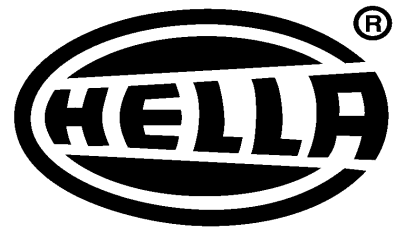


51st
Annual Report
2010-11



HELLA INDIA LIGHTING LIMITED

From the Managing Director's Desk



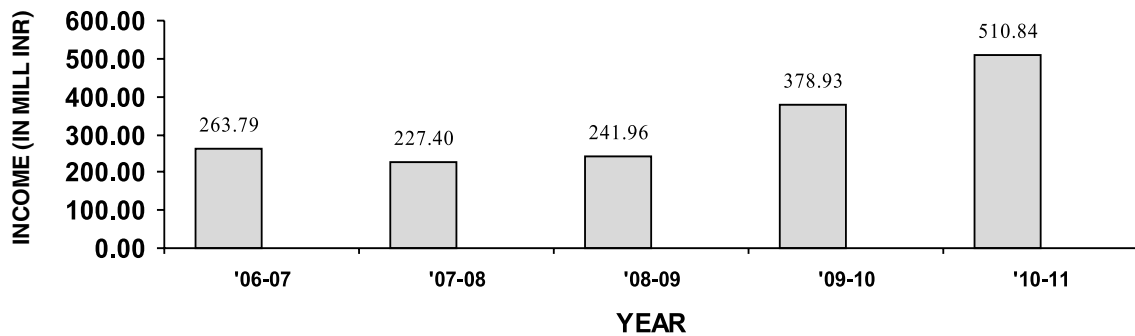
Dear members of the Hella Family,

I am looking forward to extend my warm welcome to the 51st Annual General Meeting of your Company. I am happy to report to you the good performance of the Company for the year 2010-2011. Many of the initiatives taken by the Company for achieving competitiveness and sustainable growth have begun yielding encouraging results.

I feel myself lucky to drive the business of your Company and to reach you for 2nd consecutive year.

I firmly believe that on going through the Annual Report, you would find that just like last year we have continued the growth pattern and better performance for the year ending on 31st March 2011. Growth trend of the company can also be analysed through below graph.

GROWTH



The fundamentals of your Company have not changed. We are confident that year 2011-12 will be another year of growth and a time for your Company to demonstrate its unique advantages and show its potential. We are really excited about what lies ahead for us this year and for the long term.

I would like to express my sincere appreciation to our employees who deliver the value experience to our customers and stakeholders each day.

I would also like to thank our Board of Directors including Independent Directors and management team, who continue to play critical roles in executing Hella's comprehensive growth strategy.

We look forward to your continued support in achieving our goals.

Sd/-
(Rama Shankar Pandey)
Managing Director

**BOARD OF DIRECTORS**

Mr. Rama Shankar Pandey : Managing Director
Mr. Stephan Gerres : Director
Dr. Gunther Schmidt : Director
Mr. Anil Sultan : Director
(Alternate to Mr. Stephan Gerres)
Mr. A.K. Maheshwari : Director
Mr. Guido Christ : Director
Mr. Avinash Razdan Bindra : Director

REGISTERED OFFICE

B-13, Badarpur Extension,
New Delhi - 110044

UNIT

- Ambala Chandigarh Road, Derabassi,
Distt. Mohali, Punjab

COMPANY SECRETARY

Mr. Sarvesh Kumar Upadhyay

AUDITORS

B S R & Co.
Chartered Accountants,
Gurgaon

BANKERS

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

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, 30th August, 2011 at 9:30 A.M. at
Emperors Court 1, T. G. Leisure & Resorts,
Chattarpur Hills, Mehrauli, New Delhi - 110074

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

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**NOTICE**

Notice is hereby given that the 51st Annual General Meeting of the members of Hella India Lighting Limited will be held at Emperors Court 1, T. G. Leisure & Resorts, Chattarpur Hills, Mehrauli, New Delhi - 110074 on 30th August 2011, Tuesday at 9:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011, 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. Akhilesh Kumar Maheshwari who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

"RESOLVED THAT M/s B S R & Co., Chartered Accountants, Gurgaon, the Statutory Auditors of the Company, who retires at the conclusion of the 51st Annual General Meeting, be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 51st Annual General Meeting till the conclusion of 52nd Annual General Meeting of the Company at such remuneration as may mutually agreed between M/s B S R & Co., Chartered Accountants and Mr. Rama Shankar Pandey - Managing Director or any other person authorized by him."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr Avinash Razdan Bindra who was appointed as an Additional Director in terms of Article 120 of the Articles of Association and Section 260 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".

By Order of the Board
For Hella India Lighting Limited

Sd/-
Sarvesh Upadhyay
Company Secretary

Place: New Delhi
Date: 30th May 2011

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF 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-110 044, 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 7 days, from 2nd July 2011 to 8th July 2011(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 15 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. Akhilesh Kumar Maheshwari,
Qualification: Chartered Accountant, Company Secretary, B.Com.
Brief Profile: Mr. Akhilesh Kumar Maheshwari is approx 47 years old and having 25 years of rich experience in finance, project finance, banking, fund raising, accounts, taxation, corporate matters, company secretarial matters etc. Being a versatile personality, he has vast experience in managing business affairs.
Other Directorships: Gulshan Polyols Limited
He is also a member of Audit Committee, Share Transfer Committee, Shareholders Grievance Committee and Remuneration Committee of the Company.
2. Name: Mr. Avinash Razdan Bindra,
Qualification: Fellow member of Institute of Cost & Works Accountants, MBA (Finance), PGDMM and also Bachelor of Science.
Brief Profile: Mr. Avinash Razdan Bindra is approx 45 years old and having more than 19 years of rich experience in budgeting, forecasting, evaluating P&L Account, internal control, cost controlling, management of finance, fund raising for new project and working capital, merger and de-merger etc.
Other Directorships: NIL
He is also a member of Audit Committee, Share Transfer Committee, Shareholders Grievance Committee and Remuneration Committee of the Company.

By Order of the Board
For Hella India Lighting Limited

Sd/-
Sarvesh Upadhyay
Company Secretary

Place: New Delhi
Date: 30th May 2011

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4**

Mr. Avinash Razdan Bindra was appointed as an Additional Director in the Board Meeting held on 30th May 2011 and as per the provisions of article 120 of Articles of Association and Section 260 of the Companies Act, 1956, holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956, from him signifying his intention to propose himself 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 is interested or concerned in the Resolution except Mr. Avinash Razdan Bindra, being himself.

By Order of the Board
For Hella India Lighting Limited

Sd/-
Sarvesh Upadhyay
Company Secretary

Place: New Delhi
Date: 30th May 2011

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 51st Annual Report and the Audited Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended March 31, 2011 is summarized below:

(Rs. In Million)

	CURRENT YEAR ENDED 31.03.2011	PREVIOUS YEAR ENDED 31.03.2010
Profit/(Loss) after tax but before Depreciation & Interest	282.82	7.90
Less: Interest	5.26	18.48
Profit/(Loss) after tax & Interest but before Depreciation	277.56	(10.58)
Less: Depreciation	21.09	6.40
Profit/(Loss) after tax, Interest & Depreciation	256.47	(16.98)
Balance Brought forward	(377.07)	(360.09)
Transfer from General Reserve to Profit & Loss Account	Nil	Nil
Balance carried over to the Balance Sheet	(120.60)	(377.07)

OPERATIONAL PERFORMANCE

During the period under review for 12 months, the company achieved a net sales turnover of Rs. 480.90 Million as compared to the previous year Rs. 363.18 Million. The net profit/(loss) amounts to Rs. 256.47 Million for 12 months as compared to the previous year's net loss of Rs. (16.98) Million.

DIVIDEND

The Company still has operational losses during the year and considering the huge accumulated losses of past years and huge liabilities to be paid, therefore, your Directors do not recommend any dividend.

SUBSIDIARIES

The Company had in earlier years applied to the Registrar of Companies (ROC) for dissolution and consequently striking off the names of its subsidiaries, Chetan Genthe & Company Private Limited (Chetan) and Bitoni Lamps Limited (Bitoni), from the register of companies maintained by ROC.

In respect of Chetan, the Company received a notice dated 22 November 2010 from the ROC stating that unless the Company presents a reason to the contrary Chetan would be dissolved and its name would be struck off from the register maintained by ROC within three months of receiving such notice.

In the case of Bitoni, the Company had received a letter from ROC dated 31 July 2009 stating that on the basis of the application of closure filed by the Company, the ROC is of the belief that Bitoni Lamps Limited is not carrying on business and therefore unless the Company represents a reason to the contrary, the ROC would proceed further in accordance with provision of section 560 of the Companies Act, 1956 for dissolution and striking off Bitoni's name from the register of companies.

The Company has in both the above cases continued to maintain its stand on dissolution of its subsidiaries and has therefore decided not to consolidate the financial statement of its subsidiaries as required by the Listing Agreement with the stock exchange.

DIRECTORS

During the period under review, Mr. Carsten Hernig and Mr. Constantin Von Buelow resigned from the Board w.e.f. 10th September 2010 and 1st October 2011 respectively. The Board wish to place on record their appreciation for the valuable knowledge, skills and support provided and shared by Mr. Carsten Hernig and Mr. Constantin Von Buelow during their tenure.



Consequent to the aforesaid resignations, Mr. Guido Christ was appointed as an Independent Director in place of Mr Carsten Hernig and Dr. Gunther Schmidt was appointed as Non Executive Director in place of Mr. Constantin Von Buelow, both w.e.f. 1st October 2010. The Board welcomed both the Directors and wished them all the best.

Also to strengthen the Board, Mr Avinash Razdan Bindra was appointed as an Independent Director w.e.f. 30th May 2011. Mr. Avinash Razdan Bindra was appointed as an Additional Director. Further, in accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company, Mr. Avinash Razdan Bindra - shall hold office as Additional Director till the commencement of ensuing Annual General Meeting (AGM). Mr. Avinash Razdan Bindra has also offered himself to be appointed as a Director in forthcoming AGM.

