time  
Running Light



Premium Head  
Lamp for CV



Rallye Light



Premium Head  
Lamp for CV



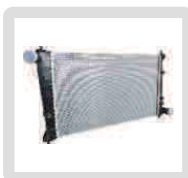
Relay System



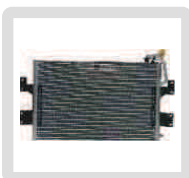
Halogen Bulb



Spark Plug



Radiator



A/C Part



Test Equipment  
(Beamsetter)



Wiper Blade



Battery Cut-OFF  
Switch

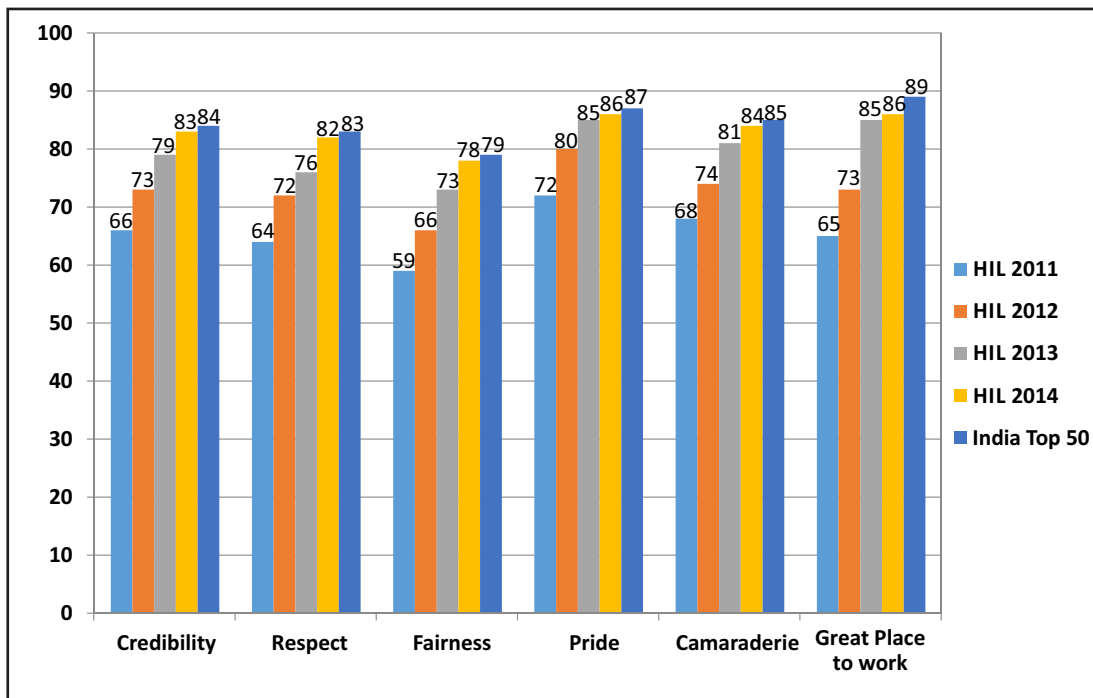


Dipper  
Switch

# HELLA INDIA LIGHTING LIMITED - A Great Place to Work



Your Company (HIL) had again participated in the survey of "Great place to work" in the year 2015. Your Company is pleased to share the outcome of the said survey which is presented in the below graph. It is a matter of pride for your Company to compete with India's top 50 Companies who are following best practices for their employees. The unparalleled insight in to workplace culture gained by your Company enables your Company to support you in development of workplace, thus setting business apart from your competitors. We are endeavored to provide the best possible platform to employees for self-development and objective oriented in personal and professional life. "It takes two flints to make fire", this year financials are reflecting this as our best efforts to keep our employees happy and returning this reflection.



**Dear Shareowners,**

It gives me immense pleasure once again to reach you all and share my thoughts with the owners of the Company.

We have noticed a good trend in the last two years and I would like to share that now your company is in the path to create a good predicted future and their risen growth which we were trying to create since past. Your company has always had the belief that "**The best way to predict the future is to create it**" and now the time has come to work hard towards the created future.

In the light of above mentioned objective/path, your company has tried to focus on consistent innovation in engineering, research and development projects, LED's products, introduction of different product segments and changes in marketing strategies like penetrating in niche market, digital marketing etc.

Now your company has also liberalized their thought process and started working with different approaches and processes. Your company is empowering the youth generation for getting the innovation, spark in the company's objective with full of authority, responsibility and initiatives.

With this different approaches, you can find a comparative chart of past years trend in total income and Loss to total Income in % is shown herein below.



The increase in total Income in the Financial Year 2014-15 was pioneered by increase in export sales followed by increase in local sales. The same has also resulted in better operational results.

For the Financial Year 2015-16, we have already set a challenging and ambitious target which we are sure to achieve. As "**Every dawn emerges after the darkest night**", we will create our path towards success with focused approach to touch new heights.

I am grateful to the Board of Directors for their unwavering support and guidance. I would also like to express my gratitude to all our stakeholders, who have reposed their trust in us and given us their constant support.

Thanking You and Best Regard

**Sd/-**

Rama Shankar Pandey  
Managing Director  
DIN :- 02848326



## BOARD OF DIRECTORS

(In alphabetical order)

### Mr. Anil Sultan

(Alternate Director)

### Mr. Avinash Razdan Bindra

(Non-Executive Independent Director)

### Mr. Guido Johannes Christ

(Non-Executive Independent Director)

### Mr. Rama Shankar Pandey

(Managing Director)

### Ms. Sosna K Violetta

(Director)

## COMPANY SECRETARY

Mr. Shikhar Goel

## REGISTERED OFFICE

K-61B, LGF, Kalkaji,  
New Delhi - 110019

## MANUFACTURING UNIT - I AT (AMBALA)

Ambala Chandigarh Highway,  
Derabassi - 140507, Punjab

## UNIT - II

### MANUFACTURING & TRADING WAREHOUSE AT CHENNAI

Door/Plot No. 33 (Survey No 515),  
situated at No 50, Madhavaram Village,  
Ambattur Taluk, Madhavaram Taluk,  
Thiruvallur District, Chennai

## UNIT - III

### MANUFACTURING & TRADING WAREHOUSE AT GURGAON

Khewat Number 240/220, Kila Number 17/6,  
Badshahi Road, Surat Nagar - II, Gurgaon,  
Haryana - 122001

## UNIT - IV

### TRADING WAREHOUSE AT - PUNE

Chambli Phata, Chambli Gaon Road  
Opp.-Vitthal Nagar, Chakan  
Dist.-Pune, Maharashtra, Pin Code - 410501

## BANKERS

HDFC Bank  
Deutsche Bank  
State Bank of Patiala  
State Bank of India  
Canara Bank  
Axis Bank

## <sup>1</sup>LISTING OF EQUITY SHARES

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001  
(Scrip Code - 520026)

The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1, Asaf Ali Road, New Delhi-110002  
(Scrip Code - 10020)

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.  
44 Community Center, 2nd Floor, Naraina Industrial  
Area, Phase I, New Delhi - 110028

## AUDITORS

B S R & Co. (LLP)  
Chartered Accountants, Gurgaon

## ANNUAL GENERAL MEETING

Date: 28th September 2015

Time: 9:00 A.M.

Place: Hotel Aravali Villa, F.H.-1, Bandh Road, N.H.-  
8, Rajokari, New Delhi - 110038 (Landmark: Near  
Nitesh Kunj, Farm House)

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<sup>1</sup> The Company got delisted from the exchange w.e.f 30th April, 2015. Please refer clause "Delisting of Securities" on page no 18 of this Annual Report.

## NOTICE

Notice is hereby given that the 55th Annual General Meeting of the members of Hella India Lighting Limited (CIN : L74899DL1959PLC003126) will be held at Hotel Aravali Villa, F.H.-1, Bandh Road, near Nitesh Kunj Farm House, N.H.-8, Rajokari, New Delhi - 110038, India on Monday, 28th day of September 2015 at 9:00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2015, Profit & Loss Account for the period ended on that date and the reports of the Board of Directors' and Auditor's thereon.
2. To appoint Statutory Auditors and to fix their remuneration.

**"RESOLVED THAT** M/s B S R & Co. (LLP), Chartered Accountants (Membership No 101248W), Gurgaon, the Statutory Auditors of the Company, who retires at the conclusion of the 55th Annual General Meeting, be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 55th Annual General Meeting until the conclusion of 56th Annual General Meeting.

**RESOLVED FURTHER THAT** Mr. Rama Shankar Pandey - Managing Director and/or Mr. Anil Sultan - Alternate Director of the Company be and are hereby severally authorised to discuss, negotiate and fix the remuneration of auditors for the Financial Year 2015-16."

### SPECIAL BUSINESS:

3. **To consider and if thought fit, to pass the following resolutions as a Ordinary Resolution with or without modification(s):**

**"RESOLVED THAT** Pursuant to the provisions of Section 161 of the Companies Act 2013, applicable provisions of Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Ms. Sosna K Violetta, who was appointed as Additional Director of the Company by the Board of Directors with effect from 13th February 2015 and who holds office upto the conclusion of 55th Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rupees One Lac proposing the candidature of Ms. Sosna K Violetta for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to take all such actions as may be considered necessary to give effect to the aforesaid Resolution."

4. **To consider and if thought fit, to pass the following resolutions as a Special Resolution with or without modification(s):**

**"RESOLVED THAT** subject to the provisions of Section 196, 197 read with Schedule V of the Companies Act 2013, rules made thereunder and other applicable provisions of Companies Act 2013, subject to the approval of Central Government, if required, and such other approvals as may be required, the appointment of Mr. Rama Shankar Pandey as Managing Director be and is hereby approved for a period of 3 years w.e.f. 1st January 2015 till 31st December 2017.

**RESOLVED FURTHER THAT** the Remuneration of Mr. Rama Shankar Pandey for the calendar year 2015 shall be ₹ 64,85,910/- p.a. and in addition to salary he is also entitled for Variable Bonus.

**RESOLVED FURTHER THAT** the annual remuneration for any Financial Year, including variable bonus, shall not exceed the limit prescribed by schedule V of Companies Act, 2013, except with prior permission of Central Government.

**RESOLVED FURTHER THAT** Mr. Anil Sultan - Alternate Director of the Company be and is hereby authorized to decide the various components of the aforesaid remuneration payable to Mr. Rama Shankar Pandey within the aforesaid limit.



**RESOLVED FURTHER THAT** an annual increment of 20% in the gross salary be and is hereby approved for the second and third year.

**RESOLVED FURTHER THAT** Mr. Pandey shall carry out all his duties subject to supervision, control and direction of the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the said remuneration shall be payable to Mr. Rama Shankar Pandey irrespective of the fact whether the Company has earned any profit or not i.e. this remuneration shall be payable even in the event of inadequacy or absence of profits.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take all such action as may be necessary in this regard."

By Order of the Board  
**For Hella India Lighting Limited**

Sd/-  
Shikhar Goel  
Company Secretary

Place: Gurgaon  
Date: 28th August 2015

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**Provided that such proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on poll.**

2. The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at K-61B, LGF, Kalkaji , New Delhi - 110019, not less than 48 (forty eight) hours before the commencement of the meeting and in case of default, the instrument of proxy shall be treated as invalid.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person as shareholder.
4. The Register of Members and Share Transfer Books of the Company shall remain close for a period of 10 days, from 19th September 2015 to 28th September 2015 (both days inclusive).
5. Members are requested to send request for change in their addresses, if any, directly to the Registrar & Share Transfer Agent viz. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited), 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase - 1, Near PVR Naraina, New Delhi - 110028.
6. Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 15 days before the date of the meeting, so that the requisite information is made available at the meeting.
7. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
8. Pursuant to Section 108 of Companies Act 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is pleased to offer Remote e-voting (Electronic Voting) facility to its members to cast their votes electronically on all resolutions set forth in this Notice convening the 55th Annual General Meeting to be held on Monday, September 28, 2015, at 9.00 A.M.



The Company has engaged the services of Central Depository Securities Limited ("CDSL") as the authorised agency to provide the Remote e-voting facilities. The Remote e-voting facility will be available during the following voting period:

Commencement of Remote E-voting	End of Remote E-voting
From 9:00 A.M. on 25th September 2015	Upto 5:00 P.M. on 27th September 2015

The members, who would like to avail e-voting facility, would follow below instructions:-

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 25th September, 2015 at 9:00 A.M. and ends on 27th September, 2015 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID.
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.





- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for M/s Hella India Lighting Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22nd September, 2015 may follow the same instructions as mentioned above for e-voting.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### *Other Instructions*

- (i) The Remote e-voting period commences on 25th September, 2015 at 9.00 A.M. and ends on 27th September, 2015 at 5.00 P.M. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date which is 22nd September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot process at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot process for all businesses specified in the



accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Tuesday, September 22, 2015.

- (iii) Ms. Neetu Sharma of M/s Sharma N & Associates, Practicing Company Secretary (email: nscorporateadvisors@gmail.com) (Membership No. A23794) has been appointed as the Scrutinizer to scrutinize the Remote e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (v) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hella.co.in and on the website of CDSL within three days of conclusion of the meeting.
- (vi) The notice of the meeting is also available on the website of the Company at www.hella.co.in.

## INFORMATION REQUIRED TO BE FURNISHED

As your Company is committed towards good Corporate Governance, the particulars of Director who is proposed to be appointed / re-appointed are given below:

Name	: Mr. Rama Shankar Pandey
Qualification	: Mechanical Engineer from NIT, Diploma in Business Finance from ICFAI, Green Belt in Six Sigma, Executive Management from Indian Institute of Management, Banaglore.
Brief Profile	: Mr. Pandey is 38 years old and having decades of rich experience in leading positions with administration of Company and drive the loss making Company and convert into profit making unit.
Shareholding in the Company	: Nil
Other Directorships	: Nil
He is also a member of Audit Committee, Stakeholders' Relationship Committee, Share Transfer Committee	
Name	: Ms. Sosna K Violetta
Qualification	: Degree in Business Management "Betriebswirt"
Brief Profile	: Ms. Violetta is 43 years old and having approx 20 years of rich experience in heading and managing the Controlling Division.
Shareholding in the Company	: Nil
Other Directorships	: Hella Fahrzeugteile Austria GmbH, Hella S. p. A., Hella Hungária Gépjarmúalkatrész - Kereskedelmi Korlátolt Felelősségű Társaság, Hella Inc, Hellamex S. A. de C. V., Hella Asia Singapore Pte Ltd, Intermobil Otomotiv Műmessillik Ve Ticaret A.S., INTER-TEAM Sp. z o.o., Hella Middle East FZE

By Order of the Board  
For Hella India Lighting Limited

Sd/-

Shikhar Goel  
Company Secretary

Place: Gurgaon  
Date: 28th August 2015



## **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and in compliance with the provisions of Section 149 of the Companies Act, 2013 along with their stated rules, Ms. Sosna K Violetta was appointed as an Additional Director w.e.f. 13th February 2015 by the Board of Directors of the Company. Ms. Sosna K Violetta will hold office as Additional Director upto the conclusion of this Annual General Meeting.

Ms. Sosna K Violetta is having a degree in Business Management "Betriebswirt". Ms. Violetta has approx. 20 years of rich experience including Business Administration and Controlling.

The Company has also received a notice proposing the candidature of Ms. Violetta for the office of Director of the Company along with deposit of ₹ 1 Lac under section 160 of the Companies Act, 2013.

Your Board of Directors considers that it would be in the interest of the Company to appoint her as a Director of the Company, since she is holding a professional expertise in her area.

The draft terms and conditions of appointment of Ms. Violetta shall be open for inspection at the registered office of the Company by any member on any working day during normal business hours till the date of AGM.

The Board recommends the resolution for approval by the Members. None of the Directors, Manager, Key Managerial Personnel & their relatives, except Ms. Sosna K Violetta, who is an appointee, are concerned or interested, financial or otherwise, in this resolution.

### **ITEM NO. 4**

The members may be informed that the tenure of Mr. Rama Shankar Pandey as a Managing Director was expired on 31st December 2014, therefore, Board of Directors in their meeting held on 13th November 2014, had already re-appointed Mr. Rama Shankar Pandey as Managing Director for 3 years with effect from 1st January 2015 to 31st December 2017.

Remuneration Committee of the Company and your Directors has approved the said appointment and remuneration of Mr. Rama Shankar Pandey.

The Company has also not made any default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon for a continuous period of thirty days in the preceding Financial Year before the date of appointment of Mr. Rama Shankar Pandey as Managing Director.

The Board of Directors recommends the said resolution for approval by the members as the Special Resolution.

None of the Directors except Mr. Rama Shankar Pandey, being himself, is interested or concerned in the resolution.

