



**HELLA INDIA LIGHTING LTD**  
**ANNUAL REPORT**  
**2012-13**



*Dear Shareowners,*

It gives me immense pleasure once again to share my thoughts with the owners and other stake holders of the company.

We focused on improving efficiency, leveraging on the quality of our assets and remaining nimble. This reflects the strength of our business model, robustness of our systems and processes, farsighted planning, meticulous execution and above all, our indomitable will to succeed.

While staying focused on our long-term strategy, we have remained committed to protecting our employees and ensuring their safety. We would like to assure all our stakeholders that our objective is to act in a manner that is fully in consonance with our respect for the law and is protective of the national interests. Looking forward, we see exciting opportunities for growth in the automotive sector. Growth is likely to be led by emerging economies of Asia, like India and China.

Talking specifically to analysts forecast the Global Automotive Lighting market to grow at a CAGR of 5.39 percent over the period 2011-2015. One of the key factors contributing to this market growth is the increase in automotive production in emerging market. The Global Automotive Lighting market has also been witnessing growing potential in the emerging market. However, the increasing cost of raw materials could pose a challenge to the growth of this market.

At Hella, we have always invested aggressively into businesses of the future. Our recent investments in business have created a strong growth platform. These can now be leveraged to take the giant leap forward. In preparation for the next phase of growth, we are focused on strengthening internal processes and controls, streamlining operations, developing strong leadership and a performance culture to ensure sustainable, superior growth. Hella is on its way to becoming a competitive and integrated global company. Conservative financial management and strong operating expertise will ensure that we would be able to maximize value for all our stakeholders in future.

I take this opportunity to warmly welcome Hella's shareholders into the family. I am grateful to the Board of Directors for their unwavering support and guidance. I would also like to express my gratitude to all our stakeholders, who have reposed their trust in us and given us their constant support.

Best regards,

**Sd/-**

**(RAMA SHANKAR PANDEY)**

MANAGING DIRECTOR

# HELLA INDIA LIGHTING LIMITED



## BOARD OF DIRECTORS

(In alphabetical order)

Mr. Akhilesh Kumar Maheshwari : Director  
Mr. Avinash Razdan Bindra : Director  
Mr. Christof Johannes Droste : Director  
Mr. Guido Johannes Christ : Director  
Dr. Gunther Schmidt : Director  
Mr. Rama Shankar Pandey : M.D.

## COMPANY SECRETARY

Mr. Sarvesh Upadhyay

## REGISTERED OFFICE

B-13, Badarpur Extension,  
New Delhi - 110044

## MANUFACTURING UNIT – I

Ambala Chandigarh Road, Derabassi, Punjab

## MANUFACTURING UNIT – II

Village Mahiwala, Derabassi, Punjab

## MANUFACTURING UNIT – III

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

## UNIT - IV

### MANUFACTURING & TRADING WAREHOUSE AT GURGAON

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

## UNIT – V

### TRADING WAREHOUSE AT - PUNE

ChambliPhata, ChambliGaon Road  
Opp.-Vitthal Nagar, Chakan  
Dist.-Pune, Maharashtra, Pin Code – 410501

## LISTING OF EQUITY SHARES\*

- Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

- The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1, Asaf Ali Road,  
New Delhi – 110002

\*(Pl refer clause 'Delisting of securities' and 'Compliance  
of Clause - 40A of Listing Agreement' on page no 8 of  
this Annual Report )

## AUDITORS

B S R & Co.  
Chartered Accountants,  
Gurgaon

## REGISTRAR & SHARE TRANSFER AGENT

(formerly Intime Spectrum Registry Limited)

44 Community Center, 2nd Floor,  
Naraina Industrial Area, Phase I,  
Near PVR, Naraina,  
New Delhi - 110028

## BANKERS

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

## ANNUAL GENERAL MEETING

Date: 27th September 2013

Time : 10:00 A.M.

Place : Hotel Aravali Villa, F.H-1, Bandh Road,  
N.H-8, Rajokari, New Delhi- -110038, India

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## NOTICE

Notice is hereby given that the 53rd Annual General Meeting of the members of Hella India Lighting Limited will be held at Hotel Aravali Villa, F.H-1, Bandh Road, N.H-8, Rajokari, New Delhi -110038, India, on 27th September 2013 at 10:00 A.M. to transact the following business:

### ORDINARY BUSINESS:

- 1 To consider and adopt the Audited Balance Sheet as at 31st March 2013, Profit & Loss Account for the period ended on that date and the reports of the Board of Directors' and Auditor's thereon.
- 2 To appoint a Director in place of Mr. Akhilesh Kumar Maheshwari who retires by rotation and is eligible for reappointment.
- 3 To appoint a Director in place of Mr. Avinash Razdan Bindra who retires by rotation and is eligible for reappointment.
- 4 To appoint Statutory Auditors and to fix their remuneration.