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 2011; the applicable accounting standards have been followed. However, with respect to valuation of inventory of finished goods, the Company has followed the general practice i.e. Cost or Net realizable value, whichever is lower.
- 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 profit/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 2011 on a going concern basis.

AUDITORS & THEIR REPORT

The Statutory Auditors of the Company, M/s B S R & Co., Chartered Accountants, retire at the ensuing AGM and, being eligible, offer themselves for re-appointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made at the ensuing Annual General Meeting, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

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

Observation of Auditors : *Attention is invited to note 18 of schedule 14 wherein it is stated that the Company has decided not to consolidate the financial statements of its wholly owned subsidiaries.*

Comments of Directors: The Company had in earlier years applied to the Registrar of Companies (ROC) for dissolution and consequently striking off the names of its subsidiaries, Chetan Genthe & Company Private Limited (Chetan) and Bitoni Lamps Limited (Bitoni), from the register of companies maintained by ROC.

In respect of Chetan, the Company received a notice u/s 560(3) dated 22 November 2010 from the ROC stating that unless the Company presents a reason to the contrary Chetan would be dissolved and its name would be struck off from the register maintained by ROC within three months of receiving such notice.

In the case of Bitoni, the Company had received a letter from ROC dated 31 July 2009 stating that on the basis of the application of closure filed by the Company, the ROC is of the belief that Bitoni is not carrying on business and therefore unless the Company represents a reason to the contrary, the ROC would proceed further in accordance with provision of section 560 of the Companies Act, 1956 for dissolution and striking off Bitoni's name from the register of companies.

The Company has in both the above cases continued to maintain its stand on dissolution of its subsidiaries and has therefore decided not to consolidate the financial statement of its subsidiaries as required by the Listing Agreement with the stock exchange.

Further, not consolidating these subsidiaries does not have material impact on the results of the Company as compared to the stand alone results of the Company;



Comment of Auditors : *Undisputed statutory dues on account of Provident Fund, Employee's State Insurance, Income tax and Service tax have generally been regularly deposited with the appropriate authorities, though there have been slight delays in few cases.*

Comments of Directors : Your Company is always dedicated to maintain high level of accuracy with the statutory compliances and follows the statutory time lines provided for depositing statutory dues like Provident Fund, Employee's State Insurance etc. However, on certain occasions, due to unavoidable reasons, there were slight delays in depositing certain Statutory Dues. Your Company will take every step to avoid it in future.

Comment of Auditors : *While the Company has incurred cash losses in the current financial year it had not incurred cash losses in the immediately preceding financial year.*

Comments of Directors : The performance of the Company is improving year by year now. However, it is observed that the Company incurred cash loss of INR (66.26) lacs from operating activities in the current financial year. Whereas in immediately preceding financial year the Company was having cash profits of INR 8.64 lacs. It is to be informed that due to Faridabad Land sale activity, the Company had to incur heavy expenses to execute the sale of Faridabad property which includes brokerage, local taxes etc amounting to INR 74.64 lacs. In addition to above, various administrative and professional expenses were also incurred to complete the Faridabad deal. These expenses were having direct impact on the cash profits. Thus the Company could not manage to get cash profit from operating activities in the current financial year.

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 Derabassi plant 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 I and forms part of this report.

During the year under review, there was no employee of the Company 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.

SALE OF LAND AT FARIDABAD

As you are already aware that the Company entered into a Memorandum of Understanding for disposal of its Land & Building situated at Faridabad. Consequently, the company completed the transaction of sale of land & building during 2010-11 and also realized the entire sale consideration in the same financial year.

DELISTING OF SECURITIES

Securities Appellate Tribunal (SAT) by its order dated 27th May 2008 allowed the Company to delist its securities from BSE. Few shareholders had made an appeal in the Hon'ble Supreme Court of India against the SAT order. 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 II.

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

Sd/-
(Rama Shankar Pandey)
Managing Director

Sd/-
(Stephan Gerres)
Director

Place: New Delhi
Date: 30th May 2011

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 manufacturing processes in our plant vary widely and cover processes such as Electroplating, Painting, Sheet Metal Working, metalizing etc.

In almost all these processes, the introduction of temperature controller and their regular proper operational maintenance has ensured, for the conservation of energy.

b) No further investment was required during the year for reduction in consumption of energy:**c) Impact of the measures at (a) 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 225 KVA & 380 KVA. During the year the Company has consumed units of energy as detailed below:-

Electric Energy

- a) 885600 Units, unit cost Rs. 47,39,302/- (Previous year 537733 Units, unit cost Rs. 26,33,376/-) supplied by Punjab State Electricity Board.
- b) DG Sets: Diesel consumed: 52120 Litres (Previous year 54148 Litres). Rs. 19,23,000/- (Previous year Rs 17,95,524/-) 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. Many engineers of the company are working on this to achieve the task. |
| 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 | To reduce cost, to developed economies of scale, to upgrade the quality, to increase market share and to diversify existing customer base with the addition of new strategic customers and enhancing the existing relationship. |
| 4 | Expenditure on R&D
Recurring expenses
R&D expenditure as a % of total turnover | Nil (Previous year NIL)
Nil (Previous year NIL)
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 after sale expenses i.e expenses on account of warranty performance has come down significantly. |
| 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 | Not Applicable |

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

During the year the Company achieved total export turnover of Rs.65.18 Millions. All steps have been taken to improve export turnover and tap new markets.

- | | | |
|----|-------------------|-------------------------------------|
| a) | Earnings: (Sales) | Rs. 65.18 (previous year Rs. 57.83) |
| b) | Outgo:(Purchase) | Rs. 46.80 (previous year Rs. 27.20) |

For and on behalf of the Board

Place: New Delhi
Date: 30th May 2011

Sd/-
(Rama Shankar Pandey)
Managing Director

Sd/-
(Stephan Gerres)
Director



ANNEXURES TO THE DIRECTORS' REPORT

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.

1. Industry Structure and developments

For a country whose economy has been expanding at near 9 per cent rate, it was not surprising that automobile sales broke all records during the previous calendar year to record a substantial growth which made 2010 a special year for automakers in India.

Your company is engaged in the business of automotive lighting and signaling equipment for the SOE customers. We are also covering Electrical, Electronics, Lighting and Thermal auto spares and accessories for the automotive aftermarket business. The Company complies with various standards of lighting. In addition to the business in domestic market, the Company is also capturing international market by export of its products.

2. Opportunities and Threats

Perhaps calendar year 2010 could be described as the year of the highest number of new launches in the Indian Automotive industry. On the back of robust economy, increasing middle class population, rising affordability and availability of finance, the carmakers are likely to end the year with bumper sales. The domestic sales volume of mini and compact segment put together was close to 1.5 million units for the year 2010. The total passenger car industry in the country has also recorded a good growth in the year 2010. While there was a flurry of new launches across mid, premium and luxury segments, the compact segment saw some big action and recorded stupendous volume growth during the year. Besides launch of new variants of existing compact models, Indian car market saw debut of at least half a dozen new models in the compact segment marking the foray of several global OEM's into the segment. Presently there are 25 anchor models in the mini and compact segments. Few more models in various segments are also expected to be introduced in this calendar year. All this would provide a wonderful opportunity to your company also which also 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 are the main areas of concern for the management.

3. Segment wise performance

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

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

	Year ended 31 March 2011			Year ended 31 March 2010		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	445,659,221	65,182,994	510,842,215	321,099,339	57,826,279	378,925,618
Segment assets	466,805,033	9,844,250	476,649,283	349,687,797	7,692,881	357,380,678
Capital expenditure	8,279,935	—	8,279,935	12,108,807	—	12,108,807

Segment accounting policies:

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in Note 1 to this schedule on significant accounting policies. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as under:

a) **Segment assets**

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

b) **Segment revenue**

Segment revenue excludes trade discounts and excise duty and includes other income. Segment revenue has been allocated to both the segments on the basis of specific identification.

4. Outlook

As per companies last year planning, the company had already shifted the operations from its Faridabad unit to Derabassi and saved the cost of production.

Now, your company is concentrating to increase its export sales which has better profit margins and also to grow its After market business which would mitigate company's risk on account of dependence on few OEM Customers.

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.

The company's growth plans are likely to be hampered by any major changes in external environment that could adversely impact the auto industry, like government policies, change in duty/ tax structure, reduction in disposable income of the middle class segment of the population in India etc. Continuing initiatives in cost containment and observance of sound financial discipline would retain the Company's preparedness to combat such risks/ concerns and minimize/ soften their impact.

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: 30th May 2011

Sd/-
(Rama Shankar Pandey)
Managing Director

Sd/-
(Stephan Gerres)
Director

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 on 31st March 2011, the Board of Directors of the Company consist of 6 (Six) Directors, including an alternate Director, with a mix of Executive (1) and Non-Executive Directors (5). Out of four non-executive directors, the company has two independent director, and the directors elects one of them as Chairman for every Meeting of the Board as well as of all committee meetings. During the year, Mr. Carsten Hernig (Independent Director) and Mr Constantin Von Buelow (Non Executive Director) resigned from the Board w.e.f. 10th September 2010 and 1st October 2010 respectively. Consequent to resignation of the said Directors, Mr Guido Christ (Independent Director) and Dr. Gunther Schmidt (Non Executive Director) joined the Board on 1st October 2010 to fill the casual vacancy caused by the resignation of directors. Mr. Stephan Gerres appointed Mr Anil Sultan as Alternate Director to him w.e.f. 15th June 2010.

As mandated by Clause 49, none of the Directors are members of more than ten committees of Public Limited Companies nor 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 list of Board of Directors and their Directorship in other Companies including Committees' position during the year 2010-11 is given in the below table. During the year, the Board of Directors met 6 (Six) times i.e. on 30th April 2010, 28th May 2010, 29th July 2010, 12th August 2010, 12th November 2010 and 11th February 2011. The attendance of each of the Directors at the Board Meetings and at the last Annual General Meeting held on 28th September 2010, is also given in the below table.

