

**49<sup>th</sup>**  
**Annual Report**  
**2008-09**



---

**HELLA INDIA LIGHTING LIMITED**

---

**BOARD OF DIRECTORS**

Mr. Stephan Gerres : Managing Director  
Mr. Martin Herbst : Director  
Mr. Constantin Von Buelow : Director  
Mr. Rainer Krause : Director  
Dr. V. P. Juneja : Director  
(resigned w.e.f. 16th July 2009)  
Mr. Carsten Hernig : Director  
Mr. A.K. Maheshwari : Director  
(appointed w.e.f. 31st July 2009)

**COMPANY SECRETARY**

Ms. Pooja Kumari

**AUDITORS**

BSR & Co.  
Chartered Accountants,  
Gurgaon

**BANKERS**

- Canara Bank  
- State Bank of Patiala  
- Deutsche Bank  
- HDFC Bank  
- Union Bank of India

**SUBSIDIARIES**

-Bitoni Lamps Limited  
-Chetan Genthe & Co. Pvt. Limited

**REGISTERED OFFICE**

B-13, Badarpur Extension,  
New Delhi - 110044

**UNITS**

- Ambala Chandigarh Road, Derabassi,  
Distt. Mohali, Punjab  
  
- 14/6, Mathura Road,  
Faridabad, Haryana

**LISTING OF EQUITY SHARES**

- The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1, Asaf Ali Road,  
New Delhi - 110002  
  
- Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

**ANNUAL GENERAL MEETING**

Tuesday, 29th September, 2009 at  
Executive Club, 439, Village Shahoorpur  
P.O. Fatehpur Beri, New Delhi - 110030

**REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
(formerly Intime Spectrum Registry Limited)  
A-40, Naraina Industrial Area, Phase-II,  
2nd Floor, Near Batra Banquet Hall,  
New Delhi - 110028

**CONTENTS**

Notice.....	2
Director's Report.....	5
Management Discussion and Analysis Report.....	8
Report on Corporate Governance.....	12
Auditors' Report.....	21
Balance Sheet.....	24
Profit & Loss Account.....	25
Schedules forming part of the Accounts.....	26
Cash Flow Statement.....	46
Consolidated Accounts.....	47
Statement under Section 212 .....	69
Financial Statements of Subsidiary Companies.....	70

**NOTICE**

Notice is hereby given that the 49th Annual General Meeting of the members of Hella India Lighting Limited will be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi on 29th September, 2009 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March 2009, Profit & Loss Account for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Constantin Von Buelow who retires by rotation and is eligible for re-appointment.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s BSR & Co., Chartered Accountants, Gurgaon be and are hereby appointed as the Statutory Auditors of the Company in place of existing Statutory Auditors M/s BSR & Company, Chartered Accountants, Gurgaon from the conclusion of 49th Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may mutually be agreed between M/s BSR & Co., Chartered Accountants and Mr. Stephan Gerres, Managing Director or any other person authorized by him."

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

"RESOLVED THAT Mr. Carsten Hernig who was appointed as Director in casual vacancy in terms of Article 132 of the Articles of Association and Section 262 of the Companies Act, 1956 and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. A. K. Maheshwari who was appointed as Director in casual vacancy in terms of Article 132 of the Articles of Association and Section 262 of the Companies Act, 1956 and in respect of whom the Company has, pursuant to Section 257 of the Companies

Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby granted to alter "Clause 123 - Remuneration" of the Articles of Association of the Company, to increase the remuneration of Non-Executive Independent Directors, to such sum as may be determined by the Board from time to time not exceeding the limits as prescribed in Rule 10B of General Rules & Forms and other provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) for each meeting of the Board or Committee thereof, attended to by them.

FURTHER RESOLVED THAT the existing clause 123 of the Articles of Association of the Company be deleted and the following be substituted therefore:

**Sitting Fees 123.** Unless otherwise determined by Company in General Meeting, each Independent Director shall be paid such sum as may be determined by the Board from time to time, not exceeding the limits as prescribed in Rule 10B of General Rules & Forms and other provisions of the Companies Act 1956 (including any amendment to or enactment thereof) for each meeting of the Board or Committee thereof, attended to by them."

By Order of the Board  
For Hella India Lighting Limited

Sd/-  
(Pooja Kumari)  
Company Secretary

Place: New Delhi  
Date: 31.07.2009

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at B-13, Badarpur Extension, New Delhi-110044, not less than 48 (forty eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.



3. The Register of Members and Share Transfer Books of the Company shall remain close for a period of 6 days, from Monday, 21st day of September 2009 to Saturday, 26th day of September 2009 (both days inclusive).
4. Members are requested to send request for change in their addresses, if any, directly to the Share Registrar and Transfer Agent viz. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited), A-40, Naraina Industrial Area, Phase-II, 2nd Floor, Near Batra Banquet Hall, New Delhi - 110028.
5. Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 10 days before the date of the meeting, so that the requisite information is made available at the meeting.
6. 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.

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

1. Name: Mr. Constantin Von Buelow, Director  
 Qualification: Mechanical Engineer  
 Brief Profile: Mr. Constantin Von Buelow has more than one decade experience in automotive industry and he has worked in different companies in different capacities.  
 Other Directorships: He is a Director in the following companies:  
 (i) Hella New Zealand Limited  
 (ii) Beijing Hella Automotive Lighting Limited
2. Name: Mr. Carsten Hernig, Director  
 Qualification: Diploma (KFM)  
 Brief Profile: Mr. Carsten Hernig is 33 years old and brings with him a wealth of experience in the air cargo field. Being a versatile personality, he has vast experience in managing business affairs.  
 Other Directorships: None

He is also a member of Audit Committee, Share Transfer Committee and Shareholders Grievance Committee.

3. Name: Mr. A. K. Maheshwari, Director  
 Qualification: B.Com, FCA, ACS, Certification in FICO (SAP)  
 Brief Profile: Mr. A. K. Maheshwari is a Qualified Chartered Accountant and Company Secretary with nearly 23 years of experience in Finance, Project finance, Banking, Fund raising, Accounts, Taxation, Corporate matters, Company Secretarial matters etc. He is a very dynamic professional.  
 Other Directorships: He is a Director in the following companies:  
 (i) Gulshan Polyols Limited  
 (ii) Shekhawati Vanijya Vikas Private Limited  
 (iii) Rishi Trading Company Limited  
 (iv) Twinkle Traders Private Limited

He is also a member of Audit Committee, Share Transfer Committee and Shareholders Grievance Committee.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 3**

The Company has received a special notice from a member pursuant to section 225 read with Section 190 of the Companies Act, 1956, proposing the appointment of M/s BSR & Co., Chartered Accountants, Gurgaon as the Statutory Auditors to hold the office from the conclusion of forthcoming Annual General Meeting till the conclusion of following Annual General Meeting of the Company. The requisite certificate has been obtained from M/s BSR & Co., Chartered Accountants, Gurgaon that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified in any way in terms of Section 226 of the Companies Act, 1956 from appointment as the auditor of the Company. The Board of Directors of your Company accepted the recommendations of Audit Committee to appoint M/s BSR & Co., Chartered Accountants, Gurgaon as the Statutory Auditors of the Company.



None of the Directors of the Company is concerned or interested in the above business.

**Item No. 4**

Mr. Carsten Hernig was appointed as a Director in casual vacancy in the Board Meeting held on 29th May 2009 and as per the provisions of Section 262 of the Companies Act, 1956, holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been resigned from the Directorship of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956, from a member signifying the intention to propose the name of Mr. Carsten Hernig as a Director, along with a deposit of Rs.500/-.

The Board of Directors recommends the Resolution for approval by the members.

None of the Directors except Mr. Carsten Hernig is interested or concerned in the Resolution.

**Item No. 5**

Mr. A. K. Maheshwari was appointed as a Director in casual vacancy in the Board Meeting held on 31st July 2009 and as per the provisions of Section 262 of the Companies Act, 1956, holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been resigned from the Directorship of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956, from a member signifying the intention to propose the name of Mr. A. K. Maheshwari as a Director, along with a deposit of Rs.500/-.

The Board of Directors recommends the Resolution for approval by the members.

None of the Directors except Mr. A. K. Maheshwari is interested or concerned in the Resolution.

**Item No. 6**

Our independent directors on the Board of the company are not adequately compensated for the responsibilities undertaken by them. In order to fill the casual vacancy caused by resignation of Mr. V. K. Mathur and Dr. V. P. Juneja, company was in extreme difficulties to persuade persons of credibility to join the Board of the company, with the existing structure of sitting fee as specified in the Articles of Association of the Company and make him responsible and liable under various statutes. It was felt that the increasing responsibilities and liabilities that would have to be shouldered by them as independent directors often came in the way of acceptance of such posts.

Therefore, it is advisable to offer better compensation packages (by way of sitting fees) to attract top-notch professionals as independent directors on the Board.

Your directors are now recommending to increase the remuneration of Non-Executive Independent Directors from the existing structure of sitting fee as specified in the Articles

of Association of the Company, for each meeting of the Board or Committee thereof, attended by them, to such sum as may be determined by Board from time to time not exceeding the limits as prescribed in Rule 10B of General Rules & Forms and other provisions of the Companies Act, 1956 (including any amendment to or enactment thereof). Your directors are also recommending paying the sitting fees to Independent Directors only.

The Directors recommend the Special Resolution for your approval.

Mr. Carsten Hernig and Mr. A. K. Maheshwari being the independent director may deem to be interested in passing of the relevant Resolutions.

By Order of the Board  
For Hella India Lighting Limited

Sd/-  
(Pooja Kumari)  
Company Secretary

Place: New Delhi  
Date: 31.07.2009



**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the 49th Annual Report and the Audited Accounts for the year ended March 31, 2009.

**FINANCIAL RESULTS**

The financial performance of the Company for the financial year ended March 31, 2009 is summarized below:

	(Rs. In Million)	
	CURRENT YEAR ENDED 31.03.2009	PREVIOUS YEAR ENDED 31.03.2008
Profit/(Loss) before Depreciation & Interest	(35.89)	(5.91)
Less: Interest	17.46	4.02
Profit/(Loss) before Depreciation	(53.35)	(9.93)
Less: Depreciation	4.10	2.87
Net Profit/(Loss) after Depreciation & Tax	(57.45)	(13.30)
Balance Brought forward	(302.64)	(289.34)
Transfer from General Reserve to Profit & Loss Account	Nil	Nil
Balance carried over to the Balance Sheet	(360.09)	(302.64)

**OPERATIONAL PERFORMANCE**

During the period under review for 12 months, the company achieved a net sales turnover of Rs.239.75 Million as compared to the previous year Rs.223.42 Million. The net loss amounts to Rs.57.45 Million for 12 months as compared to the previous year net loss of Rs.13.30 Million.

**DIVIDEND**

Since your Company has accumulated losses and made losses during the year under review also, hence, your Directors do not recommend any dividend.

**SUBSIDIARIES**

Bitoni Lamps Limited and Chetan Genthe & Co. Pvt. Limited are the subsidiaries of the Company. The accounts of the subsidiary companies in terms of Section 212 of the Companies Act 1956 are annexed with the accounts of the Company. Bitoni Lamps Limited and Chetan Genthe & Co. Pvt. Limited are not carrying on any business.

Bitoni Lamps Limited received a letter from Registrar of Companies, NCT of Delhi & Haryana (ROC), dated 31st July 2009 with respect to the striking off the name of the company under Section 560 of the Companies Act, 1956

being inactive. Pursuant to the provisions of Section 560(1) of the Companies Act, 1956 and on the basis of computerized information available and application moved by the company, ROC has the reasonable cause to believe that Bitoni Lamps Limited is not carrying on business or in operation. With this letter, ROC has given an opportunity to submit the documentary proof within one month, to enquire whether the company is carrying on business or in operation. If no reply is received, then ROC will proceed further as per the provision of the Section 560 of the Companies Act, 1956.

**INCREASE IN AUTHORISED CAPITAL**

The Authorised Share Capital of the company was increased during the year from Rs.100,000,000/- to Rs.250,000,000/- consisting of 3,500,000 equity shares of Rs.10/- each aggregating to Rs.35,000,000/- (Previous Year 3,500,000 equity shares of Rs.10/- each aggregating to Rs.35,000,000/-) and 2,150,000 Preference Shares of Rs.100/- each aggregating to Rs.215,000,000/- (Previous Year 650,000 Preference Shares of Rs.100/- each aggregating to Rs.65,000,000/-). The shareholders had approved the same at their meeting held on 24th September 2008.

**DIRECTORS**

During the period under review, Mr. R. S. Sharma, Managing Director had resigned from the Board of Directors with effect from 31st May 2008. The Directors wish to place on record their appreciation for the contribution made by him during his tenure as Managing Director of the Company.

Mr. Constantin Von Buelow had been appointed as an Additional Director with effect from 24th April 2008.

Mr. Stephan Gerres had been appointed as Managing Director of the Company (without any remuneration) with effect from 1st June 2008. The term of office of Mr. Stephan Gerres as Managing Director will expire on 31st May 2010.

Mr. Raman Sharma had been appointed as an Alternate Director to Mr. Martin Herbst with effect from 21st July 2008.

During the year, Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 30th January 2009. The Directors place on record their appreciation of the valuable guidance and support provided by Mr. V. K. Mathur during his association with the Company. With effect from 31st March 2009, Mr. Raman Sharma ceased to be an Alternate Director to Mr. Martin Herbst, Director of the Company.

Mr. Carsten Hernig had been appointed as a Director, in the meeting of the Board of Directors held on 29th May 2009, to fill up the casual vacancy arises due to the resignation of Mr. V. K. Mathur, on the Board of the Company. According to the provisions of Section 262 of the Companies Act 1956, Mr. Carsten Hernig will hold office till the date Mr. V. K. Mathur could have hold office.

Dr. V. P. Juneja resigned from the Board of Directors of the Company with effect from 16th July 2009. The Directors wish to place on record their appreciation for the contribution made by him during his tenure as Director of the Company.

Mr. A.K. Maheshwari had been appointed as a Director, in the meeting of the Board of Directors held on 31st July 2009, to fill up the casual vacancy arises due to the resignation of Dr. V.P. Juneja, on the Board of the Company. According to the provisions of Section 262 of the Companies Act 1956, Mr. A.K. Maheshwari will hold office till the date Dr. V.P. Juneja could have hold office.

Further in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Constantin Von Buelow Director of the Company will retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of annual accounts for the financial year ended 31st March 2009; the applicable accounting standards have been followed. However, with respect to valuation of inventory of finished goods, the Company has followed its conservative past practice i.e. valuing the finished goods at value which is less than the 20% of the sales price.
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March 2009 on a going concern basis.

#### **AUDITORS & THEIR REPORT**

M/s BSR & Company, Chartered Accountants, the Statutory Auditors of the company, have audited the accounts of the Company for the financial year 2008-2009, in compliance with the prescribed Accounting Standards.

The Company received a special notice under Section 225 of the Companies Act, 1956 from one of its shareholder to appoint M/s BSR & Co., Chartered Accountants, Gurgaon

as Statutory Auditors of the Company for the year 2009-10 instead of existing Statutory Auditors M/s BSR & Company. The Company has received a certificate from M/s BSR & Co. to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The observations/remarks given by the Auditors in its report have been noted and the comments on the same were as under:

1. The Company has accumulated losses aggregating to Rs.36,008,829/- as at 31st March 2009, which are more than fifty percent of the company's net worth. The company has incurred cash losses aggregating to Rs.38,200,061/- in the current financial year.

The Management has plans to develop and consolidate business with focused business activities under the single manufacturing facilities at Derabassi. By implementing it, Company will be able to enhance Profit margins by improved utilization of valuable resources in effective and efficient manner. This will foster strategic alliances and collaborations for future business growth. Therefore, management is very hopeful that company will not incur further losses.

2. On an overall examination of the Balance Sheet of the Company, the Company has used funds raised on short term basis, to the extent of Rs.129,587,571/- for long term investment.

During the year, the company had to use short-term funds for long-term purposes because of non-availability of long-term funds. However, in the last quarter of the financial year, we had issued preference shares to its promoters and raised Rs.7 Crore and management is hopeful that this will not occur again in future.

#### **FIXED DEPOSITS**

Your Company has not accepted or renewed any deposits under section 58A of the Companies Act, 1956, during the year under review.

#### **INDUSTRIAL RELATIONS**

Relations with the work force at both the Units remained cordial through out the year. The Directors wish to place on record their appreciation of the sincere and devoted efforts of the Management, Staff and workers during the period under review.

#### **STATUTORY DISCLOSURES**

The information relating to the Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure II and forms part of this report.

## HELLA INDIA LIGHTING LIMITED



During the year under review, there is one employee who is covered under Report on particulars of the employee required in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as under:-

Sr. No.	Name	Designation	Remuneration (INR)(p.a.)	Qualification	Exp. (in years)	Commencement of employment	Age (in yrs)	Particulars of last designation/employment
1.	Mr. R.S. Sharma	Managing Director	16,62,000*	B.E. (Mech.)	35	30.01.07	57	Managing Director/ Birla Yamha Limited

\* 1 April, 2008 to 31 May, 2008

### DELISTING OF SECURITIES

Securities Appellate Tribunal (SAT) by its order dated 27th May 2008 allowed the Company to delist its securities from BSE. The Company had initiated the final formalities of delisting of securities with BSE. Some of the shareholders had made an appeal in the Hon'ble Supreme Court of India against the SAT order. Hence, the matter is pending with the Hon'ble Supreme Court.

### ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

Your Company regards preservation of the environment as one of its primary social responsibility. Accordingly, the Company places emphasis on compliance with pollution norms.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Details as required under Management Discussion and Analysis Report are appended as Annexure I.

### CORPORATE GOVERNANCE

A detailed report on Corporate Governance as required under the Clause 49 of Listing Agreement with Stock Exchanges is annexed as a separate section titled "Report on Corporate Governance" to this Annual Report.

### COMPLIANCE CERTIFICATE

A certificate from the Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached and forms part of this report.

### ACKNOWLEDGEMENT

Your Directors are grateful to the Banks, Shareholders, Customers, Distributors, Authorized Dealers and all other business constituents for the valued co-operation and support extended by them to the Company during the year under review. Your company is very much grateful to Hella KGaA Hueck & Co. for their continuous support.

Your Directors sincerely wish to thank the workers, staff and executives of the Company for the continuous hard work put in by them.

For and on behalf of the Board

Place: New Delhi  
Date: 31st July 2009

Sd/-  
(Stephan Gerres)  
Managing Director

Sd/-  
(Carsten Hernig)  
Director



---

**ANNEXURES TO THE DIRECTORS' REPORT****ANNEXURE-I****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Hella India Lighting Ltd. is pleased to present its analysis report covering the outlook for the future. The report contains forward looking statements, which may be identified by their use of words like plans, expects, anticipates, believes, intends, projects, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statement about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

As you are all aware that the economy as a whole is experiencing one of the worst recessions in the global history and we are not isolated from its effect. In fact it was a very challenging year on all fronts. Still by the efforts of one & all, we are gradually pushing ourselves & trying to be more competitive & cost effective to withstand the tough times. The key is to focus on quality & deliverables to protect existing customer base & gradually increase spread in other markets, which can help bring in economies of scale with improved efficiencies across the board.

The company has identified cost cutting area being its thrust area to compete with global competition.