RESOLVED THAT M/s B S R & Co., Chartered Accountants (Membership No 101248W), Gurgaon, the Statutory Auditors of the Company, who retires at the conclusion of the 53rd Annual General Meeting, be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 53rd Annual General Meeting till the conclusion of 54th Annual General Meeting of the Company at the remuneration of ₹ 16,20,000 (Rupees of Sixteen Lacs Twenty Thousand).

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 293 (1)(d) of the Companies Act 1956, and any other provisions applicable for the time being in force, consent of the members of the company be and are hereby accorded to borrow any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose provided that the total amount upto which the moneys may be borrowed shall not exceed ₹ 50 Crores at any point of time on account of the principal.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution Mr. Rama Shankar Panday- Managing Director of the Company and Mr Anil Sultan – Authorised Person the Company be and is hereby jointly authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board  
For Hella India Lighting Limited

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
Sarvesh Upadhyay  
Company Secretary



## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 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 have the right to vote only on the poll, if demanded at the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain close for a period of 5 days, from 16th September 2013 to 20th September 2013 (both days inclusive).
- Members are requested to send request for change in their addresses, if any, directly to the Registrar & Share Transfer Agent viz. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited), 44, Community Centre, 2nd Floor, Naryana Industrial Area, Phase – 1, Near PVR Naraina, New Delhi – 110028.
- 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.
- 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:

Name	:	Mr. Akhilesh Kumar Maheshwari
Qualification	:	Chartered Accountant, Company Secretary, B.Com
Brief Profile	:	Mr. Akhilesh Kumar Maheshwari is approx 49 years old and having 28 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.
Shareholding in the Company	:	Nil
Other Directorships	:	Gulshan Polyols Limited, Jhabua Power Investments Limited, TKS Developers Limited, Jhabua Power Limited, Korba West Power Company Limited

He is also a member of Audit Committee, Shareholders' Grievance Committee, Share Transfer Committee and Remuneration Committee of the Company.

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 47 years old and having more than 22 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.
Shareholding in the Company	:	Nil
Other Directorships	:	Nil

# HELLA INDIA LIGHTING LIMITED

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He is also a member of Audit Committee, Shareholders' Grievance Committee, Share Transfer Committee and Remuneration Committee of the Company.

By Order of the Board  
For Hella India Lighting Limited

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
Sarvesh Upadhyay  
Company Secretary

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

### **Item No. 5**

To cope up with the competition prevailed in the market and in view of the recently acquired business from original equipment manufacturer, it is necessary to upgrade, expand and modernize the current business structure and plant.

Pursuant to section 293(1)(d), your Company is seeking your approval for borrowing power as mentioned and explained in the resolution upto ₹ 50 Crores.

The Board of Directors of your Company has already approved the borrowing upto ₹50 Crores and recommends the said Resolution for approval by the members.

None of the Directors are interested or concerned in the resolution.

By Order of the Board  
For Hella India Lighting Limited

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
Sarvesh Upadhyay  
Company Secretary



## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the 53rd Annual Report and the Audited Accounts for the year ended March 31, 2013.

### FINANCIAL RESULTS

The financial performance of the Company for the financial year ended March 31, 2013 is summarized below:

(₹ in Lakhs)

Particulars	CURRENT YEAR ENDED 31.03.2013	PREVIOUS YEAR ENDED 31.03.2012
Profit/(Loss) after tax but before Depreciation & Interest	(245.10)	(164.12)
Less: Interest	Nil	9.18
Profit/(Loss) after tax & Interest but before Depreciation	(245.10)	(173.30)
Less: Depreciation	110.27	142.90
Profit/(Loss) after tax, Interest & Depreciation	(355.37)	(316.20)
Balance Brought forward	(1522.19)	(1205.99)
Transfer from General Reserve to Profit & Loss Account	Nil	Nil
Balance carried over to the Balance Sheet	(1877.57)	(1522.19)

### OPERATIONAL PERFORMANCE

During the period under review for 12 months, the Net Operational Revenue of the company was at ₹ 6803.77 lakhs as compared to the previous year ₹ 5891.86 Lakhs. The net loss during the period under report amounts to ₹ 355.37 lakhs as compared to the previous year's net loss of ₹ 316.20 Lakhs.