Name of the Director	Category	No. of Directorship/Committees' Membership/Chairmanship in other Public Limited Companies			Board Meetings Attended	Attendance at last AGM
		Directorship	Chairman	Member		
Mr. Rama Shankar Pandey	Managing Director (ED)	-	-	-	6 (6)	Yes
Mr. Stephan Gerres	Director (NED)	-	-	-	2 (6)	No
Mr. Anil Sultan	Alternate Director (NED) - Alternate to Mr. Stephan Gerres	-	-	-	4 (6)	Yes
Mr. A. K. Maheshwari	Director (INED)	1	-	2	6 (6)	Yes
Mr. Carsten Hernig*	Director (INED)	-	-	-	3 (4)	N.A.
Mr. Constantin Von Buelow**	Director (NED)	-	-	-	1 (4)	No
Mr. Guido Christ***	Director (INED)	-	-	-	2 (2)	N.A.
Dr. Gunther Schmidt***	Director (NED)	-	-	-	2 (2)	N.A.

Note :

- ED - Executive Director, NED - Non-Executive Director; INED - Independent Non-Executive Director

* Mr. Carsten Hernig resigned as Director w.e.f. 10th September 2010.

** Mr. Constantin Von Buelow resigned as Director w.e.f. 1st October 2010.

*** Mr. Guido Christ and Dr. Gunther Schmidt both were appointed as Casual Director w.e.f. 1st October 2010 in place of Mr. Carsten Hernig and Mr. Constantin Von Buelow respectively.

b) Code for Prevention of Insider Trading Practices

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and designated Executives. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company.

c) 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 2011 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 of the Company including any updates;
- Quarterly results of the Company;
- 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;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems if any;
- Significant labour problems and their proposed solutions;
- Information on foreign exchange exposure and risk, if any, 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 and delays in share transfer;

5. COMMITTEE OF DIRECTORS

The Company has four committees i.e. Audit Committee, Remuneration Committee, Shareholders' Grievance Committee and Share Transfer 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 of the aforesaid committees held during the financial year 2010-2011 and the related attendance are provided below:

(a) Audit Committee

The Board of Directors had 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 Independent Non-Executive Directors and all the members of the committee are financially literate persons. The Company Secretary of the Company acts as the Secretary of the Committee.

During the year Mr. Carsten Hernig resigned w.e.f. 10th September 2010 from the Committee and Mr. Guido Christ took his place w.e.f. 12th November 2010.

The Committee met 4 (Four) times during the year viz. on 28th May 2010, 12th August 2010, 12th November 2010 and 11th February 2011. The Members present in this Committee meeting elects Chairman of the meeting between Independent Directors. *There was one more meeting planned during the year i.e. on 29th July 2010 which could not be convened due to non availability of quorum and later on this meeting was adjourned to be convened on 12th August 2010.* Composition and members attendance at the committee meetings is presented below:

Name of the Member	Category	No. of Meetings Attended (Total Meetings held : 4)
Mr. Rama Shankar Pandey	Member	4 (4)
Mr. A. K. Maheshwari	Member	4 (4)
Mr. Carsten Hernig*	Member	2 (4)
Mr. Guido Christ**	Member	2 (4)

* Mr. Carsten Hernig resigned from Board w.e.f. 10th September 2010.

** Mr. Guido Christ joined the Committee in place of Mr Carsten Hernig w.e.f. 12 November 2010.

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 Company, 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 remuneration committee is having 3 (Three) members and all of them are Non-Executive Directors. The Members present in this Committee meeting elects Chairman of the meeting between Independent Directors.

During the year Mr. Carsten Hernig and Mr. Constantin Von Buelow resigned from the committee w.e.f. 10th September 2010 and 1st October 2010 respectively. Consequent to the said resignations, Mr. Guido Christ and Dr. Gunther Schmidt joined the Committee w.e.f. 12th November 2010.

During the year, the Committee met only one (1) time i.e. on 11th February 2011. The composition and members attendance at the committee meetings is presented below:

Name of the Member	Category	No. of Meetings Attended (Total Meetings held: 1)
Mr. Constantin Von Buelow*	Member	0 (1)
Mr. A. K. Maheshwari	Member	1 (1)
Mr. Carsten Hernig**	Member	0 (1)
Mr. Guido Christ***	Member	1 (1)
Dr. Gunther Schmidt***	Member	1 (1)

* Mr. Constantin Von Buelow resigned w.e.f. 1st October 2010 from the Committee.

** Mr. Carsten Hernig resigned w.e.f. 10th September 2010 from the Committee.

*** Mr Guido Christ and Dr. Gunther Schmidt joined the Committee w.e.f. 12th November 2010.

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 11th February 2011, the remuneration of Mr Rama Shankar Pandey was revised from Rs. 40,05,000/- to Rs 44,05,008/- (Which consists Rs 34,00,008/- as basic pay and allowances, upto Rs 8,55,000/- as variable bonus and Rs 1,50,000/- as vehicle running expenses).

Executive Director

Mr. Rama Shankar Pandey - Managing Director (from 1st April 2010 to 31st March 2011)

(Rs. In lakh)

Salary & Allowances	Performance Linked Incentive	Retainership Fees	Perquisites	Contribution to PF & Other Funds	Gratuity	Leave Encashment	Total
34.77	2.98	Nil	Nil	1.58	Nil	Nil	39.33

Non-Executive Directors

The Non-Executive Directors have not drawn any remuneration from the Company, for the year ended 31st March 2011 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) members, majority of them are Independent Directors and all of them are Non-Executive Directors as on 31st March 2011. The Members present in this Committee meeting elects Chairman of the meeting among Non - Executive Directors.

During the year, Mr. Carsten Hernig resigned from the Committee w.e.f. 10th September 2010 and Mr. Guido Christ took his place w.e.f. 12th November 2010.

Mr. Sarvesh Upadhyay, Company Secretary, acts as the Compliance Officer of the Company.

During the year, the Committee met four (4) times viz. 28th May 2010, 29th July 2010, 12th November 2010 and 11th February 2011. 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. Stephan Gerres*	Member	1 (4)
Mr. A. K. Maheshwari	Member	2 (4)
Mr. Carsten Hernig**	Member	3 (4)
Mr. Anil Sultan*	Member (alternate to Mr Stephan Gerres)	2 (4)
Mr. Guido Christ***	Member	1 (4)

Note:

* Mr. Stephan Gerres appointed Mr Anil Sultan as an Alternate Director to him w.e.f. 15th June 2010.

** Mr. Carsten Hernig resigned from the Committee w.e.f. 10th September 2010.

*** Mr. Guido Christ joined the Committee w.e.f. 12th November 2010.

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:

- 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 dividend 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.

In the year 2010-11, there was an opening balance of "Nil" complaints at the beginning of the year and 17 complaints were received during the year. All the complaints were attended / resolved to the satisfaction of the complainants. Thus as on 31st March 2011, there were Nil complaints pending.

(d) Share Transfer Committee

The Company has also constituted a Share Transfer Committee for transfer/transmission of the Shares of the Company. The Committee has three (3) members, majority of them are Independent Directors and Non-Executive Directors as on 31st March 2011. The Members present in this Committee meeting elects Chairman of the meeting among themselves.

During the year, Mr Carsten Hernig resigned w.e.f. 10th September 2010 and Mr. Guido Christ took his place in the Committee w.e.f. 12th November 2010.

The Company Secretary of the Company reviews the request of transfer on fortnight basis

During the year, the Committee met three (3) times viz. 30th April 2010, 26th June 2010 and 28th September 2010. The composition and Directors attendance at the committee meetings is presented below:

Name of the Member	Category	No. of Meetings Attended (Total Meetings held: 3)
Mr. Rama Shankar Pandey	Member	2 (3)
Mr. A. K. Maheshwari	Member	3 (3)
Mr. Carsten Hernig*	Member	2 (3)
Mr. Guido Christ**	Member	0 (3)

* Mr. Carsten Hernig resigned from the Committee w.e.f. 10th September 2010.

** Mr. Guido Christ joined the Committee w.e.f. 12th November 2010.

6. GENERAL MEETINGS

Following are the last three Annual General Meetings of the Company:

Financial Year	Venue	Date	Time
2009-2010	The Daffodils Hotels, Tania Farm Complex, Chattarpur Mandir Road, New Delhi - 110030.	28th September, 2010	10:00 A.M.
2008-2009	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	29th September, 2009	11.00 A.M.
2007-2008	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110 030.	24th September, 2008	11.00 A.M.

Special Resolution passed in the last three Annual General Meetings:

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

Date of AGM	Details of Special Resolution
28th September 2010	1. Appointment of Mr Rama Shankar Pandey as Managing Director. 2. Revision in Remuneration of Mr Rama Shankar Pandey - Managing Director.
29th September 2009	Alteration in Article of Association of the Company (Clause 123 - Sitting Fee to Non-Executive Directors)
24th September 2008	Issue of Compulsory Convertible Non-cumulative Preference Shares on preferential basis.

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

Date of EGM	Venue	Time	Details of the Resolution
19th January 2010	9th Milestone, Gurgaon - Farookhnagar Road, Dhankot, Gurgaon - 122 002	10:00 A.M.	Conversion of External Commercial Borrowing of Euro 0.9 Million.
24th March 2009	9th Milestone, Gurgaon - Farookhnagar Road, Dhankot, Gurgaon - 122 002	11.00 A.M.	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.

During the year, no 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.

Also as of now, no resolution is proposed to be conducted 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 that had potential conflict with the interest of the Company at large. The related party transactions with the group companies have been disclosed in the Annual Accounts.
- (ii) There were the following instances of non-compliance by the Company, during last three years
 - (a) In 2009 the Company made a default u/s 297 of the Companies Act, 1956. The Company and Officers in default has applied for compounding of the default and penalty of Rs. 8000/- was imposed on the Company by Regional Director of Ministry of Corporate Affairs.
 - (b) In November 2008, an order was passed by CLB, compounding the default u/s 211(3A) and 211(3B). CLB imposed a penalty of Rs 2000/- on the Company.
 - (c) The Company was required to give intimation to Registrar of Companies (ROC) about aforesaid order of CLB in point no (b) above with in Seven (7) days of issuing the order, which the Company fails to comply within time. Now the Company may need to compound the said default or may required to apply for the condonation of delay.
- (iii) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company publishes its financial results in leading newspapers having circulation in English and Hindi language. The financial results and other important information about the company are also available on the website of the Company i.e. www.hella.co.in.