**1. Industry Structure and developments**

The Company is engaged in the business of automotive lighting and signaling equipment. The automobile sector has grown over a period of time. The market of lighting has gone a sea change in the last few years.

The Company complies with various standards of lighting. In addition to the business in domestic market, the Company is further looking for the business in exports. Hella being a reputed trade name in the automotive lighting, the import trading area is organized. The Company is looking for additional original equipment manufacturers (OEMs) and dealers to sell its new generation lighting and signaling equipment.

**2. Opportunities and Threats**

Automotive sector of the country as well as of the entire world had witnessed the world's worst recession during the financial year 2008-09. However, the sector has already shown the sign of the recoveries and the global as well as domestic market has already started gearing up. The formation of stable government may further fuel the growth run. Reasonable growth is expected in the automotive sector in the current fiscal year. Some new models in various segments are also expected to be introducing in this year. The Company has a strong "Hella" brand with high quality products to offer to the growing market. Strong parental support from Hella KGaA Hueck & Co. both financially and technically, international brand, innovative and environment friendly products continue to remain the main strengths of the Company.

The stiff competition in the domestic as well as international market, rigid norms and the competition from various copy product manufacturers may pose a short-term threat to the Company.

However, intense competition from existing as well as new players with consistent pressure on realization, need for continued investment in product upgradation, new product introduction and delayed entry in plastic moulded lighting products are the main areas of concern for the management.

**3. Segment wise performance**

The Company operates in a single business segment.

**4. Outlook**

The company plans to shift Faridabad unit to Derabassi to save in cost of production and to serve the market with the products of world standard. By implementing it, Company will be able to enhance profit margins by improved utilization of valuable resources in effective and efficient manner. This will foster strategic alliances and collaborations for future business growth.

The Company has plans to develop and consolidate business with focused business activities under the single manufacturing facilities at Derabassi. Besides, the Company is also focusing to increase the After Market business in future.

**5. Internal Control Systems & their adequacy**

The Company has an effective Internal Control System in place. The Company has an Internal Auditors who undertake routine checking of various procedures, vouching etc. The observations of Internal Auditors are reviewed by the management and placed before the Audit Committee wherein key findings are discussed for implementation and/ or correction, as the case may be. This is subject to inherent limitations in any system and procedure and coverage thereof, provide management with reasonable assurance that the established policies and the procedures of the Company have been followed, its assets safeguarded and any form of fraud and other irregularities prevented from occurring.

**6. Financial performance of the Company with respect to Operational Performance**

The operational and financial performance of the Company has been explained separately in the Director's Report.

**7. Material Developments in Human Resources, Industrial Relations**

The Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment.

Relations with the work force at both the Units remained cordial through out the year.

The Management is conducting productivity improvement studies to improve efficiency levels at its manufacturing facilities to bring them at par with other comparable facilities in the Industry.

**8. Risk and Concern**

There is a continuous stiff competition and entry by competitors at very low price. There is increase in demand for new technology at faster rate. The competition has made the customer more demanding in terms of improvement in logistic services.

Our concentration is to maintain our quality and commitments, which will play key roles in business expansion.

For and on behalf of the Board

Place: New Delhi  
Date: 31st July 2009

Sd/-  
(Stephan Gerres)  
Managing Director

Sd/-  
(Carsten Hernig)  
Director

**ANNEXURE II****INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****A CONSERVATION OF ENERGY**

- a) Energy conservation measures taken:  
The manufacturing processes in our plant vary widely and cover processes such as Electroplating, Painting and Sheet Metal Working.  
In almost all these processes, the introduction of temperature controller and their regular proper operational maintenance has ensured, for the conservation of energy.
- b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy:  
The investments involved will be to introduce above-mentioned schemes.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods:  
It is hoped that with the proposed implementation of the above, there would be a decrease in energy consumption. Energy conservation has been made an integral part of the induction training programme for new employees. In addition, regular training sessions are held where employees are educated in the need to reduce energy consumption to the minimum.
- d) Total energy consumption and energy consumption per unit of production:  
The Company is having 2 DG Sets of 110KVA & 380 KVA. During the year the Company has consumed units of energy as detailed below:-  
Electric Energy
- a) 5,55,790 Units, total cost Rs.37,69,382/- (Previous year 7,51,309 Units, total cost Rs.34,43,397/-) supplied by DHBVN Limited and Punjab State Electricity Board.
- b) DG Sets:  
Diesel consumed: 21,341 Litres (Previous year 11,251 Litres). Rs.1,42,839/- incurred on Electricity Generation from DG Sets.

**Form B****A RESEARCH & DEVELOPMENT (R&D):**

- |   |  |   |
|---|--|---|
| 1 | Specific Areas in which R&D carried out by the company                               | In-house R&D has been carried out in the fields of lighting and signaling and also in production technology with the intent of producing better quality products. The Company has recruited many engineers for achieving the tasks. |
| 2 | Benefits derived as a result of the above R&D  | We have been able to successfully develop several headlamps for domestic & export market, tail lamps, blinker lamps and switches for the Indian vehicle manufacturers and for export to foreign customers.                          |
| 3 | Future plan of action  | After consolidation of production at Derabassi Factory, company is expecting to achieve better margins due to reduction in cost.  |
| 4 | Expenditure on R&D<br>Recurring expenses<br>R&D expenditure as a % of total turnover | (Rs. In Lacs)<br>Nil (Previous year NIL)<br>Nil (Previous year NIL)   |

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- |   |   |  |
|---|---|--|
| 1 | Efforts, in brief, made towards technology absorption, adaptation and innovation              | Company has its own Design & Development Department (D & D) and they were continuously making efforts towards technology, absorption, adaptation and innovation. |
| 2 | Benefit derived as a result of the above efforts  | The performance of Company's products has increased significantly.   |
| 3 | In case of imported technology during the last five years:                                    |  |
|   | a) Technology imported  | Not Applicable   |
|   | b) Year of Import   |  |
|   | c) Has technology been fully absorbed   |  |
|   | d) If not, areas where this has not taken place, reasons therefore and future plans of action |  |

**FOREIGN EXCHANGE EARNINGS AND OUT GO: (Rs. In Million)**

During the year the Company achieved total export turnover of Rs.122.46 Millions. All steps have been taken to improve export turnover and tap new markets.

- |    |                   |                                    |
|----|-------------------|------------------------------------|
| a) | Earnings: (Sales) | Rs.122.46 (previous year Rs.7.97)  |
| b) | Outgo:(Purchase)  | Rs.317.08 (previous year Rs.14.40) |

For and on behalf of the Board

Sd/-	Sd/-
(Stephan Gerres)	(Carsten Hernig)
Managing Director	Director

Place: New Delhi  
Date: 31st July 2009

**REPORT ON CORPORATE GOVERNANCE****1. GENERAL**

Standards of corporate governance are mandated by the Securities and Exchange Board of India for all companies listed on Indian stock exchanges. These standards are notified under Clause 49 of the listing agreement.

**2. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance is based upon a rich legacy of fair, ethical and transparent governance practices. The Company is conscious of its responsibility and is committed to high standard of Corporate Governance practices. This is reflected in the Management of the Company, which is well balanced, and representing by independent and eminent personalities. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

**3. BOARD OF DIRECTORS**

As at 31st March 2009, the Board of Directors of the Company consists of 5 (five) Directors, with a mix of Executive and Non-Executive Directors. The Board consists of 1 (one) Executive and 4 (four) Non-Executive Directors. The Chairman of the Company is a Non-Executive Director. Due to resignation of Mr. V. K. Mathur, Non-Executive Independent Director, on 30th January 2009, the Board had only 1 (one) Non-Executive Independent Director on 31st March 2009. The Board had appointed Mr. Carsten Hernig, Non-Executive Independent Director, in its meeting held on 29th May 2009 to fill up the casual vacancy. After that, the composition of the Board is in conformity with Clause 49 of the Listing Agreement.

As mandated by Clause 49, none of the Directors are members of more than ten committees of Boards nor are they Chairman of more than five committees in which they are members.

Apart from receiving sitting fee, Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect independence of the Director.

**a) Composition of the Board**

The details of the Directors on the Board of the Company for the financial year 2008-2009 are as under:

Name of the Director	Category	Number of Other Directorship held	Other Committees' Membership	
			Chairman	Member
Mr. R.S. Sharma *	Managing Director (ED)	3	-	-
Dr. V.P. Juneja	Director (INED)	NIL	-	-
Mr. V.K. Mathur*	Director (INED)	2	-	-
Mr. Rainer Krause	Director (NED)	1	-	-
Mr. Martin Herbst	Director (NED)	11	2	5
Mr. Constantin Von Buelow*	Director (NED)	2	-	-
Mr. Stephan Gerres*	Managing Director (ED)	2	-	-
Mr. Raman Sharma Alternate Director to Mr. Martin Herbst*	Director (NED)	6	-	-

\*Note:

NED - Non-Executive Director

INED - Independent Non-Executive Director

ED - Executive Director

- Mr. R. S. Sharma and Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 31.05.2008 and 30.01.2009, respectively.
- Mr. Constantin Von Buelow was appointed on the Board as a Director with effect from 24.04.2008.

3. Mr. Stephan Gerres appointed as Managing Director with effect from 01.06.2008.
4. The Board of Directors appointed Mr. Raman Sharma as an Alternate Director to Mr. Martin Herbst with effect from 21.07.2008 and Mr. Raman Sharma ceased to be an Alternate Director with effect from 31.03.2009.

**b) Attendance at the Board Meetings**

During the year under review, the Board of Directors met 6 (six) times. The meetings were held on 24th April 2008, 24th July 2008, 13th August 2008, 22nd October 2008, 29th January 2009 and 24th February 2009.

The attendance of each of the Directors at the Board Meetings and at the last Annual General Meeting (AGM) is given below.

Name of the Director	Number of Board Meetings attended (Total meetings held: 6)	Attendance at last AGM on 24th September 2008
Mr. R. S. Sharma*	1 (6)	No
Dr. V.P. Juneja	6 (6)	Yes
Mr. V.K. Mathur*	5 (6)	No
Mr. Rainer Krause	1 (6)	No
Mr. Martin Herbst	1 (6)	No
Mr. Constantin Von Buelow*	3 (6)	No
Mr. Stephan Gerres*	5 (6)	Yes
Mr. Raman Sharma Alternate Director to Mr. Martin Herbst*	2 (6)	No

\*Note:

1. Mr. R. S. Sharma and Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 31.05.2008 and 30.01.2009, respectively.
2. Mr. Constantin Von Buelow was appointed on the Board as a Director with effect from 24.04.2008.
3. Mr. Stephan Gerres appointed as Managing Director with effect from 01.06.2008.
4. The Board of Directors appointed Mr. Raman Sharma as an Alternate Director to Mr. Martin Herbst with effect from 21.07.2008 and Mr. Raman Sharma ceased to be an Alternate Director with effect from 31.03.2009.

**c) Code for Prevention of Insider Trading Practices**

In compliance with the SEBI Regulations on prevention of insider trading, the company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the company, and cautioning them of the consequences of violations.

**d) Code of Conduct for Board Members & Senior Management Team**

In compliance to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team.

All Board Members and Senior Management Team have affirmed compliance of Code of Conduct as on 31st March 2009 and a declaration to that effect signed by Managing Director is attached and forms part of this report.

**4. INFORMATION SUPPLIED TO THE BOARD**

The Board has complete access to all information with the Company. Further following information is regularly provided to the Board:

- Annual operating plans and budgets, capital budgets, updates;
- Quarterly results of the Company along with segment reporting;
- Minutes of meeting of audit committee and other committees of the board;
- Materially important show cause, demand, prosecution and penalty notices;

- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of a substantial nature;
- Details of any joint venture or collaboration agreement;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations fronts;
- Sale of material nature of investments in subsidiaries or otherwise assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement;
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer;

**5. COMMITTEE OF DIRECTORS**

The Company has three Boards level committees i.e. Audit Committee, Remuneration Committee and Shareholders' Grievance Committee.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year 2008-2009 and the related attendance are provided below:

**(a) AUDIT COMMITTEE**

The Board of Directors has constituted an Audit Committee, which deals in all matters relating to financial reporting and internal controls. The role and terms of reference of the Audit Committee covers the matters specified for the Audit Committee under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act 1956.

The minutes of each Audit Committee meeting are placed before the Board for information.

The majority of members of the Audit Committee are Non-Executive Independent Directors. The Company Secretary of the Company acts as the Secretary of the Committee.

During the year, the Committee met 6 (six) times viz. on 24th April 2008, 24th July 2008, 13th August 2008, 22nd October 2008, 29th January 2009 and 24th February 2009, composition and Directors' attendance at the committee meetings is presented below:

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended (Total Meetings held : 6)</b>
Mr. Martin Herbst	Member	1(6)
Mr. V. K. Mathur*	Member	5(6)
Dr. V. P. Juneja	Member	6(6)
Mr. Raman Sharma, Alternate Director to Mr. Martin Herbst*	Member	1(6)

\*Note:

1. Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 30.01.2009.
2. The Board of Directors appointed Mr. Raman Sharma as an Alternate Director to Mr. Martin Herbst with effect from 21.07.2008 and Mr. Raman Sharma ceased to be an Alternate Director with effect from 31.03.2009.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on:-
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transaction i.e. transaction of the Company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, on nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- Review of management discussion and analysis of financial condition and results of operations;
- Review of reports relating to compliance with laws;

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

**(b) REMUNERATION COMMITTEE**

The Company has constituted a remuneration committee. The Committee has three (3) Directors, all of whom are Non-Executive Directors.

During the year, the Committee met once on 29th January 2009. The composition and Directors attendance at the committee meetings is presented below:

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended (Total Meetings held: 1)</b>
Dr. V.P. Juneja	Member	1 (1)
Mr. V.K. Mathur*	Member	1 (1)
Mr. Raman Sharma Alternate Director to Mr. Martin Herbst*	Member	0 (1)

\*Note:

1. Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 30.01.2009.
2. The Board of Directors appointed Mr. Raman Sharma as an Alternate Director to Mr. Martin Herbst with effect from 21.07.2008 and Mr. Raman Sharma ceased to be an Alternate Director with effect from 31.03.2009.



The function of the Committee includes:

- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors.
- Considering, approving and recommending to the Board the change in designation and increase in salary of the executive directors.
- Ensuring that remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

The remuneration payable to the Managing Director is reviewed by the Remuneration committee and approved by the Board of Directors and the shareholders of the Company.

The Committee in its meeting held on 29th January 2009 noted that the Remuneration Committee was constituted for framing and implementing, on behalf of the Board and the shareholders, a credible and transparent policy on remuneration of Executive Directors. And, Mr. Stephan Gerres had been appointed as Managing Director of the Company for a period of 2 years commencing from 1st June 2008 to 31st May 2010 without any remuneration in any form. Further, Mr. Stephan Gerres, Managing Director of the Company, is the only Executive Director on the Board of the Company. Therefore, the Committee recommended the Board of Directors of the Company for its wind-up. And the same had been approved by the Board of Directors in its meeting held on 24th February 2009.

The details of the remuneration paid to the Executive Directors of the Company for the year ended March 31, 2009, is presented below:

**Executive Director**

I. R S Sharma - Managing Director (till 31st May 2008)

(Rs. In lakh)

Salary & Allowances	Performance Linked Incentive	Retainership Fees	Perquisites	Contribution to PF & Other Funds	Gratuity	Leave Encashment	Total
2.37	Nil	Nil	3.54	0.46	4.78	5.47	16.62

**Non-Executive Directors**

The Non-Executive Directors have not drawn any remuneration from the Company, for the year ended March 31, 2009 other than a sitting fee and other out-of-pocket expenses for Board and committee meetings attended by them.

**(c) SHAREHOLDERS' GRIEVANCE COMMITTEE**

The Company has constituted a Shareholders' Grievance Committee for redressing shareholders complaints. The Committee has three (3) Directors, majority of them are Non-Executive Directors.

Ms. Pooja Kumari, Company Secretary, acts as the Compliance Officer of the Company.

During the year, the Committee met four (4) times viz. 15th April 2008, 24th July 2008, 22nd October 2008 and 29th January 2009. The composition and Directors attendance at the committee meetings is presented below:

Name of the Member	Category	No. of Meetings Attended (Total Meetings held: 4)
Mr. R. S. Sharma*	Member	1 (4)
Dr. V.P. Juneja	Member	4 (4)
Mr. V.K. Mathur*	Member	4 (4)
Mr. Stephan Gerres*	Member	3 (4)

\*Note:

1. Mr. R. S. Sharma and Mr. V. K. Mathur resigned from the Board of Directors of the Company with effect from 31.05.2008 and 30.01.2009, respectively.
2. Mr. Stephan Gerres appointed as Managing Director with effect from 01.06.2008.

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations. Apart from looking into redressal of shareholders' complaints like transfer of shares, non-receipt of annual reports, non-receipt of dividend and allied matters, the committee performs the following functions:

- Transfer/transmission of shares.
- Split-up/Sub division and consolidation of shares, letters.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys. Probate Letters of transmission or similar other documents.
- To look into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specified.

The Committee also oversees the performance of the Registrar & Transfer Agents and recommends measures for the overall improvement of the quality of the investor services.

During the year under review, sixteen (16) numbers of complaints have been received, which have been attended / resolved to the satisfaction of the complainants.

#### 6. GENERAL MEETINGS

Following are the last three Annual General Meetings were held as under:

Financial Year	Venue	Date	Time
2007-2008	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	24th September, 2008	11.00 A.M.
2006-2007	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	25th September, 2007	11.00 A.M.
2005-2006	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	12th September, 2006	11.00 A.M.

Special Resolution passed in the previous Annual General Meetings:

The details of special resolutions passed in the last three Annual General Meetings is as under:

Date of AGM	Details of Special Resolution
24th September 2008	Issue of Compulsory Convertible Non-cumulative Preference Shares on preferential basis.
25th September 2007	Issue of Compulsory Convertible Non-cumulative Preference Shares on preferential basis.
12th September 2006	Increase in remuneration of Mr. R. S. Sharma, Managing Director.

Following are the Extraordinary General Meetings held during last three years:

Date of EGM	Venue	Time	Details of the Resolution
24th March 2009	9th Milestone, Gurgaon - Farookhnagar Road, Dhankot, Gurgaon - 122 002	11.00 A.M.	To consider the result of Postal Ballot.
9th March 2009	9th Milestone, Gurgaon - Farookhnagar Road, Dhankot, Gurgaon - 122 002	11.00 A.M.	Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares on preferential basis.
20th July 2006	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	11.30 A.M.	1. Amendment in the Articles of Association 2. Issue of Non-convertible redeemable non-cumulative Preference Shares on private placement basis.

During the year, an ordinary resolution was passed through Postal Ballot, in terms of the provisions of Section 192A of the Companies Act, and rules framed by Government of India being Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, for disposing off the land at Faridabad under Section 293(1)(a) of the Companies Act 1956.

In the forthcoming Annual General Meeting of the Company, there is no proposal to pass a resolution through Postal Ballot.

**7. DISCLOSURES**

- (i) During the year, there were no transactions of material nature of the Company with the Promoters, Directors, Management, their relatives, or subsidiaries of the Company etc. that had potential conflict with the interest of the Company at large. The related party transactions with the subsidiary/group companies have been disclosed in the Annual Accounts.
- (ii) There were no instances of non-compliances by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets.
- (iii) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement.