## **Information as required by the Schedule V, Section - II of the Companies Act 2013**

### **I. GENERAL INFORMATION**

- 1) Nature of Industry: Your Company is engaged in the manufacturing of Automotive Components.
- 2) Date of Commencement of Commercial Production : June 1982
- 3) Expected date of commencement of activity as per project approved by the financial institution: N.A.
- 4) Financial Performance of the Company for Financial Year 2014-2015 based on given indicators:

<b>Particulars</b>	<b>Amount(₹)</b>
Net Sales	115,91,79,031
Other Income (including operating revenue)	7,28,51,810
Total Expenditure	116,55,34,727
Profit before Tax	6,64,96,114
Net Profit	6,64,96,114



- 5) FOB Value of Exports : During the Financial Year 2014-2015, the total exports of the Company was ₹ 16,00,80,896.
- 6) Foreign Investments or Collaborators: M/s Hella Holding International GmbH Germany is having 51% Equity Share Holding in the Company.

The Company also has Technical Assistance Agreement and License Agreement with its group Company Hella KgaA Hueck & Co., Germany.

## II. INFORMATION ABOUT MR. RAMA SHANKAR PANDEY, APPOINTEE

- 1) Background details :

Name	Mr. Rama Shankar Pandey
Father's Name	Sh. Shambhu Nath Pandey
Age	38 years
Qualification	B.Tech, Diploma in Business Finance and Executive General Management
Past Experience	Approx. 18 years of rich experience in automotive components Industry.
Other Directorships	Nil

- 2) Past Remuneration :

Mr. Rama Shankar Pandey was re - appointed as Managing Director in your Company with effect from 1st January 2012 for 3 years. A Gross Salary of ₹ 44 Lakhs per annum along with variable bonus and conveyance, with an annual increment of 20% was approved by Shareholders in 52nd AGM, till 31st December 2014.

Thus, past remuneration of Mr. Rama Shankar Pandey, as on 31st December 2014, was ₹ 56.06 Lakhs per annum.

- 3) Recognitions and Awards :

Mr. Rama Shankar Pandey has been recognized and awarded by Hella Headquarters in Germany several times for his efforts.

- 4) Job Profile and his Suitability :

Mr. Rama Shankar Pandey will be responsible for overall day to day management of the Company and shall be vested with substantial power of management of Company's affairs under the supervision and control of the Board of Directors of the Company. Considering the vast and versatile experience of Mr. Rama Shankar Pandey and also his performance during last 3 years, he is very much suitable for the job profile.

- 5) Remuneration Proposed :

It is proposed to appoint Mr. Rama Shankar Pandey for the period of three years starting from 1st January 2015 to 31st December 2017. Keeping in view of his role and responsibilities and role in the Company, it is proposed to provide him salary of ₹ 64,85,910/- p.a. for calendar year 2015 with an annual increment of upto 20% in the gross salary for rest of the two subsequent years subject to necessary approvals, if any. You may also like to note that in addition to above, he would also be entitled for variable bonus upto his annual basic salary.

- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin):

For the responsibilities shouldered by Mr. Rama Shankar Pandey as Managing Director of the Company is to managing the various day to day business affairs of the Company, the remuneration of Mr. Rama Shankar Pandey compares favorably with the remuneration paid to the Managing Directors / business heads of companies in similar industry having like sized and similarly positioned businesses including business volume, profit etc.

- 7) Pecuniary relationship with the Company or relationship with Managerial personnel, if any:  
Apart from his remuneration he doesn't have any other pecuniary relationship with the Company.

### III. OTHER INFORMATION

- 1) Reasons of loss or inadequate profits:

The Company is passing by through a very critical phase. It is important to continuously develop new products with economies of scale to survive in this most competitive environment. Thus, the Company is investing money for their future projects and some of these expenses are having direct impact on profit. The Company also needs to increase their sales by using new technology, introduction of new products and further optimization of cost.

- 2) Steps taken or proposed to be taken for improvement:

The Company continues to strive for growth, higher realizations, energy optimization, better working capital management and better asset utilization. The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production and tap untouched market/area. The Company is evaluating plans to have optimum utilization of the production capacity and to improve its product mix. Also the performance of the Company is improving year by year now. After taking over as Managing Director by Mr. Rama Shankar Pandey, the Company has increased its turnover manifold and also the Company has covered their past losses and recently contributed towards profit making. It is expected to improve further and have adequate profits in the years to come.

- 3) Expected increase in productivity and profits in measurable terms:

Expected net sales in 2015-16 are expected to be as follows:

Financial Year	Expected Net Sales (₹ in Crores)	Expected Profit/(loss) (₹ in Crores)
2015-16	154.34	2.89
2016-17	180.05	4.06
2017-18	196.42	7.37

### IV. DISCLOSURES

- 1) The shareholders of the Company shall be informed of the remuneration package of Mr. Rama Shankar Pandey which is as follows:

#### Remuneration Package

Name of the Employee :		Mr. Rama Shankar Pandey (Managing Director)	
		Amount (INR)	
S.No.	Salary Component	Revised Salary (Per Month)	TOTAL (Per Annum)
1	Basic	270246	3242952
2	HRA	135123	1621476
3	Conveyance	0	0
4	Education Rech. All	38674	464088
5	SRA	30000	360000
6	Ch. Ed All.	8000	96000
	<b>TOTAL (A) Gross</b>	<b>482043</b>	<b>5784516</b>



<b>REIMBURSEMENTS (PM/PA)</b>			
1	Medical	3500	42000
2	LTA	22520	270240
	<b>TOTAL (B)</b>	<b>26020</b>	<b>312240</b>
<b>OTHER BENEFITS (PM/PA)</b>			
1	PF	32430	389254.24
	<b>TOTAL (C)</b>	<b>32430</b>	<b>389254.24</b>
	<b>TOTAL CTC</b>	<b>540493</b>	<b>6485910</b>

- Apart from the above remuneration package, Mr. Rama Shankar Pandey shall also be eligible for reimbursement of conveyance expenses at actuals.
- Variable bonus will be paid to Mr. Rama Shankar Pandey with a maximum ceiling limit of annual basic salary.

The Board recommends the resolution at 4 for approval by the Members by way of Special Resolution. None of the Directors, Manager, Key Managerial Personnel & their relatives, except Mr. Rama Shankar Pandey, who is a re-appointee, are concerned or interested, financial or otherwise, in this resolution.

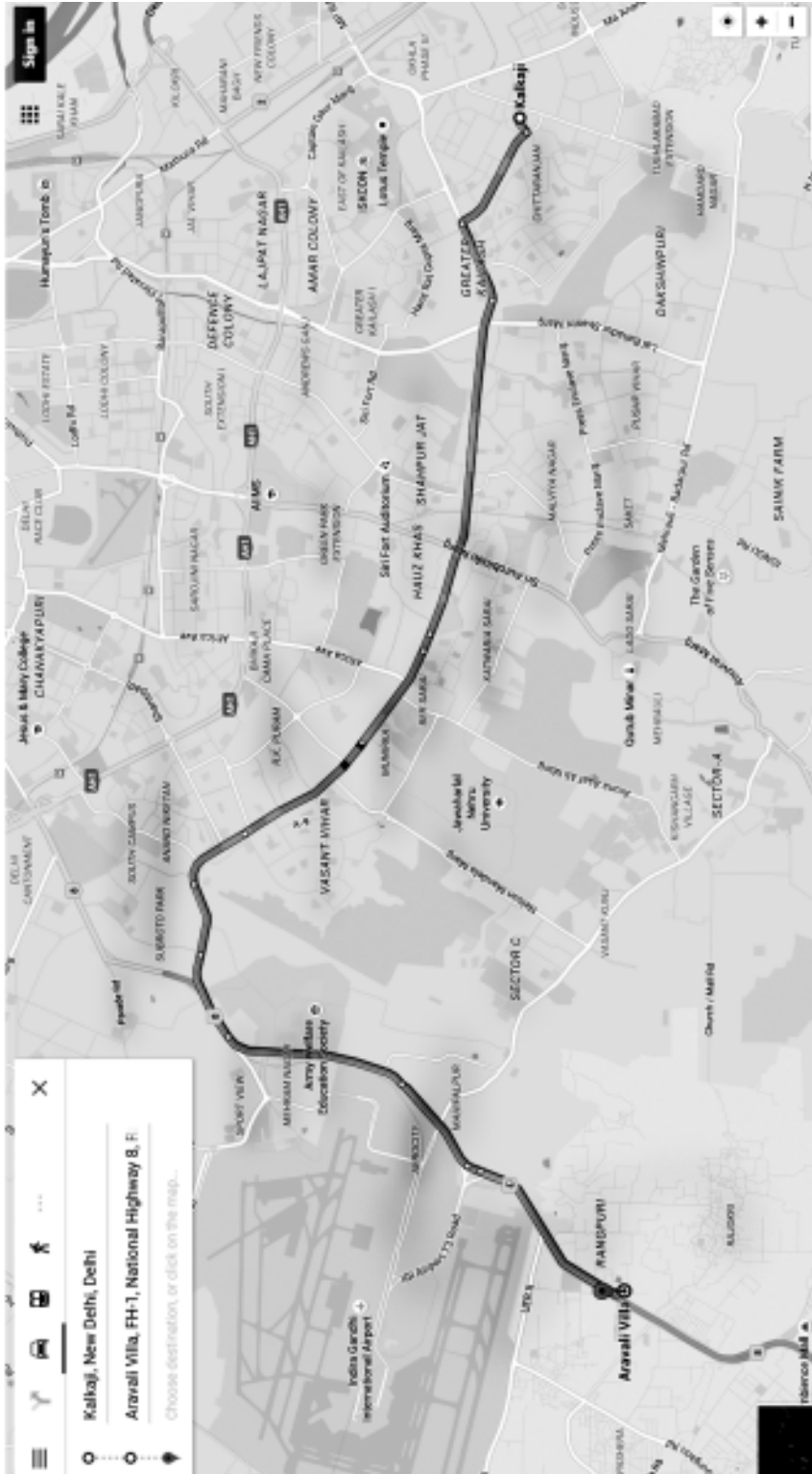
By Order of the Board  
For Hella India Lighting Limited

Sd/-  
Shikhar Goel  
Company Secretary

Place: Gurgaon  
Date: 28th August 2015



**ROUTE MAP**  
(From Registered Office to AGM Venue)





## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 55th Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2015.

### 1. EXTRACTS OF THE ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

### 2. NUMBER OF MEETINGS OF THE BOARD

The Board duly met 6 times in Financial Year 2014-15 on 27th May 2014, 13th August 2014, 13th November 2014, 20th January 2015, 13th February 2015 and 25th March 2015.

The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

### 3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' states that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 4. DECLARATION BY INDEPENDENT DIRECTORS

The Independent directors have submitted the declaration of Independence to the Company, as required pursuant to section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6).

### 5. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS ETC.

Pursuant to Section 178(1) of the Companies Act, 2013 and other applicable provisions thereof, the Board of Directors has constituted Nomination and Remuneration Committee. A Nomination and Remuneration Policy of the Company has also been laid down and approved by the Nomination and Remuneration Committee and Board. The said policy lays down the criteria for the appointment of Directors', Key Managerial Personnel and Senior Management Personnel. The said policy also specifies





the appointment and remuneration including criteria for determining qualification, term/tenure, positive attributes, Independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors), removal, policy on Board diversity, Directors and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013 and Listing Agreement. The said policy of the Company is attached as **Annexure II** to this report. The members of the committee are as follows:

**As on 31st March 2015**

S. No.	Name of Director	Designation in Nomination and Remuneration Committee
1	Mr. Avinash Razdan Bindra	Member
2	Mr. Guido Johannes Christ	Member
3	Mr. Gunther Schmidt	Member

## 6. SECRETARIAL AUDIT

M/s DR Associates, a firm of Company Secretaries, having their office at 3/31, First Floor, West Patel Nagar, New Delhi - 110008 has conducted the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure V**.

## 7. EXPLANATION OR COMMENTS BY THE BOARD ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE

### (i) BY STATUTORY AUDITOR

The matter of emphasis given by the Auditors in their report has been noted and the comments of the directors on the same were as under:

- During the year, a favourable judgement of the Hon'ble Supreme Court granting permission to the Company to delist and validating the order of Securities Appellant Tribunal dated 27 May 2008. Consequently, the Company requested Bombay Stock Exchange to grant the delisting permission. Bombay Stock Exchange delisted the shares of the Company w.e.f. 30 April 2015.
- Remuneration paid to the whole time director of the Company for the year ended 31 March 2015 amounting to ₹ 7,313,029 is in excess of the limits prescribed under Schedule V of the Companies Act 2013. Schedule V of the Companies Act 2013 states that the limits can be doubled provided the same is approved by the Shareholders through a special resolution. In case, the limits are doubled, the excess remuneration would fall within the limits as prescribed in Schedule V of the Companies Act, 2013. While, the remuneration for the period from 1 January 2012 to 31 December 2014 (which also included the period 1 April 2014 till 31 December 2014) was approved by the Shareholders in the Annual General Meeting held on 29 September 2012, management believes that the requisite approval of the Shareholders for the period 1 January 2015 till 31 March 2015, will be obtained in the ensuing Annual General Meeting.

Management's reply on auditors' emphasis on matter read as under:

Management took the concerns on severity basis and believes that the requisite approval of shareholders will be obtained in the ensuing Annual General Meeting.

Auditor's adverse remarks read as under:

Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Customs duty, Excise duty, Provident Fund, Employees' State Insurance, Income-tax,



Sales-tax, Service tax, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, *though there have been slight delays in few cases.*

Management's reply on auditors' reservation / adverse remark read as under:

Your Company always try to adhere the statutory timelines provided for depositing the statutory dues. However on certain occasions, due to unavoidable reasons, there were few delays in depositing certain Statutory Dues. Your Company will take every possible step to avoid the same in future and would also assure that these should be taken on priority.

**(ii) BY COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT:**

*Secretarial Auditor Adverse Remarks are as under :*

*The Company has not constituted Grievance Redressal Committee as required under Industrial Dispute Act, 1947.*

Management's reply on auditors' reservation / adverse remark read as under:

The Company is in the process of laying down the Grievance Redressal Committee.

*Secretarial Auditor Adverse Remarks are as under :*

*The Company is generally regular with its listing agreement compliances; however it has been observed that dispatch register is not properly maintained.*

Management's reply on auditors' reservation / adverse remark read as under:

The Company maintained the single dispatch register for each and every dispatch pertaining to all departments. The management took the observation/concerns on severity basis and has laid down different dispatch register for Secretarial Department.

*Secretarial Auditor Adverse Remarks are as under :*

*The Company is generally regular in the Compliances of FEMA; however there are cases of delay in submission of returns of External Commercial Borrowings (ECB).*

Management's reply on auditors' reservation / adverse remark read as under:

Your Company always try to adhere the statutory timelines provided by the statutory authorities. However on certain occasions, due to unavoidable reasons, there were few delays submission of Returns of ECB. Your Company will take every possible step to avoid the same in future and would also assure that these should be taken on priority.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Your Company in order to support their employees and workers, used to disburse loan to them pursuant to section 186. However by virtue of clarification issued by Ministry of Corporate Affairs, these loans given by the Company to the employees, shall not be covered under section 186 of the Companies Act, 2013 and therefore, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Particulars of Contracts or arrangements with related parties are given in form AOC 2 which is attached as **Annexure III** to this report.



## 10. THE STATE OF COMPANY'S AFFAIRS

### A. Financial Highlights

The summarized results for the year are given below:

(₹ in Lakhs)

PARTICULARS	Year Ended 31.03.2015	Year Ended 31.03.2014
Gross Turnover	12979.14	10055.41
Other Income	699.94	397.91
Total Expenditure (including excise duty)	13042.70	10606.80
Profit before Depreciation & Exceptional Items	1109.81	207.66
Depreciation	444.85	214.25
Profit/ (Loss) for the year before exceptional items	-	-
Exceptional items	-	-
Profit/(Loss) before tax	664.97	(6.59)
(Provision for)/Release of Taxation	-	-
Profit/(Loss) after tax	664.97	(6.59)

### B. Results of Operations

During the period under review for 12 months, the Net Operational Revenue of the Company was at ₹ 11620.36 Lakhs as compared to the previous year ₹ 9004.04 Lakhs. The net profit during the period under report amounts to ₹ 664 Lakhs as compared to the previous year's net loss of ₹ 6.59 Lakhs.

### C. Future Outlook

The Indian economy is improving and showing the potential for growth. The market is showing positive signs since the formation of new government in India. The Company continues to enjoy a high standing with its customers because of its quality and value added services. Besides, it is actively exploring options to reduce the energy costs and pursuing all growth opportunities so as to improve the results. Several quality conscious customers have supported us till date and pay us a premium for our quality products. However, future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive and increasing capacity utilization. There are inherent opportunities available for the Company to tap untouched market/ segments. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix.