9. GENERAL SHAREHOLDERS' INFORMATION**(i) Date, Time & Venue of the Annual General Meeting:**

Venue : Emperors Court 1, T. G. Leisure & Resorts, Chattarpur Hills, Mehrauli, New Delhi - 110074

Date & Time : 30th August 2011 at 9:30 A.M.

(ii) Financial Year: The financial year of the Company is 1st April to 31st March.**(iii) Book Closure Date:** 2nd July 2011 to 8th July 2011**(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 2011-2012 has been paid to the Bombay Stock Exchange Limited, Mumbai and The Delhi Stock Exchange Association Limited, 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 1st April 2010 to 31st March 2011

Monthly high and low quotations traded at Bombay Stock Exchange during the financial year 2010-11.

Month	High (Rs.)	Low (Rs.)
April 2010	153.00	120.00
May 2010	168.00	128.55
June 2010	191.00	122.00
July 2010	202.00	152.55
August 2010	173.00	152.05
September 2010	166.00	138.00
October 2010	158.50	131.75
November 2010	179.00	122.40
December 2010	171.80	123.50
January 2011	177.20	121.30
February 2011	183.60	136.20
March 2011	165.00	126.80

(vi) Distribution of Holding as on 31st March 2011

Nominal Value of Shareholding	No. of Shareholders	No. of Shares held	Amount in Rs.	% of Total
1-2500	1830	185868	1858680	5.861
2501-5000	210	81319	813190	2.564
5001-10000	62	48177	481770	1.519
10001-20000	29	42469	424690	1.339
20001-30000	12	29696	296960	0.936
30001-40000	4	14630	146300	0.461
40001-50000	3	14473	144730	0.456
50001-100000	5	38891	388910	1.226
100001 & Above	7	2715877	27158770	85.637
Total	2162	3171400	31714000	100.000

(vii) Shareholding Pattern as on 31st March 2011

Category	No. of Shares	% of Holding
A Promoters Holding		
i) Promoters		
- Indian	978,263	30.85
- Foreign	1,617,400	51.00
ii) Persons acting in concern		
Sub Total	25,95,663	81.85
B Non - Promoters Holding		
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) Foreign Institutional Investors	Nil	Nil
Sub Total	100	0.00
C Others		
a) Bodies Corporate	43,753	1.38
b) Individual-i) individual shareholders holding nominal share capital upto Rs.1 lakh	426,439	13.44
ii) individual shareholders holding nominal share capital in excess of Rs.1 lakh	95,734	3.02
c) Any other (Please specify)		
-Directors & their relatives	Nil	Nil
-NRIs	5367	0.17
-Clearing members	Nil	0.00
-Hindu Undivided Families	4344	0.14
Sub Total	5,75,637	18.15
Grand Total	31,71,400	100.00

(viii) Dematerialization of shares and liquidity

The shares of the Company have already 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 2011, 1281542 equity share capital of the Company representing 40.41% of the total paid up equity share capital of the Company are in dematerialized mode.

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

(ix) Plant Location

The Company's plant is located at Ambala Chandigarh Highway, Derabassi - 140507, District Patiala, Punjab.

(x) Address of Registered Office of the Company.

The Company's Registered Office is situated at B-13, Badarpur Extension, New Delhi - 110 044.

(xi) Address for Correspondence.

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

Company Secretary,
Hella India Lighting Limited,
610-A, Udyog Vihar, Phase -V, Gurgaon

10. DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Rama Shankar Pandey - 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 2010-2011.

Place: New Delhi
Date: 30th May 2011

Sd/-
Rama Shankar Pandey
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 2011 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: 30th May 2011

Sd/-
(Pawan Sharma)
Head Finance

Sd/-
(Rama Shankar Pandey)
Managing Director

**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, 2011 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.: F 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 2011, 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) Without qualifying our opinion, attention is invited to note 18 of schedule 14 wherein it is stated that the Company has decided not to consolidate the financial statements of its wholly owned subsidiaries. According to the management, based on the correspondence with the Registrar of Companies (ROC), they are of the opinion that the dissolution and striking of these companies by the ROC is imminent. The Listing Agreement with the stock exchange compulsorily requires the Company to prepare consolidated financial statements. However, according to management, not consolidating these subsidiaries does not have material impact on the results of the Company as compared to the stand alone results of the Company;
 - (g) 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 2011;
 - ii) in the case of the Profit and Loss Account, of the profit 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 & Co.
Chartered Accountant
Firm Registration No 101248W

Sd/-
Jiten Chopra
Partner
Membership No. 092894

Place: Gurgaon
Date: 30.05.2011

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) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years, except certain assets which are verified on the basis of third party confirmations. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the current year and all the material discrepancies noticed on such verification have been properly dealt with in the books of accounts.
(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) Inventories, except goods-in-transit and stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) 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 are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and therefore suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods. As informed to us, the Company does not provide any services. We have not observed any major weakness in the internal control system during the course of the audit.
5. 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. No transactions exceeding the value of Rs. 5 lacs were made, in pursuance of contracts and arrangements referred to above, with any party during the year.
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, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Sales-tax, Customs duty, Excise duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. *Undisputed statutory dues on account of Provident Fund, Employees' State Insurance, Income tax and Service tax have generally been regularly deposited with the appropriate authorities, though there have been slight delays in few cases.* As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth tax.

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 2011 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, 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	Hon'ble High Court of Delhi
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	Hon'ble High Court of Delhi

* As per demand orders

10. As at 31 March 2011, the accumulated losses of the company are not more than fifty percent of its net worth. *While the Company has incurred cash losses in the current financial year, it had not incurred 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 dues to any financial institution or debenture holders 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 not used funds raised on short term basis 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 & Co.
Chartered Accountant
Firm Registration No 101248W

Place: Gurgaon
Date: 30.05.2011

Sd/-
Jiten Chopra
Partner
Membership No. 092894


BALANCE SHEET AS AT 31 MARCH 2011
(All amounts are in Rupees)

	Schedule No.	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	146,077,000	146,077,000
Reserve and surplus	2	299,600,283	299,600,283
		445,677,283	445,677,283
Loan funds			
Secured loans	3	—	25,043
Unsecured loans	4	12,447,700	131,457,534
		12,447,700	131,482,577
		458,124,983	577,159,860
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	116,192,479	122,430,230
Accumulated depreciation		43,685,110	27,797,238
Net block		72,507,369	94,632,992
Capital work in progress		410,000	139,729,816
		72,917,369	234,362,808
Investments			
	6	5,000,000	—
Current assets, loans and advances			
Inventories		60,679,411	52,013,686
Sundry debtors		69,970,456	47,932,358
Cash and bank balances		255,648,942	6,542,175
Loan and advances		12,433,105	16,529,651
		398,731,914	123,017,870
Current liabilities and provisions			
Current liabilities	8	122,693,967	153,641,514
Provisions		16,429,708	3,645,672
		139,123,675	157,287,186
Net current assets			
		259,608,239	(34,269,316)
Balance of Profit and Loss Account			
		120,599,375	377,066,368
		458,124,983	577,159,860
Significant accounting policies and notes to accounts			
	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 & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of Directors

Sd/- Jiten Chopra Partner Membership No: 092894 Place: Gurgaon Date: 30.05.2011	Sd/- Rama Shankar Pandey Managing Director Place: New Delhi Date: 30.05.2011	Sd/- Stephan Gerres Director Place: New Delhi Date: 30.05.2011	Sd/- Pawan Sharma Head Finance Place: New Delhi Date: 30.05.2011	Sd/- Sarvesh Upadhyay Company Secretary Place: New Delhi Date: 30.05.2011
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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011
(All amounts are in Rupees)

	Schedule No.	Year Ended 31 March 2011	Year Ended 31 March 2010
INCOME			
Gross sales		532,575,040	394,219,809
Less: Excise duty		51,673,523	31,044,196
Net sales		480,901,517	363,175,613
Other income	9	29,940,698	15,750,005
		510,842,215	378,925,618
EXPENDITURE			
Material cost	10	342,796,123	261,894,169
Personnel cost	11	52,435,467	45,227,693
Administrative and selling expenses	12	111,750,061	63,903,791
Depreciation	5	21,091,923	6,401,490
Finance charges	13	5,264,577	18,476,547
		533,338,151	395,903,690
Profit/(loss) before exceptional item		(22,495,936)	(16,978,072)
Add: Exceptional item (refer to note 19 of schedule 14)		352,590,929	—
Profit/(loss) after exceptional item but before tax		330,094,993	(16,978,072)
Less: Provision for taxation			
- For current year	14 (17)	73,628,000	—
Profit/(loss) after tax		256,466,993	(16,978,072)
Balance brought forward		(377,066,368)	(360,088,296)
Balance carried to Balance Sheet		(120,599,375)	(377,066,368)
Earning per equity share (face value Rs. 10)	14 (11)		
-Basic and diluted		80.87	(5.35)
Significant accounting policies and notes to accounts	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 & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of Directors

Sd/-

Jiten Chopra

Partner

Membership No: 092894

Sd/-

Rama Shankar Pandey

Managing Director

Sd/-

Stephan Gerres

Director

Sd/-

Pawan Sharma

Head Finance

Sd/-

Sarvesh Upadhyay

Company Secretary

Place: Gurgaon
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

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

	As at 31 March 2011	As at 31 March 2010
Schedule 1:		
SHARE CAPITAL		
Authorized		
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 2,150,000) 0.0000001% non-convertible, non-cumulative, redeemable preference shares of Rs. 100/- each	<u>215,000,000</u>	<u>215,000,000</u>
	250,000,000	250,000,000
Issued, subscribed and paid-up		
3,171,400 (previous year 3,171,400) equity shares of Rs. 10/- each fully paid up.	31,714,000	31,714,000
1,143,630 (previous year 1,143,630) 0.0000001% non-convertible, non-cumulative, redeemable preference share of Rs. 100/- each fully paid up.	<u>114,363,000</u>	<u>114,363,000</u>
	146,077,000	146,077,000

Notes:

- 1) 1,617,400 (previous year 1,617,400) equity shares of Rs. 10 each are held by Reinhold Poersch GmbH Germany, the holding company and 978,263 (Previous year; 978,263) equity shares of Rs.10 each are held by Hella India Electronics Pvt. Ltd., a fellow subsidiary of the Company.
- 2) 13,000 (previous year 13,000) equity shares have been allotted as fully paid up bonus shares by capitalisation of reserves in earlier years.
- 3) 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, 40,000 preference shares have been allotted on 18 March 2009 and 603,630 (by conversion of loan from the Holding Company) preference shares have been allotted on 16 March 2010.
- 4) The ultimate holding company of the Company is Hella KGaA Hueck & Co., Germany.