**8. MEANS OF COMMUNICATION**

The Company interacts with its shareholders through multiple forms of corporate and financial communications such as annual reports and result announcements. Quarterly results are usually published in prominent daily newspapers, viz. Business Standard - English and Hindi (vernacular newspaper).

**9. GENERAL SHAREHOLDERS' INFORMATION**

(i) **Date, Time & Venue of the Annual General Meeting:** Tuesday, the 29th day of September, 2009, at 11.00 A.M. at Executive Club, 439, Village Shahoopur, P. O Fatehpur Beri, New Delhi - 110 030.

(ii) **Financial Year:** The financial year of the Company is 1st April to 31st March.

(iii) **Book Closure Date:** 21st September 2009 to 26th September 2009 (both days inclusive).

(iv) **Listing on Stock Exchanges:**

The Company's equity shares are listed on:

- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, having a Scrip code - 520026.
- The Delhi Stock Exchange Association Limited (Regional), DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002, having a Scrip code - 10020.

The Demat ISIN Number in NSDL & CDSL for equity shares is INE431D01013.

The annual listing fee for the financial year 2009-2010 has been paid to the Bombay Stock Exchange Limited, Mumbai and The Delhi Stock Exchange Association Limited (Regional), New Delhi.

**Registrar and Share Transfer Agents:** Link Intime India Private Limited (formerly Intime Spectrum Registry Ltd.), A-40, Naraina Industrial Area, Phase-II, 2nd Floor, Near Batra Banquet Hall, New Delhi - 110028 Tel (91) -11 41410592-94, Fax (91) - 11 41410591, E-mail: delhi@linkintime.com

**Share Transfer system:** The Company has made arrangements with Link Intime India Private Limited, the common agency for share transfer and depository services. After the completion of preliminary formalities of transfer/ transmission by the Share transfer Agent, the Share Transfer Committee does the approval of transfer of shares in the physical form.

The Share Transfer Committee, constituted specifically for this purpose, meets periodically to approve the share transfer and transmission.

The Company has complied with the provisions of the requisite guidelines issued by the regulatory authorities in respect of the transfer of shares and other related matters.

(v) **Stock Market Data for the period April 1, 2008 to March 31, 2009**

Monthly high and low quotations traded at Bombay Stock Exchange during the financial year 2008-09.

Month	High (Rs.)	Low (Rs.)
April 2008	261.00	163.80
May 2008	261.90	132.30
June 2008	156.00	104.00
July 2008	144.00	65.25
August 2008	139.60	98.10
September 2008	156.00	125.45
October 2008	135.25	82.00
November 2008	104.75	86.55
December 2008	103.25	83.45
January 2009	122.35	99.80
February 2009	142.90	92.00
March 2009	157.40	122.00

**(vi) Distribution of Holding as on 31.3.2009**

Nominal Value of Shareholding	No. of Shares held	Amount in Rs.	% of Total	No. of Shareholders
1-2500	199761	1997610	6.299	1880
2501-5000	80745	807450	2.546	211
5001-10000	47037	470370	1.483	61
10001-20000	36938	369380	1.165	27
20001-30000	20379	203790	0.643	8
30001-40000	14946	149460	0.471	4
40001-50000	19107	191070	0.602	4
50001-100000	15132	151320	0.477	2
100001 & Above	2737355	27373550	86.314	6
<b>Total</b>	<b>3171400</b>	<b>31714000</b>	<b>100</b>	<b>2203</b>

**(vii) Shareholding Pattern as on 31.03.2009**

Category	No. of Shares	% of Holding
<b>A Promoters Holding</b>		
i) Promoters		
- Indian		
- Foreign	16,17,400	51.00
ii) Persons acting in concern	9,78,263	30.85
<b>Sub Total</b>	<b>25,95,663</b>	<b>81.85</b>
<b>B Non - Promoters Holding</b>		
i) Institutional Investors	Nil	Nil
ii) Mutual Funds and U.T.I.	Nil	Nil
iii) Banks, Financial Institutions, Insurance Companies, / Central / State Govt. Institutions / Non Government Institution	100	0.00
iv) FII's	Nil	Nil
<b>Sub Total</b>	<b>100</b>	<b>0.00</b>
<b>C Others</b>		
a) Bodies Corporate	1,030,97	3.25
b) Individual-i) individual shareholders holding nominal share capital upto Rs.1 lakh	4,03,113	12.72
ii) individual shareholders holding nominal share capital in excess of Rs.1 lakh	57,261	1.80
c) Any other (Please specify)		
-Directors & their relatives	Nil	Nil
-NRIs	4737	0.15
-Clearing members	2033	0.06
-Hindu Undivided Families	5396	0.17
<b>Sub Total</b>	<b>5,75,637</b>	<b>18.15</b>
<b>Grand Total</b>	<b>31,71,400</b>	<b>100.00</b>

**(viii) Dematerialization of shares and liquidity**

The shares of the Company already have been inducted in dematerialization on NSDL & CDSL. The Tripartite Agreements with NSDL & CDSL have been executed on 27th June 2001 & 3rd May 2001, respectively. As on 31st March 2009, 12,68,442 nos. of shares representing 40% of the total share capital of the Company have been dematerialized.

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments, which are pending for conversion.

**(ix) Plant Locations**

The Company's plants are located at Derabassi, District Patiala, Punjab.

**(x) Address for correspondence**

The Company's Registered Office is situated at B-13, Badarpur Extension, New Delhi - 110 044.  
Correspondence by the shareholders should be addressed to:  
Link Intime India Private Limited (formerly Intime Spectrum Registry Limited)  
A-40, Naraina Industrial Area, Phase - II, 2nd Floor, Near Batra Banquet Hall, New Delhi - 110 028  
OR

Hella India Lighting Limited, B-13, Badarpur Extension, New Delhi - 110 044

**10. DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

I, Stephan Gerres, Managing Director of Hella India Lighting Limited hereby declare that all Board Members and Senior Management Team have affirmed compliance of the Code of Conduct during the year 2008-2009.

Place: New Delhi  
Date: 31-07-2009

Sd/-  
(Stephan Gerres)  
Managing Director

**11. CEO & CFO DECLARATION**

We hereby certify that:

- (a) we have reviewed financial statements and the cash flow statement for the year ended on 31st March 2009 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct;
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) we have indicated to the auditors and the Audit committee that:
  - (i) there is no significant changes in internal control over financial reporting during the year;
  - (ii) there is no significant changes in accounting policies during the year; and
  - (iii) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi  
Date: 31-07-2009

Sd/-  
(Pawan Sharma)  
C.F.O.

Sd/-  
(Stephan Gerres)  
Managing Director/C.E.O.

**12. CERTIFICATE ON CORPORATE GOVERNANCE**

The certificate on corporate governance has been obtained from Practicing Company Secretary and form part of this report.

**CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF HELLA INDIA LIGHTING LIMITED**

We have examined the compliance of conditions of Corporate Governance by Hella India Lighting Limited for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange (s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We further state that such compliance is neither an assurance as the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**For J.K. Gupta & Associates  
(Company Secretaries)**

Sd/-  
**J.K. Gupta  
(Proprietor)  
FCS No.: 3978  
C.P. No.: 2448**

**AUDITOR'S REPORT**

To the Members of

**Hella India Lighting Limited**

1. We have audited the attached Balance Sheet of Hella India Lighting Limited ('the Company') as at 31 March 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) we have 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
  - (e) on the basis of written representations received from the Directors of the Company as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31 March 2009;
    - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For B S R & Company  
Chartered AccountantsSd/-  
Vikram Advani  
Partner  
Membership No.091765Place: Gurgaon  
Date: 29.05.2009

**ANNEXURE TO THE 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 its fixed assets.
- (b) Earlier the Company was physically verifying all its fixed assets as at the year end. The Company decided to move to a regular programme of physical verification according to which all its fixed assets are verified in a phased manner over a period of two years. In accordance to this program, certain fixed assets were verified during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) Inventories 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) In our opinion, 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, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
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 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. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of rupees five lakhs are for the Company's specialised requirements and for which suitable alternative sources are not available to obtain comparable quotations. Hence, it is not possible for us to comment whether above contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Employees' State Insurance, Income tax, Sales Tax, Customs duty, Excise duty and other material statutory dues have been regularly deposited with the appropriate authorities. Provident Fund, Service tax, Wealth tax and Income tax (tax deducted at source) have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases.  
  
According to the information and explanations given to us, the Company did not have any dues on account of Investor Education and Protection Fund.

There were no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2009 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 disputed dues of Customs duty, Sales tax, Excise duty, Wealth tax, Cess and Service tax. According to the information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount* (Rs.)	Assessment Year	Forum where the dispute is pending
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,129,228	2001-02	High Court
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	High Court

\* Amount as per demand orders

10. The Company has accumulated losses aggregating to Rs. 360,088,296 as at 31 March 2009, which are more than fifty percent of the Company's net worth. The Company has incurred cash losses aggregating to Rs. 38,200,062 in the current financial year. However, the Company did not incur cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not

defaulted in repayment of dues to banks. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. 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.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds raised on short term basis, to the extent of Rs. 129,587,570 for long term investment.
18. The Company has not made any preferential allotment of shares during the year to companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Company  
Chartered Accountants

Sd/-

Vikram Advani  
Partner

Place: Gurgaon  
Date: 29.05.2009

Membership No.091765



**BALANCE SHEET AS AT 31 MARCH 2009**
*(All amounts are in Rupees)*

	Schedule No.	As at 31 March 2009	As at 31 March 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	85,714,000	81,714,000
Reserve and surplus	2	299,600,283	233,600,283
		<u>385,314,283</u>	<u>315,314,283</u>
<b>LOAN FUNDS</b>			
Secured loans	3	445,381	5,429,440
Unsecured loans	4	182,991,692	85,750,457
		<u>183,437,073</u>	<u>91,179,897</u>
		<u>568,751,356</u>	<u>406,494,180</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	81,660,426	77,536,960
Accumulated depreciation		22,478,225	20,929,318
Net block		<u>59,182,201</u>	<u>56,607,642</u>
Capital work in progress		169,253,357	67,861,195
		<u>228,435,558</u>	<u>124,468,837</u>
<b>Investments</b>	6	—	—
<b>Current assets, loans and advances</b>			
Inventories	7	58,167,942	34,519,647
Sundry debtors		25,667,320	33,602,692
Cash and bank balances		13,687,193	7,210,635
Loan and advances		21,135,136	13,136,372
		<u>118,657,591</u>	<u>88,469,346</u>
<b>Current liabilities and provisions</b>			
Current liabilities	8	133,044,803	103,575,602
Provisions		5,385,286	5,505,038
		<u>138,430,089</u>	<u>109,080,640</u>
<b>Net current assets</b>		<u>(19,772,498)</u>	<u>(20,611,294)</u>
<b>Balance of Profit and Loss Account</b>		<u>360,088,296</u>	<u>302,636,636</u>
		<u>568,751,356</u>	<u>406,494,180</u>
<b>Significant accounting policies and notes to accounts</b>	14		

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

For **B S R & Company**  
Chartered Accountants

For and on behalf of the Board of Directors

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

Sd/-  
**Pawan Sharma**  
Chief Financial Officer

Sd/-  
**Pooja Kumari**  
Company Secretary

Sd/-  
**Stephan Gerres**  
Managing Director

Sd/-  
**Constantin Von Buelow**  
Director

Place: Gurgaon  
Date: 29-05-2009

**HELLA INDIA LIGHTING LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009***(All amounts are in Rupees)*

	Schedule No.	Year Ended 31 March 2009	Year Ended 31 March 2008
<b>INCOME</b>			
Gross sales		273,257,998	261,163,476
Less: Excise duty		33,512,746	38,081,730
Net sales		239,745,252	223,081,746
Other income	9	2,214,481	4,985,647
		<u>241,959,733</u>	<u>228,067,393</u>
<b>EXPENDITURE</b>			
Material cost	10	188,305,779	166,922,487
Personnel cost	11	35,830,778	27,733,148
Administrative and selling expenses	12	56,356,381	39,324,855
Depreciation	5	4,097,970	2,874,219
Finance charges	13	17,463,051	4,023,565
		<u>302,053,959</u>	<u>240,878,274</u>
<b>Loss before tax from ordinary activities</b>		<b>(60,094,226)</b>	<b>(12,810,881)</b>
Add: Extraordinary item	14(17)	11,376,188	—
<b>Loss before tax for the period</b>		<b>(48,718,038)</b>	<b>(12,810,881)</b>
Less: Prior period expenses	14(16)	5,879,235	—
<b>Loss before tax</b>		<b>(54,597,273)</b>	<b>(12,810,881)</b>
Less: Provision for taxation			
- For current year	14 (17)	1,989,922	—
- For prior year		120,000	—
- For fringe benefit tax		744,464	487,861
<b>Loss after tax</b>		<b>(57,451,659)</b>	<b>(13,298,742)</b>
Balance brought forward		(302,636,637)	(289,337,894)
<b>Balance carried to Balance Sheet</b>		<b>(360,088,296)</b>	<b>(302,636,636)</b>
Earning per equity share (face value Rs 10)			
-Basic and diluted	14 (10)	(18.12)	(4.19)
<b>Significant accounting policies and notes to accounts</b>	14		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

For **B S R & Company**

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Vikram Advani**  
Partner

Membership No: 091765

Place: Gurgaon  
Date: 29-05-2009Sd/-  
**Pawan Sharma**  
Chief Financial OfficerSd/-  
**Pooja Kumari**  
Company SecretarySd/-  
**Stephan Gerres**  
Managing DirectorSd/-  
**Constantin Von Buelow**  
Director

**HELLA INDIA LIGHTING LIMITED****Schedules forming part of the accounts***(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 1:</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
3,500,000 (previous year 3,500,000) equity shares of Rs. 10/- each	<b>35,000,000</b>	35,000,000
2,150,000 (previous year 650,000) 0.0000001% non-convertible, non-cumulative, redeemable preference shares of Rs. 100/- each	<b>215,000,000</b>	65,000,000
	<b>250,000,000</b>	100,000,000
<b>Issued, subscribed and paid-up</b>		
3,171,400 (previous year 3,171,400) equity shares of Rs. 10/- each fully paid up.	<b>31,714,000</b>	31,714,000
540,000 (previous year 500,000) 0.0000001% non-convertible, non-cumulative, redeemable preference share of Rs. 100/- each fully paid up.	<b>54,000,000</b>	50,000,000
	<b>85,714,000</b>	81,714,000

**Notes:**

- 1) 1,617,400 (previous year 1,617,400) equity shares are held by Reinhold Poersch GmbH, Germany, the holding company and 978,263 ( Previous year; 978,263) equity shares are held by Hella India Electronics Pvt. Ltd., a fellow subsidiary of the Company. 13,000 (previous year 13,000) equity shares have been allotted as fully paid up bonus shares by capitalisation of reserves in earlier years.
- 2) 0.0000001% non-convertible, non-cumulative, redeemable preference share are redeemable at par at any time after five years but prior to the expiry of twenty years from the date of allotment. 500,000 preference shares have been allotted on 31 August 2006 and 40,000 have been allotted on 18 March 2009.
- 3) The ultimate holding company is Hella KGaA Hueck & Co., Germany.

**Schedule 2:****RESERVES AND SURPLUS**

Capital reserve (Opening and closing balance)	<b>1,756,311</b>	1,756,311
Revaluation reserve (Opening and closing balance)	<b>2,494,752</b>	2,494,752
Capital redemption reserve (Opening and closing balance)	<b>100,000</b>	100,000

**Share premium account:**

Opening balance	<b>229,249,220</b>	229,249,220
Add: transfer on issue of preference shares	<b>66,000,000</b>	—
Equals: Closing balance	<b>295,249,220</b>	229,249,220
	<b>299,600,283</b>	233,600,283

**Schedules forming part of the accounts***(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 3:</b>		
<b>SECURED LOANS</b>		
Loan from Banks:		
Cash credit (Secured by hypothecation of stocks and book debts and by the first charge on fixed assets of Derabassi Unit)	—	4,006,248
Loans against vehicles (Secured by hypothecation of the vehicles)	445,381	1,423,192
	<u>445,381</u>	<u>5,429,440</u>
 <b>Schedule 4:</b>		
<b>UNSECURED LOANS</b>		
Loan from holding company	61,641,000	57,159,000
Add : Interest accrued and due	<u>11,535,620</u>	<u>8,857,025</u>
	73,176,620	66,016,025
Short term:		
from bank		
- Overdraft facility#	<u>109,815,072</u>	<u>19,734,432</u>
	<u>182,991,692</u>	<u>85,750,457</u>
# Guaranteed by the holding company.		

Schedules forming part of the accounts

Schedule 5:  
FIXED ASSETS

(All amounts are in Rupees)

Particulars	Gross Block (at cost)			Depreciation			Net Block	
	As at 1 April 08	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 09	For the year	Sales/ Disposals/ Adjustments	As at 31 March 09	As at 31 March 08
Land (Freehold)	21,851,765	—	—	21,851,765	—	—	21,851,765	21,851,765
Buildings	4,363,474	177,384	—	4,540,858	142,673	—	1,706,902	1,672,191
Leasehold improvements	—	1,155,357	—	1,155,357	900,586	—	254,771	—
Plant and machinery	42,501,563	6,215,984	1,634,041	47,083,506	2,469,362	1,300,135	31,269,385	27,856,668
Furniture and fixtures	922,678	897,478	—	1,820,156	109,559	—	1,206,777	418,858
Office equipment	538,250	73,365	—	611,615	39,547	—	263,539	229,721
Electric installations	1,045,626	23,962	—	1,069,588	32,000	—	254,015	262,053
Air conditioning plant	341,878	—	—	341,878	16,239	—	302,385	318,624
Vehicles	5,971,726	—	2,786,023	3,185,703	388,004	1,248,928	2,072,663	3,997,762
<b>Total</b>	<b>77,536,960</b>	<b>8,543,530</b>	<b>4,420,064</b>	<b>81,660,426</b>	<b>4,097,970</b>	<b>2,549,063</b>	<b>59,182,201</b>	<b>56,607,642</b>
Previous year	72,257,799	5,349,308	70,147	77,536,960	2,874,219	2,257	56,607,642	—
Capital Work in progress [including capital advances to suppliers Rs. 6,950,661 (previous year Rs. 16,535,576)]							169,253,357	67,861,195
							<b>228,435,558</b>	<b>124,468,837</b>

**Note :** The net block of assets as at 31st March 2009 includes Rs. 45,557,629/- (Previous Year Rs. Nil) of assets at Faridabad held for sale.

**Schedules forming part of the accounts**
*(All amounts are in Rupees)*
**Schedule 6:  
INVESTMENTS**

	As at 31 March 2009			As at 31 March 2008		
	Face value per share	No.	Book value (Rs.)	Face value per share	No.	Book value (Rs.)
<b>Equity shares (unquoted, at cost, non trade, non current, fully paid-up)</b>						
<b>In wholly owned subsidiary companies</b>						
Bitoni Lamps Limited	10	32,900	334,252	10	32,900	334,252
Chetan Genthe & Co. Ltd.	100	6,992	618,048	100	6,992	618,048
<b>In other companies</b>						
Wegu Sondhi Private Ltd.	10	11,000	110,000	10	11,000	110,000
			1,062,300			1,062,300
Less: Provision for other than temporary diminution in value of investment			1,062,300			1,062,300
			—			—

**As at 31 March 2009**
**As at 31 March 2008**
**Schedule 7:  
CURRENT ASSETS, LOANS AND ADVANCES**
**Inventories (at cost or net realisable value)**

Raw material and components*	34,766,299	14,275,366
Stores, spares and consumables	2,911,625	1,625,269
Work in progress	3,000,683	5,261,786
Finished goods#	19,188,766	13,357,226
	<u>59,867,373</u>	<u>34,519,647</u>
Less: Provision for slow moving raw material inventory	1,699,431	—
	<u>58,167,942</u>	<u>34,519,647</u>

\*Includes raw materials and components of the value of Rs. 637,700 (Previous year: Rs. 741,420) lying with the third parties.