## 11. TRANSFER TO RESERVES

The Company had reserves of ₹ 1111.85 Lakhs as on 1st April 2014. During the year the Company has transferred accumulated depreciation of ₹ Nil to reserves of the Company as per requirement of Schedule II of the Companies Act, 2013 resulting in Nil reduction in reserves. The profit for the Financial Year 2014-15 was ₹ 664.97 lakhs. Therefore the closing balance of reserves and surplus, as on 31st March 2015, amounted to ₹ 1776.81 Lakhs.

## 12. DIVIDEND

No dividend is recommended considering the operational performance of the Company.

## 13. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

There is no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.



## **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The information relating to the Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under rule 8(m) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure IV** and forms part of this report.

## **15. STATEMENT ON RISK MANAGEMENT POLICY**

The Board of Directors of your Company is in the process of developing and implementing a risk management policy for the Company. During the year, a risk management committee has also been formed for identification & assessment of risks and minimization of risks by adopting various measures. The Company is under brainstorming process to analyse and find out optimum ways to mitigate their risk.

## **16. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Board of Directors of the Company has also laid down a policy on prevention of sexual harassment at workplace. A complaint committee has also been formed by the Directors to look into the complaints received, if any. During the year the Company did not receive any complaint under the said policy. The said policy is available with the Company.

## **17. STATEMENT ON ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board has laid down manner and criteria of evaluation of Board of its own, Committees and Individual Directors in which annual evaluation of the Board, Committees of the Board and Individual Directors would be evaluated. The evaluation includes various criteria including performance, targets, sincerity towards roles and responsibilities etc.

The Board of Directors has evaluated its Committees, Individual Directors (i.e. Executive and Non-Executive Director) and the Board itself. After evaluation, the Board found their performance upto the mark and satisfactory. The Nomination and Remuneration Committee has also evaluated individual performance of each Director and found it satisfactory.

Evaluation criteria for the Individual Directors are also detailed in **Annexure II** attached to this report which is also available on the website of the Company. The link of website as follows:

[www.hella.co.in](http://www.hella.co.in) → Investors → Delisting Updates

## **18. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

During the year your Company has not changed the nature of its business.

## **19. DIRECTORS & KEY MANAGERIAL PESSONNEL (KMP)**

Change in Directors and KMPs

During the year, Mr. Christof Johannes Droste has tendered his resignation to the Board of Directors of your Company from the post of Director since he was not able to serve his services to the Company due to some prior occupancy. The Board placed the token of appreciation for his extended support.

Mr. Sarvesh Kumar Upadhyay as Company Secretary of the Company has resigned w.e.f 17th September 2014. The Board wishes to place on record its appreciation for the valuable contribution made by Mr. Sarvesh Kumar Upadhyay during his tenure in the Company.

Consequently to fill the above mentioned vacancy, Mr. Shikhar Goel was appointed as Company Secretary of the Company w.e.f. 17th December 2014. Mr. Shikhar Goel is a graduate from Delhi University and he is also an associate member of Institute of Company Secretaries of India. He is having similar experience of 1.5 years in Company Secretarial and legal work.

Mr. Sunil Kumar Singh has tendered his resignation w.e.f 4th July 2014 from the post of Chief Financial officer due to his some prior commitment and occupancies. During the year the Company has appointed Mr. Rajeev Agrawal as Chief Financial officer of the Company w.e.f. 8th August 2014 in order to fill the casual vacancy created due to resignation of Mr. Singh.



Mr. Rajeev Agrawal was qualified as Chartered Accountant from ICAI and has done bachelor of commerce from Agra University. Mr. Agrawal was having a 14 years' experience in the field of accounts/auditing and finance, budgeting, taxation/ statutory compliance, accounts payables/receivables management etc.

Your Directors had also appointed Mr. Guido Johannes Christ and Mr. Avinash Razdan Bindra as an Independent Director w.e.f. 1st October 2014 for a term of two (2) consecutive years. In the 54th AGM which was held on 30th September 2014, the members of the Company had also approved the appointment of Mr. Guido Johannes Christ and Mr. Avinash Razdan Bindra as Independent Director and they will hold the office till the conclusion of 56th AGM.

Mr. Guido Johannes Christ has studied Mechanical Engineering at the University of Karlsruhe, Germany and graduated as M.Sc. Engineering with focus on turbo machinery and material handling. He has extensive experience of about 40 years in the field of Research & Development of Mechanical Power Transmission components, Sales & Marketing of Mechanical Power Transmission components and managing strategic business unit. Since June 2008, he is the Deputy Director General at the Indo-German Chamber of Commerce at New Delhi.

Mr. Avinash Razdan Bindra has obtained Master Degree in Finance (MBA- Finance), graduated in Bachelor of Science and he has also done PGDMM. Mr. Bindra is also a fellow member with Institute of Cost Accountants of India with focus on controlling, accounting and finance functions. He has extensive experience of about 24 years in the field of budgeting, forecasting, evaluating Profit and Loss Account, Internal Control, Cost controlling, management of finance, fund raising for new projects and working capital, merger and demerger etc.

During the year, Mr. Rajeev Agarwal was not able to continue his association with the Company due to some health issue and has resigned from the post of Chief Financial officer of the Company w.e.f 3rd December 2014. Further, in order to fill the vacancy the management has appointed Mr. Narender Jain as Chief Financial Officer of the Company w.e.f 13th February 2015.

Mr. Narender Jain is qualified Chartered Accountant from ICAI and he has also done his master in commerce from Kurukshetra University. Mr. Jain has having a extensive experience of 15 years approx in the area of accounts/auditing, budgeting and variance analysis, costing, strategic Financial planning, taxation/ statutory compliance, Fund management, accounts payables/receivables management etc.

Mr. Rama Shankar Pandey was appointed as Managing Director on 1st January 2012 by the members of the Company. During the year, the Board, subject to the approval of Shareholders and Central Government, if required, also re-appointed Mr. Rama Shankar Pandey as a Managing Director of the Company for a period of 3 (three) years with effect from 1st January, 2015, at a remuneration not exceeding ₹ 84,00,000/- per annum including other variable components/benefits/performance pay as per rules of the Company without prior approval of Central government. The same will be reviewed annually with effect from 1st January 2016 onwards. However, the board also noted that if in anytime during the year, the remuneration of Mr. Pandey exceed the abovementioned ceiling limit, the Company shall take prior approval of Central Government.

Mr. Pandey is a post graduate and Mechanical Engineer with having almost more than 18 year experience in Auto Component Industry. He has also done Diploma in Business Finance from ICFAI, Green Belt in Six Sigma. He has successfully completed the Executive Management from Indian Institute of Management, Banaglore. Mr. Pandey has rich experience in different fields of Business management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Pandey is associated with your Company since more than 9 years and as Managing Director since 2009.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and in compliance with the provisions of Section 149 of the Companies Act, 2013 along with their stated rules, Ms. Sosna K Violetta was appointed as an Additional Director w.e.f. 13th February 2015 by the Board of Directors of the Company. Ms. Sosna K Violetta will hold office as Additional Director upto the conclusion of this AGM.



Ms. Sosna K Violetta is having a degree in Business Management "Betriebswirt". Ms. Violetta has approx. 20 years of rich experience including Business Administration and Controlling.

#### Term of Independent Directors

The two Independent Directors of the Company i.e. Mr. Guido Johannes Christ and Mr. Avinash Razdan Bindra were appointed for their first term in the 54th AGM of the Company held on 30th September 2014. The first term of Mr. Guido Johannes Christ and Mr. Avinash Razdan Bindra has started w.e.f. 54th AGM for two consecutive years.

## 20. AUDITORS

The members are informed that pursuant to the provisions of Section 139 read with the Companies (Audit and Auditors) Rules, 2014, M/s B S R & Co. (LLP), Chartered Accountants (Membership No 101248W), Gurgaon, the Statutory Auditors of the Company was appointed as Statutory Auditor for one year i.e. from the conclusion of 54th Annual General Meeting till conclusion of 55th Annual General Meeting.

In view of the above, it is proposed to appoint M/s B S R & Co. (LLP), as Statutory Auditor of the Company from the conclusion of 55th Annual General Meeting till the conclusion of 56th Annual General Meeting.

M/s B S R & Co. (LLP), has expressed its willingness to act as Statutory Auditor of the Company and have provided the requisite documents as required under the Act.

## 21. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Listing Agreement, the Board has constituted an Audit Committee. The composition of the Audit Committee was as follows:

**As on 31st March 2015**

S. No.	Name of Director	Designation in Audit Committee
1	Mr. Rama Shankar Pandey	Member
2	Mr. Guido Johannes Christ	Member
3	Mr. Avinash Razdan Bindra	Member

All the recommendations made by Audit Committee were accepted by the Board of Directors of the Company.

## 22. DEPOSITS

The Company has not accepted any deposits during the year pursuant to the provisions of Chapter V of the Companies Act, 2013.

## 23. MATERIAL ORDERS BY GOVERNING AUTHORITIES

There were no significant or material orders passed by any governing authority of the Company including regulators, courts or tribunals which could impact the going concern status and Company's operations in future.

## 24. ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH RESPECT TO THE FINANCIAL STATEMENT

The Company has an adequate internal financials control with reference to the financial statement. During the year hence no reportable material weakness in the design or operations were observed.

## 25. DELISTING OF EQUITY SHARES OF THE COMPANY

Securities Appellate Tribunal (SAT) by its order dated 27th May 2008 allowed the Company to delist its securities from BSE. Few shareholders had made an appeal in the Hon'ble Supreme Court of India against the SAT order. The matter was heard by Hon'ble court various times in the last year and on 10th



December 2014, the Hon'ble Supreme court has dismissed the shareholders application and allowed the Company's delisting of equity shares.

In the above context, on 17th April 2015 the BSE through notice no. 20150417-24 has informed their Trading Members that pursuant to the SEBI (Delisting of Securities) Guidelines 2003, the Company i.e. M/s Hella India Lighting Limited has complied with the formalities for voluntary delisting of equity shares. Accordingly, the trading in the equity shares of Hella India Lighting Limited will be discontinued w.e.f April 23, 2015.

Further the equity shares of Hella India Lighting Limited will be delisted from the Exchange records w.e.f. April 30, 2015.

BSE also informed to the Trading Members that they may further note that the exit option will be kept open by the Acquirer - Padmini Engineering Private Limited presently known as Hella India Automotive Private Limited for the remaining public shareholders for a period of six months from the date of delisting at the rate of ₹ 52.39/- (Rupees fifty two & thirty nine paise) per Equity Share, being the exit price determined.

Further, with the effect of abovementioned delisting, your Company it not required to comply the provisions of Listing agreement. Since your Company was listed during the entire Financial Year i.e. on F.Y. 2014-15 and as a part of good corporate governance practices, your Company in order to promote the transparency within the Company and to give a true and fair view of the Company in front of all the concerned stakeholders, your management, this year, has laid down the Management & Discussion Analysis Report, Corporate Governance Report and other informations that are applicable on other listed entities. Those shareholders who would like to obtain the copy of the Management & Discussion Analysis Report, Corporate Governance Report and other informations, kindly may demand the copy of the same from the Company Secretary at Corporate office.

Address of Corporate Office :- 6th Floor, Plot No -184, Platinum Tower, Udyog Vihar, Phase - I, Gurgaon - 122016, Haryana.

All the above mentioned information was also placed on the Company's website.

[www.hella.co.in](http://www.hella.co.in) → Investors → Delisting Updates

## 26. OPERATIONS AT PLANT

Your Company's plant was running smoothly during the year. Moreover the turnover/ operations of the plant is in upwards directions and towards the contribution in profits of the Company.

## 27. VALUE CREATION FOR CUSTOMERS

As a Company, we are committed to provide our internal and external customers products and services that always unequivocally meet the agreed quality standards. This is our declared goal and the measure of our actions.

We offer a complete package solution of product plus service. This is one of the reasons that many of our customers prefer to buy from us.

## 28. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act 2013 along with their related rules, the management has noted that since the Company was bearing losses since past hence the Company was not required to comply the above mentioned provisions during the year. However for Financial Year 2015-16, your Company will ensure to comply the provisions of abovementioned section as your Company now has been turned around their situation and converted into profit making.

With having a sense social responsibility, your Company has already spreading their words regarding awareness of road safety and prevention of death due to accidents, your Company promotes the NGO - M/s Drive Smart Drive Safe which are working for the same cause. During the year, your Company has actively participated in various campaigns, walkathon, Rahagiri day in order to contribute their social responsibility. Your Company is endeavoring themselves towards this noble cause in future also.



## 29. ACKNOWLEDGEMENT

Your Board of Directors wish to thank and place on record their appreciation for the co-operation and support extended to the Company by the Government of India, State Government of Delhi, Punjab & Haryana, Other Local Authorities, Bankers, Suppliers, Customers, Distributors, Employees and other Stakeholders which have been a constant source of strength to the Company.

The Board of Directors also expresses its sincere gratitude to all the shareholders for their continuous support and trust they have shown in the management. The dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

Your Company is thankful to the parent Company Hella Holding International GmbH, Germany for continuously providing excellent management, technical and marketing support.

**For & on behalf of the Board of  
Hella India Lighting Limited**

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN: 02848326  
Address: 6th Floor,  
Plot No -184, Platinum Tower,  
Udyog Vihar, Phase - I,  
Gurgaon, Pin -122016

Sd/-  
**Anil Sultan**  
Alternate Director  
DIN: 00467681  
Address: 6th Floor,  
Plot No -184, Platinum Tower,  
Udyog Vihar, Phase - I,  
Gurgaon, Pin -122016

Place: Gurgaon  
Date: 28th August 2015



## EXTRACT OF ANNUAL RETURN

### I. REGISTRATION AND OTHER DETAILS:

Corporate Identity Number (CIN)	L74899DL1959PLC003126
Name of the Company	Hella India Lighting Limited
Registration Date	4 September 1959
Category/Sub category of the Company	Limited by Shares
Address of the Registered Office and Contact Details	K61-B, LGF, Kalkaji, New Delhi-110019 Contact Details: Contact No : (0124) 4658600 Fax No. : (0124) 4658699 Email : shikhar.goel@hella.com Website :www.hella.co.in
Whether Listed Company, if yes, name of the Stock Exchange where listed	No* *w.e.f. 30th April, 2015, your Company has been delisted from the records of Bombay Stock Exchange.
Scrip ID at BSE	NA
Name, Address and Contact details of Registrar and Transfer Agent	M/s. Link Intime India Pvt. Ltd. 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028 Contact Details: Contact No : (011) 41410592 Fax No. (011) 41410591 Email: delhi@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activity contributing 10% or more of the total turnover of the Company.

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
Horns	3748	18%
Lamps	3748	51%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Hella India Automotive Private Limited	U74899DL1980PTC011074	Associate	30.85	2(6)
Hella Holding International, GmbH	Not Applicable	Holding	51	2(46)

Your Company does not have any subsidiary Company.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1)</b>	<b>Indian</b>									
(a)	Bodies Corporate	978263	0	972863	30.85	978263	0	978263	30.85	0
(2)	Foreign Body Corporate	1617400	0	1617400	51	1617400	0	1617400	51	0
	<b>Total Shareholding of Promoter (A)</b>	2595663	0	2595663	81.85	2595663	0	2595663	81.85	0
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions/Banks	100	0	100	0	100	0	100	0	0
(c)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	100	0	100	0	100	0	100	0	0
<b>(2)</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	23346	21080	44426	1.40	18903	20980	39883	1.26	(0.14)
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	206682	225889	432571	13.64	205798	219689	425487	13.42	(0.22)
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	73386	11120	84506	2.66	59907	11120	71027	2.24	(0.42)
(c)	Any Other									
	(i) NRIs	1407	4160	5567	0.18	29581	4160	33741	1.06	0.88
	(ii) Clearing Members	478	0	478	0.02	408	0	408	0.01	(0.01)
	(iii) Hindu Undivided Families	5309	2780	8089	0.26	4591	500	5091	0.16	(0.1)
	<b>Sub-Total (B)(2)</b>	310608	265029	575637	18.15	319188	256449	575637	18.15	0
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	310708	265029	575737	18.15	319288	256449	575737	18.15	0
	<b>GRAND TOTAL (A)+(B)</b>	2906371	265029	3171400	100	2914951	256449	3171400	100	0

### ii) Shareholding of promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Hella India Automotive Private Limited	978263	30.85	0	978263	30.85	0	0
Hella Holding International, GmbH	1617400	51	0	1617400	51	0	0

iii) **Change in Promoters' Shareholding:** There was no change in the promoters' Shareholding during the Financial Year 2014-15.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

The shareholding pattern of top ten shareholders at the beginning of the Financial Year 2014-15 and at the end of the Financial Year 2014-15 is given herein below.