Schedule 2:**RESERVES AND SURPLUS**

Capital reserve (Opening and closing balance)	1,756,311	1,756,311
Revaluation reserve (Opening and closing balance)	2,494,752	2,494,752
Capital redemption reserve (Opening and closing balance)	100,000	100,000
Securities premium (Opening and closing balance)	<u>295,249,220</u>	<u>295,249,220</u>
	299,600,283	299,600,283

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

	As at 31 March 2011	As at 31 March 2010
Schedule 3:		
SECURED LOANS		
Loan from Banks	—	25,043
(Secured by hypothecation of the vehicles)		
(Amount payable with in one year Rs.Nil (previous year Rs.25,043))	<u>—</u>	<u>25,043</u>
	<u>—</u>	<u>25,043</u>
Schedule 4:		
UNSECURED LOANS		
Short term loans: from banks		
- Overdraft facility#	—	119,009,834
Other loans: from holding company *	—	—
Add : Interest accrued and due	12,447,700	12,447,700
	12,447,700	12,447,700
	<u>12,447,700</u>	<u>131,457,534</u>

Guaranteed by Hella KGaA Hueck & Co., Germany, the ultimate holding company.

* Converted into 603,630 preference shares allotted on 16 March 2010 to Reinhold Poersch GmbH, Germany, 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 2010	Additions during the year	Sales/ Adjustments	As at 31 March 2011	For the year	Sales/ Adjustments	As at 31 March 2011	As at 31 March 2010
Land (Freehold)	27,741,765	—	27,623,443	118,322	—	—	118,322	27,741,765
Buildings	4,140,684	3,710,584	—	7,851,268	392,539	—	4,835,171	1,517,126
Leasehold improvements	1,155,357	—	—	1,155,357	—	—	—	—
Plant and machinery	65,549,537	18,933,539	12,488,375	71,994,701	14,160,977	4,903,474	45,789,317	48,601,656
Computers	10,921,682	938,865	—	11,860,547	3,400,547	—	5,634,798	8,096,480
Furniture and fixtures	2,573,124	1,239,464	—	3,812,588	447,721	—	2,437,795	1,646,052
Office equipment	672,102	254,483	77,805	848,780	148,997	68,471	376,067	279,915
Electric installations	6,192,246	9,206,561	408,124	14,990,683	1,314,159	232,106	12,222,077	4,505,693
Air conditioning plant	430,418	76,500	—	506,918	82,439	—	366,007	371,946
Vehicles	3,053,315	—	—	3,053,315	1,144,544	—	727,815	1,872,359
Total	122,430,230	34,359,996	40,597,747	116,192,479	21,091,923	5,204,051	72,507,369	94,632,992
Previous year	81,660,426	42,368,290	1,598,486	122,430,230	6,401,490	1,082,477	27,797,238	94,632,992

Capital Work in progress

410,000 139,729,816

72,917,369 234,362,808

Note : The net block of assets and capital work in progress includes assets held for sale aggregating to Rs. Nil (previous year Rs. 141,258,222).

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

	As at 31 March 2011	As at 31 March 2010
Schedule 6:		
INVESTMENTS (unquoted)		
Long term (at cost)		
Investment in subsidiaries (fully paid up)		
Bitoni Lamps Limited	334,252	334,252
32,900 (previous year 32,900) equity shares of face value Rs. 10 each		
Chetan Genthe & Co. Ltd.	618,048	618,048
6,992 (previous year 6,992) equity shares of face value Rs. 100 each		
Trade investments (fully paid up)		
Wegu Sondhi Private Ltd.	110,000	110,000
11,000 (previous year 11,000) equity shares of face value Rs. 10 each		
Other Investments		
Investment in Non-convertible redeemable taxable bonds		
National Highways Authority of India	5,000,000	—
500 (previous year Nil) Bonds of face value Rs.10,000 each carrying interest @ 6% per annum		
	<u>6,062,300</u>	<u>1,062,300</u>
Less: Provision for other than temporary diminution in value of investment	1,062,300	1,062,300
	<u>5,000,000</u>	<u>—</u>
Schedule 7:		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Raw material and components*	39,778,126	30,198,525
Stores, spares and consumables	1,320,730	1,128,846
Work in progress	4,325,259	3,758,329
Finished goods#	18,625,557	19,443,281
	<u>64,049,672</u>	<u>54,528,981</u>
Less: Provision for slow moving inventory	3,370,261	2,515,295
	<u>60,679,411</u>	<u>52,013,686</u>
* Includes raw materials and components of the value of Rs. 155,601 (Previous year: Rs. 62,328) lying with the third parties.		
# Includes Finished goods of the value of Rs.7,239,598 (Previous year: Rs.5,788,109) lying with the third parties.		
Sundry Debtors**		
Debtors outstanding for a period exceeding six month		
- Unsecured, considered good	86,544	—
- Unsecured, considered doubtful	7,551,799	6,207,978
	<u>7,638,343</u>	<u>6,207,978</u>
Other debts- considered good		
- secured	411,277	350,000
- unsecured	69,472,635	47,582,358
	<u>69,883,912</u>	<u>47,932,358</u>
	<u>77,522,255</u>	<u>54,140,336</u>
Less: Provision for doubtful debts	7,551,799	6,207,978
	<u>69,970,456</u>	<u>47,932,358</u>

** refer to note 13 of schedule 14

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

	As at 31 March 2011	As at 31 March 2010
Schedule: 7 CURRENT ASSETS, LOANS AND ADVANCES (continued)		
Cash and bank balances		
Cash in hand	127,417	190,691
Balance with scheduled banks		
- Current accounts	4,896,554	5,768,142
- Fixed deposit accounts*	250,624,971	583,342
	<u>255,648,942</u>	<u>6,542,175</u>
* includes Rs.624,971 (Previous year Rs. 583,342) held with banks against margin money.		
Loan and advances (Unsecured, considered good unless stated otherwise)		
Advance recoverable in cash or in kind or for value to be received **#		
Considered Good	4,830,243	4,717,719
Considered Doubtful	4,935,429	3,658,235
	<u>9,765,672</u>	<u>8,375,954</u>
Balances with excise authorities		
Considered Good	3,346,165	8,100,465
Considered Doubtful	4,491,608	1,700,000
	<u>7,837,773</u>	<u>9,800,465</u>
Security Deposits	2,201,656	2,180,800
Taxes deducted at source	2,055,041	1,530,667
	<u>21,860,142</u>	<u>21,887,886</u>
Less: Provision for doubtful advances	<u>(9,427,037)</u>	<u>(5,358,235)</u>
	<u>12,433,105</u>	<u>16,529,651</u>
**refer to note 14 of schedule 14		
# Includes Rs. 2,224,181 (Previous year Rs. 2,224,181) due from Chetan Genthe & Co. Ltd. and Rs. 1,041,642 (Previous year Rs. 1,041,642) from Bitoni Lamps Limited, the subsidiaries of the company		
Schedule 8:		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- total outstanding dues of micro and small enterprises*	12,747,018	6,987,816
- total outstanding dues of creditors other than micro and small enterprises	102,727,144	140,548,995
Security deposit from dealers and retention money	730,756	691,967
Advance from customers	869,699	764,427
Other liabilities #	5,619,350	4,648,309
	<u>122,693,967</u>	<u>153,641,514</u>
* refer to note 5 of schedule 14		
# Includes contribution to provident and other funds payable Rs.377,957 (previous year Rs. 286,465).		
Provisions		
Leave encashment	1,988,298	1,353,462
Gratuity (refer to note 4(b) of schedule 14)	3,313,410	2,292,210
Provision for income tax	11,128,000	—
	<u>16,429,708</u>	<u>3,645,672</u>

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

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 9:		
OTHER INCOME		
Interest (gross)*		
- On deposits with banks	5,256,858	37,821
Scrap Sale**	2,201,664	2,664,700
Profit on sale of fixed assets (net)	182,517	809,142
Liabilities and provisions no longer required written back	21,445,533	4,589,619
Exchange fluctuation (net)	—	7,293,507
Miscellaneous income	854,126	355,216
	<u>29,940,698</u>	<u>15,750,005</u>
* Income tax deducted at source is Rs. 524,373 (Previous year Rs. 8,328)		
**Excise duty recovered on sale of scrap Rs.171,575 (previous year Rs.155,679)		
Schedule 10:		
MATERIAL COST		
Consumption of raw material and components:		
Opening stock	30,198,525	34,766,299
Add: Purchases	333,908,242	240,401,411
Less: Closing stock	39,778,126	30,198,525
Stores, spares and consumables	18,146,211	15,936,731
	<u>342,474,852</u>	<u>260,905,916</u>
(Increase)/decrease in stocks:		
Opening stock		
- Work in progress	3,758,329	3,000,683
- Finished goods	19,443,281	19,188,766
	<u>23,201,610</u>	<u>22,189,449</u>
Less: Closing stock		
- Work in progress	4,325,259	3,758,329
- Finished goods	18,625,557	19,443,281
	<u>22,950,816</u>	<u>23,201,610</u>
Increase/(decrease) in excise duty on stock of finished goods	70,477	(1,012,161)
	<u>342,796,123</u>	<u>261,894,169</u>
Schedule 11:		
PERSONNEL COST		
Salaries, wages and bonus	47,803,021	41,965,033
Contribution to provident and other funds	2,052,807	1,853,640
Staff welfare	2,579,639	1,409,020
	<u>52,435,467</u>	<u>45,227,693</u>