# Includes Finished goods of the value of Rs. 9,129,561 (Previous year: Rs. 10,024,247) lying with the third parties.

**Sundry Debtors\*\***

Debtors outstanding for a period exceeding six month		
- considered good, unsecured	835,910	1,817,311
- considered doubtful, unsecured	6,249,617	5,097,821
	<u>7,085,527</u>	<u>6,915,132</u>
Other debts- considered good		
-secured	—	185,000
-unsecured	24,831,410	31,600,381
	<u>24,831,410</u>	<u>31,785,381</u>
	<u>31,916,937</u>	<u>38,700,513</u>
Less: Provision for doubtful debt	6,249,617	5,097,821
	<u>25,667,320</u>	<u>33,602,692</u>

\*\* refer to note 12 of schedule 14

**Schedules forming part of the accounts**
*(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 7 (continued)</b>		
<b>Cash and bank balances</b>		
Cash in hand	200,466	126,275
With scheduled banks		
- Current accounts	2,090,727	6,572,094
- Fixed deposit accounts #	11,396,000	512,266
	<u>13,687,193</u>	<u>7,210,635</u>
# includes Rs. 613,763 (Previous year Rs. 512,266) held with banks against margin money.		
<b>Loan and advances*</b>		
Advance recoverable in cash or in kind or for value to be received		
-unsecured, considered good	6,236,745	3,231,915
-unsecured, considered doubtful	3,249,535	2,411,384
	<u>9,486,280</u>	<u>5,643,299</u>
Less: Provision for doubtful advances	<u>(3,249,535)</u>	<u>(2,411,384)</u>
	6,236,745	3,231,915
Other deposits (unsecured, considered good)	1,131,600	1,112,840
Taxes deducted at source	1,522,339	1,511,258
Balances with excise authorities	12,244,452	7,280,359
	<u>14,898,391</u>	<u>9,904,457</u>
	<u>21,135,136</u>	<u>13,136,372</u>
* refer to note 12 of schedule 14		
<b>Schedule 8:</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Micro, small and medium enterprises *	4,085,437	—
- Dues to others **	122,705,902	98,266,301
Security deposit from dealers and retention money	2,384,194	1,974,524
Advance from customers	340,162	451,406
Other liabilities #	3,529,108	2,883,371
	<u>133,044,803</u>	<u>103,575,602</u>
* refer to note 4 of schedule 14		
** Includes salary payable Rs. 1,849,250 (previous year Rs. 1,290,380)		
# Includes contribution to provident and other funds payable Rs. 320,048 (previous year Rs. 268,429).		
<b>Provisions</b>		
Leave encashment	1,433,073	1,532,953
Gratuity (refer to note 3(b) of schedule 14)	3,687,749	3,972,085
Fringe benefit tax (net of advance fringe benefit tax Rs. 600,000) (previous year Rs. 487,361)	144,464	—
Provision for income tax (net of advance tax Rs. 1,989,922) (previous year Rs. nil)	120,000	—
	<u>5,385,286</u>	<u>5,505,038</u>
	<u>138,430,089</u>	<u>109,080,640</u>

**Schedules forming part of the accounts**
*(All amounts are in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
<b>Schedule 9:</b>		
<b>OTHER INCOME</b>		
Interest (gross)*		
- On deposits with banks	58,713	1,595,296
Profit on sale of fixed assets	—	49,257
Liabilities no longer required written back	2,137,621	3,341,094
Miscellaneous income	18,147	—
	<b>2,214,481</b>	<b>4,985,647</b>

\* Income tax deducted at source is Rs. 11,081 (Previous year Rs. 179,265)

**Schedule 10:**  
**MATERIAL COST**
**Consumption of raw material and components:**

Opening stock	14,275,366	11,542,325	
Add: Purchases	200,029,869	164,430,012	
Less: Closing stock	34,766,299	179,538,936	161,696,971
Stores, spares and consumables	9,359,552		11,335,385
Purchase of finished goods for resale	2,428,940		3,338,650
	<b>191,327,428</b>		<b>176,371,006</b>

**(Increase)/Decrease in stocks:**

Opening Stock			
- Work in progress	5,261,786	2,490,331	
- Finished goods	13,357,226	6,577,672	
	<b>18,619,013</b>	<b>9,068,003</b>	
Less: Closing Stock			
- Work in progress	3,000,683	5,261,786	
- Finished goods	19,188,766	13,357,226	
	<b>22,189,449</b>	<b>18,619,012</b>	(9,551,009)
Increase/(Decrease) in excise duty on stock	<b>548,788</b>		<b>102,491</b>
	<b>188,305,779</b>		<b>166,922,487</b>

**Schedule 11:**  
**PERSONNEL COST**

Salaries, wages and bonus	32,756,237	25,233,045
Contribution to provident and other funds	1,990,723	1,663,236
Staff welfare	1,083,818	836,867
	<b>35,830,778</b>	<b>27,733,148</b>



**Schedules forming part of the accounts**

(All amounts are in Rupees)

	Year ended 31 March 2009	Year ended 31 March 2008
<b>Schedule 12:</b>		
<b>Administrative and selling expenses</b>		
Power and fuel	4,542,106	3,778,266
Travelling and conveyance	7,062,441	3,612,336
Freight outward	5,862,566	4,189,918
Security charges	1,084,729	1,393,027
Cash discount	1,332,977	663,561
Legal and professional charges (refer to note 6 of schedule 14)	5,160,237	2,554,069
Rent	2,895,078	617,480
Rates and taxes	1,539,953	973,590
Insurance	290,397	127,520
Repairs and maintenance:		
on buildings	99,116	9,992
on plant and machinery	190,897	594,967
on others	1,734,462	231,744
Vehicle running and maintenance	923,274	978,086
Printing and stationery	481,760	524,370
Telephone expenses	1,363,818	756,498
Bank charges	2,349,548	1,156,584
Exchange fluctuation [net of gain of Rs. 847,920 (previous year Rs. 1,534,564)]	8,629,921	8,492,233
Provision for doubtful debts	1,151,796	5,097,821
Provision for doubtful advances	838,151	
Provision for slow moving inventory	1,699,431	
Sundry advances written off	924,790	—
Bad debts written off	1,192,772	364,334
Advertisement and sales promotion	1,424,761	180,544
Directors' sitting fees	54,000	49,000
Loss on sale of assets	692,467	—
Miscellaneous expenses	2,834,933	2,978,915
	<u>56,356,381</u>	<u>39,324,855</u>
<b>Schedule 13:</b>		
<b>FINANCE CHARGES</b>		
Interest on cash credit and overdraft	14,205,381	491,201
Other interest *	3,257,669	3,532,364
	<u>17,463,051</u>	<u>4,023,565</u>

\* includes Rs. 3,003,750 (Previous year Rs. 3,317,600) being interest on unsecured loan due to holding company.

**Schedules forming part of the accounts****Schedule 14: Significant Accounting Policies and Notes to Accounts****1. Significant Accounting Policies****i) Basis of preparation**

The financial statements are prepared 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, as prescribed by the Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956, 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. 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) Fixed assets and depreciation**

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

Fixed assets are depreciated over the estimated useful life of the assets, on straight line basis at the rate which are equal to the rate prescribed under Schedule XIV of the Companies Act, 1956.

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. Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

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

**iv) 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 profit and loss account. 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.

**v) Operating lease**

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 profit and loss account on a straight line basis over the lease period.

**(vi) Investments**

Long term investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than of temporary nature.

**(vii) Revenue recognition**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership in the goods to the customer.

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

**(viii) Inventories**

Stores, raw materials and components, work in progress and finished goods are valued at cost or net realisable value, whichever is lower. The cost formula applied is weighted average or FIFO based on the nature of product and complexity of the production process involved in conversion of the raw material to finished goods.

In determining cost of work in progress and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Stores, raw materials and components 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.

**(ix) Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account. (Also refer note 23)

**(x) Employee benefits**

**(a) 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 profit and loss account in the period in which the employee renders the related service.

**(b) Long term employee benefits**

(i) Defined contribution plans: The employee's provident fund scheme, pension fund, employees' state insurance fund and superannuation fund are defined contribution plans. The Company's contribution paid/payable under these schemes is recognised as an expense in the profit and loss account during the period in which the employee renders the related service.

(ii) 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 Profit and Loss Account.

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

(iii) Other long term employee benefits

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 profit and loss account.

**(xi) 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.

**(xii) Provisions and contingencies**

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

**(xiii) 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 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.

Consequent to the introduction of Fringe Benefit Tax ("FBT") effective 1 April 2005, in accordance with the guidance note on accounting for fringe benefit tax issued by the Institute of Chartered Accountants of India, the Company has made provision of FBT under income taxes.

**2. Capital commitments**

	As at 31 March 2009	As at 31 March 2008
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,131,000	117,682,438

**3. 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 Rs. 1,990,723 (previous year Rs. 1,663,236) pertaining to employers' contribution to provident fund, pension fund, employees' state insurance fund and superannuation fund is recognised as an expense and included in "Personnel costs" in Schedule 11.
- b) The Gratuity Plan

The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognized in the balance sheet and the profit and loss account.

Particulars	As at 31 March 2009	As at 31 March 2008
<b>Changes in the present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	3,972,085	3,346,969
Interest Cost	278,046	267,758
Current service cost	341,696	299,738
Benefits paid	(912,289)	(276,570)
Actuarial (gain)/loss	8,211	334,190
<b>Projected benefit obligation at the end of the year</b>	<b>3,687,749</b>	<b>3,972,085</b>
<b>Changes in the fair value of the Plan assets</b> (The Company does not have any Plan assets)	—	—
<b>Actuarial gain/ (loss)</b>		
Actuarial gain/ (loss) for the year - obligation	(8,211)	(334,190)
Actuarial (gain)/ loss for the year - plan assets	—	—
Total (gain)/ loss for the year	8,211	334,190
Actuarial (gain)/ loss recognised in the year	8,211	334,190
<b>Unrecognised actuarial (gains)/ losses at the end of year</b>	—	—
<b>Amount recognized in the balance sheet</b>		
Projected benefit obligation at the end of the year	3,687,749	3,972,085
Fair value of the plan assets in the end of the year	—	—
Funded status	3,687,749	3,972,085

Particulars	As at 31 March 2009	As at 31 March 2008
<b>Unrecognised actuarial (gains)/losses</b>	—	—
Liability recognized in the balance sheet	3,687,749	3,972,085
<b>Gratuity cost for the year</b>		
Current service cost	341,696	299,738
Past service cost	—	—
Interest cost	278,046	267,758
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognized in the year	8,211	334,190
<b>Expenses recognised in the statement of profit and loss*</b>	<b>627,953</b>	<b>901,686</b>
<b>Economic assumptions</b>		
Discount rate	7.00%	8.00%
Expected rate of return on plan assets	—	—
Long term rate of compensation increase	4.50%	5.50%
<b>Demographic assumptions</b>		
Retirement age	58 years	58 years
Mortality table	LIC (1994-96) mortality tables.	LIC (1994-96) mortality tables.
Withdrawal Rates		
<b>Ages</b>	<b>Withdrawal rate</b>	<b>Withdrawal rate</b>
Upto 30 years	3%	3%
Upto 44 years	2%	2%
Above 44 years	1%	1%

\* Included in Schedule 11 "Personnel Cost".

*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 2009 for the estimated term of the obligations.

4. Based on the confirmations received from the vendors under the Micro, Small and Medium Enterprises Development Act, 2006 and information available with the Company as at the year end, disclosures required under the above Act are as below:

Particulars	As at 31 March 2009
(i) The principal amount remaining unpaid to any supplier as at the end of the year;	4,017,308
(ii) the interest due on the principal remaining outstanding as at the end of the year	68,129
(ii) the amount of interest paid, along with the amounts of the payment made beyond the appointed day during the year;	Nil
(iii) 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;	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of the year; and	68,129
(v) 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 section 23.	Nil

Based on the confirmations received and information available with the Company in the previous year, no disclosures were required to be given under the above Act.



**5. Managerial remuneration**

	Year ended 31 March 2009	Year ended 31 March 2008
Salaries and allowances	236,958	2,075,965
Contribution to funds	46,228	365,634
Monetary value of benefits (at cost) *	354,009	897,433
Gratuity **	478,472	**
Leave Encashment **	546,825	**
<b>Total</b>	<b>1,662,492</b>	<b>3,339,032</b>
Directors' sitting fees	54,000	49,000

\* excludes fringe benefit tax payable by the Company as a whole on specified expenses.

\*\* managerial remuneration for the current year includes contribution to the gratuity fund and leave encashment paid on full and final dues towards resignation of the Managing Director Mr. R. S. Sharma who resigned on 31 May 2008. In the previous year, contribution to the gratuity fund and provision for leave encashment was determined on an actuarial basis for the Company as a whole.

**6. Auditors' remuneration #**

	Year ended 31 March 2009	Year ended 31 March 2008
As statutory auditors-Audit fee*	1,400,000	1,000,000
In other capacity :		
- for tax audit	100,000	100,000
- others	260,495	237,142
<b>Total</b>	<b>1,760,495</b>	<b>1,337,142</b>

# excludes service tax

\* includes Rs 250,000 for the previous year

**7. Segment information**

The Company operates in a single business segment of auto components /accessories. Further, separate geographical segment disclosure is not necessary since the Company is primarily engaged in domestic sales and export sales do not form a reportable segment as per the requirements of Accounting Standard-17 on "Segment Reporting" prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly no segmental disclosures are required to be made by the Company.

**8. 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, as required to be disclosed under Accounting Standard 18, are as follows:

**a) Related parties and nature of related party relationship where control exists**

Nature of the relationship	Name of the Company/ Party
1. Ultimate holding company	Hella KGaA Hueck & Co, Germany
2. Holding company	Reinhold Poersch GmbH, Germany

**b) Other related parties with whom transactions have taken place during the year:**

Nature of the relationship	Name of the Company/ Party
1. Subsidiary Companies	a) Chetan Genthe & Company Limited b) Bitoni Lamps Limited
2. Fellow subsidiaries	<i>In India</i> a) Hella India Electronics Private Limited b) Hella Engineering Private Limited <i>Outside India</i> a) Hella Fahrzeugteile, Austria b) Hella Philippines c) Hella Australia Pty. Limited d) Hella Asia Singapore Pte. Limited e) Hella Umform, Germany f) Hella Innenleuchten-Systeme GmbH g) Hella Lighting, Finland
3. Key management personnel	Mr. R.S Sharma (Managing Director) (upto 31 May 2008) Mr. Stephan Gerres (Managing Director) (with effect from 1 June 2008, remuneration is paid by a group company)

**c) Related party transactions:**

Name of the related party	Nature of relationship	Nature of transaction	Year ended 31 March 2009	Year ended 31 March 2008
Hella KGaA Hueck & Co, Germany	Ultimate Holding company	Sales	8,594,501	3,065,647
		Purchase of raw materials and components	12,777,565	7,453,856
		Balances outstanding		
		- Sundry debtors	3,465,575	529,309
		- Sundry creditors	53,248,082	29,521,404
Guarantee is given for the overdraft facility of the Company.				
Reinhold Poersch Gmbh, Germany	Holding company	Interest expense	3,003,750	3,318,981
		Repayment of loan	—	77,800,000
		Balances outstanding		
		- Unsecured loans	73,176,620	66,016,025
Bitoni Lamps Limited	Subsidiary company	Balances outstanding		
		- Loans and advances	1,039,142*	733,661*
*Rs. 305,481 of liability of the subsidiary taken over by the Company without consideration in the current year. Entire loans and advances is provided for.				
Chetan Genthe & Company Limited	Subsidiary company	Balances outstanding		
		- Loans and advances	2,210,393*	1,677,723*
* Rs. 532,670 of liability of the subsidiary taken over by the Company without consideration in the current year. Entire loans and advances is provided for.				
Hella India Electronics Private Limited	Fellow Subsidiary	Purchase of raw materials and components	77,822,138	62,809,123
		Balances outstanding		
		- Sundry creditors	8,319,170	5,559,806
Hella Lighting, Finland	Fellow subsidiary	Purchase of raw materials and components	—	13,354
		Balances outstanding		
		- Sundry creditors	155,591	6,384,600
Hella Fahrzeugteile, Austria	Fellow subsidiary	Sales	2,412,296	2,849,470
		Purchase of raw materials and components	177,248	—
		Royalty	—	42,000
		Balances outstanding		
		- Sundry creditors	4,356,262	454,932
		- Sundry debtors	612,855	972,522
		- Loans and advances	3,517,556	—
Hella Philippines	Fellow subsidiary	Sales	76,906	12,090
		Balances outstanding		
		- Sundry debtors	82,077	13,105
Hella Australia Pty. Limited	Fellow subsidiary	Sales	354,651	615,630
		Balances outstanding		
		- Sundry debtors	—	343,941

Name of the related party	Nature of relationship	Nature of transaction	Year ended 31 March 2009	Year ended 31 March 2008
Hella Asia Singapore Pte. Limited	Fellow subsidiary	Sales	24,049	—
		Purchase of raw materials and components	7,375,599	2,466,211
		Balances outstanding - Sundry creditors	3,500,617	668,020
Hella Umform, Germany	Fellow subsidiary	Purchase of raw materials and components	—	57,145
		Balances outstanding - Sundry creditors	—	65,161
Hella Innenleuchten-Systeme GmbH	Fellow subsidiary	Purchase of raw material and components	5,123,283	—
		Balance outstanding - Sundry creditors	7,285,254	—
Hella Engineering Private Limited	Fellow subsidiary	Rent	244,000	—
		- Sundry creditors	24,538	—
Mr. R.S Sharma	Managing Director	Managerial remuneration (refer note 5)	1,662,492	3,339,032

**9. Operating leases**

The Company has acquired office and residential premises for its personnel under cancellable and non-cancellable operating leases. Operating lease rentals charged to the profit and loss account during the year ended 31 March 2009 is Rs. 2,895,078 (previous year Rs. 617,480). The future minimum lease expense in respect of non cancellable lease is as follows:

	As at 31 March 2009	As at 31 March 2008
Not later than 1 year	220,000	—
Later than 1 year but not later than 5 years	—	—
Later than 5 years	—	—
<b>Total</b>	<b>220,000</b>	<b>—</b>

**10. Earnings/Loss per share**

	As at 31 March 2009	As at 31 March 2008
Loss for the year after taxation as per Profit and Loss account	(57,451,659)	(13,298,743)
Number of equity shares outstanding during the year	3,171,400	3,171,400
Basic and diluted earnings per share in Rupees (face value - Rs. 10 per share )	(18.12)	(4.19)

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

**11. Deferred Tax\***

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

	As at 31 March 2009	As at 31 March 2008
<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 Companies Act, 1956	5,115,249	4,724,012
<b>Total (A)</b>	<b>5,115,249</b>	<b>4,724,012</b>



	As at 31 March 2009	As at 31 March 2008
<b>Deferred tax assets</b>		
Provision for gratuity	1,253,466	1,350,112
Provision for leave encashment	487,102	521,051
Provision for doubtful debts	2,124,245	1,732,749
Provision for doubtful advances	1,104,517	819,629
Provision for investment	361,076	361,076
Provision for slow moving inventory	577,637	—
Unabsorbed depreciation and carry forward of losses under the Income-tax Act, 1961	97,466,634	87,970,843
<b>Total (B)</b>	<b>103,374,677</b>	92,755,460
<b>Net Deferred tax asset (B-A)</b>	<b>98,259,428</b>	88,031,448
<b>Net amount recognized in profit and loss account</b>	<b>Nil</b>	Nil

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

12. Sundry debtors and Loans and Advances include the following balances, which are due from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.