S. No.	Name of Shareholders	Shareholding at the beginning of the Financial Year 2014-15		Shareholding at the beginning of the Financial Year 2014-15	
		No. of shares	%	No. of shares	%
1	Devika Bhagwan Advani Thangkhiew	20000	0.630	45018	1.42
2	Krishna Kumar Dharamshi Somaiya	14192	0.45	28567	0.9
3	Ashok J Thawani	0	0	14889	0.47
4	DGL Pvt. Ltd.	13680	0.43	13680	0.43
5	Shakuntla Kohli	11120	0.35	11120	0.35
6	Amit Ashok Thawani	0	0	8822	0.28
7	Nandini Hasmukh Seth	8710	0.27	8710	0.27
8	Shashank S Khade	0	0	8299	0.26
9	Kalpesh Harshad Kinariwala	0	0	8053	0.25
10	Intime Equities Limited	0	0	8000	0.25

**v). Shareholding of Directors and Key Managerial Personnel:** Directors or Key Managerial Personnel did not have any shareholding in the Company during the Financial Year 2014-15.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>	NA		NA	
i) Principal Amount		130,000,000		130,000,000
ii) Interest due but not paid		NA		NA
iii) Interest accrued but not due		NA		NA
<b>Total ( i +ii + iii)</b>	<b>NA</b>	<b>130,000,000</b>	<b>NA</b>	<b>130,000,000</b>
<b>Change in Indebtedness during the Financial Year</b>	NA	50,000,000	NA	50,000,000
• Addition (Cash Credit Limit)				
• Reduction				
<b>Net Change</b>	<b>NA</b>	<b>50,000,000</b>	<b>NA</b>	<b>50,000,000</b>
<b>Indebtedness at the end of the Financial Year</b>	NA			
i) Principal Amount				
ECB		130,000,000		130,000,000
OD		49,697,132		49,697,132
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		5,619,250		5,619,250
<b>Total ( i +ii + iii)</b>	<b>NA</b>	<b>185,316,382</b>	<b>NA</b>	<b>185,316,382</b>

## VI. Remuneration of Directors and Key Managerial Personnel:

### A. Remuneration to Managing Director and Whole-time Director

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Managing Director (MD)/ Whole-time Director (WTD)	Total Amount
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6964017	69,77,217
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	13,200	
	(c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961		
2	Stock Option	NA	
3	Sweat Equity	NA	
4	Commission a. As % of profit b. Other, specify	NA	
5	Other, please specify	NA	
	<b>Total (A)</b>	<b>₹ 69,77,217*</b>	
	Ceiling as per the Act <sup>1</sup>	₹ 84,00,000/-	

### B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors (Independent Non- Executive Director = INED) (Other Non-Executive Directors = NED)					Total Amount
	Mr. Guido Johannes Christ (INED)	Mr. Avinash Razdan Bindra (INED)	Total Remuneration of INED	Dr. Gunther Schmidt (NED)	Ms. Sosna K Violetta (NED)	Total Remuneration of NED
1. Independent Directors						
a. Fee for attending Board & Committee Meetings	1,36,000	1,34,000	270000	NIL	NIL	NIL
b. Commission						

### C. Overall managerial remuneration and ceiling

(Amount in ₹)

<b>Total Managerial Remuneration</b>	69,77,217/-
<b>Overall Ceiling as per the Act <sup>2</sup></b>	84,00,000/-

\* The above figure doesn't include the contribution to Provident Fund amounting to ₹ 3,48,894/-

- Ceiling limit has been calculated per annum pursuant to the provisions of section II, Part II of schedule V, which doesn't include contribution to PF etc. As your Company is falling in the part where effective capital is 5 crores and above but less than 100 crores. The said ceiling is subject to approval of shareholders in the ensuing AGM by way of Special Resolution.
- Ceiling limit has been calculated per annum pursuant to the provisions of section II, Part II of schedule V, which doesn't include contribution to PF etc. As your Company is falling in the part where effective capital is 5 crores and above but less than 100 crores. The said ceiling is subject to approval of shareholders in the ensuing AGM by way of Special Resolution.

## D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

S No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Mr. Sarvesh Kumar Upadhyay (Company Secretary from 1 <sup>st</sup> April 2014 till 17 <sup>th</sup> September 2014)	Mr. Shikhar Goel (Company Secretary from 11 December 2014 till 31st March 2015)	Mr. Sunil Kr Singh (CFO from 1st April 2014 till 4th July 2014 )	Mr. Rajeev Agarwal (CFO from 8 <sup>th</sup> August 2014 till 3 <sup>rd</sup> December 2014)	Mr. Narender Jain (CFO from 13 <sup>th</sup> February 2015)	
1	<b>Gross salary</b> (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	3,77,288	1,48,413	2,87,328	2,72,663	15,43,110	<b>26,28,802/-</b>
2	Stock Option	N.A	N.A	N.A	N.A	N.A	N.A
3	Sweat Equity	N.A	N.A	N.A	N.A	N.A	N.A
4	Commission a. As % of profit b. Other, specify	N.A	N.A	N.A	N.A	N.A	N.A
5	Other, please specify	N.A	N.A	N.A	N.A	N.A	N.A
	Total (A)	3,77,288*	1,48,413*	2,87,328*	2,72,663*	15,43,110 <sup>3</sup>	<b>26,28,802/-</b>

## VII. Penalties / Punishment / Compounding of Offences: There was no penalty / punishment / compounding fee imposed on the Company / Directors / any other officer of the Company.

\* The above remuneration does not include contribution to Provident Fund, superannuation fund or annuity fund to the extent either singly or put together are not taxable under Income Tax Act 1961.

<sup>3</sup> The amount of remuneration is for the FY 14-15 as Mr. Jain was working as Sr. Mgr. - Finance. He was appointed as CFO of the Company w.e.f. 13th February, 2015.



## NOMINATION AND REMUNERATION POLICY

The Remuneration Committee of Hella India Lighting Limited ("the Company") was constituted on 22nd January, 2008 consisting of three Non - Executive Directors out of which majority are Independent Directors. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 27, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

Company's Nomination & Remuneration Policy is to ensure that Director's including executive, KMP's and senior executives are sufficiently incentivized for enhanced performance. In this regard, it will take into consider relevant factors and give due regard to the interests of shareholders and to the financial & commercial health of the Company. The committee will ensure that levels of remuneration are sufficient to attract and retain personnel of the quality required to run the Company successfully.

### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) Identify persons who are qualified to become Director and persons who may be appointed in Key Management and Senior Management positions in accordance with the criteria laid down in this policy.

### 2. DEFINITIONS

- a) "Board": "Board" means Board of Directors of the Company.
- b) "Committee": "Committee" means Nomination & Remuneration Committee of Company as constituted or reconstituted by the Board, from time to time.
- c) "Company": "Company" means Hella India Lighting Limited.
- d) "Director": "Directors" means Directors of the Company.
- e) "Independent Director":- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, "Independent director" shall mean a non-executive director, other than a nominee director of the Company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
  - (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
  - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current Financial Year;



- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current Financial Year;
- e. who, neither himself nor any of his relatives -
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of -  
a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or  
any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
  - iv. is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
  - v. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. who is not less than 21 years of age.
- f) "Key Managerial Personnel": "Key Managerial Personnel" means-
  - (i) Chief Executive Officer or the Managing Director or the Manager;
  - (ii) Company Secretary;
  - (iii) Whole-Time Director;
  - (iv) Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the applicable statutory provisions / regulations.
- g) "Senior Management": The expression "Senior Management" means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 3. APPLICABILITY:-

The Policy is applicable to

- a) Directors (Executive & Non Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

## 4. ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- b) to recommend to the Board the appointment and removal of Senior Management;
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) to develop a succession plan for the Board and to regularly review the plan.

## 5. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## 6. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 7. FREQUENCY OF MEETINGS

- a) The meeting of the Committee shall be held at such regular intervals as may be required.

## 8. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 9. SECRETARY

- a) The Company Secretary of the Company shall act as Secretary of the Committee.





## 10. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training program in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board;
- k) Considering any other matters as may be requested by the Board.

## 12. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee;
- d) to consider any other matters as may be requested by the Board;
- e) Professional indemnity and liability insurance for Directors and senior management.

## 13. GENERAL APPOINTMENT CRITERIA

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment;



- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force;
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

#### **ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement and Companies Act, 2013, as amended from time to time.

#### **14. TERM / TENURE**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

#### **15. REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **16. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

##### **1. Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the board from time to time.

##### **2. Non-Executive Director:**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of his independence
- f) inform the Board immediately when they lose their independence,
- g) assist the Company in implementing the best corporate governance practices.
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) strive to attend the general meetings of the Company;
- k) keep themselves well informed about the Company and the external environment in which it operates;



- l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

## 17. REMUNERATION

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

### 1. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### 2. Non-Executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### 3. KMPs / Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### 4. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

## 18. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**FORM NO. AOC.2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	No transaction
B	Nature of contracts/arrangements/transactions	No transaction
C	Duration of the contracts/arrangements/transactions	No transaction
D	Salient terms of the contracts or arrangements or transactions including the value, if any	No transaction
E	Justification for entering into such contracts or arrangements or transactions	No transaction
F	Date of approval by the Board	No transaction
G	Amount paid as advances, if any	No transaction
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	No transaction

**2. Details of material contracts or arrangement or transactions at arm's length basis**

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	As per list mentioned in below table.
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	
E	Date(s) of approval by the Board, if any	
F	Amount paid as advances, if any:	



## LIST OF RELATED PARTY TRANSACTIONS

Sr. No.	Name of the party	Relationship	Nature of Contract / Arrangement/ Transaction	Duration of Contract / Arrangement/ Transaction	Amount
1	Hella KGaA Hueck & Co.	Group Company	Sale of Product	2014-15	60,108,287
2	Hella India Automotive Pvt. Ltd.	Group Company	Sale of Product	2014-15	29,732
3	Hella Fahrzeugteile Austria GmbH	Group Company	Sale of Product	2014-15	10,855,313
4	Hella Australia Pty. Limited	Group Company	Sale of Product	2014-15	143,873
5	Beifang Hella Automotive Lighting Ltd	Group Company	Sale of Product	2014-15	-
6	Hella Asia Singapore Pte. Limited	Group Company	Sale of Product	2014-15	10,295,939
7	Hella Inc.	Group Company	Sale of Product	2014-15	30,903,007
8	Hella Automotive South Africa Pty. Ltd.	Group Company	Sale of Product	2014-15	12,388,599
9	Hella Middle East FZE	Group Company	Sale of Product	2014-15	32,165,042
10	Hella PHIL.INC	Group Company	Sale of Product	2014-15	41,080
11	Hella trading (Shanghai) co. ltd.	Group Company	Sale of Product	2014-15	6,819
12	Hella KGaA Hueck & Co.	Group Company	Purchase of Raw Materials	2014-15	53,707,874
13	Hella India Automotive Pvt. Ltd.	Group Company	Purchase of Raw Materials	2014-15	122,510,854
14	Hella Fahrzeugteile Austria	Group Company	Purchase of Raw Materials	2014-15	3,557,778
15	Hella Asia Singapore Pte. Limited	Group Company	Purchase of Raw Materials	2014-15	77,798,904
16	Hella Inc.	Group Company	Purchase of Raw Materials	2014-15	90,700
17	Hella New Zealand Ltd	Group Company	Purchase of Raw Materials	2014-15	1,296,614
18	Hella Lighting Finland Oy, Finland	Group Company	Purchase of Raw Materials	2014-15	407,484
19	Hella Pagid GmbH	Group Company	Purchase of Raw Materials	2014-15	415,206
20	Hella Japan Inc	Group Company	Purchase of Raw Materials	2014-15	140,618
21	Hella Saturnus Slovenija D.O.O	Group Company	Purchase of Raw Materials	2014-15	23,141,061
22	Hella Leuchten-Systeme GmbH	Group Company	Purchase of Raw Materials	2014-15	-
23	Behr Hella Services GmbH	Group Company	Purchase of Raw Materials	2014-15	226,803
24	Docter Optics GmbH	Group Company	Purchase of Raw Materials	2014-15	2,698,873
25	Beifang Hella Automotive Lighting Ltd.	Group Company	Purchase of Raw Materials	2014-15	2,932,240
26	Hella (Xiamen) Automotive Electronics Co. Ltd.	Group Company	Purchase of Raw Materials	2014-15	1,251,543
27	Hella Australia Pty. Limited	Group Company	Purchase of Raw Materials	2014-15	993,458
28	Hella Gutmann Solutions GmbH	Group Company	Purchase of Raw Materials	2014-15	624,375
29	Hella Nussbaum Solutions GmbH	Group Company	Purchase of Raw Materials	2014-15	223,471
30	Hella Innenleuchten Systeme GmbH	Group Company	Purchase of Raw Materials	2014-15	26,053
31	Hella Bhap (Salihe) Automotive Lighting Co. Ltd	Group Company	Purchase of Raw Materials	2014-15	1,070,312

For & on behalf of the Board of  
Hella India Lighting Limited

Place : Gurgaon  
Date : 28th August 2015

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN: 02848326

Sd/-  
**Anil Sultan**  
Alternate Director  
DIN: 00467681

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

### A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:-
- Replaced 25 conventional tube lights with T-5, with this the Company was able to save ₹ 1,755 per month.
  - Modified their trolley in order to use one oven in the plant and removed a small batch oven (7 kw) hence save the ₹ 1,13,400 per year.
- b) Additional investment and proposals, if any, being, implemented for reduction of consumption of energy:-
- Molding machines (200 Ton) was installed in the Company towards the process of better technology and advancement. With this new machine, the Company will get better quality products. However, the new molding machine has increased load upto 40 kwh means an increase in 7,500 units per month. With installation of new molding machine in the plant, the Company is expecting the reduction of consumption of energy.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:-
- The Company has minimized their utilization of D.G. set, since they have obtained the permission for utilization of energy in Peak hours from PSPCL Board, with this your Company was able to save ₹ 1.25 lac every month. Moreover this permission will be continued till the further instruction receive from PSPCL board.
  - With the abovementioned small-small changes in the plant, your Company was able to do reduction of energy consumption and moreover through these changes, your Company also reduced consequently the cost of production of goods as it has favorable impact on cost of production.

- d) Total energy consumption and energy consumption per unit of production:

The Company is having 2 DG Sets of 500 KVA & 380 KVA. During the year the Company has consumed units of energy as detailed below:-

#### Electric Energy

- Units consumed from Punjab State Electricity Board in Financial Year 2014-15 was 15,39,624 units (previous year 9,14,254 units) and the cost was ₹ 97,65,000/- (previous year ₹ 91,42,540/-).
- DG Sets: Diesel consumed this year 47,016 liters (previous year 81,580 liters) and the cost was ₹ 26,52,000/- (previous year ₹ 40,79,000/-)

### B. TECHNOLOGY ABSORPTION

#### 1. The effort made towards technology absorption

During the year, the Company has made various efforts towards technology absorption which are as follows:-

- First own new combination HL design done and development in process;
- The HIL has designed and developed low costs Rocker Switches;
- Introduced M60 modules with bezel;
- M60 modules with LG is under development;



- Highway Hawk Chotu Comet oval realized;
- 90 mm rear lamp low cost version under analysis and development;
- M90 Fog Lamp Low Cost for Indian market under analysis;
- " Developed sheet metal reflectors locally;

**2. Benefits derived from the above efforts**

With this above efforts, the Company was able to drive following benefits:-

- Entry into new market segment;
- Increase of sales;
- Addition of new product portfolio;
- Enhancement of experience and knowledge of the people to be used in new projects;

**3. Future plan of action**

The Company will continue to made an efforts towards technology absorption. Moreover the Company made a plan towards technology absorption in the area of Value fit products through their design and development like work lamp, Aux lamp, single function lamps etc

Further, the Company will increase the D&D capabilities and capacities for complete in-house development and support to external locations.

**4. Efforts, in brief, made towards technology absorption, adaptation and innovation**

Technical training done at HKG;

New sources of technology identified;

International coordination and support;

Support from capable suppliers;

**5. Technology imported during last three years**

The Company has imported in the year 2012 the "Fit and Forget Technology" related to Full Led Tail Lamp. Further the Company has fully utilized the said technology in the business.