### DIVIDEND

The Company has operational losses during the year and considering the huge accumulated losses of past years your Directors do not recommend any dividend.

### SUBSIDIARIES

The operations in M/s Bitoni Lamps Ltd. (Bitoni), subsidiary of the Company had been discontinued since financial year 2006-07. Bitoni has already been struck as appearing on the official website of Ministry of Corporate Affairs i.e. [www.mca.gov.in](http://www.mca.gov.in). Therefore, question of consolidation of the financial statements of Bitoni as required by the Listing Agreement with the stock exchange, did not arise.

### DIRECTORS

During the year Mr. Guido Johannes Christ and Dr. Gunther Schmidt, both were appointed on 1st October 2010 as Casual Director, confirmed by the Shareholders of the Company in their meeting held on 29th September 2012 as rotational Directors.

Mr Stephan Gerres, due to his preoccupation, resigned as Director w.e.f. 29th May 2012. Mr Christof Johannes Droste was appointed to fill the casual vacancy so caused w.e.f. 30th May 2012. Mr Christof Johannes Droste was confirmed by the Shareholders of the Company in their meeting held on 29th September 2012 as rotational Director.

In the ensuing Annual General Meeting, Mr Akhilesh Kumar Maheshwari and Mr Avinash Razdan Bindra shall be retiring by rotation, being eligible, they have offered themselves for the re-appointment and which shall be placed before the members of the Company to re-appoint them as Director liable to retire by rotation.

# HELLA INDIA LIGHTING LIMITED



## 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:

- That in the preparation of annual accounts for the financial year ended 31st March 2013, 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.
- 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.
- 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.
- That the Directors have prepared the accounts for the financial year ended 31st March 2013 on a going concern basis.

## PARTICULARS OF EMPLOYEES

As required by provisions of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employee are as under:

Name of the Employee	Mr Rama Shankar Pandey	Mr Gerhard Gorzinski
Designation	Managing Director	Head Logistics
Remuneration Received (in financial year 2012-13)	₹ 58,05,934/-	₹ 22,99,266/- (From January 2013 to March 2013)
Nature of Employment (Contractual or otherwise)	Employee	Employee
Nature of duties of the employee	Overall supervision and management of Company's affairs.	Responsible for overall logistics operations of the Company under the supervision of management
Other Terms and Conditions	Accustomed to act in accordance with the directions issued by Board of Director	Accustomed to act in accordance with the directions of the Management
Qualification	B.Tech, Diploma in Business Finance, Exe. Gen. Management	Diploma in Industrial Engineering
Experience	16 years approx	5 years approx
Date of Commencement of Employment	December 2006	January 2013
Age of the Employee	36 years	30 years
Last Employment held before joining the Company	Timken India Limited	Hella KgaA Hueck & Co.
Equity Shares held	Nil	Nil





## **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 re-appointment, 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:

### **Auditor's qualification read as under:**

*During the year, the Company has implemented new integrated system. During the course of data migration, the management observed discrepancies in inventory records uploaded in the new system and conducted a hundred percent physical verification at all units at the year end, except for stock lying with third parties. Based on the physical verification, the closing inventory was updated in the books. The Company has not performed reconciliation between inventory initially uploaded in the new system and inventory considered as per physical verification.*

*Further, the management also observed discrepancies in the valuation of the inventory of finished goods and work in process as at the year end. The Company is in the process of reconciling these differences. Pending such reconciliation, we are unable to comment on the financial impact, if any, on finished goods and work in process inventory balances as at 31 March 2013 and the consequential impact of the same on cost of goods sold, change in inventories of finished goods and work in progress and loss for the quarter/year ended 31 March 2013.*

### **Management's reply on auditor's qualification read as under:**

During the year, the Company has implemented new integrated system and during the course of data migration, discrepancies in inventory records were observed. Hence the Company conducted a hundred percent physical verification at all its unit at the year-end except for stocks lying with third parties and closing inventory was uploaded in the books. The management has performed hundred percent physical verification and strongly believes that there would not be major differences.

Management is also in the process of reconciling the discrepancies in the valuation of the inventory of finished goods and work process. As per the management estimation there is no material impact of it on these results.