	As at 31 March 2009	As at 31 March 2008
Sundry Debtors:		
-Hella KGaA Heuck and Co, Germany	3,465,575	529,309
-Hella Australia Pty Ltd.	—	343,941
-Hella Fahrzeugteile Austria	612,855	972,522
-Hella Philippines	82,077	13,105
Loans and Advances*:		
-Chetan Genthe & Company Limited	2,210,393	1,677,723
-Bitoni Lamps Limited	1,039,142	733,661
-Hella Fahrzeugteile, Austria	3,517,556	—

\* Maximum amount due in respect of loans and advances during the year is Rs. 2,210,393 (previous year Rs. 1,677,723), Rs. 1,039,142 (previous year Rs. 733,661) and Rs. 3,517,556 (previous year Rs. nil) from Chetan Genthe & Company Limited, Bitoni Lamps Limited and Hella Fahrzeugteile, Austria respectively.

13. The Company's foreign currency exposure not hedged is as follows:

	As at 31 March 2009		As at 31 March 2008	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
Debtors receivable				
- EURO	62,423	4,160,507	29,987	1,859,187
Loans and Advances				
- EURO	52,777	3,517,556	—	—
Payables				
- EURO	1,018,728	69,772,671	588,034	37,341,054
Unsecured loan				
- EURO	1,068,429	73,176,620	1,039,459	66,016,025
Cash in hand and at bank				
- USD	3585	178,974	3193	126,134
- EURO	1218	80,607	—	—

14. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation 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 the documentation for the international transactions entered into with the associated enterprises during the financial year. 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 tax expense and that of provision for taxation.
15. The Ministry of Corporate Affairs has vide notification dated 31 March 2009 relaxed the provisions of Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates" in so far as they relate to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items other than those which form a part of the Company's net investment in a non- integral foreign operation.
- A company has been given an option that such exchange differences can now be (a) adjusted to the cost of the asset where the long term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased in or outside India), and consequently depreciated over such asset's balance life and (b) accumulated in a "foreign currency monetary item translation difference account" (FCMTTDA) and amortised over the balance period of the long term monetary asset/liability but not beyond 31 March 2011, in cases other than falling under (a) above.
- The Company has elected not to exercise this option. Therefore, the Company continues to account for monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date by translating them at the year end rates and recognizing the resultant gains/loss on foreign currency translation in the profit and loss account.
16. In the previous year, the financial statements were qualified for unreconciled account balances with group companies. During the current year, the Company has carried out a detailed reconciliation exercise, pursuant to which, an amount of Rs 5,879,235 comprising expenses such as commission on bank guarantee and insurance expenses etc. debited by the ultimate holding company and the fellow subsidiaries for prior years have been recorded in the current year.
17. Extraordinary item represents amount received from compulsory acquisition of land by the government. The tax expense for the current year represents the long term capital gain tax thereon.
- 18 **Additional information pursuant to the provisions of the Companies Act, 1956**

**(a) Quantitative details of products manufactured (Pcs.)**

Item	Installed*		Production	
	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2008
HORN	355,000	355,000	216,934	316,870
SUNDRY LAMPS	486,000	486,000	246,963	437,802
SWITCHES	1,080,000	1,080,000	46,209	148,510
HEAD LAMPS	530,000	530,000	448,212	520,422
FLASHER LAMPS	660,000	660,000	1,284	1,294

\* Installed capacity (on single shift basis) are as certified by the management and relied upon by the auditors, being a technical matter.

Note: Liscensed capacity has not been disclosed as the products manufactured by the Company are delicensed.



(b) Stock of Finished Goods, Purchases for resale and Sales

Particulars	Opening Stock			Production /Purchase			Sales**			Closing Stock				
	As at 1 April 2008		As at 1 April 2007		For the year ended 31 March 2009		For the year ended 31 March 2008		For the year ended 31 March 2009		As at 31 March 2008		As at 31 March 2009	
	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.
<b>Manufactured and Traded Goods</b>														
HORNS	5,582	212,336	5,166	193,026	410,777	NA	324,084	NA	391,811	100,824,614	323,668	35,620,863	24,548	3,585,546
SUNDRY LAMPS	70,258	3,612,728	30,671	1,460,030	287,784	NA	437,802	NA	325,854	47,365,910	398,215	42,622,086	32,188	3,288,121
SWITCHES	46,415	1,422,549	47,317	1,352,286	77,592	NA	168,635	NA	112,066	13,311,803	169,537	4,533,004	11,941	584,641
HEAD LAMPS	87,451	7,399,771	21,152	1,719,729	376,045	NA	520,422	NA	415,806	100,128,486	454,123	171,723,420	47,690	8,981,177
FLASHER UNIT	5,964	278,786	5,539	251,890	33,449	NA	3,381	NA	36,832	3,432,865	2,956	50,697	2,581	93,950
OTHER	#	431,056	#	1,600,711		NA	#	NA		8,194,320	#	6,613,406	#	2,645,331
<b>Total</b>		<b>13,357,226</b>		<b>6,577,672</b>						<b>273,257,998</b>		<b>261,163,476</b>		<b>19,188,766</b>

\*\* Gross of Excise duty

# In view of the considerable number of items diverse in size & nature, it is not practicable to furnish quantitative information. Also, no individual item exceeded 10% of total purchase, sales & total stock.

(c) **Raw materials and components consumed**

*(Amount in Rupees)*

Item	Unit	Year ended 31 March 2009		Year ended 31 March 2008	
		Qty.	Amount	Qty.	Amount
CRC sheet/ CRC coil	Kgs	121,495	5,626,024	110,578	4,145,019
Steel Strips	Kgs	237,236	2,413,560	68	4,903
Diffusing lamps	Nos.	376,716	4,809,680	326,988	4,388,241
Motor	Nos.	102,701	20,026,757	177,305	34,574,475
Horn (unfinished)	Nos.	312,459	26,672,337	—	—
Others		*	119,990,578	*	118,584,333
			<b>179,538,936</b>		<b>161,696,971</b>

\* In view of the considerable number of items diverse in size and nature, it is not practicable to furnish quantitative information. Also, no such individual item exceeds ten percent of total raw materials and components consumed.

(d) **Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption.**

*(Amount in Rupees)*

Item	Year ended 31 March 2009		Year ended 31 March 2008	
	Amount	%	Amount	%
Raw materials and components				
- Imported	23,890,171	13.31%	14,307,965	8.85%
- Indigenous	155,648,765	86.69%	147,389,006	91.15%
	<b>179,538,936</b>	<b>100%</b>	<b>161,696,971</b>	<b>100%</b>

(e) **C.I.F. value of imports**

*(Amount in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
Raw materials and components	31,707,522	17,337,694
<b>Expenditure in foreign currency (on accrual basis)</b>		
Interest	3,003,750	3,317,600
Royalty	—	42,000
Foreign travelling	1,144,455	1,021,454
Bank Guarantee Commission	972,393	—
<b>Earnings in foreign currency</b>		
F.O.B. value of exports	12,245,758	7,949,398



19. The Company has been de-registered from the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 27 October 2007 by the order of the Board for industrial and Financial Reconstruction (BIFR). The Company has a positive net worth amounting to Rs 20,874,924 as at 31 March 2009 (Rs 12,677,646 as at 31 March 2008).
20. The Company was constructing a new manufacturing plant at Faridabad. In the light of the global economic slowdown and its impact on the expected future demand, the Company has reviewed its business plan for the next few years. Accordingly, Management has decided to cease construction of the plant, dispose it and consolidate its operations at the Derabassi plant. Management does not expect any losses on disposal of the Faridabad plant and relocation to Derabassi.
21. During the current year, the scope and extent of internal audit has been increased by the Company by appointing an external accountant to cover primary locations and operating and financial reporting areas of the Company.
22. Previous year figures have been rearranged/ regrouped, wherever necessary to confirm to current year's classification.

**For and on behalf of the Board of Directors**

Sd/- <b>Pawan Sharma</b> Chief Financial Officer	Sd/- <b>Pooja Kumari</b> Company Secretary	Sd/- <b>Stephan Gerres</b> Managing Director	Sd/- <b>Constantin Von Buelow</b> Director
--	--	--	--

Place : New Delhi  
Date : 29th May 2009



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**01. REGISTRATION DETAILS**

CIN	L74899DL1959PLC003126	State Code	55
Balance sheet date	31-03-2009		

**02. CAPITAL RAISED DURING THE YEAR ( Amount in Rs.)**

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private placement	4,000,000

**03. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.)**

<b>TOTAL LIABILITIES</b>	707,181,445	<b>TOTAL ASSETS</b>	707,181,445
Source of funds		Application of funds	
Paid-up capital	85,714,000	Net fixed assets	59,182,201
Reserves and surplus	299,600,283	CWIP	169,253,357
Secured loans	445,381	Current assets	118,657,591
Unsecured loans	182,991,692	Investments	—
Current Liabilities and Provisions	138,430,089	Debit balance of Profit and Loss Account	360,088,296
Deferred Tax (net)	—		

**04. PERFORMANCE OF THE COMPANY (Amount in Rs.)**

Turnover*	241,959,733	Total expenditure	302,053,959
Profit/(Loss) before tax	(60,094,226)	Profit/(Loss) after tax	(57,451,659)
Earning per share in Rs.	(18.12)	Dividend rate %	0%

\* Including other income

**05. GENERIC NAMES OF THE PRINCIPAL PRODUCT / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)**

<u>Item code no. (ITC code)</u>	<u>Product description</u>
411561-62	Head Lamp
403644-45	Sundry Lamps
401172	Horns

**For and on behalf of the Board of Directors**

Sd/- <b>Pawan Sharma</b> Chief Financial Officer	Sd/- <b>Pooja Kumari</b> Company Secretary	Sd/- <b>Stephan Gerres</b> Managing Director	Sd/- <b>Constantin Von Buelow</b> Director
--	--	--	--

Place : New Delhi  
Date : 29th May 2009



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**

(All amounts are in Rupees)

	Year ended 31 March 2009	Year ended 31 March 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>LOSS BEFORE TAX</b>	<b>(54,597,273)</b>	<b>(12,810,880)</b>
<b>ADJUSTMENTS FOR:</b>		
Depreciation	4,097,970	2,874,219
Liabilities no longer required written back	(2,137,621)	(3,341,094)
Interest expense	17,463,051	4,023,565
Interest income	(58,713)	(1,595,296)
Extraordinary item	(11,376,188)	—
Foreign exchange fluctuations (net)	8,629,921	8,492,233
Loss/ (Profit) on sale of fixed assets	692,467	(49,257)
Provision for doubtful debts	1,151,796	5,097,821
Provision for doubtful advances	838,151	—
Provision for slow moving inventory	1,699,431	—
Bad debts written off	1,192,772	364,334
Sundry advances written off	924,790	—
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(31,479,445)</b>	<b>3,055,643</b>
<b>ADJUSTMENTS FOR :</b>		
Decrease/(Increase) in inventories	(25,347,726)	(13,004,980)
Decrease/(Increase) in trade / other receivables	(4,159,821)	11,728,888
(Decrease)/Increase in trade / other payables	27,074,685	284,159
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>(33,912,307)</b>	<b>2,063,710</b>
Taxes paid	(2,601,003)	(680,821)
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(36,513,310)</b>	<b>1,382,889</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	(109,935,692)	(67,185,024)
Sale of fixed assets	12,554,722	117,147
Interest received	58,713	1,595,296
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(97,322,257)</b>	<b>(65,472,581)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of preference share capital	70,000,000	—
Proceeds/(Repayment) from/of secured loans	(4,984,059)	48,816
Proceeds/(Repayment) from/of unsecured loans	90,080,640	(38,736,383)
Interest paid	(14,784,456)	(19,332,204)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>140,312,126</b>	<b>(58,019,771)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>6,476,558</b>	<b>(122,109,463)</b>
Cash and cash equivalents at the beginning of period	7,210,635	129,320,098
Cash and cash equivalents at the end of period (refer schedule 7)	13,687,193	7,210,635

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".
- Cash and cash equivalents consist of cash on hand and balances with banks and include Rs. 613,763/- (Previous year Rs. 512,266/-) held as margin accounts which are not available for use by the Company.

As per our report of even date

For **B S R & Company**  
Chartered Accountants

For and on behalf of the Board of Directors

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

Sd/-  
**Pawan Sharma**  
Chief Financial Officer

Sd/-  
**Pooja Kumari**  
Company Secretary

Sd/-  
**Stephan Gerres**  
Managing Director

Sd/-  
**Constantin Von Buelow**  
Director

Place: Gurgaon  
Date: 29-05-2009

**AUDITORS' REPORT****TO THE BOARD OF DIRECTORS OF HELLA INDIA LIGHTING LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HELLA INDIA LIGHTING LIMITED AND ITS SUBSIDIARIES**

1. We have audited the attached consolidated Balance Sheet of Hella India Lighting Limited ('the Company') as at 31 March 2009 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, Chetan Genthe & Company Private Limited and Bitoni Lamps Limited, whose financial statements reflect total assets of Rs. 2,909,593 and Rs. 1,368,142 respectively as at 31 March 2009 (these figures include intra-group assets eliminated on consolidation) and revenues and cash flows of Rs. Nil and Rs. Nil respectively for the year ended 31 March 2009. These financial statements have been audited by other auditors whose reports has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of those subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, specified in Companies (Accounting Standard) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. On the basis of the information and explanations given to us, and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that:
  - (a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company and its subsidiaries as at 31 March 2009;
  - (b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the Company and its subsidiaries for the year ended on 31 March 2009; and
  - (c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Company and its subsidiaries for the year ended on 31 March 2009.

**For B S R & Company**  
Chartered Accountants

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

Place: Gurgaon  
Date: 29.05.2009



**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009**
*(All amounts are in Rupees)*

	Schedule No.	As at 31 March 2009	As at 31 March 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	85,714,000	81,714,000
Reserve and surplus	2	299,676,183	233,676,183
		<b>385,390,183</b>	<b>315,390,183</b>
<b>Loan funds</b>			
Secured loans	3	445,381	5,429,440
Unsecured loans	4	182,991,692	85,750,457
		<b>183,437,073</b>	<b>91,179,897</b>
		<b>568,827,256</b>	<b>406,570,080</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	81,660,426	77,536,960
Accumulated depreciation		22,478,225	20,929,318
Net block		59,182,201	56,607,642
Capital work in progress		169,253,357	67,861,195
		<b>228,435,558</b>	<b>124,468,837</b>
<b>Investments</b>	6	—	—
<b>Current assets, loans and advances</b>			
Inventories		58,167,942	34,519,647
Sundry debtors		25,667,320	33,602,692
Cash and bank balances		13,687,193	7,210,635
Loan and advances		21,432,276	13,433,512
		<b>118,954,732</b>	<b>88,766,486</b>
<b>Current liabilities and provisions</b>			
Current liabilities	8	133,044,803	104,400,223
Provisions		5,385,286	5,505,038
		<b>138,430,089</b>	<b>109,905,261</b>
Net current assets		<b>(19,475,357)</b>	<b>(21,138,775)</b>
Balance of Profit & Loss Account		<b>359,867,055</b>	<b>303,240,018</b>
		<b>568,827,256</b>	<b>406,570,080</b>
<b>Significant accounting policies and notes to accounts</b>	14		

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

As per our report of even date

For **B S R & Company**

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Vikram Advani**  
Partner

Membership No: 091765

Place: Gurgaon

Date: 29-05-2009

Sd/-  
**Pawan Sharma**  
Chief Financial Officer

Sd/-  
**Pooja Kumari**  
Company Secretary

Sd/-  
**Stephan Gerres**  
Managing Director

Sd/-  
**Constantin Von Buelow**  
Director

**HELLA INDIA LIGHTING LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009***(All amounts are in Rupees)*

	Schedule No.	Year Ended 31 March 2009	Year Ended 31 March 2008
<b>INCOME</b>			
Gross sales		<b>273,257,998</b>	261,163,476
Less: Excise duty		<b>33,512,746</b>	38,081,730
Net sales		<b>239,745,252</b>	223,081,746
Other income	9	<b>2,214,481</b>	4,985,706
		<b>241,959,733</b>	<b>228,067,452</b>
<b>EXPENDITURE</b>			
Material cost	10	<b>188,305,778</b>	166,922,488
Personnel cost	11	<b>35,830,778</b>	27,741,752
Administrative and selling expenses	12	<b>55,531,759</b>	39,791,628
Depreciation	5	<b>4,097,970</b>	2,874,219
Finance charges	13	<b>17,463,051</b>	4,023,565
		<b>301,229,337</b>	<b>241,353,652</b>
<b>Loss before tax from ordinary activities</b>		<b>(59,269,604)</b>	(13,286,200)
Add: Extraordinary item	14(17)	<b>11,376,188</b>	—
<b>Loss before tax for the period</b>		<b>(47,893,416)</b>	(13,286,200)
Less: Prior period expenses	14(16)	<b>5,879,235</b>	—
<b>Loss before tax</b>		<b>(53,772,651)</b>	(13,286,200)
Less: Provision for taxation			
- For current year	14 (17)	<b>1,989,922</b>	—
- For prior year		<b>120,000</b>	—
- fringe benefit tax		<b>744,464</b>	487,861
<b>Loss after tax</b>		<b>(56,627,037)</b>	(13,774,061)
Balance brought forward		<b>(303,240,018)</b>	(289,465,957)
<b>Balance carried to Balance Sheet</b>		<b>(359,867,055)</b>	<b>(303,240,018)</b>
Earning per equity share (face value Rs 10)			
-Basic and diluted	14 (10)	<b>(17.86)</b>	(4.34)
<b>Significant accounting policies and notes to accounts</b>	14		

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

As per our report of even date

For **B S R & Company**  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Vikram Advani**  
PartnerSd/-  
**Pawan Sharma**  
Chief Financial OfficerSd/-  
**Pooja Kumari**  
Company SecretarySd/-  
**Stephan Gerres**  
Managing DirectorSd/-  
**Constantin Von Buelow**  
Director

Membership No: 091765

Place: Gurgaon  
Date: 29-05-2009

**Schedules forming part of the consolidated accounts**
*(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 1:</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
3,500,000 (previous year 3,500,000) equity shares of Rs. 10/- each	35,000,000	35,000,000
2,150,000 (previous year 650,000) 0.0000001% non-convertible, non-cumulative, redeemable preference shares of Rs. 100/- each	215,000,000	65,000,000
	<u>250,000,000</u>	<u>100,000,000</u>
<b>Issued, subscribed and paid-up</b>		
3,171,400 (previous year 3,171,400) equity shares of Rs. 10/- each fully paid up.	31,714,000	31,714,000
540,000 (previous year 500,000) 0.0000001% non-convertible, non-cumulative, redeemable preference share of Rs. 100/- each fully paid up.	54,000,000	50,000,000
	<u>85,714,000</u>	<u>81,714,000</u>

**Notes:**

- 1,617,400 (previous year 1,617,400) equity shares are held by Reinhold Poersch GmbH, Germany, the holding company and 978,263 ( Previous year; 978,263) equity shares are held by Hella India Electronics Pvt. Ltd., a fellow subsidiary of the Company. 13,000 (previous year 13,000) equity shares have been allotted as fully paid up bonus shares by capitalisation of reserves in earlier years.
- 0.0000001% non-convertible, non-cumulative, redeemable preference share are redeemable at par at any time after five years but prior to the expiry of twenty years from the date of allotment. 500,000 (previous year 500,000) preference shares have been allotted on 31 August 2006 and 40,000 (previous year Nil) have been allotted on 18 March 2009.
- The ultimate holding company is Hella KGaA Hueck & Co., Germany.