**6. Expenditure incurred on Research & Development: NIL**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earning in terms of actual inflows during the year and the foreign Exchange outgo during the year in terms of actual outflows were as follows:

(₹ in lakhs)

Total Foreign Exchange used and earned	Year ended 31st March 2015	Year ended 31st March 2014
a) Total Foreign Exchange earned	1800.78	1634.66
b) Total Foreign Exchange used	3255.34	4893.96

Form No. MR - 3

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

*For The Financial Year Ended 31st March 2015*

The Members,

**HELLA INDIA LIGHTING LIMITED**

B - 13, Badarpur Extension  
New Delhi - 110 044

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **HELLA INDIA LIGHTING LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015, complied with the statutory Provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i) The listing agreements entered into by the Company with Stock Exchange(s);



- (vi) and other applicable laws like, Factories Act, 1948, Industrial Dispute Act, 1947, Industrial Employment (Standing Orders) Act, 1946, Minimum Wages Act, 1948, Payment of Wages Act, 1936 and Rules made thereunder, Contract Labour (Regulation and Abolition) Act 1970, Payment of Bonus Act, 1965 as amended from time to time, Equal Remuneration Act, 1976, The Payment of Gratuity Act, 1972 and Rules made thereunder, Employees Compensation Act, 1923, Employees Provident funds and miscellaneous provisions Act, 1952, Employees State Insurance Act, 1948, Maternity Benefit Act, 1961, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Personal Injuries(Compensation Insurance) Act, 1963 and Rules and Schemes made thereunder, Personal Injuries (Emergency Provisions) Act, 1962 as amended, Apprentices Act 1961, Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder, Water (Prevention and control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986 and various rules made thereunder, Fatal Accident Act, 1855, and other laws as may be applicable specifically to the Company)

We have also examined the applicability of the following and report that the same are not applicable to the Company during the period under review:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India, not being notified during the Financial Year March 31, 2015.

**Our report of is to be read along with the noting as mentioned here - in - under.**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations and report that:

**1. INDUSTRIAL DISPUTE ACT, 1947**

The Company has not constituted Grievance Redressal Committee as required under Industrial Dispute Act, 1947.

**2. LISTING AGREEMENT COMPLIANCES**

The Company is generally regular with its listing agreement compliances; however it has been observed that dispatch register is not properly maintained.

**3. FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Company is generally regular in the Compliances of FEMA; however there are cases of delay in submission of returns relating to External Commercial Borrowings (ECB).



**We further report that:**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**Further we report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**We further report** that during the audit period the Company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

**For DR Associates  
Company Secretaries**

**Sd/-  
Suchitta Koley  
FCS - 1647, CP - 714**

**Place: New Delhi  
Date: August 26, 2015**



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Hella India Lighting Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hella India Lighting Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.



## Emphasis of matter

- Without modifying our report, attention is invited to Note 2.38 of the standalone financial statements, which more fully explains the favourable judgement of the Hon'ble Supreme Court granting permission to the Company to delist and validating the order of Securities Appellant Tribunal dated 27 May 2008. Consequently, the Company requested Bombay Stock Exchange to grant the delisting permission. Bombay Stock Exchange delisted the shares of the Company w.e.f. 30 April 2015.
- Without qualifying our opinion, attention is invited to note 2.40 of the financial statements, which fully explains that remuneration paid to the whole time director of the Company for the year ended 31 March 2015 amounting to ₹ 7,313,029 is in excess of the limits prescribed under Schedule V of the Companies Act 2013. Schedule V of the Companies Act 2013 states that the limits can be doubled provided the same is approved by the Shareholders through a special resolution. In case, the limits are doubled, the excess remuneration, would fall within the limits as prescribed in Schedule V of the Companies Act, 2013. While, the remuneration for the period from 1 January 2012 to 31 December 2014 (which also included the period 1 April 2014 till 31 December 2014) was approved by the Shareholders in the Annual General Meeting held on 29 September 2012, management believes that the requisite approval of the Shareholders for the period 1 January 2015 till 31 March 2015, will be obtained in the ensuing Annual General Meeting.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as at 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 2.27 and 2.39 to the standalone financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts; and
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.:101248W/W-100022

Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Vikram Advani**  
Partner  
Membership No.: 091765



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years, except certain assets for which third party confirmations are received. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In the current year, all the fixed assets except assets lying with third parties were verified by the management. As informed to us, the discrepancies noticed on such verification were not material.
2. (a) Inventories, except goods-in-transit and stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.  
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, we are of the opinion that the Company has not granted any loan to companies, firm or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and therefore suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods. As informed to us, the Company does not provide any services. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products manufactured/ services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including duty of customs, duty of excise, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value added tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of Wealth tax and Cess.  

According to the information and explanation given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Value added tax, Cess and material statutory dues that were in arrear as at 31 March 2015 for a period of more than six months from the date they became payable.

  
(b) According to the information and explanations given to us, there are no dues in respect of Customs duty, Sales tax, Income tax, Excise duty, Service tax, wealth tax, Value added tax and Cess which have not been deposited with the appropriate authorities on account of dispute, except for the following:



<i>Name of the Statute</i>	<i>Nature of dues</i>	<i>Amount* (₹)</i>	<i>Assessment Year</i>	<i>Forum where the dispute is pending</i>
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,119,228	2001-02	Hon'ble High Court of Delhi
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	Hon'ble High Court of Delhi

\* As per assessment orders. There is no demand, though the brought forwarded losses have been reduced by the amount mentioned.

(c) As mentioned in sub-clause (iii) of para (f) of "Report on Other Legal and Regulatory Requirements" paragraph of our main report, there were no amounts which were required to be transferred to investor education and protection fund.

- 8 As at 31 March 2015, the accumulated losses of the Company are not more than fifty percent of its net worth. During the current and previous years, the Company has not incurred any cash losses.
- 9 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks. The Company did not have any outstanding dues to debenture holders and financial institution during the year.
- 10 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 11 According to the information and explanation given to us, term loans taken by the Company has been applied for the purpose for which they were raised.
- 12 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.:101248W/W-100022

Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Vikram Advani**  
Partner  
Membership No.: 091765



## BALANCE SHEET AS AT MARCH 31, 2015

(All amounts are in Indian Rupees)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	146,077,000	146,077,000
Reserve and surplus	2.2	177,681,310	111,185,196
		<b>323,758,310</b>	<b>257,262,196</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	130,000,000	130,000,000
Other long-term liabilities	2.4	2,360,156	1,800,156
Long-term provisions	2.5	11,858,639	9,685,135
		<b>144,218,795</b>	<b>141,485,291</b>
<b>Current liabilities</b>			
Short-term borrowings	2.6	49,697,132	-
Trade payables	2.7	200,374,625	308,317,729
Other current liabilities	2.8	23,237,302	126,653,502
Short-term provisions	2.9	6,136,172	5,495,916
		<b>279,445,231</b>	<b>440,467,147</b>
		<b>747,422,336</b>	<b>839,214,634</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.10	271,582,217	99,289,558
Intangible assets		26,423,565	29,928,589
Capital work in progress		7,443,591	168,545,286
		<b>305,449,373</b>	<b>297,763,433</b>
Non-current investments	2.11	20,000	5,020,000
Long-term loans and advances	2.12	13,140,873	15,610,274
Other non-current assets	2.13	885,605	847,527
		<b>319,495,851</b>	<b>319,241,234</b>
<b>Current assets</b>			
Inventories	2.14	142,569,114	122,873,692
Trade receivables	2.15	231,366,638	197,781,678
Cash and bank balance	2.16	21,633,385	119,781,836
Short-term loan and advances	2.17	32,340,572	75,442,697
Other current assets	2.18	16,776	4,093,497
		<b>427,926,485</b>	<b>519,973,400</b>
		<b>747,422,336</b>	<b>839,214,634</b>

### Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Hella India Lighting Limited

Sd/-  
**Vikram Advani**  
Partner  
Membership No: 091765  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Anil Sultan**  
Director  
DIN : 00467681  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Shikhar Goel**  
Company Secretary  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Narender Jain**  
Chief Financial Officer  
Place: Gurgaon  
Date: 28 May 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(All amounts are in Indian Rupees)

Particulars	Note No.	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>Income</b>			
<b>Revenue from operations</b>			
<b>Sales of products</b>			
Manufactured Finished Goods		1,281,836,182	1,005,541,113
Traded Goods		16,078,494	-
Sale of products (gross)		1,297,914,676	1,005,541,113
Other operating revenue	2.19	2,857,308	3,015,175
		1,300,771,984	1,008,556,288
Less: Excise duty		138,735,645	119,826,032
		1,162,036,339	888,730,256
Sale of services		-	11,674,000
Other income	2.20	69,994,502	39,791,973
<b>Total</b>		<b>1,232,030,841</b>	<b>940,196,229</b>
<b>Expenses</b>			
Cost of materials consumed	2.21	744,340,737	592,577,871
Purchase of traded goods		15,924,885	-
Changes in inventories of finished goods, work-in-progress and traded goods	2.22	(10,870,333)	654,475
Employee benefits	2.23	123,656,652	119,380,540
Finance cost	2.24	11,063,178	-
Depreciation and amortisation	2.10	44,485,171	21,425,222
Other expenses	2.25	236,934,437	206,816,666
<b>Total</b>		<b>1,165,534,727</b>	<b>940,854,774</b>
<b>Profit/(Loss) before and after tax</b>		<b>66,496,114</b>	<b>(658,545)</b>
Profit/ (Loss) per equity share (face value ₹ 10 each)			
-Basic and diluted Profit/ (Loss) per share (₹)	2.33	20.97	(0.21)

### Significant accounting policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors  
**Hella India Lighting Limited**

Sd/-  
**Vikram Advani**  
Partner  
Membership No: 091765  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Anil Sultan**  
Director  
DIN : 00467681  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Shikhar Goel**  
Company Secretary  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Narender Jain**  
Chief Financial Officer  
Place: Gurgaon  
Date: 28 May 2015



# HELLA INDIA LIGHTING LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(All amounts are in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	66,496,114	(658,545)
Depreciation	44,485,171	21,425,222
Liabilities and provisions no longer required written back	-	(5,757,138)
Interest expense	11,063,178	-
Interest income (on fixed deposits, loans and investments)	(7,966,947)	(10,506,014)
Unrealised foreign exchange fluctuations (net)	(954,701)	8,966,001
Loss/ (profit) on sale of fixed assets	(1,892,688)	(30,621)
Provision for doubtful debts	964,443	-
Provision for doubtful advances	44,326	5,212
<b>OPERATING PROFIT /(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>112,238,896</b>	<b>13,444,117</b>
Decrease/(Increase) in inventories	(19,695,422)	(15,668,633)
Decrease/(Increase) in trade receivables	(32,957,276)	(36,314,378)
Decrease/(Increase) in short-term loans and advances	(6,942,201)	(18,473,374)
Decrease/(Increase) in other current assets	100,000,000	(90,000,000)
Decrease/(Increase) in long-term loans and advances	(55,953)	(762,283)
Decrease/(Increase) in other non-current assets	(38,078)	(134,836)
Increase/(decrease) in long-term provisions	2,173,504	1,006,339
Increase/(decrease) in other long-term liabilities	560,000	509,400
Increase/(decrease) in trade payables	(108,580,530)	109,757,941
Increase/(decrease) in short-term provisions	640,256	585,433
Increase/(decrease) in other current liabilities	(4,487,440)	(2,654,408)
<b>CASH GENERATED/ (USED IN) OPERATIONS</b>	<b>42,855,756</b>	<b>(38,704,682)</b>
Taxes paid on operating activities	-	-
<b>NET CASH/ (USED IN) OPERATING ACTIVITIES (A)</b>	<b>42,855,756</b>	<b>(38,704,682)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work-in-progress)	(148,307,189)	(157,743,418)
Disposal of Investments	5,000,000	4,980,000
Proceeds from sale/discard of fixed assets	1,896,759	30,621
Repayment of Loan given to related party	50,000,000	50,000,000
Interest received (on fixed deposits, loans and investments)	12,043,669	9,731,294
<b>CASH GENERATED/ (USED IN) INVESTING ACTIVITIES</b>	<b>(79,366,761)</b>	<b>(93,001,503)</b>
Taxes paid on investing activities	(518,400)	524,867
<b>NET CASH GENERATED/ (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(79,885,161)</b>	<b>(92,476,636)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from unsecured loans	-	130,000,000
Proceeds from short term borrowings	49,697,132	-
Interest paid	(10,816,178)	5,372,250
<b>NET CASH GENERATED/ (USED IN) FINANCING ACTIVITIES (C)</b>	<b>38,880,954</b>	<b>135,372,250</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,851,549</b>	<b>4,190,932</b>
Cash and cash equivalents at the beginning of period	19,781,836	15,590,904
Cash and cash equivalents at the end of period (refer note 2.16)	21,633,385	19,781,836

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".

The notes referred to above form an integral part of the financial statements

As per our report of even date

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors  
Hella India Lighting Limited

Sd/-  
**Vikram Advani**  
Partner  
Membership No: 091765  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Anil Sultan**  
Director  
DIN : 00467681  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Shikhar Goel**  
Company Secretary  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Narender Jain**  
Chief Financial Officer  
Place: Gurgaon  
Date: 28 May 2015



## Notes to financial statements for the year ended 31 March 2015

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.1 Share capital</b>		
<b>Authorized</b>		
<b>Equity shares, ₹ 10 par value</b>		
3,500,000 (previous year 3,500,000) equity shares	35,000,000	35,000,000
<b>Preference shares, ₹ 100 par value</b>		
2,150,000 (previous year 2,150,000) non-convertible, non-cumulative, redeemable preference shares	215,000,000	215,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, subscribed and paid-up</b>		
<b>Equity shares</b>		
3,171,400 (previous year 3,171,400) equity shares of ₹ 10 each fully paid up	31,714,000	31,714,000
<b>Preference shares</b>		
1,143,630 (previous year 1,143,630) 0.0000001% preference shares of ₹ 100 each fully paid up	114,363,000	114,363,000
	<b>146,077,000</b>	<b>146,077,000</b>

### i) Rights, preferences and restrictions

#### Equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company rank *pari-passu* in all respects including dividend.

The Company declares and pays dividend, if any, in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Preference shares

Preference shares issued by the Company are non-convertible, non-cumulative, non participating and redeemable. Preference shareholders are not entitled to vote.

Preference shareholders are entitled to 0.0000001% dividend.

Preference shareholders have preference over equity shareholders for the payment of dividend and repayment of capital, in the event of liquidation of the Company.



## Notes to financial statements for the year ended 31 March 2015

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Amount	No. of shares	Amount
<b>ii) The reconciliation of the shares outstanding at the beginning and end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning and end of the year	3,171,400	31,714,000	3,171,400	31,714,000
<b>Preference shares</b>				
Balance at the beginning and end of the year	1,143,630	114,363,000	1,143,630	114,363,000
<b>iii) Shares held by the holding, ultimate holding and/or subsidiary/associates :</b>				
<b>Equity Shares</b>				
Hella Holding International GmbH, Germany, the holding Company	1,617,400	16,174,000	1,617,400	16,174,000
Hella India Automotive Private Limited, a fellow subsidiary	978,263	9,782,630	978,263	9,782,630
<b>Total</b>	<b>2,595,663</b>	<b>25,956,630</b>	2,595,663	25,956,630
<b>Preference shares</b>				
Hella Holding International GmbH, Germany, the holding Company	1,143,630	114,363,000	1,143,630	114,363,000
<b>Total</b>	<b>1,143,630</b>	<b>114,363,000</b>	1,143,630	114,363,000
The ultimate holding Company of the Company is Hella KGaA Hueck & Co., Germany.				
<b>iv) The details of shareholders holding more than 5% shares is as follows :</b>				
	As at 31 March 2015		As at 31 March 2014	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares</b>				
Hella Holding International GmbH, Germany, the holding Company	1,617,400	51.00	1,617,400	51.00
Hella India Automotive Private Limited	978,263	30.85	978,263	30.85
<b>Preference shares</b>				
Hella Holding International GmbH, Germany, the holding Company	1,143,630	100.00	1,143,630	100.00
<b>v) 13,000 (previous year 13,000) equity shares have been allotted as fully paid up bonus shares by capitalisation of reserves in earlier years.</b>				
<b>vi) The preference shares are redeemable at par at any time after five years but prior to the expiry of twenty years from the date of allotment. Of these, 500,000 preference shares have been allotted on 31 August 2006, 40,000 preference shares have been allotted on 18 March 2009 and 603,630 (by conversion of loan from the holding Company) preference shares have been allotted on 16 March 2010.</b>				

Also, refer to note 2.38 relating to delisting of shares of the Company.



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.2 Reserves and Surplus</b>		
<b>Capital reserve</b>		
Balance at the beginning and end of the year	1,756,311	1,756,311
<b>Revaluation reserve</b>		
Balance at the beginning and end of the year	2,494,752	2,494,752
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	100,000	100,000
<b>Securities premium reserve</b>		
Balance at the beginning and end of the year	295,249,220	295,249,220
<b>Deficit (Balance of statement of Profit and loss)</b>		
Balance at the beginning of the year	(188,415,087)	(187,756,542)
Add: Profit/ (Loss) for the year	66,496,114	(658,545)
Balance at the end of the year	<u>(121,918,973)</u>	<u>(188,415,087)</u>
	<u>177,681,310</u>	<u>111,185,196</u>
<b>2.3 Long-term borrowings</b>		
- Term loan from related party (unsecured)	130,000,000	130,000,000
	<u>130,000,000</u>	<u>130,000,000</u>

Term loan from related party is an Indian currency term loan taken from Hella KGaA Hueck & Co., Germany (Ultimate Holding Company). It carries interest at 9.5% per annum. The repayment schedule is as follows :

Installment	Repayment date	Amount to be repaid in INR
1	30 September 2016	21,666,667
2	31 March 2017	21,666,667
3	30 September 2017	21,666,667
4	31 March 2018	21,666,667
5	30 September 2018	21,666,667
6	31 March 2019	21,666,665

The period of maturity from the date of origination and balance sheet date is 69 months and 48 months respectively.