### **Auditor's Adverse Remark read as under:**

*Dues in respect of Provident Fund, Employees' State Insurance and Sales tax have not been deposited regularly, of which several of the delays have been significant.*

### **Management's reply on auditor's reservation/adverse remark read as under:**

Your Company always try to adhere the statutory time lines provided for depositing Provident Fund, Employees' State Insurance and Sales tax. However, on certain occasions, due to unavoidable reasons, there were delays in depositing certain Statutory Dues. Your Company will take every step to avoid it in future and would also try to maintain high level of accuracy for such compliances.

### **Auditor's Adverse Remark read as under:**

*The Company has incurred cash losses in the current and immediately preceding financial year.*

### **Management's reply on auditor's reservation/adverse remark read as under:**

The performance of the Company is improving year by year now. Company is investing money for their future projects. Some of 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. The company is expecting to reap the benefit of its current investment in the future.

## **FIXED DEPOSITS**

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



## **BUSINESS EXPANSION**

Considering the new Business opportunities the Company has taken new premises on Lease in Village Mahiwala, Derabassi, Punjab for carrying certain manufacturing process. This unit based at Village Mahiwala will facilitate the main plant already based in village Derabassi, Punjab. The Company is also proposing to build a new shed in the vacant premises of unit based in Village Derabassi for expanding its manufacturing facilities. Your Company was already having its manufacturing warehouse at Gurgaon, Haryana.

During the year-end, the Company has also set up a trading Warehouse at Gurgaon, Haryana.

Further during the year your Company has also set up (on lease) manufacturing warehouse at Chennai to serve primarily the requirement of South India.

## **NEW WAREHOUSE**

During the year the Company has taken on Lease a new warehouse in Pune. The same is primarily dedicated to west India.

## **INDUSTRIAL RELATIONS**

Relations with the work force of the company at all location remained cordial throughout 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.

## **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.

## **COMPLIANCE OF CLAUSE-40A OF LISTING AGREEMENT**

The members may be informed that the Promoters of the Company hold 81.85% of the total issued and subscribed equity capital of the Company and balance 18.15% stake is held by public shareholders. In 2005-06, the Company had applied for delisting from Delhi Stock Exchange ('DSE') and Bombay stock Exchange ('BSE'). However, BSE rejected the application vide letter dated 15th February 2006. On appeal, the Securities Appellant Tribunal ('SAT') passed a favorable order for delisting of the Company. However, the said order of SAT was challenged before the Hon'ble Supreme Court of India by certain individual shareholders. The Supreme Court vide order dated October 24, 2008 stayed the delisting of the Company and the matter is currently sub-judice.

Your Directors believe that pending such decision from the Hon'ble Supreme Court, the requirement of increasing/maintaining at least 25% of its equity shares with public by 3 June 2013, as required by Clause-40 A, of the listing Agreement read with rule 19 (2) (B) of Securities Contract (Regulation) Rules, 1957 ('SCRR') and related notifications in this regard, was not applicable to the Company. As a precautionary measure, vide letter dated 19th March 2013, the company had written/ applied to SEBI seeking clarification on the Compliance with the aforesaid conditions till the matter is sub-judice.

SEBI did not respond to the request of the Company and thereafter issued notices to non-compliant companies vide order dated 4 June 2013. In a separate press release dated 4th June 2013, SEBI has also confirmed that notices were not issued to 3 companies as their matters are sub-judice.

## **MAINTENANCE OF COST ACCOUNTING RECORD FOR FINANCIAL YEAR 2011-2012**

Mr Tapan Kumar Chattopadhyay was appointed as cost accountant pursuant to 'The Companies (Cost Accounting Records) Rule, 2011'. The due date of filing of compliance report was 31st January 2013 (as extended pursuant to general circular number 43/2012 dated 26th December 2012 issued by cost audit branch of Ministry of Corporate Affairs) and the company filed the compliance report on 31st January 2013 with Ministry of Corporate Affairs.



## **COST AUDITOR FOR FINANCIAL YEAR 2012-13**

Name	Tapan Kumar Chattopadhyay
Address	121/18, Friends Colony, Gurgaon – 122001, Haryana
Membership No.	27613
Due date of filing of Cost Audit Report	30th September 2013

## **COST AUDITOR FOR FINANCIAL YEAR 2013-14**

Mr Tapan Kumar Chattopadhyay (membership no 27613) has also been appointed as cost auditor of the Company for the financial year 2013-14.