**Schedule 2:**
**RESERVES AND SURPLUS**
**Opening balance**

- Capital reserve	1,832,211		1,832,211	
- Revaluation reserve	2,494,752		2,494,752	
- Share premium account	229,249,220		229,249,220	
- Capital redemption reserve	100,000	233,676,183	100,000	233,676,183

**Add: transfer to:**

- Share premium account on issue of pref. shares	66,000,000	66,000,000	—	—
--	------------	------------	---	---

**Less: transfer from:**

	—	—	—	—
--	---	---	---	---

**Closing balance**

- Capital reserve	1,832,211		1,832,211	
- Revaluation reserve	2,494,752		2,494,752	
- Share premium account	295,249,220		229,249,220	
- Capital redemption reserve	100,000	299,676,183	100,000	233,676,183
	<u>299,676,183</u>	<u>299,676,183</u>	<u>233,676,183</u>	<u>233,676,183</u>

**Schedules forming part of the consolidated accounts***(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 3:</b>		
<b>SECURED LOANS</b>		
Loan from Banks:		
Cash credit (Secured by hypothecation of stocks and book debts and by the first charge on fixed assets of Dera-Bassi Unit)	—	4,006,248
Loans against vehicles (Secured by hypothecation of the vehicles)	445,381	1,423,192
	<u>445,381</u>	<u>5,429,440</u>
<b>Schedule 4:</b>		
<b>UNSECURED LOANS</b>		
Loan from holding company	61,641,000	57,159,000
Add : Interest accrued and due	11,535,620	8,857,025
	<u>73,176,620</u>	<u>66,016,025</u>
Short term:		
from bank		
- Overdraft facility#	109,815,072	19,734,432
	<u>182,991,692</u>	<u>85,750,457</u>
# Guaranteed by the holding company.		

Schedules forming part of the consolidated accounts

Schedule 5:  
FIXED ASSETS

(All amounts are in Rupees)

Particulars	Gross Block (at cost)				Depreciation			Net Block	
	As at 1 April 08	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 09	As at 1 April 08	For the year	Sales/ Disposals/ Adjustments	As at 31 March 09	As at 31 March 08
Land (Freehold)	21,851,765	—	—	21,851,765	—	—	—	21,851,765	21,851,765
Buildings	4,363,474	177,384	—	4,540,858	2,691,283	142,673	—	1,706,902	1,672,191
Leased Improvements	—	1,155,357	—	1,155,357	—	900,586	—	254,771	—
Plant and machinery	42,501,563	6,215,984	1,634,041	47,083,506	14,644,895	2,469,362	1,300,135	31,269,385	27,856,668
Furniture and fixtures	922,678	897,478	—	1,820,156	503,820	109,559	—	1,206,777	418,858
Office equipment	538,250	73,365	—	611,615	308,529	39,547	—	263,539	229,721
Electric installations	1,045,626	23,962	—	1,069,588	783,573	32,000	—	254,015	262,053
Air conditioning plant	341,878	—	—	341,878	23,254	16,239	—	302,385	318,624
Vehicles	5,971,726	—	2,786,023	3,185,703	1,973,964	388,004	1,248,928	2,072,663	3,997,762
<b>Total</b>	<b>77,536,960</b>	<b>8,543,530</b>	<b>4,420,064</b>	<b>81,660,426</b>	<b>20,929,318</b>	<b>4,097,970</b>	<b>2,549,063</b>	<b>59,182,201</b>	<b>56,607,642</b>
Previous year	72,257,799	5,349,308	70,147	77,536,960	18,057,356	2,874,219	2,257	56,607,642	67,861,195
Capital Work in progress [including capital advances to suppliers Rs. 6,950,661 (previous year Rs. 16,535,576)]								169,253,357	67,861,195
								<b>228,435,558</b>	<b>124,468,837</b>

**Note :** The net block of assets as at 31st March 2009 includes Rs. 45,557,629/- (Previous Year Rs. Nil) of assets at Faridabad held for sale.

**Schedules forming part of the consolidated accounts**
*(All amounts are in Rupees)*
**Schedule 6:  
INVESTMENTS**

	As at 31 March 2009			As at 31 March 2008		
	Face value per share	No.	Book value (Rs.)	Face value per share	No.	Book value (Rs.)
<b>In other companies</b>						
Wegu Sondhi Private Ltd.	10	11,000	110,000	10	11,000	110,000
			110,000			110,000
Less: Provision for other than temporary diminution in value of investment			110,000			110,000
			—			—

**As at 31 March 2009**
**As at 31 March 2008**
**Schedule 7:  
CURRENT ASSETS, LOANS AND ADVANCES**
**Inventories (lower of cost or net realisable value)**

Raw material and components*	34,766,299	14,275,366
Stores, spares and consumables	2,911,625	1,625,269
Work in progress	3,000,683	5,261,786
Finished goods#	19,188,766	13,357,226
	<u>59,867,373</u>	<u>34,519,647</u>
Less: Provision for slow moving raw material inventory	1,699,431	—
	<u>58,167,942</u>	<u>34,519,647</u>

\*Includes Raw materials and Components of the value of Rs. 637,700 (Previous year: Rs. 741,420) lying with the third parties.

# Includes Finished goods of the value of Rs. 9,129,561 (Previous year: Rs. 10,024,247) lying with the third parties.

**Sundry Debtors\*\***

Debtors outstanding for a period exceeding six month		
- considered good, unsecured	835,910	1,817,311
- considered doubtful, unsecured	6,249,617	5,097,821
	<u>7,085,527</u>	<u>6,915,132</u>
Other debts- considered good		
-secured	—	185,000
-unsecured	24,831,410	31,600,381
	<u>24,831,410</u>	<u>31,785,381</u>
	<u>31,916,937</u>	<u>38,700,513</u>
Less: Provision for doubtful debt	6,249,617	5,097,821
	<u>25,667,320</u>	<u>33,602,692</u>

\*\* refer to note 12 of schedule 14

**Schedules forming part of the consolidated accounts**
*(All amounts are in Rupees)*

	As at 31 March 2009	As at 31 March 2008
<b>Schedule 7 (continued)</b>		
<b>Cash and bank balances</b>		
Cash in hand	200,466	126,275
With scheduled banks		
- Current accounts	1,145,352	6,572,094
- Cheque in transit	945,375	—
- Fixed deposit accounts #	11,396,000	512,266
	<u>13,687,193</u>	<u>7,210,635</u>
# includes Rs. 613,763 (Previous year Rs. 512,266) held with banks against margin money.		
<b>Loan and advances*</b>		
Advance recoverable in cash or in kind or for value to be received -unsecured, considered good	6,236,745	3,231,915
	<u>6,236,745</u>	<u>3,231,915</u>
Other deposits (unsecured, considered good)	1,131,600	1,112,840
Taxes deducted at source	1,819,479	1,808,398
Balances with excise authorities	12,244,452	7,280,359
	<u>15,195,531</u>	<u>10,201,597</u>
	<u>21,432,276</u>	<u>13,433,512</u>
* refer to note 12 of schedule 14		
<b>Schedule 8:</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	1,039,155	—
- Micro, small and medium enterprises *	4,085,437	—
- Dues to others **	122,705,902	99,079,686
Security deposit from dealers and retention Money	2,384,194	1,974,524
Advance from customers	340,162	451,406
Other liabilities #	3,529,108	2,894,607
	<u>133,044,803</u>	<u>104,400,223</u>
* refer to note 4 of schedule 14		
** Includes salary payable Rs. 1,849,250 (previous year Rs. 1,290,380)		
# Includes contribution to provident and other funds payable Rs. 320,048 (previous year Rs. 268,429).		
<b>Provisions</b>		
Leave encashment	1,433,073	1,532,953
Gratuity (refer to note 3(b) of schedule 14)	3,687,749	3,972,085
Fringe benefit tax (net of advance fringe benefit tax Rs. 600,000) (previous year Rs. 487,361)	144,464	—
Provision for income tax (net of advance tax Rs. 1,989,922) (previous year Rs. nil)	120,000	—
	<u>5,385,286</u>	<u>5,505,038</u>
	<u>138,430,089</u>	<u>109,905,261</u>

**Schedules forming part of the consolidated accounts**
*(All amounts are in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
<b>Schedule 9:</b>		
<b>OTHER INCOME</b>		
Interest (gross)*		
- On deposits with banks	58,713	1,595,296
Profit on sale of fixed assets	—	49,257
Liabilities no longer required written back	2,137,621	3,341,153
Miscellaneous income	18,147	—
	<u>2,214,481</u>	<u>4,985,706</u>
* Income tax deducted at source is Rs. 11,081 (Previous year Rs. 179,265)		
<b>Schedule 10:</b>		
<b>MATERIAL COST</b>		
Consumption of raw material and components:		
Opening stock	14,275,366	11,542,325
Add: Purchases	200,029,869	135,879,280
Less: Closing stock	<u>34,766,299</u>	<u>14,275,366</u>
	179,538,936	161,696,971
Stores, spares and loose tools consumed	9,359,552	11,335,385
Purchase of finished goods for resale	2,428,940	3,338,650
	<u>191,327,428</u>	<u>176,371,006</u>
<b>( Increase)/Decrease in stocks:</b>		
Opening Stock		
- Work in progress	5,261,786	2,490,331
- Finished goods	13,357,226	6,577,672
	<u>18,619,012</u>	<u>9,068,003</u>
Less: Closing Stock		
- Work in progress	3,000,683	5,261,786
- Finished goods	19,188,766	13,357,226
	<u>22,189,449</u>	<u>18,619,012</u>
	(3,570,437)	(9,551,009)
Increase/(Decrease) in excise duty on stock	548,788	102,491
	<u>188,305,779</u>	<u>166,922,488</u>
<b>Schedule 11:</b>		
<b>PERSONNEL COST</b>		
Salaries, wages and bonus	32,756,237	25,241,649
Contribution to provident and other funds	1,990,723	1,663,236
Staff welfare	1,083,818	836,867
	<u>35,830,778</u>	<u>27,741,752</u>





**Schedules forming part of the consolidated accounts**

*(All amounts are in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
<b>Schedule 12:</b>		
<b>Administrative and selling expenses</b>		
Power and fuel	4,542,106	3,778,266
Travelling and conveyance	7,062,441	3,612,336
Freight outward	5,862,566	4,189,918
Security charges	1,084,729	1,393,027
Cash discount	1,332,977	663,561
Legal and professional charges (refer to note 6 of schedule 14)	5,173,767	2,567,805
Rent	2,895,078	617,480
Rates and taxes	1,539,953	973,590
Insurance	290,397	127,520
Repairs and maintenance:		
on buildings	99,116	9,992
on plant and machinery	190,897	594,967
on others	1,734,462	231,744
	<u>2,024,475</u>	<u>836,703</u>
Vehicle running and maintenance	923,274	978,086
Printing and stationery	481,760	524,370
Telephone expenses	1,363,818	756,498
Bank charges	2,349,548	1,156,584
Exchange fluctuation [net of gain of Rs. 847,920 (previous year Rs. 1,099,894)]	8,629,921	8,492,233
Provision for doubtful debts	1,151,796	5,097,821
Provision for slow moving inventory	1,699,431	
Goodwill written off	—	108,124
Sundry advances written off	924,790	—
Bad debts written off	1,192,772	364,334
Advertisement and sales promotion	1,424,761	180,544
Directors' sitting fees	54,000	49,000
Loss on sale of assets	692,467	—
Miscellaneous expenses	2,834,933	3,323,828
	<u>55,531,759</u>	<u>39,791,628</u>
<b>Schedule 13:</b>		
<b>FINANCE CHARGES</b>		
Interest on cash credit and overdraft	14,205,381	491,201
Other interest *	3,257,669	3,532,364
	<u>17,463,051</u>	<u>4,023,565</u>

\* includes Rs. 3,003,750 (Previous year Rs. 3,317,600) being interest on unsecured loan due to holding company.

**Schedules forming part of the consolidated accounts**
**Schedule 14: Significant Accounting Policies and Notes to Accounts**
**1. Significant Accounting Policies**
**i) Basis of preparation**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) as specified in the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

**ii) Principles of Consolidation**

The consolidated financial statements relate to "Hella India Lighting Limited" (the Company), and its wholly owned subsidiaries, Chetan Genthe & Company Limited ('Chetan'), and Bitoni Lamps Private Limited ('Bitoni') incorporated in India.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances. The amounts shown in respect of debit balance of Profit and Loss Account comprises the respective debit balance of Profit and Loss Accounts as per the balance sheet of the parent company and its subsidiaries.
- Consolidated financial statements are prepared by using uniform accounting policies for like significant transactions and other events in similar circumstances.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The excess/ shortfall of cost to the parent company of its investment in subsidiary over its portion of equity in the subsidiaries is recognized as Goodwill/Capital Reserve respectively.

**iii) Other Significant Accounting Policies**

The significant accounting policies set out in the financial statements of Hella India Lighting Limited, have also been followed by the subsidiaries.

**2. Capital commitments**

	<b>As at 31 March 2009</b>	<b>As at 31 March 2008</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,131,000	117,682,438

**3. Employee benefits**

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

- Defined Contribution Plans: An amount of Rs. 1,990,723 (previous year Rs. 1,663,236) pertaining to employers' contribution to provident fund, pension fund, employees' state insurance fund and superannuation fund is recognised as an expense and included in "Personnel costs" in Schedule 11.
- The Gratuity Plan

The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognized in the balance sheet and the profit and loss account.

<b>Particulars</b>	<b>As at 31 March 2009</b>	<b>As at 31 March 2008</b>
<b>Changes in the present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	3,972,085	3,346,969
Interest Cost	278,046	267,758
Current service cost	341,696	299,738
Benefits paid	(912,289)	(276,570)
Actuarial (gain)/loss	8,211	334,190
<b>Projected benefit obligation at the end of the year</b>	<b>3,687,749</b>	<b>3,972,085</b>

<b>Changes in the fair value of the Plan assets</b>	—	—
(The Company does not have any Plan assets)		
<b>Actuarial gain/ (loss)</b>		
Actuarial gain/ (loss) for the year - obligation	(8,211)	(334,190)
Actuarial (gain)/ loss for the year - plan assets	—	—
Total (gain)/ loss for the year	8,211	334,190
Actuarial (gain)/ loss recognised in the year	8,211	334,190
<b>Unrecognised actuarial (gains)/ losses at the end of year</b>	—	—
<b>Amount recognized in the balance sheet</b>		
Projected benefit obligation at the end of the year	3,687,749	3,972,085
Fair value of the plan assets in the end of the year	—	—
Funded status	3,687,749	3,972,085
<b>Unrecognised actuarial (gains)/losses</b>	—	—
Liability recognized in the balance sheet	3,687,749	3,972,085
<b>Gratuity cost for the year</b>		
Current service cost	341,696	299,738
Past service cost	—	—
Interest cost	278,046	267,758
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognized in the year	8,211	334,190
<b>Expenses recognised in the statement of profit and loss*</b>	<b>627,953</b>	<b>901,686</b>
<b>Economic assumptions</b>		
Discount rate	7.00%	8.00%
Expected rate of return on plan assets	—	—
Long term rate of compensation increase	4.50%	5.50%
<b>Demographic assumptions</b>		
Retirement age	58 years	58 years
Mortality table	LIC (1994-96) mortality tables.	LIC (1994-96) mortality tables.
Withdrawal Rates		
<b>Ages</b>	<b>Withdrawal rate</b>	<b>Withdrawal rate</b>
Upto 30 years	3%	3%
Upto 44 years	2%	2%
Above 44 years	1%	1%

\* Included in Schedule 11 "Personnel Cost".

*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 2009 for the estimated term of the obligations.

4. The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received from the vendors and information available with the Company as at the year end, disclosures required under the above Act are as below:

Particulars	As at 31 March 2009
(i) The principal amount remaining unpaid to any supplier as at the end of the year;	4,017,308
(ii) the interest due on the principal remaining outstanding as at the end of the year	68,129
(iii) the amount of interest paid, along with the amounts of the payment made beyond the appointed day during the year;	Nil

Particulars	As at 31 March 2009
(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;	Nil
(v) the amount of interest accrued and remaining unpaid at the end of the year; and	68,129
(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 section 23.	Nil

Based on the confirmations received and information available with the Company in the previous year, no disclosures were required to be given under the above Act.

**5. Managerial remuneration**

	Year ended 31 March 2009	Year ended 31 March 2008
Salaries and allowances	236,958	2,075,965
Contribution to funds	46,228	365,634
Monetary value of benefits (at cost) *	354,009	897,433
Gratuity **	478,472	**
Leave Encashment **	546,825	**
<b>Total</b>	<b>1,662,492</b>	<b>3,339,032</b>
Directors' sitting fees	54,000	49,000

\* excludes fringe benefit tax payable by the Company as a whole on specified expenses.

\*\* managerial remuneration for the current year includes contribution to the gratuity fund and leave encashment paid on full and final dues towards resignation of the Managing Director Mr. R. S. Sharma who resigned on 31 May 2008. In the previous year, contribution to the gratuity fund and provision for leave encashment was determined on an actuarial basis for the Company as a whole.

**6. Auditors' remuneration #**

	Year ended 31 March 2009	Year ended 31 March 2008
As statutory auditors-Audit fee	1,400,000	1,000,000
In other capacity :		
-for tax audit	100,000	100,000
-others	272,995	249,642
<b>Total</b>	<b>1,772,995</b>	<b>1,349,642</b>

# excludes service tax

**7. Segment information**

The Company operates in a single business segment of auto components /accessories. Further, separate geographical segment disclosure is not necessary since the Company is primarily engaged in domestic sales and export sales do not form a reportable segment as per the requirements of Accounting Standard-17 on "Segment Reporting" prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly no segmental disclosures are required to be made by the Company.