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

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 12:		
Administrative and selling expenses		
Power and fuel	8,124,844	4,891,671
Travelling and conveyance	10,840,519	8,498,919
Freight outward	16,344,554	10,843,287
Security charges	1,488,286	1,201,351
Legal and professional charges (refer to note 7 of schedule 14)	22,026,057	7,747,938
Rent	3,315,431	3,054,352
Rates and taxes	6,916,084	2,647,652
Insurance	643,237	419,598
Repairs and maintenance:		
on buildings	843,763	94,064
on plant and machinery	1,206,448	936,977
on others	9,047,340	5,067,099
Vehicle running and maintenance	511,640	589,886
Printing and stationery	621,513	464,380
Telephone expenses	2,863,130	2,881,640
Bank charges	552,244	850,218
Exchange fluctuation (net)	523,120	—
Bad debts	986,493	—
Provision for doubtful debts	1,343,821	—
Provision for doubtful advances	4,068,802	2,108,700
Provision for slow moving inventory	854,966	815,864
Provision for Impairment loss	—	2,056,518
Sundry advances written off	92,750	726,566
Fixed assets written off	9,370,999	—
Advertisement and sales promotion	6,389,253	4,244,110
Directors' sitting fees	192,000	120,000
Miscellaneous expenses	2,582,767	3,643,001
	<u>111,750,061</u>	<u>63,903,791</u>
Schedule 13:		
Finance Charges		
Interest on overdraft	4,723,129	16,927,084
Other interest*	541,448	1,549,463
	<u>5,264,577</u>	<u>18,476,547</u>

* includes Rs. Nil (Previous year Rs. 912,080) being interest on unsecured loan that was taken from the Holding company and has been converted into preference shares in the previous year.

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 except leasehold improvements are depreciated using the straight line method based on the management's estimate of useful life. The Company was till the previous year using the rates prescribed under Schedule XIV of the Companies Act, 1956. It has, based on technical limitations and expected future usage of its fixed assets, decided to revise the life of its fixed assets w.e.f. 01 April 2010. The revised useful life of fixed assets is as follows:

	Life in years
Building	15
Plant and machinery	8
Computers	4
Furniture and fixtures	12
Office equipment	8
Electric installations	8
Air conditioning plant	8
Vehicles	5-6

Had the Company continued to charge depreciation at the earlier rate the depreciation expense for the Company would have been lower by Rs. 14,695,807.

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 for inventories 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

The Company accounts for the effects of changes in foreign exchange rates in accordance with Accounting Standard-11 notified by the Companies (Accounting Standards) Rules, 2006. Transactions in foreign currency are recognised on the basis of the rate of exchange prevailing at the date of the transaction. Exchange differences arising on settlement during the year are recognised in the Profit and Loss Account. Monetary items, denominated in foreign currency, are restated at the exchange rate prevailing at the year end and the resulting exchange difference recognized in the Profit and loss account.

(x) 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.

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

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

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.

2. Capital commitments

	As at 31 March 2011	As at 31 March 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	290,500	2,712,680

3. Contingent liabilities

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

Name of the Statute	Nature of dues	Amount involved (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,129,228	2001-02	Hon'ble High Court of Delhi
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	Hon'ble High Court of Delhi

b. The Company has in the earlier years received a notice from Haryana Urban Development Authority towards payment of Rs. 5,102,580 as External Development charges in respect of its land at Faridabad.

The Company is of the firm belief that the above demands are not tenable and are highly unlikely to be retained and is therefore not carrying any provision in its books in respect of such demands.

4. 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. 2,052,807 (previous year Rs. 1,853,640) pertaining to employers' contribution to provident fund and employees' state insurance fund is recognised as an expense and included in "Personnel costs" in Schedule 11.

b) Gratuity Plan (defined benefit 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 2011	As at 31 March 2010
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	2,292,210	3,687,749
Interest Cost	183,377	276,581
Current service cost	420,621	294,129
Benefits paid	(340,554)	(2,115,627)
Actuarial (gain)/loss	757,756	149,378
Present value of obligation at the end of the year	3,313,410	2,292,210
Changes in the fair value of the Plan assets		
(The Company does not have any Plan assets)	—	—
Actuarial gain/ (loss)		
Actuarial gain/ (loss) for the year - obligation	(757,756)	(149,378)
Actuarial (gain)/ loss for the year - plan assets	—	—
Total (gain)/ loss for the year	757,756	149,378
Actuarial (gain)/ loss recognized in the year	757,756	149,378
Unrecognised actuarial (gains)/ losses at the end of year		
Amount recognized in the balance sheet		
Present value of obligation at the end of the year	3,313,410	2,292,210
Fair value of the plan assets in the end of the year	—	—
Funded status	3,313,410	2,292,210
Unrecognised actuarial (gains)/losses		
Liability recognized in the balance sheet	3,313,410	2,292,210
Gratuity cost for the year		
Current service cost	420,621	294,129
Past service cost	—	—
Interest cost	183,377	276,581
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognized in the year	757,756	149,378
Expenses recognised in the statement of profit and loss	1,361,754	720,088
Economic assumptions		
Discount rate	8.00%	7.50%
Expected rate of return on plan assets	—	—
Long term rate of compensation increase	5.50%	5.00%
Demographic assumptions		
Retirement age	58 years	58 years
Mortality table	LIC (1994-96) mortality tables.	LIC (1994-96) mortality tables.
Withdrawal Rates		
	Ages	Withdrawal rate
	Upto 30 years	3%
	Upto 44 years	2%
	Above 44 years	1%
		Withdrawal rate
		3%
		2%
		1%
	As at	As at
	31 March 2011	31 March 2010
Present value of obligation at the end of the year	3,313,410	2,292,210
Fair value of plan assets	—	—
Liability recognized in the balance sheet	3,313,410	2,292,210
Experience adjustments on Plan assets/ liabilities gain /(loss)	(766,315)	(165,868)
	As at	As at
	31 March 2009	31 March 2009
Present value of obligation at the end of the year	3,687,749	3,687,749
Fair value of plan assets	—	—
Liability recognized in the balance sheet	3,687,749	3,687,749
Experience adjustments on Plan assets/ liabilities gain /(loss)	—	—

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 2011 for the estimated term of the obligations.

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

S. No.	Particulars	Year ended 31 March 2011	Year ended 31 March 2010
(i)	the principal amount remaining unpaid to supplier as at the end of the year	11,872,216	6,513,172
(ii)	the interest due on the principal remaining outstanding as at the end of the year	27,118	65,809
(iii)	the amount of interest paid under the Act beyond the appointed day during the year	—	—
(iv)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	—	—
(v)	the amount of interest accrued and remaining unpaid at the end of the year	874,802	474,644
(vi)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	—	—

6. **Managerial remuneration**

	Year ended 31 March 2011	Year ended 31 March 2010
Salaries, Bonus and allowances	3,476,636	300,000
Contribution to Provident fund	158,400	21,600
Monetary value of benefits (at cost)	298,398	15,000
Total	3,933,434	336,600
Directors' sitting fees	192,000	120,000

Gratuity and leave encashment liability is based on actuarial valuations carried out on an overall company basis and is not separately available on an individual basis. The Company has obtained approval of the Central Government vide its letter dated 21 December, 2010 for payment of the above remuneration with effect from 1 January, 2010.

7. **Auditor's remuneration (excluding service tax)**

	Year ended 31 March 2011	Year ended 31 March 2010
Statutory audit fees	1,300,000	1,300,000
Tax audit fees	120,000	120,000
Other matters	500,000	500,000
Out of pocket expenses	140,000	286,889
Total	2,060,000	2,206,889

8. Segment information

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

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

	Year ended 31 March 2011			Year ended 31 March 2010		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	445,659,221	65,182,994	510,842,215	321,099,339	57,826,279	378,925,618
Segment assets	461,805,033	9,844,250	471,649,283	349,687,797	7,692,881	357,380,678
Capital expenditure	8,279,935	—	8,279,935	12,108,807	—	12,108,807

Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in Note 1 to this schedule on significant accounting policies. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as under:

a) Segment assets

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

b) Segment revenue

Segment revenue excludes trade discounts, excise duty and exceptional item (refer note 19) and includes other income. Segment revenue has been allocated to both the segments on the basis of specific identification.

9. 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	Chetan Genthe & Company Private Limited Bitoni Lamps Limited
2. Fellow subsidiaries	<i>In India</i> Hella India Electronics Private Limited Hella Engineering Private Limited <i>Outside India</i> Hella Fahrzeugteile, Austria Hella Phil Inc., Philippines Hella Australia Pty. Limited Hella Asia Singapore Pte. Limited Beijing Hella Automotive Lighting Ltd Hella Innenleuchten-Systeme GmbH Hella Japan Inc. Hella Inc., USA Changchun Hella Automotive Lighting Ltd., China Behr Hella Service GmbH Hella Fahrzeugkomponenten GmbH Hella Romania S.R.L. Hella Trailer Systems GmbH
3. Key management personnel	Mr. Stephan Gerres (Managing Director) (from 1 June 2008 to 31 Dec 2009) Mr. R. S. Pandey (Managing Director) (with effect from 1 Jan 2010)

c) Related party transactions:

Nature of transaction	Year ended 31 March 2011	Year ended 31 March 2010
Sale of goods		
To Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	56,664,661	54,162,321
To Fellow subsidiaries		
- Hella India Electronics Private Limited	358,409	—
- Hella Fahrzeugteile, Austria	4,971,953	2,199,993
- Hella Phil Inc., Philippines	77,609	84,090
- Hella Australia Pty. Limited	343,054	155,251
- Beijing Hella Automotive Lighting Ltd	818,260	—
- Hella Japan Inc.	2,815	—
Purchase of raw materials and components		
From Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	13,322,853	3,907,634
From Fellow subsidiaries		
- Hella India Electronics Private Limited	98,629,113	81,664,031
- Hella Fahrzeugteile, Austria	1,513,248	1,144,841
- Hella Asia Singapore Pte. Limited	26,362,293	17,094,439
- Hella Innenleuchten-Systeme GmbH	18,936	1,013,059
- Hella Inc., USA	184,090	9,185
- Changchun Hella Automotive Lighting Ltd., China	—	13,562
- Hella Fahrzeugkomponenten GmbH	41,713	—
- Hella Romania S.R.L.	13,636	—
- Hella Trailer Systems GmbH	308,246	—
Issue of preference shares		
To Holding company		
- Reinhold Poersch GmbH, Germany	—	60,363,000
Interest expense		
To Holding company		
- Reinhold Poersch GmbH, Germany	—	1,013,423
Commission on guarantee		
To Ultimate holding company		
- Hella KGaA Hueck & Co, Germany#	2,131,008	1,267,311
# Guarantee has been given for the overdraft facility availed by the Company. The commission paid on such guarantee are reimbursed by the company.		
Salary & Wages		
To Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	3,189,028	—
Computer Maintenance		
To Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	2,336,720	—
To Fellow subsidiaries		
- Changchun Hella Automotive Lighting Ltd., China	2,389,759	—