## **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 as “**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 of  
Hella India Lighting Limited

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
(Rama Shankar Pandey)  
Managing Director

Sd/-  
(Christoph Johannes Droste)  
Director

**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:
- Improving power factor for conservation of electricity and improving manufacturing processes in Derabassi plant.
  - All plant lights have been replaced with energy efficient lights.
  - Temperature controllers has been fitted on all electrical heaters as in phosphating, de, lacquering tank heaters, Zeta coating tank heaters.
  - Installation of auto on and off timers in the street light in the plant.
- b) No further investment was required for reduction of conservation of energy.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- Load has been reduced from 15 kw to 200 watts for spray painting booths.
  - Few metallizer (small) have been discontinued and its production transferred on two other machines resulting in saving load 15 kw per hour.
  - For power press, 40 ton electricity load has been reduced to 2.2 kw per hour.
  - 20% electricity has been saved by installing auto on and off timers on street light.
- d) Total energy consumption and energy consumption per unit of production:

The Company is having 2 DG Sets of 320 KVA & 380 KVA. During the year the Company has consumed units of energy as detailed below:-

**Electric Energy\***

- 9,11,586 units, unit cost ₹ 57,88,571/- (previous year 10,72,431 units, unit cost ₹ 58,98,371/-) from Punjab State Electricity Board.
- DG Sets: Diesel consumed 66, 470 liters at cost of ₹ 30,57,620/- (Previous year 60,297 liters at cost of ₹ 24,11,880/-).

\* In the year of 2012-13 total 117 kw load has been added throughout the Derabassi plant on account of Air Conditioning, ovens, lights etc.

**B. TECHNOLOGY ABSORPTION**

- e) Efforts made in technology absorption are attached in form B.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO: (₹ In Lakhs)**

During the year the Company achieved total export turnover of ₹ 836.87 (Previous year ₹ 484.61) (F.O.B. value). All steps have been taken to improve export turnover and tap new markets.

- f) Activities, Initiatives, development of new export market export plans.

The Company is constantly trying to increase the export sales. To increase the same, the Company has also successfully developed and launched some of its products including fog lamp and driving lamp.

- g) Foreign Exchange Used ₹ 187.26 (previous year ₹ 109.04) Foreign Exchange Earned ₹ 915.08 (previous year ₹ 510.58).



## Form B

### A RESEARCH & DEVELOPMENT (R&D):

- |   |  |
|---|--|
| <b>1 Specific Areas in which R&amp;D carried out by the company</b> | In-house Design and Development team (D&D) is carrying intensive actions with the intent of producing better quality and innovative products. The D&D team developed LED Lamps, Clear lens, black magic lights, First Interior Lamp in complete LED, First Complete Tail Lamp in LED, Auxiliary Lamps, Low cost LED decorative lamp. |
| <b>2 Benefits derived as a result of the above R&amp;D</b>          | The Company has been benefitted in several ways including entry into Car Projects, New Technology Jump in the Company, Entry in the field of Interior Lighting, Cheap, Reliable, Very Low Power Consumption, 100% Water Tight LED products, Increase in Exports and Turnover.  |
| <b>3 Future plan of action</b>                                      | To come up with more competitive product viz single function lamps in LED etc with reduced 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.                     |
| <b>4 Expenditure on R&amp;D</b>                                     |  |
| (a) Capital   | Nil (Previous year NIL)  |
| (b) Recurring   | Nil (Previous year NIL)  |
| (c) Total   | Nil (Previous year NIL)  |
| (d) Total R & D expenditure as a % of total turnover                | Nil (Previous year NIL)  |

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- |   |  |
|---|--|
| <b>1 Efforts, in brief, made towards technology absorption, adaptation and innovation</b>     | Company has its own Design & Development Department (D & D) and they were continuously making efforts towards technology, absorption, adaptation and innovation, Designing to meet the customer quality, reliability and costs targets, Critical fast track development etc. |
| <b>2 Benefit derived as a result of the above efforts</b>                                     | Customer Satisfaction, Integration with Global D&D Department of Hella, New Development projects from customers, Technical learning with new projects.   |
| <b>3. In case of imported technology during the last five years:</b>                          |  |
| a) Technology imported  | Clear Lens technology, New Process i.e. Zeta Coating, Powder Coating, Robot Gluing.  |
| b) Year of Import   | 2012-13  |
| c) Has technology been fully absorbed   | Yes  |
| d) If not, areas where this has not taken place, reasons therefore and future plans of action | N.A.   |

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

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
(Rama Shankar Pandey)  
Managing Director

Sd/-  
(Christoph Johannes Droste)  
Director



## ANNEXURE - II 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

Our country is one of the fastest growing economy in the world and yet there are challenges that need to be addressed expeditiously to sustain this growth momentum. One of them is the widening gap between demand and supply in the automotive sector. An expanding economy has fostered increased levels of industrialization and urbanization, necessitating growth of automotive sector.