**8. Related Party Disclosures**

In the normal course of business the Company enters into transactions with affiliated companies and its parent and key management personnel. The names of related parties of the Company and their relationship, as required to be disclosed under Accounting Standard 18, are as follows:

**a) Related parties and nature of related party relationship where control exists**

Nature of the relationship	Name of the Company/ Party
1. Ultimate holding company	Hella KGaA Hueck & Co, Germany
2. Holding company	Reinhold Poersch GmbH, Germany



**b) Other related parties with whom transactions have taken place during the year:**

Nature of the relationship	Name of the Company/ Party
3. Fellow subsidiaries	<p><i>In India</i></p> <p>a) Hella India Electronics Private Limited b) Hella Engineering Private Limited</p> <p><i>Outside India</i></p> <p>a) Hella Fahrzeugteile, Austria b) Hella Philippines c) Hella Australia Pty. Limited d) Hella Asia Singapore Pte. Limited e) Hella Umform, Germany f) Hella Innenleuchten-Systeme GmbH g) Hella Lighting, Finland</p>
3. Key management personnel	<p>Mr. R.S Sharma (Managing Director) (upto 31 May 2008) Mr. Stephan Gerres (Managing Director) (with effect from 1 June 2008, remuneration is paid by a group company)</p>

**c) Related party transactions:**

Name of the related party	Nature of relationship	Nature of transaction	Year ended 31 March 2009	Year ended 31 March 2008
Hella KGaA Hueck & Co, Germany	Ultimate Holding company	Sales	8,594,501	3,065,647
		Purchase of raw materials and components	12,777,565	7,453,856
		Balances outstanding		
		- Sundry debtors	3,465,575	529,309
		- Sundry creditors	53,248,082	29,521,404
		Guarantee is given for the overdraft facility of the Company.		
Reinhold Poersch GmbH, Germany	Holding company	Interest expense	3,003,750	3,318,981
		Repayment of loan	—	77,800,000
		Balances outstanding		
		- Unsecured loans	73,176,620	66,016,025
Hella India Electronics Private Limited	Fellow Subsidiary	Purchase of raw materials and components	77,822,138	62,809,123
		Balances outstanding		
		- Sundry creditors	8,319,170	5,559,806
Hella Lighting, Finland	Fellow subsidiary	Purchase of raw materials and components	—	13,354
		Balances outstanding		
		- Sundry creditors	155,591	6,384,600
Hella Fahrzeugteile, Austria	Fellow subsidiary	Sales	2,412,296	2,849,470
		Purchase of raw materials and components	177,248	—
		Royalty	—	42,000
		Balances outstanding		
		- Sundry creditors	4,356,262	454,932
		- Sundry debtors	612,855	972,522
		- Loans and advances	3,517,556	—

Name of the related party	Nature of relationship	Nature of transaction	Year ended 31 March 2009	Year ended 31 March 2008
Hella Philippines	Fellow subsidiary	Sales Balances outstanding - Sundry debtors	76,906 — 82,077	12,090 — 13,105
Hella Australia Pty. Limited	Fellow subsidiary	Sales Balances outstanding - Sundry debtors	354,651 — —	615,630 — 343,941
Hella Asia Singapore Pte. Limited	Fellow subsidiary	Sales Purchase of raw materials and components Balances outstanding - Sundry creditors	24,049 7,375,599 3,500,617	— 2,466,211 668,020
Hella Umform, Germany	Fellow subsidiary	Purchase of raw materials and components Balances outstanding - Sundry creditors	— — —	57,145 — 65,161
Hella Innenleuchten-Systeme GmbH	Fellow subsidiary	Purchase of raw material and components Balance outstanding - Sundry creditors	5,123,283 — 7,285,254	— — —
Hella Engineering Private Limited	Fellow subsidiary	Rent - Sundry creditors	244,000 24,538	— —
Mr. R.S Sharma	Managing Director	Managerial remuneration (refer note 5)	1,662,492	3,339,032

**9. Operating leases**

The Company has acquired office and residential premises for its personnel under cancellable and non-cancellable operating leases. Operating lease rentals charged to the profit and loss account during the year ended 31 March 2009 is Rs. 2,895,078 (previous year Rs. 617,480). The future minimum lease expense in respect of non cancellable lease is as follows:

	As at 31 March 2009	As at 31 March 2008
Not later than 1 year	220,000	—
Later than 1 year but not later than 5 years	—	—
Later than 5 years	—	—
<b>Total</b>	<b>220,000</b>	<b>—</b>

**10. Earnings/Loss per share**

	As at 31 March 2009	As at 31 March 2008
Loss for the year after taxation as per Profit and Loss account	(56,627,027)	(13,774,061)
Number of equity shares outstanding during the year	3,171,400	3,171,400
Basic and diluted earnings per share in Rupees (face value - Rs. 10 per share )	(17.86)	(4.34)

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

**11. Deferred Tax\***

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

	As at 31 March 2009	As at 31 March 2008
<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 Companies Act, 1956	5,115,249	4,724,012
<b>Total (A)</b>	5,115,249	4,724,012
<b>Deferred tax assets</b>		
Provision for gratuity	1,253,466	1,350,112
Provision for leave encashment	487,102	521,051
Provision for doubtful debts	2,124,245	1,732,749
Provision for slow moving inventory	577,637	—
Unabsorbed depreciation and carry forward of losses under the Income-tax Act, 1961	96,954,972	89,481,043
<b>Total (B)</b>	101,397,422	93,084,955
<b>Net Deferred tax asset (B-A)</b>	96,282,173	88,360,943
<b>Net amount recognized in profit and loss account</b>	Nil	Nil

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

**12. Sundry debtors and Loans and Advances include the following balances, which are due from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.**

	As at 31 March 2009	As at 31 March 2008
<b>Sundry Debtors:</b>		
-Hella KGaA Heuck and Co, Germany	3,465,575	529,309
-Hella Australia Pty Ltd.	—	343,941
-Hella Fahrzeugteile Austria	612,855	972,522
-Hella Philippines	82,077	13,105
<b>Loans and Advances*:</b>		
-Hella Fahrzeugteile,Austria	3,517,556	—

\* Maximum amount due in respect of loans and advances during the year is Rs. 3,517,556 (previous year Rs. nil).

**13. The Company's foreign currency exposure not hedged is as follows:**

	As at 31 March 2009		As at 31 March 2008	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
Debtors receivable				
- EURO	62,423	4,160,507	29,987	1,859,187
Loans and Advances				
- EURO	52,777	3,517,556	—	—
Payables				
- EURO	1,018,728	69,772,671	588,034	37,341,054
Unsecured loan				
- EURO	1,068,429	73,176,620	1,039,459	66,016,025
Cash in hand and at bank				
- USD	3585	178,974	3193	126,134
- EURO	1218	80,607	—	—



14. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation 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 the documentation for the international transactions entered into with the associated enterprises during the financial year. 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 tax expense and that of provision for taxation.
15. The Ministry of Corporate Affairs has vide notification dated 31 March 2009 relaxed the provisions of Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates" in so far as they relate to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items other than those which form a part of the Company's net investment in a non- integral foreign operation.
- A company has been given an option that such exchange differences can now be (a) adjusted to the cost of the asset where the long term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased in or outside India), and consequently depreciated over such asset's balance life and (b) accumulated in a "foreign currency monetary item translation difference account" (FCMTTDA) and amortised over the balance period of the long term monetary asset/liability but not beyond 31 March 2011, in cases other than falling under (a) above.
- The Company has elected not to exercise this option. Therefore, the Company continues to account for monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date by translating them at the year end rates and recognizing the resultant gains/loss on foreign currency translation in the profit and loss account.
16. In the previous year, the financial statements were qualified for unreconciled account balances with group companies. During the current year, the Company has carried out a detailed reconciliation exercise, pursuant to which, an amount of Rs 5,879,235 comprising expenses such as commission on bank guarantee and insurance expenses etc. debited by the ultimate holding company and the fellow subsidiaries for prior years have been recorded in the current year.
17. Extraordinary item represents amount received from compulsory acquisition of land by the government. The tax expense for the current year represents the long term capital gain tax thereon.

18. **Additional information pursuant to the provisions of the Companies Act, 1956**

(a) **Quantitative details of products manufactured (Pcs.)**

Item	Installed*		Production	
	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2008
HORN	355,000	355,000	216,934	316,870
SUNDRY LAMPS	486,000	486,000	246,963	437,802
SWITCHES	1,080,000	1,080,000	46,209	148,510
HEAD LAMPS	530,000	530,000	448,212	520,422
FLASHER LAMPS	660,000	660,000	1,284	1,294

\* Installed capacity (on single shift basis) are as certified by the management and relied upon by the auditors, being a technical matter.

Note: Liscensed capacity has not been disclosed as the products manufactured by the Company are delicensed.





(b) Stock of Finished Goods, Purchases for resale and Sales

Particulars	Opening Stock			Production /Purchase			Sales**			Closing Stock							
	As at 1 April 2008		As at 1 April 2007		For the year ended 31 March 2009		For the year ended 31 March 2008		For the year ended 31 March 2009		As at 31 March 2008		As at 31 March 2009				
	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.	Qty (Pcs.)	Amt/Rs.			
<b>Manufactured and Traded Goods</b>																	
HORNS	5,582	212,336	5,166	193,026	410,777	NA	NA	324,084	NA	391,811	100,824,614	323,668	35,620,863	24,548	3,585,546	5,582	212,336
SUNDRY LAMPS	70,258	3,612,728	30,671	1,460,030	287,784	NA	437,802	NA	NA	325,854	47,365,910	398,215	42,622,086	32,188	3,288,121	70,258	3,612,728
SWITCHES	46,415	1,422,549	47,317	1,352,286	77,592	NA	168,635	NA	NA	112,066	13,311,803	169,537	4,533,004	11,941	584,641	46,415	1,422,549
HEAD LAMPS	87,451	7,399,771	21,152	1,719,729	376,045	NA	520,422	NA	NA	415,806	100,128,486	454,123	171,723,420	47,690	8,981,177	87,451	7,399,771
FLASHER UNIT	5,964	278,786	5,539	251,890	33,449	NA	3,381	#	NA	36,832	3,432,865	2,956	50,697	2,581	93,950	5,964	278,786
OTHER	#	431,056	#	1,600,711		NA			NA		8,194,320	#	6,613,406	#	2,645,331	#	431,056
<b>Total</b>		<b>13,357,226</b>		<b>6,577,672</b>							<b>273,257,998</b>		<b>261,163,476</b>		<b>19,188,766</b>		<b>13,357,226</b>

\*\* Gross of Excise duty

# In view of the considerable number of items diverse in size & nature, it is not practicable to furnish quantitative information. Also, no individual item exceeded 10% of total purchase, sales & total stock.

**(c) Raw materials and components consumed**
*(Amount in Rupees)*

Item	Unit	Year ended 31 March 2009		Year ended 31 March 2008	
		Qty.	Amount	Qty.	Amount
CRC sheet/ CRC coil	Kgs	121,495	5,626,024	110,578	4,145,019
Steel Strips	Kgs	237,236	2,413,560	68	4,903
Diffusing lamps	Nos.	376,716	4,809,680	326,988	4,388,241
Motor	Nos.	102,701	20,026,757	177,305	34,574,475
Horn (unfinished)	Nos.	312,459	26,672,337	—	—
Others		*	119,990,577	*	118,584,333
			179,538,936		161,696,971

\* In view of the considerable number of items diverse in size and nature, it is not practicable to furnish quantitative information. Also, no such individual item exceeds ten percent of total raw materials and components consumed.

**(d) Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption.**
*(Amount in Rupees)*

Item	Year ended 31 March 2009		Year ended 31 March 2008	
	Amount	%	Amount	%
Raw materials and components				
- Imported	23,890,171	13.31%	14,307,965	8.85%
- Indigenous	155,648,765	86.69%	147,389,006	91.15%
	179,538,936	100%	161,696,971	100%

**(e) C.I.F. value of imports**
*(Amount in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
Raw materials and components	31,707,522	17,337,694
<b>Expenditure in foreign currency (on accrual basis)</b>		
Interest	3,003,750	3,317,600
Royalty	—	42,000
Foreign travelling	1,144,455	1,021,454
Bank Guarantee Commission	972,393	—
<b>Earnings in foreign currency</b>		
F.O.B. value of exports	12,245,758	7,949,398



19. The Company has been de-registered from the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 27 October 2007 by the order of the Board for industrial and Financial Reconstruction (BIFR). The Company has a positive net worth amounting to Rs 20,874,924 as at 31 March 2009 (Rs 12,677,646 as at 31 March 2008).
20. The Company was constructing a new manufacturing plant at Faridabad. In the light of the global economic slowdown and its impact on the expected future demand, the Company has reviewed its business plan for the next few years. Accordingly, Management has decided to cease construction of the plant, dispose it and consolidate its operations at the Derabassi plant. Management does not expect any losses on disposal of the Faridabad plant and relocation to Derabassi.
21. During the current year, the scope and extent of internal audit has been increased by the Company by appointing an external accountant to cover primary locations and operating and financial reporting areas of the Company.
22. Previous year figures have been rearranged/ regrouped, wherever necessary to confirm to current year's classification.

**For and on behalf of the Board of Directors**

Sd/- <b>Pawan Sharma</b> Chief Financial Officer	Sd/- <b>Pooja Kumari</b> Company Secretary	Sd/- <b>Stephan Gerres</b> Managing Director	Sd/- <b>Constantin Von Buelow</b> Director
--	--	--	--

Place : New Delhi  
Date : 29th May 2009



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**01. REGISTRATION DETAILS**

CIN	L74899DL1959PLC003126	State Code	55
Balance sheet date	31-03-2009		

**02. CAPITAL RAISED DURING THE YEAR ( Amount in Rs.)**

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private placement	4,000,000

**03. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.)**

<b>TOTAL LIABILITIES</b>	707,257,345	<b>TOTAL ASSETS</b>	707,257,345
Source of funds		Application of funds	
Paid-up capital	85,714,000	Net fixed assets	59,182,202
Reserves and surplus	299,676,183	CWIP	169,253,357
Secured loans	445,381	Current assets	118,954,732
Unsecured loans	182,991,692	Investments	—
Current Liabilities and Provisions	138,430,089	Debit balance of Profit and Loss Account	359,867,055
Deferred Tax (net)	—		

**04. PERFORMANCE OF THE COMPANY (Amount in Rs.)**

Turnover*	241,959,733	Total expenditure	301,229,337
Profit/(Loss) before tax	(59,269,604)	Profit/(Loss) after tax	(56,627,037)
Earning per share in Rs.	(17.86)	Dividend rate %	0%

\* Including other income

**05. GENERIC NAMES OF THE PRINCIPAL PRODUCT / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)**

<u>Item code no. (ITC code)</u>	<u>Product description</u>
411561-62	Head Lamp
403644-45	Sundry Lamps
401172	Horns

**For and on behalf of the Board of Directors**

Sd/- <b>Pawan Sharma</b> Chief Financial Officer	Sd/- <b>Pooja Kumari</b> Company Secretary	Sd/- <b>Stephan Gerres</b> Managing Director	Sd/- <b>Constantin Von Buelow</b> Director
--	--	--	--

Place : New Delhi  
Date : 29th May 2009

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**
*(All amounts are in Rupees)*

	Year ended 31 March 2009	Year ended 31 March 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>LOSS BEFORE TAX</b>	(53,772,651)	(13,286,200)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	4,097,970	2,874,219
Liabilities no longer required written back	(2,137,621)	(3,341,153)
Interest expense	17,463,051	4,023,565
Interest income	(58,713)	(1,595,296)
Extraordinary item (compensation against compulsory acquisition of Gurgaon Land)	(11,376,188)	—
Foreign exchange fluctuations (net)	8,629,921	8,492,233
Loss/ (Profit) on sale of fixed assets	692,467	(49,257)
Provision for doubtful debts	1,151,796	5,097,821
Goodwill written off	—	108,124
Provision for slow moving inventory	1,699,431	—
Bad debts written off	1,192,772	364,334
Sundry advances written off	924,790	—
<b>OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(31,492,974)</b>	<b>2,688,390</b>
<b>ADJUSTMENTS FOR :</b>		
Decrease/(Increase) in inventories	(25,347,726)	(13,004,980)
Decrease/(Increase) in trade / other receivables	(3,321,671)	11,804,788
(Decrease)/Increase in trade / other payables	26,250,064	675,804
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>(33,912,307)</b>	<b>2,164,002</b>
Taxes paid	(2,601,003)	(678,660)
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(36,513,310)</b>	<b>1,485,342</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	(109,935,692)	(67,185,024)
Sale of fixed assets	12,554,722	117,147
Interest received	58,713	1,595,296
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(97,322,257)</b>	<b>(65,472,581)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of preference share capital	70,000,000	—
Proceeds/(Repayment) from/of secured loans	(4,984,059)	48,816
Proceeds/(Repayment) from/of unsecured loans	90,080,640	(39,114,233)
Interest paid	(14,784,456)	(19,332,204)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>140,312,126</b>	<b>(58,397,621)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>6,476,558</b>	<b>(122,384,860)</b>
Cash and cash equivalents at the beginning of period	7,210,635	129,595,495
Cash and cash equivalents at the end of period	13,687,193	7,210,635

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".
- Figures in brackets indicate cash outflow.
- Cash and cash equivalents consist of cash on hand and balances with banks and include Rs. 613,763/- (Previous year rs. 512,266/-) held as margin accounts which are not available for use by the Company.

As per our report of even date

 For **B S R & Company**  
Chartered Accountants

Sd/-

**Vikram Advani**  
Partner

Membership No: 091765

Place: Gurgaon

Date: 29-05-2009

For and on behalf of the Board of Directors

Sd/-

**Pawan Sharma**  
Chief Financial Officer

Sd/-

**Pooja Kumari**  
Company Secretary

Sd/-

**Stephan Gerres**  
Managing Director

Sd/-

**Constantin Von Buelow**  
Director



**Annexure to the Balance Sheet as at 31st March, 2009  
Statement Pursuant to Section 212 of the Companies Act, 1956**

1	Name of the Subsidiary Company	<b>BITONI LAMPS LIMITED</b>	<b>CHETAN GENTHE &amp; COMPANY PRIVATE LIMITED</b>
2	Financial Year of the Subsidiary Company	31st March, 2009	31st March, 2009
3	Holding Company's interest in the subsidiary Company at the end of the financial year of the Subsidiary Company	32900 Equity Shares of Rs. 10/- each fully paid-up	6992 Equity Shares of Rs. 10/- each fully paid-up
4	Extent of Holding	100%	100%
5	Net aggregate amount of profit/(loss) of the subsidiary Company not dealt within the Holding Company's accounts (concerning the members of the Holding Company) a) For the Current Year b) Form the Previous Year since it became a subsidiary	(Rs.2500) (Rs.2500)	(Rs.Nil) (Rs.19840)
6	Net aggregate amount of the profits of the Subsidiary Company dealt with in the Holding Company's Accounts a) For the Current Year b) For the Previous Year since it became a subsidiary	Nil Nil	Nil Nil

**For and on behalf of the Board of Directors**

Sd/- <b>Pawan Sharma</b> Chief Financial Officer	Sd/- <b>Pooja Kumari</b> Company Secretary	Sd/- <b>Stephan Gerres</b> Managing Director	Sd/- <b>Constantin Von Buelow</b> Director
--	--	--	--

Place : New Delhi  
Date : 29th May 2009

---

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors take pleasure in presenting the 44th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

**PERFORMANCE**

During the period under review the company suffered a loss of Rs.2,500/- as against Rs.2,500/- during the previous year. The Company continues to suspend its manufacturing activities this year also.

**DIVIDEND**

Since your Company has accumulated losses and made losses during the year under review, your Directors do not recommend any dividend.

**DIRECTORS**

Further, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Amod Kumar Shukla and Mr. B. L. Sharma, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

**AUDITORS**

M/s Rakesh Mrinal & Co, Chartered Accountants, the Statutory Auditors of the company, have audited the accounts of the Company for the financial year 2008-2009, following the prescribed accounting standards.