Nature of transaction	Year ended 31 March 2011	Year ended 31 March 2010
Liabilities no longer required written back		
Ultimate holding company - Hella KGaA Hueck & Co, Germany	21,445,533	—
Office Expenses		
To Fellow subsidiaries - Hella Engineering Private Limited	27,000	—
Rent		
To Fellow subsidiaries - Hella Engineering Private Limited	247,500	330,000
Purchase of Fixed assets		
From Fellow subsidiaries - Hella Fahrzeugteile, Austria	—	135,900
Sale of capital work in progress		
To Fellow subsidiaries - Hella India Electronics Private Limited	904,166	4,383,643
Reimbursement of expenses		
To Ultimate holding company - Hella KGaA Hueck & Co, Germany	135,260	—
To Fellow subsidiaries - Hella India Electronics Private Limited - Hella Fahrzeugteile, Austria - Hella Asia Singapore Pte. Limited - Hella Trailer Systems GmbH	372,163 — 119,988 21,927	— — — —
Reimbursement of expenses		
From Ultimate holding company - Hella KGaA Hueck & Co, Germany	2,137,240	—
From Fellow subsidiaries - Hella India Electronics Private Limited - Hella Fahrzeugteile, Austria - Hella Asia Singapore Pte. Limited - Changchun Hella Automotive Lighting Ltd., China - Behr Hella Service GmbH	11,611 57,803 2,782 132,681 669,245	— — — — —
Managerial remuneration		
To Key management personnel - Mr. R. S. Pandey	3,933,434	336,600

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

	As at 31 March 2011	As at 31 March 2010
Sundry Debtors		
Ultimate holding company - Hella KGaA Hueck & Co, Germany	6,196,485	5,774,148
Fellow subsidiaries - Hella India Electronics Private Limited - Hella Fahrzeugteile, Austria	38,276 2,035,784	28,280 947,895



	As at 31 March 2011	As at 31 March 2010
- Hella Australia Pty. Limited	46,903	64,341
- Hella Phil Inc., Philippines	—	74,806
- Beijing Hella Automotive Lighting Ltd	836,380	—
Sundry Creditors		
Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	2,838,488	56,290,930
Fellow subsidiaries		
- Hella India Electronics Private Limited	26,369,233	18,563,803
- Hella Fahrzeugteile, Austria	5,043,571	1,002,333
- Hella Asia Singapore Pte. Limited	8,120,050	3,792,351
- Hella Inc., USA	183,315	9,055
- Hella Innenleuchten-Systeme GmbH	—	6,708,144
- Changchun Hella Automotive Lighting Ltd., China	2,570,022	—
- Hella Engineering Private Limited	—	27,750
Loans and advances		
Ultimate holding company		
- Hella KGaA Hueck & Co, Germany	—	394,579
Subsidiaries		
Bitoni Lamps Limited	1,041,642	1,041,642
Chetan Genthe & Company Private Limited	2,224,181	2,224,181
Fellow subsidiaries		
- Hella India Electronics Private Limited		
- Hella Fahrzeugteile, Austria	58,133	—
- Behr Hella Service-GmbH	305,885	—
- Hella Innenleuchten-Systeme GmbH	—	158,700
- Changchun Hella Automotive Lighting Ltd., China	133,543	—
Unsecured loans		
Holding company		
- Reinhold Poersch GmbH, Germany	12,447,700	12,447,700

10. 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 2011 is Rs. 3,315,431 (previous year Rs. 3,054,352). The future minimum lease expense in respect of non cancellable lease is as follows:

	As at 31 March 2011	As at 31 March 2010
Not later than 1 year	1,397,333	1,452,000
Later than 1 year but not later than 5 years	1,845,375	342,833
Later than 5 years	—	—

11. Earnings/Loss per share

	As at 31 March 2011	As at 31 March 2010
Profit/(loss) after tax	256,466,993	(16,978,072)
Weighted average 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)	80.87	(5.35)

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

12. Deferred Tax

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

	As at 31 March 2011	As at 31 March 2010
Timing differences between accounting and tax books on account of:		
Deferred tax liability		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per Companies Act, 1956	3,198,004	6,847,247
Total (A)	3,198,004	6,847,247
Deferred tax assets		
Provision for gratuity	1,075,036	761,415
Provision for leave encashment	645,103	449,586
Provision for doubtful debts	2,450,181	2,062,135
Provision for doubtful advances	3,058,602	1,779,872
Provision for bonus	141,809	—
Provision for slow moving inventory	1,093,481	835,518
Unabsorbed depreciation and carry forward of losses under the Income-tax Act, 1961	79,409,265	94,600,834
Total (B)	87,873,477	100,489,360
Net Deferred tax asset (B-A)	84,675,473	93,642,113
Net amount recognized in the financial statements	Nil	Nil

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

13. Sundry debtors 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 2011	As at 31 March 2010
Hella KGaA Heuck and Co, Germany	6,196,485	5,774,148
Hella Australia Pty Ltd.	46,903	64,341
Hella Fahrzeugteile, Austria	2,035,784	947,895
Hella Phil Inc., Philippines	—	74,806
Hella India Electronics Private Limited	38,276	—
Hella Beijing Automotive Lighting Ltd.	836,380	—

14. 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 2011	Maximum amount due during the year	As at 31 March 2010	Maximum amount due during the year
Hella Fahrzeugteile, Austria	58,133	58,133	—	3,517,556
Hella Innenleuchten-Systeme GmbH	—	158,700	158,700	158,700
Hella KGaA Heuck & Co, Germany	—	394,579	394,579	394,579
Changchun Hella Automotive Lighting Ltd., China	133,543	133,543	—	—
Behr Hella Service GmbH	305,885	363,820	—	—

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

	As at 31 March 2011		As at 31 March 2010	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
Debtors receivable				
- EURO	149,997	9,299,784	114,483	6,796,850
- USD	1,076	46,903	1,452	64,341
Loans and Advances				
- EURO	8,025	497,562	—	—
Payables				
- EURO	309,942	19,947,877	1,114,580	68,791,894
- USD	4,052	183,313	197	9,055
Unsecured loan				
- EURO	—	—	201,680	12,447,700
Cash in hand and at bank				
- USD	—	—	3,585	161,804
- SGD	7	239	—	—
- EURO	16	949	768	46,510
- RMB	8	50	80	529

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

17. 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 2011	Year ended 31 March 2010	Year ended 31 March 2011	Year ended 31 March 2010
Horn	600,000	400,000	488,953	396,843
Sundry lamps	800,000	420,000	532,539	399,808
Switches	1,000,000	1,080,000	137,501	182,473
Head lamps	800,000	450,000	630,211	456,877
Flasher lamps	660,000	660,000	54,148	6,418

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

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

b) **Details of inventories of finished goods**

	As at 31 March 2011		As at 31 March 2010	
	Quantity Qty (Pcs.)	Value (in Rupees)	Quantity Qty (Pcs.)	Value (in Rupees)
Opening stock				
Horns	30,181	4,718,964	24,548	3,585,546
Sundry lamps	29,434	2,862,077	32,188	3,288,121
Switches	18,430	1,545,961	11,941	584,641
Head lamps	48,778	8,652,435	47,690	8,991,177
Flasher lamps	1,317	50,203	2,581	93,950
Other	#	1,613,641	#	2,645,331
Total		19,443,281		19,188,766

	As at 31 March 2011		As at 31 March 2010	
	Quantity Qty (Pcs.)	Value (in Rupees)	Quantity Qty (Pcs.)	Value (in Rupees)
Closing stock				
Horns	27,930	5,041,286	30,181	4,718,964
Sundry lamps	25,739	3,157,123	29,434	2,862,077
Switches	16,917	1,200,490	18,430	1,545,961
Head lamps	30,805	6,682,231	48,778	8,652,435
Flasher lamps	5,350	410,676	1,317	50,203
Other	#	2,133,751	#	1,613,641
Total		18,625,557		19,443,281

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 stock of finished goods.

c) Details of turnover

	Year Ended 31 March 2011		Year Ended 31 March 2010	
	Quantity Qty (Pcs.)	Value (in Rupees)	Quantity Qty (Pcs.)	Value (in Rupees)
Horns	491,204	130,168,742	391,210	101,244,715
Sundry lamps	536,234	81,033,997	402,562	53,589,749
Switches	139,014	19,576,389	175,984	34,467,882
Head lamps	648,184	186,217,000	455,789	120,379,571
Flasher lamps	50,115	10,865,525	7,682	453,154
Other	#	104,713,387	#	84,084,738
Total		532,575,040		394,219,809

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 the total turnover.

d) Raw materials and components consumed

	UOM	Year Ended 31 March 2011		Year Ended 31 March 2010	
		Quantity	Value (in Rupees)	Quantity	Value (in Rupees)
CRC sheet/ CRC coil	Kgs	162,486	8,557,367	111,044	4,155,808
Diffusing lenses	Nos.	1,441,136	24,556,874	487,703	5,864,820
Motor	Nos.	132,445	22,170,426	116,862	21,486,524
Horn (unfinished)	Nos.	536,498	72,928,797	530,025	64,873,758
Others	Kgs	#	196,115,177	#	148,588,275
Total			324,328,641		244,969,185

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.

- (e) Value of imported and indigenous raw materials and components consumed and Stores, Spares and Consumables and the percentage of each to the total consumption.