The silver lining is the fact that the Indian Industry have matured in terms of commitment and capability to compete in terms of quality, size, new products and innovation during last 2 decades.

#### 2. Opportunities and Threats

In the year under report, we took certain big steps forward in terms of winning a few landmark businesses. We also upgraded our plant and set up new warehouses at multiple locations in India. Your company would now focus on the reaping the benefits of setting up new warehouses, stabilizing and expanding the new business acquired during the year.

Your company has also shown growth in revenue and overall headcount of the company.

With the pressure on raw material pricing and weakening of Indian Rupee, our costs did not improve substantially resulting in the net loss during the year. It would be now our imperative that we respond with a more sustainable improvement plan and effective actions to show the results.

#### 3. Segment wise performance

The Company is engaged in the business of manufacture and after sale support 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:

(Amount in ₹)

	Year ended 31 March 2013			Year ended 31 March 2012		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	617,458,583	92,474,511	<b>709,933,094</b>	575,646,531	51,057,801	<b>626,704,332</b>
Segment assets	468,127,870	38,569,723	<b>506,697,593</b>	428,487,294	10,611,440	<b>439,098,734</b>
Capital expenditure	43,837,233	-	-	23,044,690	-	-



## 4. Outlook

Indian Auto industry continues with its challenging phase in the year under report owing to the low consumer sentiments, overall economic slowdown, high interest rates, rising inflation and weakening of rupee.

Even though the PV sales in India have been on the downward side, industry experts are looking for a rebound by the year end. Some of the car makers have already announced for making India as their production hub for exporting cars. Automobile companies are coming out with new ways such as new products for the market and new launches in order to revive the positive sentiments amongst the car buyers. Indian Automotive market is likely to experience more than 30 new cars and variants being launched by the auto sector by this year end. The car makers are expecting the scenario to change in the next few months with these launches and exciting promotional events.

Import duties on SUV has been increased in the budget, this will be advantage for the entire **Indian** sector.

In the last years the requirements and expectations in the automotive industry have changed dramatically. The market competition became more aggressive concerning quality, costs and customer satisfaction.

We need to improve understanding of the significant trends impacting this market.

## 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 key findings were discussed for implementation and/ or correction, as the case may be. In spite of the fact that this is subject to inherent limitations in the system, procedure and coverage thereof, still it provide to management a 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 has been explained separately.

## 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. Company also provided various trainings and skill as required for better operations/ management of the company affairs. Relations with the work force remained cordial throughout the year. Company periodically review its Human Resource policies and carry out suitable amendments in the policy to achieve better co-ordination and congenial environment.

## 8. Risk and Concern

In the present un-certain economic situations and discouraged automotive market, the main area of concern which could cause risk on the future growth of the company is "**Cost Competitiveness**". Your company needs to further improve in cost competitiveness. Your company clearly improved the plant efficiencies during the financial year 2012-13 but the situation demands further improvement on productivity and cost competitiveness.

Although growth forecasts for Indian markets in FY 13/14 is rather down, the dynamics in India and the major world vehicle market should significantly pick up in the long term. Your company aim to pursue for the targeted performance even in the tough financial year ahead. With this drive towards desired performance, your company will certainly be prepared and qualified for future growth.

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

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
(Rama Shankar Pandey)  
Managing Director

Sd/-  
(Christoph Johannes Droste)  
Director



## REPORT ON CORPORATE GOVERNANCE

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.

### 1. 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 complying with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

### 2. BOARD OF DIRECTORS

#### (i) Composition of Board of Directors

As on 31st March 2013, the Board of Directors of the Company consisted 6 (Six) Directors, with a mix of Executive (1) and Non-Executive Directors (5). Out of five non-executive directors, the company had three independent directors.

The Composition of the Board of Directors as on 31st March 2013 is detailed below in the table:

Sr. No.	Name of Directors	Category of Director
1	Mr. Rama Shankar Pandey	Managing Director (ED)
2	Mr. Akhilesh Kumar Maheshwari	Director (INED)
3	Mr. Guido Johannes Christ	Director (INED)
4	Dr. Gunther Schmidt	Director (NED)
5	Mr. Avinash Razdan Bindra	Director (INED)
6	Mr. Christof Johannes Droste	Director (NED)

#### Note:

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

During the year Mr. Guido Johannes Christ and Dr. Gunther Schmidt, both were appointed on 1st October 2010 as Casual Director, re-appointed by the Shareholders of the Company in their meeting held on 29th September 2012 as rotational Directors.