M/s Rakesh Mrinal & Co., Chartered Accountants would be retiring at the conclusion of the 44th Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**FIXED DEPOSITS**

Your Company has not accepted or renewed any deposits under section 58A of the Companies Act, 1956, during the year under review.

**STATUTORY DISCLOSURES**

The information relating to the Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure I and forms part of this report.

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation to the employees of the Company and the support extended by Holding Company, M/s Hella India Lighting Limited.

For and on behalf of the Board

Place: New Delhi  
Date: 24th April 2009

Sd/  
CHAIRMAN

**ANNEXURE I**

**INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A CONSERVATION OF ENERGY**

- a) Energy conservation measures taken: The Company has suspended its manufacturing activities.
- b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy: Nil
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods: Nil
- d) Total energy consumption and energy consumption per unit of production : **Not Applicable**

**Form B****A RESEARCH & DEVELOPMENT (R&D):**

1	Specific Areas in which R&D carried out by the company	Nil
2	Benefits derived as a result of the above R&D	Nil
3	Future plan of action	Nil
4	Expenditure on R&D	Nil
	Recurring expenses	Nil
	R&D expenditure as a % of total turnover	Nil

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	<b>No import of technology</b>
2	Benefit derived as a result of the above efforts	<b>Not Applicable</b>
3	In case of imported technology during the last five years:	
	a) Technology imported	
	b) Year of Import	
	c) Has technology been fully absorbed	
	d) If not, areas where this has not taken place, reasons therefore and future plans of action	<b>Not Applicable</b>

**FOREIGN EXCHANGE EARNINGS AND OUT GO:**

		<b>(Rs. In lacs)</b>
a)	Earnings:	Rs Nil (Previous year Rs. Nil)
b)	Outgo:	Rs Nil (Previous year Rs. Nil)

For and on behalf of the Board

Place: New Delhi  
Date: 24th April 2009

Sd/  
CHAIRMAN



**AUDITOR'S REPORT TO THE MEMBERS OF BITONI LAMPS LIMITED.**

We have audited the attached Balance Sheet of M/s Bitoni Lamps Ltd. as on 31st March 2009 and the profit & loss account of the company for the year ended on that date annexed thereto and report that:-

As required by the companies (Auditor's Report) order 2003, issued by the Central Government in terms of section 227(4-A) of the Companies Act 1956, are not applicable to the company for the current year.

Further we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts of the company.
  - d) The Balance Sheet and Profit & Loss Account are in compliance with the mandatory Accounting Standard referred to in Section 211 (3C) of the Companies Act 1956 to the extent applicable.
  - e) On the basis of written representations received from Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
  - f) in our opinion to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon give the information required by the companies act, 1956 in the manner so required and give a true and fair view.
    - a) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2009.
- And
- b) In the case of Profit & Loss Account of loss of the company for the year ended on that date.

for & on behalf of  
RAKESH MRINAL & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
(RAKESH GUPTA)  
M.No.82096

Place : New Delhi  
Date : 24th April 2009

**BALANCE SHEET AS ON 31ST MARCH,2009**
*Amount in Rs.*

<b>PARTICULARS</b>	<b>ANNEXURE NO.</b>	<b>AS ON 31.03.2009</b>	<b>AS ON 31.03.2008</b>
<b>SOURCES OF FUNDS</b>			
Share Capital	1	<b>329,000.00</b>	329,000.00
Reserve & Surplus		<u>—</u>	<u>—</u>
		<b>329,000.00</b>	329,000.00
<b>Total</b>		<b><u>329,000.00</u></b>	<u>329,000.00</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block		<u>—</u>	<u>—</u>
Less:Depreciation		<u>—</u>	<u>—</u>
		<u>—</u>	<u>—</u>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories		<u>—</u>	<u>—</u>
Sundry Debtors		<u>—</u>	<u>—</u>
Cash & Bank Balances		<u>—</u>	<u>—</u>
Loans & Advances		<u>—</u>	<u>—</u>
		<u>—</u>	<u>—</u>
<b>Less: Current Liabilities &amp; Provision</b>		<u>—</u>	<u>—</u>
Current Liabilities	2	<b>1,039,142.07</b>	1,036,642.07
Provision		<u>—</u>	<u>—</u>
		<b>1,039,142.07</b>	1,036,642.07
		<b>(1039142.07)</b>	(1036642.07)
Profit & Loss Account		<b>1,368,142.07</b>	1,365,642.07
<b>Total</b>		<b><u>329,000.00</u></b>	<u>329,000.00</u>
<b>Notes of accounts &amp; Accounting Policies</b>	4		

As per our separate Report of even date

**FOR RAKESH MRINAL & CO.**

Chartered Accountants

 Sd/-  
 (Rakesh Gupta)  
 M.No. 82096

 Sd/-  
 DIRECTOR

 Sd/-  
 DIRECTOR

 Place: New Delhi  
 Date: 24th April 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH,2009***Amount in Rs.*

<b>PARTICULARS</b>	<b>ANNEXURE NO.</b>	<b>AS ON 31.03.2009 Rs.</b>	<b>AS ON 31.03.2008 Rs.</b>
<b>INCOME FROM OPERATION</b>		—	—
<b>Total</b>		—	—
<b>EXPENDITURE</b>			
Expenses	3	2,500.00	2,500.00
<b>Total</b>		2,500.00	2,500.00
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>(2500.00)</b>	<b>(2500.00)</b>
Reserves & Surplus tfrd. to P& L A/C		—	—
Brought Forward from last Year		<b>(1365642.07)</b>	<b>(1363142.07)</b>
Balance Loss carried over to B/Sheet		<b>(1368142.07)</b>	<b>(1365642.07)</b>
<b>Notes to accounts</b>	4		

As per our separate Report of even date

**FOR RAKESH MRINAL & CO.**

Chartered Accountants

Sd/-  
(Rakesh Gupta)  
M.No. 82096Sd/-  
DIRECTORSd/-  
DIRECTORPlace: New Delhi  
Date: 24th April 2009

**ANNEXURE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDING 31ST MARCH, 2009***Amount in Rs.*

<b>ANNEXURE-I</b>	<b>SHARE CAPITAL</b>	<b>AS ON 31.03.2009</b>	<b>AS ON 31.3.2008</b>
		<b>Rs.</b>	<b>Rs.</b>
	<b>AUTHORISED</b>		
	50,000 Equity Shares of Rs.10/- each	<b>5,00,000.00</b>	5,00,000.00
	<b>ISSUED</b>		
	40,000 Equity Shares of Rs.10/- each	<b>4,00,000.00</b>	4,00,000.00
	<b>SUBSCRIBED &amp; PAID UP</b>		
	32,900 Equity Shares of Rs.10/- each	<b>3,29,000.00</b>	3,29,000.00
	<b>TOTAL</b>	<b>3,29,000.00</b>	3,29,000.00
<b>ANNEXURE-II</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
	Other Liabilities	—	—
	Sundry Creditors	<b>1,039,142.07</b>	1,036,642.07
		<b>1,039,142.07</b>	1,036,642.07
	Provision for Taxation	—	—
		<b>1,039,142.07</b>	1,036,642.07
<b>ANNEXURE-III</b>	<b>EXPENSES</b>		
	Auditors Remuneration	<b>2,500.00</b>	2,500.00
	Amount written off	—	—
	Professional charges	—	—
		<b>2,500.00</b>	2,500.00

**ANNEXURE-IV**

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

**ACCOUNTING POLICIES****1. DEPRECIATION**

No depreciation has been provided in the accounts as all fixed assets have already been written off.

**NOTES TO ACCOUNTS**

1. The company is in the process of being wound up and at present no operations are being carried out. Pursuant to this, the Company has written off all its fixed assets.
2. Maximum amount due to Holding Company M/s. Hella India Lighting Ltd. at any time during the year is Rs. 733,661.15.
3. Pending reconciliation of balances, from the parties, the figures shown under the head current liabilities are such as are reflected in the books of accounts.
4. In the opinion of the Board the Current Assets, Loans and Advances are Approximate of the value stated, not realised, in the ordinary course of business. Hence written off.
5. Figures for previous year have been re-grouped/arranged, wherever necessary, to conform to current year classification.
6. Additional information pursuant to the provision of paragraph 3 and 4 of part IV of schedule VI of the Companies Act, 1956 is Nil/not applicable as no production and sales activities have taken place during the year.

**PART IV OF SCHEDULE -VI OF COMPANIES ACT, 1956 (AS AMENDED)  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	4941	State Code	55
Date of Balance Sheet	31.03.2009		

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)**

Public issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)**

Total Liabilities	329	Total Assets	329
Paid up Capital	329	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	(1039)	Misc. Expenditure	Nil
Accumulative Losses	1368		

**IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)**

Other Income.	0	Total Expenditure	3
Profit before tax	(3)	Profit after tax	(3)
Earnings Per Share	Nil	Dividend Rate (%)	Nil

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY**

<u>NAME</u>	<u>CODE</u>
N.A.	N.A.

As per our separate Report of even date

**FOR RAKESH MRINAL & CO.**  
Chartered Accountants

Sd/-  
(Rakesh Gupta)  
M.No. 82096

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

Place: New Delhi  
Date: 24th April 2009

---

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors take pleasure in presenting the 38th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

**PERFORMANCE**

During the period under review the company suffered a loss of Rs.0.11 lakh as against Rs.0.20 Lakh during the previous year. The Company is carrying the business of job work for auto components in very negligible volume.

**DIVIDEND**

Since your Company has accumulated losses and made losses during the year under review, your Directors do not recommend any dividend.

**DIRECTORS**

Further, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Amod Kumar Shukla and Mr. B. L. Sharma, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of annual accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

**AUDITORS**

M/s J. C. Bhalla & Co, Chartered Accountants, the Statutory Auditors of the company, have audited the accounts of the Company for the financial year 2008-2009, following the prescribed accounting standards. M/s J.C. Bhalla & Co, Chartered Accountants would be retiring at the conclusion of 38th Annual general Meeting of the Company. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**FIXED DEPOSITS**

Your Company has not accepted or renewed any deposits under section 58A of the Companies Act, 1956, during the year under review.

**STATUTORY DISCLOSURES**

The information relating to the Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure I and forms part of this report.

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation to the employees of the Company and support extended by its Holding company M/s Hella India Lighting Limited.

For and on behalf of the Board

Place: New Delhi  
Date: 27th April 2009

Sd/-  
CHAIRMAN

**ANNEXURE I**

**INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A CONSERVATION OF ENERGY**

- a) Energy conservation measures taken: The Company has suspended its manufacturing activities.
- b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy: Nil
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods: Nil
- d) Total energy consumption and energy consumption per unit of production : **Not Applicable**

**Form B****A RESEARCH & DEVELOPMENT (R&D):**

1	Specific Areas in which R&D carried out by the company	<b>Nil</b>
2	Benefits derived as a result of the above R&D	<b>Nil</b>
3	Future plan of action	<b>Nil</b>
4	Expenditure on R&D	<b>Nil</b>
	Recurring expenses	<b>Nil</b>
	R&D expenditure as a % of total turnover	<b>Nil</b>

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	<b>No import of technology</b>
2	Benefit derived as a result of the above efforts	<b>Not Applicable</b>
3	In case of imported technology during the last five years:	
	a) Technology imported	
	b) Year of Import	
	c) Has technology been fully absorbed	
	d) If not, areas where this has not taken place, reasons therefore and future plans of action	<b>Not Applicable</b>

**FOREIGN EXCHANGE EARNINGS AND OUT GO:**

		<b>(Rs. In lacs)</b>
a)	Earnings:	Rs Nil (Previous year Rs. Nil)
b)	Outgo:	Rs Nil (Previous year Rs. Nil)

For and on behalf of the Board

Place: New Delhi  
Date: 27th April 2009

Sd/  
CHAIRMAN



**AUDITORS' REPORT****To The Members of  
Chetan Genthe & Company Private Limited**

We have audited the attached Balance Sheet of Chetan Genthe & Private Company Limited as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, are not applicable to the company for the current year.

Further, we report that;

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 the books.
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) The Balance Sheet and Profit & Loss Account are in compliance with the mandatory Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable.
- e) On the basis of written representations received from Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Attention is drawn to Note No. 1 regarding winding up of the company.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner

the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
- ii) in the case of Profit and Loss Account, of the loss for the year ended on that date.

Sd/-

**Rajesh Sethi**

Partner

Membership No. 85669

For and on behalf of

**J.C. Bhalla & Co.**

Chartered Accountants

Place: New Delhi  
Date: 27th April, 2009

**BALANCE SHEET AS AT 31ST MARCH 2009**

*Amount in Rupees.*

31.03.2008	LIABILITIES	31.03.2009	31.03.2008	ASSETS	31.03.2009
	<u>I. Share Capital</u>		—	<u>I. Fixed Assets</u>	—
	<u>Authorised</u>			<u>II. Current Assets, Loans &amp; Advance</u>	
4,500,000.00	45000 Equity Shares of Rs. 100/- each	4,500,000.00			
500,000.00	5000 Preference Shares of Rs.100/- each	500,000.00			
<u>5,000,000.00</u>		<u>5,000,000.00</u>	—	<u>A. Current Assets</u>	—
	<u>Issued, Subscribed &amp; Paid up</u>			<u>B. Cash &amp; Bank Balances</u>	
	6,992 Equity Shares of Rs. 100/- each			<u>i. Balance with Scheduled Banks</u>	
	fully paid up ( All the above shares			(in current A/c.)	
	are held by the holding company			<u>C. Loans &amp; Advances</u>	
699,200.00	M/s Hella India Lighting Ltd., )	699,200.00	—	<u>i. Tax Paid</u>	297,140.00
—	<u>II. Reserves &amp; Surplus</u>	—	297,140.00		
	<u>III. Current Liabilities &amp; Provisions</u>				
	a) <u>Current Liabilities</u>				
	i. <u>Sundry Creditors</u>				
	Micro, Small & Medium Enterprises				
510,405.00	Others				
11,236.00					
1,677,722.00	ii. <u>Other Liabilities</u>				
	iii. <u>Hella India Lighting Limited</u>	2,210,393.00	2,601,423.00	<u>III. Profit &amp; Loss Account</u>	2,612,453.00
	(Holding Company)				
<u>2,898,563.00</u>		<u>2,909,593.00</u>	<u>2,898,563.00</u>		<u>2,909,593.00</u>

As per separate report of even date

Notes on Accounts & Significant Accounting Policies (As per Annexure A)

**For CHETAN GENTHE & CO. PVT. LTD.**

Sd/-  
( RAJESH SETHI )  
PARTNER  
MEMBERSHIP NO. 85669  
FOR & ON BEHALF OF  
J.C.BHALLA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

Place : New Delhi  
Date : 27th April, 2009





**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2009**

*Amount in Rs.*

31.03.2008	PARTICULARS	31.03.2009	31.03.2008	PARTICULARS	31.03.2009
8,604.00	To Bonus	—	59.00	To Interest on Income Tax Refund	—
	"Auditor's Remuneration				
10,000.00	-Audit Fee	10,000.00	19,781.00	" Loss for the year carried down	11,030.00
1,236.00	-Service tax	1,030.00			
<b>19,840.00</b>		<b>11,030.00</b>	<b>19,840.00</b>		<b>11,030.00</b>
19,781.00	To loss for the year b/d	11,030.00			
2,581,642.00	" Deficit as per last Balance Sheet	2,601,423.00	2,601,423.00	" Balance carried down to Balance Sheet	2,612,453.00
<b>2,601,423.00</b>		<b>2,612,453.00</b>	<b>2,601,423.00</b>		<b>2,612,453.00</b>

As per separate report of even date

Notes on Accounts & Significant Accounting Policies (As per Annexure A)

**For CHETAN GENTHE & CO. PVT. LTD.**

Sd/-  
( RAJESH SETHI )  
PARTNER  
MEMBERSHIP NO. 85669  
FOR & ON BEHALF OF  
J.C.BHALLA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

Place : New Delhi  
Date : 27th April, 2009

**SCHEDULE-A**

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

**NOTES TO ACCOUNTS**

1. The company is in the process of being wound up and at present no operations are being carried out.
2. The provision for taxation in respect of Income Tax is not deemed necessary because of the brought forward losses in the Income Tax assessment & Appeals filed by the Company before the higher authorities.
3. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 (Previous year figures have been given in brackets).

Particulars	Head Light Lenses	31.03.2009	31.03.2008
Installed Capacity	Nos.	2,50,000	(2,50,000)
Licensed Capacity	N.A.	N.A.	(N.A.)
Actual Production (Job Work)	Nos.	NIL	(NIL)

Turnover (Job Work)		Opening Stock		Closing Stock	
Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
NIL (NIL)	NIL (NIL)	— (—)	— (—)	— (—)	— (—)

4. The company does not deal with any entity covered under Micro, Small & Medium Enterprises Development Act, 2006.

**For CHETAN GENTHE & CO. PVT. LTD.**

Place : New Delhi  
Date : 27th April, 2009

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR



**PART IV OF SCHEDULE -VI OF COMPANIES ACT, 1956 (AS AMENDED)  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	5427	State Code	55
Date of Balance Sheet 31.03.2009			

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)**

Public issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(AMOUNT IN RS.THOUSANDS)**

Total Liabilities	2910	Total Assets	2910
Paid up Capital	699	Reserves & Surplus	Nil
Secured Loans	NIL	Unsecured Loans	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	-1913	Mise. Expenditure	Nil
Accumulative Losses	2612		

**IV. PERFORMANCE OF COMPANY(AMOUNT IN RS. THOUSANDS)**

Turnover	0	Total Expenditure	11
Profit before tax	-11	Profit before tax	-11
Earnings Per Share	Nil	Dividend Rate (%)	Nil

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY**

<u>NAME</u>	<u>CODE</u>
HEAD LIGHT LENSES	LCV

For CHETAN GENTHE & CO. PVT. LTD.

Place : New Delhi  
Date : 27th April, 2009

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

**HELLA INDIA LIGHTING LIMITED**

*Registered Office:* B-13, Badarpur Extension, New Delhi - 110044

**FORM OF THE PROXY FOR THE 49th ANNUAL GENERAL MEETING**

I/We, the undersigned Equity Shareholder(s) of the above company hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ and failing him Mr. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to vote for me/us at the 49th Annual General Meeting of the Equity Shareholders of the company to be held at the Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi on **29th September, 2009 at 11.00 A.M.** or any adjournment or adjournments thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature:



Folio No./Client ID.....

No. of shares held.....

Address:

**Note:** The duly signed proxy form must be returned and should reach the Registered Office of the Company not less than 48 hours before the time holding the aforesaid meeting. The proxy need not be a member of the company.

----- TEAR HERE -----

**ATTENDANCE SLIP**

**HELLA INDIA LIGHTING LIMITED**

*Registered Office:* B-13, Badarpur Extension, New Delhi - 110044

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.

Name and Address  
of the Shareholder:

Folio No./Client ID .....

I hereby record my presence at the Annual General Meeting of the company held on **29th September, 2009 at 11.00 A.M.** at the Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi .

SIGNATURE OF THE SHAREHOLDER OR PROXY

Strike out whichever is not applicable.

**BOOK - POST**

*If undelivered, please return to :*

**HELLA INDIA LIGHTING LIMITED**

Registered Office :

B-13, Badarpur Extension,

New Delhi - 110044