Item	Year ended 31 March 2011		Year ended 31 March 2010	
	Value (in Rupees)	%	Value (in Rupees)	%
Raw materials and components				
- Imported	74,310,677	22.91%	41,115,051	16.78%
- Indigenous	250,017,964	77.09%	203,854,134	83.22%
Total	324,328,641	100%	244,969,185	100%
Stores, spares and consumables				
- Imported	—	—	—	—
- Indigenous	18,146,211	100%	15,936,731	100%
Total	18,146,211	100%	15,936,731	100%

- (f) Value of imports on CIF Basis

(Amount in Rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
Raw materials and components	50,397,704	27,195,985

- (g) Expenditure in foreign currency

	Year ended 31 March 2011	Year ended 31 March 2010
Finance charges	—	1,013,423
Personnel cost	3,189,029	1,348,375
Travelling	398,473	384,840
Legal and professional charges (commission on guarantee)	2,131,008	1,267,311
Repairs and maintenance	4,841,632	2,090,737
Miscellaneous expenses	—	520,289

- (h) Earnings in foreign currency

	Year ended 31 March 2011	Year ended 31 March 2010
F.O.B. value of exports	65,182,994	57,826,279

18. The Company had in earlier years applied to the Registrar of Companies (ROC) for dissolution and consequently striking off the names of its wholly owned subsidiaries, Chetan Genthe & Company Private Limited (Chetan) and Bitoni Lamps Limited (Bitoni), from the register of companies maintained by ROC. The operations of these companies had been discontinued since financial year 2006-07.

In respect of Chetan, the Company received a notice dated 22 November 2010 from the ROC stating that unless the Company presents a reason to the contrary Chetan would be dissolved and its name would be struck off from the register maintained by ROC within three months of receiving such notice.



In the case of Bitoni, the Company had received a letter from ROC dated 31 July 2009 stating that on the basis of the application of closure filed by the Company, the ROC is of the belief that Bitoni is not carrying on business and therefore unless the Company represents a reason to the contrary, the ROC would proceed further in accordance with provision of section 560 of the Companies Act, 1956 for dissolution and striking off Bitoni's name from the register of companies.

The Company has in both the above cases continued to maintain its stand on dissolution of its subsidiaries. It further does not have any other subsidiary, joint venture or associate company and has therefore decided not to present a consolidated set of financial statement. The company does not expect the non consolidation to have a material impact on the results of the stand alone financial statements.

19. The Company has during the year sold its land at Faridabad. It has also as part of this transaction disposed off fixed assets and capital work in progress lying on this land. The profit on sale of above amounting to Rs. 352,590,929 has been disclosed in the financial statements as an exceptional item.
20. During the previous year, the Company has entered into certain transactions for sale of capital goods aggregating Rs. 3,086,565 with a private company in which a director of the Company was a director. The Company inadvertently did not obtain a prior approval of the Central Government as envisaged under section 297 of the Companies Act, 1956, in respect of these transactions.

The Ministry of Corporate Affairs has vide its letter dated 5 January 2011 compounded the above offence based on application made to it by the Company.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors

Sd/-
Jiten Chopra
Partner
Membership No: 092894

Sd/-
Rama Shankar Pandey
Managing Director

Sd/-
Stephan Gerres
Director

Sd/-
Pawan Sharma
Head Finance

Sd/-
Sarvesh Upadhyay
Company Secretary

Place: Gurgaon
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

Place: New Delhi
Date: 30.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011
(All amounts are in Rupees)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT/ (LOSS) BEFORE TAX	330,094,993	(16,978,072)
ADJUSTMENTS FOR :		
Depreciation	21,091,923	6,401,490
Liabilities and provisions no longer required written back	(21,445,533)	(4,589,619)
Interest expense	5,264,577	18,476,547
Interest income	(5,256,858)	(37,821)
Unrealised foreign exchange fluctuations (net)	134,318	(7,307,022)
Loss/ (Profit) on sale of fixed assets	(182,517)	(809,142)
Exceptional item (refer to note 19 of schedule 14)	(352,590,929)	—
Provision for doubtful debts	1,343,821	—
Provision for doubtful advances	4,068,802	2,108,700
Provision for slow moving inventory	854,966	815,864
Provision for Impairment loss	—	2,056,518
Bad debts written off	986,493	—
Fixed assets written off	9,370,999	—
Sundry advances written off	92,750	726,566
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(6,172,195)	864,009
ADJUSTMENTS FOR :		
Decrease/(Increase) in inventories	(9,520,691)	5,338,392
Decrease/(Increase) in trade / other receivables	(23,741,228)	(21,026,923)
Increase/(decrease) in trade / other payables	(8,148,112)	23,111,186
CASH GENERATED FROM / (USED IN) OPERATIONS	(47,582,226)	8,286,664
Taxes paid on operating activities	(524,374)	(128,328)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	(48,106,600)	8,158,336
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress	(8,279,935)	(12,115,462)
Purchase of Investments	(5,000,000)	—
Sale of fixed assets including capital work-in-progress	492,035,898	5,708,794
Interest received	5,256,858	37,821
CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	484,012,821	(6,368,847)
Taxes paid on investing activities	(62,500,000)	(144,464)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	421,512,821	(6,513,311)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of secured loans	(25,043)	(420,338)
Proceeds/(repayments) from/of unsecured loans	(119,009,834)	9,194,762
Interest paid	(5,264,577)	(17,564,467)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	(124,299,454)	(8,790,043)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	249,106,767	(7,145,018)

HELLA INDIA LIGHTING LIMITED



	Year ended 31 March 2011	Year ended 31 March 2010
Cash and cash equivalents at the beginning of period	6,542,175	13,687,193
Cash and cash equivalents at the end of period (refer schedule 7)	255,648,942	6,542,175

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".
2. Cash and cash equivalents consist of cash on hand and balances with banks and include Rs. 624,971 (Previous year Rs. 583,342) held as margin accounts which are not available for use by the Company.

As per our report of even date

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of Directors

Sd/-
Jiten Chopra
Partner

Membership No: 092894

Place: Gurgaon
Date: 30.05.2011

Sd/-
Rama Shankar Pandey
Managing Director

Place: New Delhi
Date: 30.05.2011

Sd/-
Stephan Gerres
Director

Place: New Delhi
Date: 30.05.2011

Sd/-
Pawan Sharma
Head Finance

Place: New Delhi
Date: 30.05.2011

Sd/-
Sarvesh Upadhyay
Company Secretary

Place: New Delhi
Date: 30.05.2011

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	31-03-2011		

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

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private placement	Nil

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

TOTAL LIABILITIES	597,248,658	TOTAL ASSETS	597,248,658
Source of funds		Application of funds	
Paid-up capital	146,077,000	Net fixed assets	72,507,369
Reserves and surplus	299,600,283	CWIP	410,000
Secured loans	—	Current assets	398,731,914
Unsecured loans	12,447,700	Investments	5,000,000
Current Liabilities and Provisions	139,123,675	Debit balance of Profit and Loss Account	120,599,375
Deferred Tax (net)	—		

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

Turnover*	863,433,144	Total expenditure	533,338,151
Profit/(Loss) before tax	330,094,993	Profit/(Loss) after tax	256,466,993
Earning per share in Rs.	80.87	Dividend rate %	0%

* Including other income and exceptional items

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/- Rama Shankar Pandey <i>Managing Director</i>	Sd/- Stephan Gerres <i>Director</i>	Sd/- Pawan Sharma <i>Head Finance</i>	Sd/- Sarvesh Upadhyay <i>Company Secretary</i>
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Place : New Delhi
Date : 30.05.2011

Green Initiative in Corporate Governance - Save Paper, Go Green

Dear Shareholder(s),

The Ministry of Corporate Affairs has through its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 allowed paperless compliances by Companies through electronic mode. Companies are now allowed to send the various notices/documents through electronic mode to the shareholders whose e-mail addresses are registered and available in the Company's records.

Ministry of Corporate Affairs has introduced this green initiative in order to reduce the consumption of paper and hence contributing towards the green environment. It will also help in speedy communication of the documents and evade loss in postal transit.

In order to welcome this green initiative, we wish to inform you that now onwards we will send all the statutory documents like Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report, Audited financial statements, Notices of General Meetings etc. to the shareholders through electronic mode depending upon the availability of the e-mail addresses of the shareholders. However, this does not deprive the shareholders from their statutory right of getting the physical copy of the aforesaid documents and members may also choose to receive physical copy instead of electronic copy.

In order to contribute towards this initiative, the members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address alongwith details of name, address, Folio No., at the following address or E-mail IDs:

"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 - 110 028"
E-Mail : delhi@linkintime.co.in

OR

"Company Secretary
Hella India Lighting Limited
610A, Udyog Vihar,
Phase - V, Gurgaon - 122016
Haryana"
E-mail : sarvesh.upadhyay@hella.com

In respect of shares held in demat form, since the Company seeks all the information of their members from the Depository so those who wish to register their e mail-ids, are requested to provide the same directly to their respective Depository Participants with whom their demat accounts are maintained.

In case any Members opt for physical copies of above documents, the same shall be sent to him by post free of cost. Similarly, physical copies of the statutory documents shall also be sent to the members whose e-mail addresses are not available with the Company.

A pre-paid envelope is also attached herewith with for sending back to us your option to receive physical copies or electronic copies.

In order to move a step towards this ultimate green initiative of the Ministry, members are requested to opt for receiving electronic copy of the documents and contribute towards this initiative.

Thanks

Sd/-
Sarvesh Upadhyay
Company Secretary

HELLA INDIA LIGHTING LIMITED

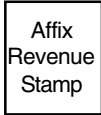
Registered Office: B-13, Badarpur Extension, New Delhi - 110044

FORM OF THE PROXY FOR THE 51ST 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 51st Annual General Meeting of the Equity Shareholders of the company to be held at Emperors Court 1, T. G. Leisure & Resorts, Chattarpur Hills, Mehrauli, New Delhi - 110074 on **30th August 2011 at 9:30 A.M.** or any adjournment or adjournments thereof.

Dated this _____ day of _____ 2011.

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 **30th August 2011 at 9:30 A.M.** at Emperors Court 1, T. G. Leisure & Resorts, Chattarpur Hills, Mehrauli, New Delhi - 110074.

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