Mr. Stephan Gerres, due to his preoccupation, resigned as Director w.e.f. 29th May 2012. Mr. Christof Johannes Droste was appointed as Casual Director w.e.f. 30th May 2012 against resignation of Mr. Stephan Gerres. Mr. Christof Johannes Droste was re-appointed by the Shareholders of the Company in their meeting held on 29th September 2012 as rotational Director.

The directors present in the Board meeting elects one of them as Chairman for every Meeting of the Board.

As mandated by Clause 49, neither 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.

#### ii) Attendance of the Board of Directors

During the year, the Board of Directors met 4 (four) times i.e. on 30th May 2012, 14th August 2012, 01st November 2012 and 08th February 2013. The attendance of each of the Directors at the Board Meetings and at the last Annual General Meeting along with their Directorship in other Companies including Committees' position during the financial year 2012-13 is given in the below table:





Name of the Director	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	-	-	-	4(4)	Yes
Mr. Akhilesh Kumar Maheshwari	5	-	4	4(4)	Yes
Mr. Guido Johannes Christ	-	-	-	3(4)	N.A.
Dr. Gunther Schmidt	-	-	-	0(4)	N.A.
Mr. Avinash Razdan Bindra	-	-	-	4(4)	N.A.
Mr. Christof Johannes Droste	-	-	-	2(4)	N.A.

### III. 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.

### IV. 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 2013 and a declaration to that effect signed by Managing Director is attached and forms part of this report.

### V. 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 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, if any;
- 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 labor problems and their proposed solutions, if any;
- Information on foreign exchange exposure and risk, if any;
- Non-compliance of any regulatory, statutory nature or listing requirements (e.g. Clause 40 A) as well as share holder services and delays in share transfer, if any;

### VI. 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 2012-2013 and the related attendance are provided below:



## 3. AUDIT COMMITTEE

### (i) Brief description of terms of reference

The Board of Directors had constituted an Audit Committee, which deals in all matters (terms of reference) as specified for the Audit Committee under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

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, auditors, the adequacy of internal control systems;
- 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;
- Any other item depending upon its materiality and as per decision of members of Audit Committee.

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.

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

### (ii) Composition, name of members and Chairperson

The Composition and names of members as on 31st March 2013 are tabled below in detail:

Sr. No.	Name of Directors	Category of Members
1	Mr. Rama Shankar Pandey	Executive
2	Mr. Akhilesh Kumar Maheshwari	Non-Executive Independent
3	Mr. Avinash Razdan Bindra	Non-Executive Independent
4	Mr. Guido Johannes Christ	Non-Executive Independent

All the members of the Audit Committee are financially literate persons. The Company Secretary of the Company acts as the Secretary of the Committee.

The Members present in the meetings of the Audit Committee elects Chairman of the meeting among Independent Directors

## (iii) Meetings and attendance

The Audit Committee met 4 (Four) times during the financial year 2012-2013 viz. on 30th May 2012, 14th August 2012, 01st November 2012 and 08th February 2013. The attendance of the members in the aforesaid meetings is presented below:

Name of the Members	No. of Meetings Attended (Total Meetings held: 4)
Mr. Rama Shankar Pandey	4 (4)
Mr. Akhilesh Kumar Maheshwari	4 (4)
Mr. Avinash Razdan Bindra	3 (4)
Mr. Guido Johannes Christ	3 (4)

## 4 REMUNERATION COMMITTEE

### (i) Brief description of terms of reference

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.
- Determining the remuneration package with a balance in the interest of the Company and the shareholders.

The remuneration payable to the Executive Directors is reviewed, approved and recommended by the Remuneration Committee to the Board. The Board further reviews and approves it and forward for the approval for Shareholders, if required.

### (ii) Composition, name of members and Chairperson

The Composition and names of members as on 31st March 2013 are tabled below in detail:

Sr. No.	Name of Members	Category of Members
1	Mr. Akhilesh Kumar Maheshwari	Non-Executive Independent
2	Mr. Avinash Razdan Bindra	Non-Executive Independent
3	Mr. Guido Johannes Christ	Non-Executive Independent
4	Dr. Gunther Schmidt	Non-Executive
5	Mr. Christof Johannes Droste	Non-Executive

The Members present in this Committee meeting elects Chairman of the meeting between Independent Directors.