## 2.4 Other long term liabilities

Others		
- Security deposit received	2,360,156	1,800,156
	<u>2,360,156</u>	<u>1,800,156</u>

## 2.5 Long-term provisions

Provisions for employee benefits		
- Gratuity (refer to note 2.28)	8,186,012	6,868,216
- Leave encashment	3,672,627	2,816,919
	<u>11,858,639</u>	<u>9,685,135</u>



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.6 Short-term borrowings</b>		
Loans repayable on demand		
- Cash credit facility from bank (Unsecured)	49,697,132	-
	49,697,132	-
	49,697,132	-
<p>Cash credit facilities from bank carries an interest of 11% p.a., computed on monthly basis on the actual amount utilized. The amount is repayable on demand in one bullet payment. Hella KGaA Hueck &amp; Co., Germany, the ultimate holding Company, has given the guarantee for the cash credit facility availed by the Company.</p>		
<b>2.7 Trade payables</b>		
Trade payables for goods and services		
- total outstanding dues of micro and small enterprises (refer to note 2.29)	22,668,246	16,706,085
- others	177,706,379	291,611,644
	200,374,625	308,317,729
	200,374,625	308,317,729
<b>2.8 Other current liabilities</b>		
Interest accrued and due on borrowings	5,619,250	5,372,250
Employee payables	7,308,321	8,635,392
Statutory liabilities		
- Withholding and other taxes payable	3,346,275	6,610,719
- Contribution to provident and other funds	954,725	926,757
Advance from customers	614,938	538,831
Capital creditors	5,393,793	104,569,553
	23,237,302	126,653,502
	23,237,302	126,653,502
<b>2.9 Short-term provisions</b>		
Provision for employee benefits		
- Gratuity (refer to note 2.28)	729,394	453,950
- Leave encashment	191,676	133,279
Other provisions		
- Provision for export obligations under EPCG License # (refer note 2.39)	5,215,102	4,897,065
- Provision for wealth tax	-	11,622
	6,136,172	5,495,916
	6,136,172	5,495,916

# inclusive of interest thereon.



**2.10 Fixed Assets  
Tangible Assets**

(All amounts are in Indian Rupees)

Particulars	Gross Block			Depreciation / Impairment			Net block		
	As at 1 April 2014	Additions during the year	Sales/ Adjustments	As at 31 March 2015	Impairment As at 1 April 2014	Depreciation As at 1 April 2014	Charge for the year	Sales/ Adjustments	As at 31 March 2015
<b>Tangible Assets</b>									
Land (Freehold)	118,322	-	-	118,322	-	-	-	-	118,322
Building	22,457,492	40,400,493	-	62,857,985	6,789,966	5,051,156	1,376,357	-	49,640,506
Leasehold improvements	14,917,513	350,601	-	15,268,114	-	7,902,725	5,015,582	-	2,349,808
Plant and equipment	153,132,950	147,209,409	3,202,631	297,139,728	31,059,332	51,891,488	19,441,065	3,198,561	197,946,403
Motor Vehicles	8,287,082	1,998,699	385,794	9,899,987	98,074	4,026,779	1,268,681	385,794	4,892,247
Furniture and fixtures	6,904,884	415,658	-	7,320,542	1,831,219	2,003,675	376,047	-	3,109,601
Office equipment	2,389,896	11,678,862	-	14,068,758	400,281	1,062,518	2,209,793	-	10,396,166
Computers	15,938,285	1,742,644	-	17,680,929	2,221,128	10,518,525	1,812,110	-	3,129,166
<b>Total</b>	<b>224,146,424</b>	<b>203,796,366</b>	<b>3,588,425</b>	<b>424,354,365</b>	<b>42,400,000</b>	<b>82,456,866</b>	<b>31,499,635</b>	<b>3,584,355</b>	<b>271,582,217</b>

**Previous Year (2013-2014)**

Particulars	Gross Block			Depreciation / Impairment			Net block		
	As at 1 April 2013	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2014	Impairment As at 1 April 2013	Depreciation As at 1 April 2013	Charge for the year	Sales/ Adjustments during the year	As at 31 March 2014
<b>Tangible Assets</b>									
Land (Freehold)	118,322	-	-	118,322	-	-	-	-	118,322
Building	21,918,573	538,919	-	22,457,492	6,789,966	4,225,572	825,584	-	10,616,370
Leasehold improvements	14,917,513	-	-	14,917,513	-	2,600,034	5,302,691	-	7,014,788
Plant and equipment	112,840,713	40,292,237	-	153,132,950	31,059,332	44,194,895	7,696,593	-	82,950,820
Motor Vehicles	6,848,110	1,724,160	285,188	8,287,082	98,074	3,376,994	934,973	285,188	4,162,229
Furniture and fixtures	6,137,388	767,496	-	6,904,884	1,831,219	1,688,882	314,793	-	3,834,894
Office equipment	2,111,656	278,240	-	2,389,896	400,281	828,681	233,837	-	1,462,799
Computers	14,437,845	1,500,440	-	15,938,285	2,221,128	9,129,927	1,388,598	-	12,739,653
<b>Total</b>	<b>179,330,120</b>	<b>45,101,492</b>	<b>285,188</b>	<b>224,146,424</b>	<b>42,400,000</b>	<b>66,044,985</b>	<b>16,697,069</b>	<b>285,188</b>	<b>124,856,866</b>
									<b>99,289,558</b>

**2.10 Fixed Assets (Continued)**

**Capital work-in-progress**

Balance as at 1 April 2014	168,545,286
Additions	32,367,604
Less: Assets capitalised during the year	193,469,299
<b>Balance as at 31 Mar 2015</b>	<b>7,443,591</b>
Balance as at 1 April 2013	-
Additions	209,056,819
Less: Assets capitalised during the year	40,511,533
<b>Balance as at 31 March 2014</b>	<b>168,545,286</b>

1 . Net borrowing cost capitalised during the year amounts to ₹ 2,092,639 (previous year ₹ 1,508,507)

**Intangible Assets**

Particulars	Gross Block		As at 1 April 2014	As at 31 March 2015	As at 1 April 2014	Amortisation		Net block As at 31 March 2015
	As at 1 April 2014	Additions during the year				As at 31 March 2015	Charge for the year	
Computer Softwares	34,656,742	9,480,512	44,137,254	44,137,254	4,728,153	12,985,536	17,713,689	26,423,565
<b>Total</b>	<b>34,656,742</b>	<b>9,480,512</b>	<b>44,137,254</b>	<b>44,137,254</b>	<b>4,728,153</b>	<b>12,985,536</b>	<b>17,713,689</b>	<b>26,423,565</b>

**Previous Year (2013-2014)  
Intangible Assets**

Particulars	Gross Block		As at 1 April 2013	As at 31 March 2014	As at 1 April 2013	Amortisation		Net block As at 31 March 2014
	As at 1 April 2013	Additions during the year				As at 31 March 2014	Charge for the year	
Computer Softwares	-	34,656,742	34,656,742	34,656,742	-	4,728,153	4,728,153	29,928,589
<b>Total</b>	<b>-</b>	<b>34,656,742</b>	<b>34,656,742</b>	<b>34,656,742</b>	<b>-</b>	<b>4,728,153</b>	<b>4,728,153</b>	<b>29,928,589</b>



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.11 Non-current investments</b>		
(Valued at cost unless stated otherwise)		
<b>Trade - unquoted</b>		
Investment in equity instrument		
Wegu Sondhi Private Limited	110,000	110,000
11,000 (previous year 11,000) equity shares of face value ₹ 10 each, fully paid up		
Less: Provision for other than temporary diminution in value of investment #	110,000	110,000
	-	-
Drive Smart Drive Safe	20,000	20,000
2,000 (previous year Nil) equity shares of face value ₹ 10 each, fully paid up		
<b>Other non current investments</b>		
National Highways Authority of India ('NHAI')	-	5,000,000
1,000 (previous year 1,000) Non convertible redeemable taxable bonds of face value ₹.10,000 each carrying interest @ 6% per annum		
Aggregate amount of unquoted investments	130,000	5,130,000
Less: Aggregate amount of provision for other than temporary diminution in value of investment	110,000	110,000
	20,000	5,020,000

# As on 31 March 2015, Wegu Sondhi Private Limited is a dormant Company.

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.12 Long term loans and advances</b>		
<b>(unsecured, considered good unless otherwise stated)</b>		
Capital advances		
Considered good	1,916,775	5,059,226
Considered doubtful	469,080	370,383
Less: Provision for doubtful advances	469,080	370,383
Security deposits	6,298,843	6,144,193
Income taxes recoverable	4,925,255	4,406,855
(net of provision ₹ nil; previous year ₹ Nil)		
	13,140,873	15,610,274





(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014	
<b>2.13 Other non-current assets</b> <b>(unsecured, considered good unless otherwise stated)</b>			
Balance with bank held as margin money with sales authorities	885,605		847,527
	<u>885,605</u>		<u>847,527</u>
<b>2.14 Inventories (refer to note 2.37)</b> <b>(Valued at the lower of cost or net realisable value)</b>			
Raw material and components [includes goods in transit ₹ 4,910,691 (previous year ₹ 14,073,665)]	87,668,694		82,724,971
Work in progress	3,095,616		2,851,377
Finished goods	42,142,057		35,742,582
Traded goods	4,942,773		-
Stores and spares	4,719,974		1,554,762
	<u>142,569,114</u>		<u>122,873,692</u>
<b>2.15 Trade receivables</b> <b>(unsecured, considered good unless otherwise stated)</b>			
Outstanding for a period exceeding six months from the date these are due for payment			
Considered good	7,477,863		4,582,803
Considered doubtful	3,510,739		2,546,296
Less: Provision for doubtful receivables.	<u>3,510,739</u>	<u>7,477,863</u>	<u>2,546,296</u>
Other receivables			
Considered good	223,888,775		193,198,875
	<u>231,366,638</u>		<u>197,781,678</u>
<b>2.16 Cash and bank balances</b>			
Cash and cash equivalents			
Cash on hand	60,830		52,681
Balances with banks			
On current accounts	21,572,555		19,729,155
Other bank balance			
Fixed deposit accounts with original maturity of more than 3 months and due to mature within 12 months of the reporting date.	-		100,000,000
	<u>21,633,385</u>		<u>119,781,836</u>



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>2.17 Short term loans and advances</b> <b>(unsecured, considered good unless otherwise stated)</b>		
Advance to suppliers		
Considered good	1,464,237	4,813,774
Considered doubtful	1,563,794	1,618,165
Less: Provision for doubtful advances	1,563,794	1,618,165
	<u>1,464,237</u>	<u>4,813,774</u>
Balances with excise authorities		
Considered good	27,544,493	16,541,819
Considered doubtful	4,491,608	4,491,608
Less: Provision for doubtful advances	4,491,608	4,491,608
	<u>27,544,493</u>	<u>16,541,819</u>
Loans and advances to related party		
Amount due from Hella India Automotive India Private Limited (fellow subsidiary) (Refer to note 2.31)	-	50,000,000
#As at the beginning of the Financial Year	50,000,000	
Given during the Financial Year	-	
Repaid during the Financial Year	50,000,000	
As at the end of the Financial Year	<u>-</u>	
	<u>32,340,572</u>	<u>75,442,697</u>
Prepaid expenses	894,105	1,489,340
Other advances	2,437,737	2,597,764
	<u>32,340,572</u>	<u>75,442,697</u>
<b>2.18 Other current assets</b> <b>(unsecured, considered good unless otherwise stated)</b>		
Interest accrued but not due		
- on fixed deposits with banks	16,776	3,793,497
- on NHAI bonds	-	300,000
	<u>16,776</u>	<u>4,093,497</u>
	<u>16,776</u>	<u>4,093,497</u>

The loan was utilised by the borrower for general financing requirement. The loan was given at the rate of 11% p.a. repayable in three years from actual drawdown (i.e. April 2012)



(All amounts are in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>2.19 Other operating revenues</b>		
Scrap sales	2,857,308	3,015,175
	<u>2,857,308</u>	<u>3,015,175</u>
<b>2.20 Other income</b>		
Interest		
- on fixed deposits with banks	3,025,851	970,398
- on NHAI bonds	73,973	600,000
- on intercompany loan to related party	4,867,123	7,966,947
Profit on sale of fixed assets	1,892,688	8,935,616
Liabilities and provisions no longer required written back	-	10,506,014
Exchange fluctuation (net)	38,195,325	30,621
Interest on income tax refund	122,588	5,757,138
Miscellaneous income	21,816,954	-
	<u>69,994,502</u>	<u>23,498,200</u>
	<u>69,994,502</u>	<u>39,791,973</u>
<b>2.21 Cost of material consumed</b>		
Raw material and components		
Opening stock	82,724,971	66,088,085
Add: Purchases	749,284,460	609,214,757
Less: Closing stock	87,668,694	82,724,971
	<u>744,340,737</u>	<u>592,577,871</u>
<b>2.22 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
Opening stock		
Traded goods	-	-
Finished goods	35,742,582	36,554,681
Work in progress	2,851,377	3,476,633
	<u>38,593,959</u>	<u>40,031,314</u>
Less: Closing stock		
Traded goods	4,942,773	-
Finished goods	42,142,057	35,742,582
Work in progress	3,095,616	2,851,377
	<u>50,180,446</u>	<u>38,593,959</u>
Increase/(decrease) in excise duty on stock of finished goods	716,155	1,437,355
	<u>(10,870,333)</u>	<u>(782,880)</u>
	<u>(10,870,333)</u>	<u>654,475</u>



(All amounts are in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>2.23 Employee benefits</b>		
Salaries and wages	108,597,814	107,022,965
Contribution to provident and other funds	6,314,590	5,762,088
Staff welfare	8,744,248	6,595,487
	<u>123,656,652</u>	<u>119,380,540</u>
<b>2.24 Finance cost</b>		
Interest on long term borrowings from related party#	10,428,889	-
Interest on cash credit limit	634,289	-
	<u>11,063,178</u>	<u>-</u>
# refer to note number 2.31		
<b>2.25 Other expenses</b>		
Consumption of stores and spares (Refer to note 2.37)	30,986,777	25,283,806
Power and fuel	15,257,747	10,737,226
Travelling and conveyance	18,009,217	19,219,246
Freight outward	32,740,385	24,557,649
Contractual manpower	28,742,213	25,410,335
Legal and professional	19,046,258	15,722,160
Auditor's remuneration		
Statutory audit fees	1,300,000	1,300,000
Tax audit fees	120,000	120,000
Out of pocket expenses	238,858	275,000
Rent (Refer to note 2.32)	9,838,364	9,833,766
Rates and taxes #	9,225,155	4,108,969
Insurance	3,234,058	3,439,160
Repairs and maintenance:		
on buildings	1,242,775	1,389,132
on plant and machinery	3,588,353	2,045,744
on others	22,319,771	22,353,960
Vehicle running and maintenance	2,770,520	1,958,405
Printing and stationery	1,177,616	911,929
Telephone	4,002,812	3,864,182
Bank charges	1,121,562	673,731
Exchange fluctuation (net)	-	4,475,293
Provision for doubtful receivables	964,443	-
Provision for doubtful advances	44,326	5,212
Royalty	8,815,701	5,900,000
Advertisement and sales promotion	14,559,806	11,579,255
Miscellaneous	7,587,720	11,652,506
	<u>236,934,437</u>	<u>206,816,666</u>

# includes prior period expense ₹ 1,634,232 (previous year ₹ Nil)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 1. Company overview

Hella India Lighting Limited, ('the Company') is a public limited Company and is incorporated under the Companies Act, 1956. Its shares were listed on Bombay Stock Exchange and Delhi Stock Exchange. Delhi Stock Exchange allowed delisting of shares in previous years. Subsequent to the year end on 30 April 2015, the Company got delisted from Bombay Stock Exchange. The Company is primarily engaged in manufacturing of automotive lights, switches, blinkers etc.

### 2. Significant Accounting Policies

(i) The financial statements of the Company are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, as adopted consistently by the Company. The financial statements have been prepared in Indian rupees.

#### (ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include estimated provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets, etc. Differences between actual results and estimates are recognised in the year in which the actual results are known or materialised. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

#### (iii) Current–non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the

counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company considers its operating cycle within a period on 12 months.

#### **(iv) Fixed assets (Tangible and Intangibles) and related depreciation and amortisation**

##### Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and any other directly attributable costs to bring the assets to their working condition for intended use.

##### Intangible fixed assets

Intangible fixed assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

##### Capital Work –In- Progress

Cost of assets not ready for use as at the balance sheet date and fixed assets under construction are disclosed as capital work-in-progress. Capital work-in-progress is disclosed at cost less impairment reserve (if any)

##### Depreciation

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### **(a) Useful lives/ depreciation rates**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013, prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for the difference is disclosed in the financial statements.

Considering the applicability of Schedule II, management has re-estimated useful lives and residual values of all its fixed assets. Accordingly, the depreciation has been provided on the following rates:

The revised rates are based on an internal technical evaluation report as issued by management and are determined after considering following factors:



- Expected usage of the asset.
- Expected physical wear and tear
- Technical and commercial obsolescence
- Understand past practices and general industry experience

The revised rates as mentioned below were discussed with the holding Company and were approved by Board of Directors in their meeting held on 13 November 2014.

Assets Category	Useful life of Asset (in years)	
	During the previous year ended 31 March 2014	With effect from 1 April 2014
Building	15	30
Plant and equipment (Injection Moulding machine, Metalizer, Drying and Conveying system and other peripheral machines)	8	12
Plant and equipment (other than above mentioned)	8	8
Plant and equipment (Tools)	8	5
Plant and equipment (Electric installations)	8	8
Computers	3	3
Furniture and Fixtures	10	10
Office Equipment	5	5
Motor vehicles (Commercial)	6	6
Motor vehicles (other than commercial)	5	5

Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale on straight line basis.

Management believes that depreciation rates mentioned above fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Leasehold improvements are amortised over the estimated useful life of the asset as estimated by management or the remaining period of the lease, whichever is shorter.

(b) Depreciation on assets costing less than ₹ 5,000

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was fully depreciating such assets in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by management and as detailed above in the paragraph.

The change in accounting for depreciation of assets costing less than ₹ 5,000 did not have any material impact on financial statements of the Company for the current year.

## Amortisation

Intangibles comprise softwares. Intangible fixed assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of assets. Accordingly, at present softwares are being amortised on straight line basis over the useful life of 3 years.

As a result of this change, the depreciation charge for the year ended 31 March 2015 is lower by ₹ 3,212,063.

## **(v) Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date in accordance with Accounting Standard – 28 on 'Impairment of Assets' to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

## **(vi) Operating lease (as lessee)**

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease period.

## **(vii) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification of Schedule III to the Companies Act, 2013.

Long term investments (including current portion thereof) are valued at cost less any other temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to Statement of Profit and Loss.

## **(viii) Revenue recognition**

Revenue from sale of goods is recognised upon the passage of significant risks and rewards of ownership of the goods to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Sales are recorded at invoice value, net of price adjustments (if any), sales returns and applicable taxes.





Interest income is recognised using the time proportion method, based on underlying interest rates.

**(ix) Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. The cost formula applied for inventories is weighted average.

In determining cost of work in progress and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities and variable production overheads are assigned to each unit of production on the basis of actual use of the production facilities.

Stores and spares and raw materials held for use in production of finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

**(x) Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(xi) Foreign currency transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

**(xii) Employee benefits**

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

*Post-employment benefits*

**Defined contribution plans:** The employee's Provident Fund scheme and Employees' State Insurance Fund are defined contribution plans. The Company's contribution paid/payable under these schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined benefit plans:** The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Leave encashment: Benefits under the Company's leave encashment policy constitute the other long term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

### **(xiii) Earning per share**

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

### **(xiv) Provisions, contingent liability and contingent assets**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### **(xv) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents comprises short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **(xvi) Taxation**

Income-tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The current charge for income tax is based on estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income-tax laws applicable for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

## 2.26 Commitments

Particulars	As at 31 March 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 2,224,440 (previous year ₹ 5,429,609))	3,162,688	97,01,880

## 2.27 Contingent liabilities

The Company has received assessment orders for the Assessment Year 2001-02 and 2004-05 from the Income-tax authorities as a result of which demands have been raised against the Company. The Company has filed appeals with High Court against these assessment orders, details of which are as under:

Name of the Statute	Nature of dues	Amount involved	Period to which the amount relates#	Forum where dispute is pending
Income-tax Act, 1961	Disallowance for foreign exchange fluctuation	3,119,228	2001-02	Hon'ble High Court of Delhi
Income-tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	Hon'ble High Court of Delhi

There has been no change in the contingent liabilities from previous year and management based on their internal assessment, believes that cases will be settled in favour of the Company, accordingly no provision is tenable.

# Assessment year

## 2.28. Employee benefits

Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 “Employee Benefits” prescribed by the Companies (Accounting Standards) Rules, 2006:

- a) **Defined Contribution Plans:** An amount of ₹ 6,314,590 (previous year ₹ 5,762,088) pertaining to employers' contribution to Provident Fund and Employees' State Insurance is recognised as an expense and included in "Employee benefit expense" in note no. 2.23.
- b) **Gratuity Plan (defined benefit plan)**

The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

Particulars	As at 31 March 2015	As at 31 March 2014
<b><u>Changes in the present value of defined benefit obligation</u></b>		
Present value of obligation at the beginning of the year	7,322,166	5,753,825
Interest cost	585,773	517,844
Current service cost	1,539,136	1,296,042
Benefits paid	(721,604)	(1,205,968)
Actuarial (gain)/loss	189,935	960,423
<b>Present value of obligation at the end of the year</b>	<b>8,915,406</b>	<b>7,322,166</b>
<b><u>Changes in the fair value of the Plan assets</u></b>		
(The Company does not have any Plan assets)	-	-
<b><u>Actuarial gain/ (loss)</u></b>		
Actuarial gain/ (loss) for the year – obligation	(189,935)	(960,423)
Actuarial (gain)/ loss recognised in the year	189,935	960,423
Unrecognised actuarial (gains)/ losses at the end of year	-	-
<b>Amount recognised in the Balance Sheet</b>		
Present value of obligation at the end of the year	8,915,406	7,322,166
Funded status	(8,915,406)	(7,322,166)
<b>Unrecognised actuarial (gains)/losses</b>		
	-	-
<b>Liability recognised in the Balance Sheet #</b>		
	(8,915,406)	(7,322,166)
<b>Gratuity cost for the year</b>		
Current service cost	1,539,136	1,296,042
Interest cost	585,773	517,844
Net actuarial (gain)/loss recognised in the year	189,935	960,423
<b>Expenses recognised in the Statement of Profit and Loss</b>		
	2,314,844	2,774,309
# comprises short-term provision ₹ 729,394 (previous year ₹.453,950) and long-term provision ₹.8,186,012 (previous year ₹ 6,868,216).		
<b>Economic assumptions</b>		
Discount rate	8.00%	9.00%
Long term rate of compensation increase	6.50%	6.50%

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Demographic assumptions</b>		
Retirement age	58 years	58 years
Mortality table	IALM (2006-08) mortality tables	IALM (2006-08) mortality tables
Withdrawal Rates	<b>Ages</b>	<b>Withdrawal rate</b>
	Upto 30 years	3%
	Upto 44 years	2%
	Above 44 years	1%

*Experience Adjustment*

	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
Present value of obligation at the end of the year	8,915,406	7,322,166	5,753,825	3,957,331	3,313,410
Liability recognised in the balance sheet	8,915,406	7,322,166	5,753,825	3,957,331	3,313,410
Experience adjustments on Plan assets/liabilities gain /(loss)	(564,624)	854,294	(730,578)	(165,107)	(766,315)

### Actuarial assumptions

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors. Medical cost trend rates have no impact on actuarial valuation of the above defined benefit plan. Discount rate is based on market yields prevailing on government securities as at 31 March 2015 for the estimated term of the obligations.

- 2.29** The Company has obtained relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act') which came into force from 2 October 2006. Based on the information presently available with the management, following are the disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 in respect of micro and small suppliers as defined in the Act:

S. No.	Particulars	As at 31 March 2015	As at 31 March 2014
i)	the principal amount remaining unpaid to supplier as at the end of the year	<b>22,668,246</b>	16,706,085
ii)	the interest due on the principal remaining outstanding as at the end of the year	<b>197,562</b>	200,578
iii)	the amount of interest paid under the Act beyond the appointed day during the year	-	-
iv)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	<b>1,182,013</b>	546,805
v)	the amount of interest accrued and remaining unpaid at the end of the year	<b>3,395,073</b>	2,015,498
vi)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

### 2.30. Segment information

The Company is engaged in the business of manufacture and after sale support of auto components / accessories. This is the primary segment for the Company and it constitutes a single business segment. Accordingly disclosure requirements of Accounting Standard 17, "Segment Reporting", prescribed by the Companies (Accounting Standard) Rules 2006 in relation to primary segment are not required to be given.

As the Company exports its products, the secondary segment for the Company is based on the location of its customers. Information on the geographic segment is as follows:

Particulars	Year ended 31 March 2015			Year ended 31 March 2014		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	<b>1,051,953,137</b>	<b>180,077,704</b>	<b>1,232,030,841</b>	759,197,198	170,546,271	929,743,469
Segment assets	<b>704,265,054</b>	<b>43,157,282</b>	<b>747,422,336</b>	797,766,793	41,447,841	839,214,634
Capital expenditure	<b>52,175,180</b>	-	<b>52,175,180</b>	248,303,520	-	248,303,520



## Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in Note 2, Significant Accounting Policies. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as under:

### a) Segment revenue

Segment revenue is adjusted for trade discounts, excise duty and exceptional item, if any and includes other income and other operating revenue. Segment revenue has been allocated to both the segments on the basis of specific identification.

### b) Segment assets

Segment assets include all operating assets used by a segment and consist principally of fixed assets, capital work in progress, current assets and loans and advances.

## 2.31. Related party disclosures pursuant to Accounting Standard 18 "Related Party Disclosures"

The Company has entered into transactions with affiliated companies and its parent and key management personnel during the normal course of its business. The names of related parties of the Company and their relationship, are as follows:

### a) Related parties where control exists but with which no transactions have taken place during the year:-

Nature of the relationship	Name of the Company/ Body corporate
1 Holding Company	Hella Holding International GmbH, Germany

### b) Related parties with whom transactions have taken place during the year:

Nature of the relationship	Name of the Company/ Party
1 Ultimate Holding Company	Hella KGaA Hueck & Co., Germany
2 i) Fellow subsidiaries (in India)	Hella India Automotive Private Limited
ii) Fellow subsidiaries (outside India)	Hella Fahrzeugteile Austria, Austria Hella Phil Inc., Philippines Hella Australia Pty. Limited, Australia Hella Asia Singapore Pte. Limited, Singapore Beifang Hella Automotive Lighting Ltd, China Hella Innenleuchten-Systeme Bratislava, Solakia Hella Japan Inc. , Japan Hella Inc., United States of America Changchun Hella Automotive Lighting Ltd., China Behr Hella Service GmbH, Germany Hella Fahrzeugkomponenten GmbH, Germany Hella Romania S.R.L., Romania Hella Trailer Systems GmbH, Germany Hella Saturnus Slovenija D.O.O., Slovenia Hella Leuchten-Systeme GmbH, Germany Hella Lighting Finland Oy, Finland Hella-New Zealand Ltd, New Zealand Docter Optics GmbH, Germany Hella (Xiamen) Automotive Electronics Co. Ltd., China Hella Automotive South Africa Pty. Ltd., South Africa Hella Middle East FZE, Dubai Hella Slovakia Signal-Lighting s.r.o
3 Key Management Personnel	Mr. Rama Shankar Pandey (Managing Director)



**c) Related party transactions:**

*(All amounts are in Indian Rupees)*

Nature of transaction	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
<b>Sale of products</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>60,108,287</b>	43,925,126
Fellow subsidiaries		
- Hella India Automotive Private Limited	<b>29,732</b>	26,329
- Hella Fahrzeugteile Austria GmbH	<b>10,855,313</b>	3,091,468
- Hella Australia Pty. Limited	<b>143,873</b>	53,856
- Beifang Hella Automotive Lighting Ltd	-	1,147,697
- Hella Asia Singapore Pte. Limited	<b>10,295,939</b>	3,680,310
- Hella Inc.	<b>30,903,007</b>	48,742,214
- Hella Automotive South Africa Pty. Ltd.	<b>12,388,599</b>	14,486,706
- Hella Middle East FZE	<b>32,165,042</b>	18,642,041
- Hella PHIL.INC	<b>41,080</b>	513,786
- Hella trading (Shanghai) co. ltd.	<b>6,819</b>	-
<b>Purchase of raw materials</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>53,707,874</b>	47,265,987
Fellow subsidiaries		
- Hella India Automotive Private Limited	<b>122,510,854</b>	116,787,191
- Hella Fahrzeugteile Austria	<b>3,557,778</b>	2,658,458
- Hella Asia Singapore Pte. Limited	<b>77,798,904</b>	69,284,821
- Hella Inc.	<b>90,700</b>	103,567
- Hella New Zealand Ltd	<b>1,296,614</b>	542,953
- Hella Lighting Finland Oy, Finland	<b>407,484</b>	-
- Hella Pagid GmbH	<b>415,206</b>	-
- Hella Japan Inc.	<b>140,618</b>	-
- Hella Saturnus Slovenija D.O.O	<b>23,141,061</b>	78,112,304
- Hella Leuchten-Systeme GmbH	-	-
- Behr Hella Services GmbH	<b>226,803</b>	337,648
- Docter Optics GmbH	<b>2,698,873</b>	1,038,005
- Beifang Hella Automotive Lighting Ltd.	<b>2,932,240</b>	-
- Hella (Xiamen) Automotive Electronics Co. Ltd.	<b>1,251,543</b>	2,146,590
- Hella Australia Pty. Limited	<b>993,458</b>	664,051
- Hella Gutmann Solutions GmbH	<b>624,375</b>	246,285
- Hella Nussbaum Solutions GmbH	<b>223,471</b>	-
- Hella Innenleuchten Systeme GmbH	<b>26,053</b>	-
- Hella Bhap (Salihe) Automotive Lighting Co. Ltd	<b>1,070,312</b>	-
<b>Long term borrowings</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	-	130,000,000
<b>Loans and advances repaid</b>		
From fellow subsidiaries		
- Hella India Automotive Private Limited	<b>50,000,000</b>	50,000,000



(All amounts are in Indian Rupees)

Nature of transaction	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
<b>Other income</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>16,542,785</b>	21,077,817
Fellow subsidiaries		
- Hella India Automotive Private Limited	<b>4,867,123</b>	8,935,616
- Hella Fahrzeugteile Austria	<b>1,294,565</b>	1,548,353
- Hella Slovakia Signal-Lighting s.r.o	-	453,333
- Beifang Hella Automotive Lighting Ltd.	-	223,222
- Hella Saturnus Slovenija	<b>1,351,691</b>	-
- MEASA- Hella Group	<b>414,167</b>	-
- Hella Innenleuchten System Bratislava S.R.O	<b>393,600</b>	-
<b>Rates and taxes (commission on guarantee) #</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>791,649</b>	-
# Guarantee given against the cash credit facility availed by the Company.		
<b>Legal and professional</b>		
Fellow subsidiaries		
- Hella India Automotive Private Limited	<b>5,106,598</b>	4,500,326
<b>Salaries and wages</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>2,086,723</b>	2,914,755
<b>Repair and maintenance – others</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>16,320,251</b>	18,970,382
<b>Freight Outward</b>		
Fellow subsidiaries		
- Hella Incorporated	-	3,939,069
<b>Royalty expenses</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>8,815,701</b>	5,900,000
<b>Purchase of fixed assets</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	<b>13,068,631</b>	48,567,262
Fellow subsidiaries		
- Hella Saturnus Slovenija D.O.O	<b>2,056,837</b>	16,775,564
- Hella Changchun Tooling Ltd	<b>2,803,028</b>	29,547,112
- Hella Lighting Finland Oy	-	860,500
- Beifang Hella Automotive Lighting Ltd.	<b>7,192,382</b>	-





(All amounts are in Indian Rupees)

Nature of transaction	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
<b>Reimbursement of expenses</b>		
To ultimate holding Company		
- Hella KGaA Hueck & Co.	8,729	329,725
To fellow subsidiaries		
- Hella India Automotive Private Limited	342,446	213,845
- Hella Romania SRL	-	33,460
<b>Reimbursement of expenses</b>		
From ultimate holding Company		
- Hella KGaA Hueck & Co.	-	182,177
From fellow subsidiaries		
- Hella India Automotive Private Limited	-	-
- Hella Fahrzeugteile Austria GmbH	1,294,565	1,972,603
<b>Managerial remuneration</b>		
Key Management Personnel		
- Rama Shankar Pandey	7,313,029	6,248,950

d) **Particulars of balances in respect of related party transactions:**

(All amounts are in Indian Rupees)

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
<b>Trade receivables</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	17,266,359	21,277,386
Fellow subsidiaries		
- Hella India Automotive Private Limited	-	7,069
- Hella Fahrzeugteile Austria GmbH	801,624	2,819,367
- Hella Australia Pty. Limited	21,957	-
- Hella Inc.	9,627,501	6,796,896
- Hella Automotive South Africa Pty. Ltd.	6,061,024	1,980,845
- Hella Middle East FZE	3,568,384	4,631,122
- Changchun Hella Automotive Lighting Ltd.	-	173,541
- Hella Asia Singapore Pte. Limited	5,555,311	3,526,007
- Hella PHIL.INC(Dr)	39,487	-
- Hella Gutmann Solutions GmbH	15,419	243,034
- Hella trading (Shanghai) co. ltd.	6,391	-
<b>Long term borrowings</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	130,000,000	130,000,000



(All amounts are in Indian Rupees)

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
<b>Trade payables</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	27,337,870	92,703,192
Fellow subsidiaries		
- Hella India Automotive Private Limited	22,077,061	20,145,985
- Hella Fahrzeugteile Austria GmbH	827,892	700,449
- Hella Asia Singapore Pte. Limited	13,963,593	21,161,473
- Hella Inc.	-	103,599
- Hella Saturnus Slovenija D.O.O	3,255,775	81,423,670
- Hella Bhap (Salihe) Automotive Lighting Co. Ltd	109,459	-
- Hella Lighting Finland Oy	407,484	-
- Hella New Zealand Limited	54,358	102,539
- Hella Australia Pty. Limited	19,123	244,830
- Beifang Hella Automotive Lighting Ltd	-	146,304
- Behr Hella Service-GmbH	-	20,804
- Hella (Xiamen) Automotive Electronics Co. Ltd.	-	203,217
- Hella Romania SRL	-	33,544
- Hella Pagid GmbH	349,603	-
- Docter Optics GmbH	246,021	-
- Hella Japan Inc	140,618	-
<b>Capital Creditors</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	794,317	42,626,609
Fellow subsidiaries		
- Hella Saturnus Slovenija D.O.O	-	18,151,650
- Beifang Hella Automotive Lighting Ltd.	120,902	-
- Changchun Hella Automotive Lighting Ltd.	1,191,589	30,455,478
<b>Other Current Liabilities</b>		
Ultimate holding Company		
- Hella KGaA Hueck & Co.	5,619,250	5,372,250
<b>Loans and advances</b>		
Fellow subsidiaries		
- Hella India Automotive Private Limited	-	50,000,000

## 2.32. Operating leases

The Company has office and residential premises for its personnel under cancellable and non-cancellable operating leases. Operating lease rentals charged to the Statement of Profit and Loss during the year ended 31 March 2015 is ₹ 9,838,364 (previous year ₹ 9,833,766). The future minimum lease expense in respect of non cancellable lease is as follows: (All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
Not later than 1 year	5,384,940	7,228,238
Later than 1 year but not later than 5 years	1,145,806	3,176,911
Later than 5 years	-	-

## 2.33. Earnings/(loss) per share

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
Profit/ (Loss) after tax	66,496,114	(658,545)
Weighted average number of equity shares outstanding during the year	3,171,400	3,171,400
Basic and diluted earnings/ (loss) per share in rupees (face value – ₹ 10 per share)	20.97	(0.21)

The Company has not issued any potential equity shares and accordingly the basic earnings/ (loss) per share and diluted earnings/ (loss) per share is the same.

## 2.34. Deferred taxes

Components of deferred tax asset / (liability) are as under:

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Timing differences between accounting and tax books on account of:</b>		
<b>Deferred tax liability</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per the Companies Act, 2013	7,283,716	-
<b>Total (A)</b>	<b>7,283,716</b>	<b>-</b>
<b>Deferred tax assets</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per Companies Act, 2013	-	13,338,120
Provision for gratuity	2,892,603	2,262,549
Provision for leave encashment	1,253,773	911,611
Provision for doubtful receivables	1,139,059	786,805
Provision for doubtful advances	2,116,868	2,002,368
Provision for bonus	1,796,422	1,615,860
Provision for slow moving inventory	2,329,484	2,288,244
Provision for Impairment loss	13,756,680	13,101,600
Provision for Export Obligation – EPCG License	1,692,040	1,513,193
Unabsorbed depreciation and carry forward of losses under the Income-tax Act, 1961	62,757,435	60,489,825
<b>Total (B)</b>	<b>89,734,364</b>	<b>98,310,175</b>
<b>Net deferred tax asset(B-A)</b>	<b>82,450,648</b>	<b>98,310,175</b>
<b>Net amount recognised in the financial statements</b>	<b>-</b>	<b>-</b>

In the absence of virtual certainty regarding realisability of deferred tax assets, deferred tax asset has been recognised only to the extent of deferred tax liability.

## 2.35 The Company's foreign currency exposure not hedged is as follows:

Particulars	As at 31 March 2015		As at 31 March 2014	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
<b>Trade receivable</b>				
- EURO	336,640	22,134,079	407,332	32,818,752
- USD	344,699	21,023,176	147,380	8,629,090
<b>Trade payables</b>				
- EURO	452,063	31,377,390	2,122,330	178,409,056
- USD	273,774	17,513,314	361,928	22,153,585
- AUD	389	19,123	4,299	244,831
- JPN	260,790	140,618	-	-
<b>Capital Creditors</b>				
- EURO	13,920	915,219	782,587	65,627,780
- CNY	111,375	1,163,869	2,762,500	28,923,375
<b>Cash in hand and at bank</b>				
- EURO	-	-	26,133	2,079,917
- USD	469	28,471	855	49,599

2.36 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the Financial Year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arms length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

## 2.37. Additional information pursuant to the provisions of the Companies Act, 2013

### a) Details of inventories of finished goods (in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Horns	2,900,492	3,769,748
Lamps	26,239,181	17,456,109
Others #	13,002,383	14,516,724
<b>Total</b>	<b>42,142,057</b>	<b>35,742,582</b>

# There are no items that individually accounts for more than 10% of the total value of finished goods inventory.

### b) Details of inventories of traded goods (in Indian Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Lamps	3,343,721	-
Others #	1,599,052	-
<b>Total</b>	<b>4,942,773</b>	<b>-</b>

# There are no items that individually accounts for more than 10% of the total value of traded goods inventory.



### c) Details of turnover of finished goods (in Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Horns	227,507,241	184,759,090
Lamps	647,165,157	544,981,196
Others #	407,163,785	275,800,827
<b>Total</b>	<b>1,281,836,182</b>	<b>1,005,541,113</b>

# There are no items that individually accounts for more than 10% of the total value of finished goods turnover.

### d) Details of turnover of traded goods (in Rupees)

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Lamps	11,817,350	-
Others #	4,261,144	-
<b>Total</b>	<b>16,078,494</b>	<b>-</b>

# There are no items that individually accounts for more than 10% of the total value of traded goods turnover.

### e) Raw materials and components consumed

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
CRC sheet/ CRC coil	2,014,112	5,555,559
Diffusing lenses	28,176,212	26,453,348
Motor	17,664,881	10,290,523
Horn (unfinished)	124,137,473	114,375,577
Others	572,348,059	435,902,864
<b>Total</b>	<b>744,340,737</b>	<b>592,577,871</b>

# There are no items that individually accounts for more than 10% of the total value of material consumed.

### f) Purchase of traded goods

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Lamps	11,296,668	-
Others #	4,628,217	-
<b>Total</b>	<b>15,924,885</b>	<b>-</b>

# There are no items that individually accounts for more than 10% of the total value of traded goods purchased.

**g) Value of imported and indigenous raw materials consumed and Stores and spares consumed and the percentage of each to the total consumption.**

Item	Year Ended 31 March 2015		Year Ended 31 March 2014	
	Value (in Rupees)	%	Value (in Rupees)	%
Raw materials				
- Imported	<b>272,645,293</b>	<b>36.63</b>	262,343,513	44.27
- Indigenous	<b>471,695,444</b>	<b>63.37</b>	330,234,358	55.73
<b>Total</b>	<b>744,340,737</b>	<b>100.00</b>	<b>592,577,871</b>	<b>100.00</b>
Stores, spares and consumables				
- Imported	-	-	-	-
- Indigenous	<b>30,986,777</b>	<b>100.00</b>	25,283,806	100.00
<b>Total</b>	<b>30,986,777</b>	<b>100.00</b>	<b>25,283,806</b>	<b>100.00</b>

**h) Value of imports on CIF Basis**

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Raw materials	<b>276,089,358</b>	280,868,417
Capital goods	<b>16,321,330</b>	173,672,021

**i) Expenditure in foreign currency**

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
Employee benefit expenses	<b>4,919,044</b>	8,399,880
Travelling	<b>1,101,526</b>	1,584,802
Repairs and maintenance- others	<b>18,286,771</b>	18,970,382
Royalty	<b>8,815,701</b>	5,900,000

**j) Earnings in foreign currency**

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
F.O.B. value of exports	<b>160,080,896</b>	140,163,158
Other income (Development of tools)	<b>19,996,808</b>	23,302,725

**2.38.** As stated in Part II Section A above, the promoters of the Company hold 81.85% of the total issued and subscribed equity capital of the Company and balance 18.15% stake is held by public shareholders. In 2005-06, the Company had applied for delisting from Delhi Stock Exchange ('DSE') and Bombay Stock Exchange ('BSE'). While DSE allowed the Company to delist, BSE rejected the application vide letter dated 15 February 2006. On appeal, the Securities Appellant Tribunal ('SAT') passed a favorable order dated 27 May 2008 for delisting of the Company. However, the said order of SAT was challenged before the Honourable Supreme Court of India by certain individual shareholders. The Supreme Court vide order dated 24 October 2008 stayed the delisting of the Company and the matter was sub-judice.

On 10 December 2014, the Hon'ble Supreme Court dismissed the appeal and granted its permission for delisting of the Company and further added that, the order passed by Securities Appellant Tribunal (SAT) on 27 May 2008 should be treated as valid from the date of passing such order. Subsequent to the order, the Company requested Bombay Stock Exchange (BSE) vide letter dated 19 December 2014 to grant the delisting permission. Further to the request, an aggrieved shareholder had filed a complaint with Securities Exchange Board of India vide email dated 26 December 2014 on the exit price for the shareholders. The Company has responded to the grievance vide letter dated 2 February 2015.

Subsequent to the year end, on 17 April 2015, the Bombay Stock Exchange delisted the shares of the Company w.e.f. 30 April 2015 and stated that the exit option will be kept open by the Acquirer – Hella India Automotive Private Limited for the remaining public shareholders for a period of six months from the date of the delisting at the rate of ₹ 52.39 per equity share, being the exit price determined.

In view of the above circumstances, the Company believes that there is no legal, regulatory and financial risk on the Company due to its inability to meet the requirements of Clause 40 A of the Listing agreement.

**2.39. Disclosure in respect of Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' as notified by the Companies (Accounting Standards) Rules, 2006 are as below:**

The Company has provided for contingent liability in respect of obligation under Export Promotion Capital Goods (EPCG scheme) for licenses availed and for which the Company has not fulfilled the export obligation. The disclosure of movement of provisions of AS - 29, 'Provision, Contingent Liabilities and Contingent Assets' issued by the Companies (Accounting Standards) Rules, 2006 is as follows:

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
<b>Provision for export obligations under EPCG license</b>		
Opening balance	4,897,065	4,579,028
Provisions made during the year	318,037	318,037
Provision utilized during the year	-	-
Closing balance	5,215,102	4,897,065

The Company had taken 2 EPCG licenses amounting to ₹ 2,120,245 in the year 2005 against which the Company has not fulfilled the export obligation. In the current year, the Company has received show cause notice from Department of Commerce under provisions of the Foreign Trade (Development & Regulation) Act, 1992 for the deposit of duty and interest thereof. Subsequent to the year end, the Company has informed the Department of Commerce vide letters dated 9 April 2015 that it will deposit the duty in succeeding period.

**2.40. Remuneration paid to the whole time director for the year ended 31 March 2015 amounting to ₹ 7,313,029 is in excess of the limits prescribed under Schedule V of the Companies Act, 2013. The remuneration for the period 1 April 2014 till 31 December 2014, was approved by the Shareholders in the Annual General Meeting held on 29 September 2012 by a special resolution for the period of 3 years from 1 January 2012 to 31 December 2014. During the current year, the whole time director has been recommended for reappointment by the Remuneration Committee and Board of Directors in their meeting dated 13 November 2014 for a further period of 3 years from 1 January 2015 to 31 December 2017. However, as per Schedule V of the Companies Act, 2013, the limits can be doubled provided the same is approved by the Shareholders through a special resolution. In case, the limits are doubled, the excess remuneration, would fall within the limits as prescribed in Schedule V of the Companies**



Act, 2013. For the period of 3 months from 1 January 2015 to 31 March 2015, management believes that the required approval would be obtained in the ensuing Annual General Meeting and accordingly no adjustment is required in the financial statements for the year ended 31 March 2015.

**2.41.** In accordance with Accounting Standard (AS) 28 on Impairment of Assets, the Company has identified manufacturing plant at Derabassi as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired. "In the previous years, the Company had recorded an impairment reserve of ₹ 42,400,000 for the Derabassi manufacturing unit, as the carrying value was higher than the recoverable value, being represented by value in use. In the current year, management has reassessed the impairment reserve created in previous years and is of the view that the same should not be reversed.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No. 101248W/W-100022

*For and on behalf of the Board of Directors*

**Hella India Lighting Limited**

Sd/-  
**Vikram Advani**  
*Partner*  
Membership No: 091765  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Rama Shankar Pandey**  
*Managing Director*  
DIN : 02848326  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Anil Sultan**  
*Director*  
DIN : 00467681  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Shikhar Goel**  
*Company Secretary*  
Place: Gurgaon  
Date: 28 May 2015

Sd/-  
**Narender Jain**  
*Chief Financial Officer*  
Place: Gurgaon  
Date: 28 May 2015





**Form No. MGT-11**

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L74899DL1959PLC003126  
Name of the Company : Hella India Lighting Limited  
Registered Office : K61-B, LGF, Kalkaji, New Delhi-110019

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No/ Client Id :	
DP ID :	

I/We, being the member (s) of ..... equity shares of the above named Company, hereby appoint

1. Name : .....  
Address : .....  
.....  
E-mail Id : .....  
Signature:.....,or failing him

2. Name : .....  
Address : .....  
.....  
E-mail Id : .....  
Signature:.....,or failing him

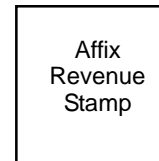
3. Name : .....  
Address : .....  
.....  
E-mail Id : .....  
Signature:.....



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on 28th day of September 2015 At 9:00 A.M. at Hotel Aravali Villa, F.H.-1, Bandh Road, near Nitesh Kunj Farm House, N.H.-8, Rajokari, New Delhi - 110038 and at any adjournment thereof in respect of such resolutions as are indicated below:

SI No.	Resolution	*Optional	
		Assent	Dissent
	<b>Ordinary Business</b>		
1	To consider and adopt the Audited Balance Sheet as at 31st March 2015, Profit and Loss Account for the period ended on that date and the reports of the Board of Directors and Auditors report thereon.		
2	To consider and approve the re-appointment of Statutory Auditors and fix their remuneration		
	<b>Special Business</b>		
3	To consider and approve the appointment of Ms. Sosna K Violetta as Director of the Company		
4	To consider and approve the re-appointment of Mr. Rama Shankar Pandey as Managing Director		

Signed this on 28th day of September, 2015



**Signature of shareholder**

**Signature of Proxy holder(s)**

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'Assent' or 'Dissent' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



## HELLA INDIA LIGHTING LIMITED

(CIN: L74899DL1959PLC003126)

Regd. Office: K - 61B, LGF, Kalkaji, New Delhi - 110019

Phone: 0124 - 4658600, E-mail Id: shikhar.goel@hella.com, Website: www.hella.co.in

### 55th ANNUAL GENERAL MEETING

#### ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional attendance slip on request.

*DP ID No.	Regd. Folio No.
Client ID No.	No. of shares held

Name of Member/Members .....

Name of Proxy .....

(To be filled when proxy attends the meeting)

I hereby record my presence at the Annual General Meeting of the Company held on 28th September 2015 at 9:00 A.M. at Hotel Aravali Villa, F.H.-1, Bandh Road, N.H.-8, Rajokari, New Delhi - 110038.

\_\_\_\_\_  
**Signature of the Member(s) / Proxy**

Strike out whichever is not applicable

\*Applicable for the investors holding shares in electronic mode.



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Registered Office : K61-B, LGF,  
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