### (iii) Meetings and attendance

During the financial year 2012-2013, the Committee met only one (1) time i.e. on 8th February 2013. The members' attendance at the Remuneration Committee Meetings is presented below:

Name of the Members	No. of Meetings Attended (Total Meetings held: 1)
Mr. Akhilesh Kumar Maheshwari	1(1)
Mr. Guido Johannes Christ	1(1)
Dr. Gunther Schmidt	0(1)
Mr. Avinash Razdan Bindra	1(1)
Mr. Christof Johannes Droste	0(1)

## (iv) Remuneration policy

The payment of remuneration to Director(s) is governed by the respective resolutions passed at the Remuneration Committee, Board Meeting and Shareholders Meetings. The remuneration structure comprises Basic Salary, Allowances, Perquisites, Contribution to Provident Fund etc.

## (v) Details of Remuneration of Directors

The Committee in its meeting held on 08th February 2013, noted the revised remuneration of Mr Rama Shankar Pandey - Managing Director of the Company for calendar year 2013 which was ₹ 50,83,000/- i.e. with effect from 1st January 2013 to 31st December 2013. Apart from this, he is also eligible for the annual performance bonus upto 22,86,000/-. The detailed breakup of Remuneration drawn by Executive and Non-Executive Directors are given below:

### Executive Director

Mr. Rama Shankar Pandey - Managing Director drew the following remuneration during financial year 2012-2013 (from 1st April 2012 to 31st March 2013)

(₹ In lakh)

Salary & Allowances	Monetary Value of Benefits (at cost)	Bonus*	Perquisites	Contribution to PF & Other Funds	Gratuity	Leave Encashment	Total
42.82	0.42	12.02	Nil	2.80	Nil	Nil	58.06

\* The amount of bonus is paid to Mr Rama Shankar Pandey is in accordance with the terms of his appointment

### Non-Executive Directors

The Non-Executive Directors have not drawn any remuneration from the Company, for the financial year ended 31st March 2013 other than sitting fee and other out-of-pocket expenses for Board and committee meetings attended by them.

## 5. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has constituted a Shareholders' Grievance Committee for redressing shareholders complaints.

The Composition and names of members of the Shareholders' Grievance Committee as on 31st March 2013 are tabled below in detail:

Sr. No.	Name of Members	Category of Members
1	Mr. Rama Shankar Pandey*	Executive
2	Mr. Akhilesh Kumar Maheshwari	Non-Executive Independent
3	Mr. Avinash Razdan Bindra	Non-Executive Independent
4	Mr. Guido Johannes Christ	Non-Executive Independent

\* Mr Rama Shankar Pandey joined the Committee w.e.f. 30th May 2012.

The Members present in this Committee meeting elects Chairman of the meeting among Non - Executive Directors.

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

During the financial year 2012-2013, the Committee met four (4) times viz. 30th May 2012, 14th August 2012, 01st November 2012 and 08th February 2013. The composition and members attendance at the Shareholders' Grievance Committee meetings is presented below:



Name of the Member	Category	No. of Meetings Attended (Total Meetings held: 4)
Mr. Rama Shankar Pandey	Member	3 (4)
Mr. Akhilesh Kumar Maheshwari	Member	4 (4)
Mr. Guido Johannes Christ	Member	2 (4)
Mr. Avinash Razdan Bindra	Member	2 (4)

The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations. Apart from looking into redressal of shareholders' complaints e.g. 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.
- Issue of new and duplicate share certificates.
- Complaints regarding 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 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.

As on 1st April 2012, there was 'Nil' complaint pending and during the financial year 2012-2013, total 04 complaint were received. All the complaints were attended / resolved to the satisfaction of the complainants. Thus, as on 31st March 2013, there were 'Nil' complaints pending.

## 6 SHARE TRANSFER COMMITTEE

The Company has also constituted a Share Transfer Committee for transfer/transmission of the Shares of the Company.

The Composition and names of members as on 31st March 2013 are tabled below in detail:

Sr. No.	Name of Members	Category of Members
1	Mr Rama Shankar Pandey	Executive
2	Mr. Akhilesh Kumar Maheshwari	Non-Executive Independent
3	Mr. Avinash Razdan Bindra	Non-Executive Independent
4	Mr. Guido Johannes Christ	Non-Executive Independent

The Members present in this Committee meeting elects Chairman of the meeting among themselves.

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

During the financial year 2012-2013, the Committee met two (2) times viz. 01st November 2012 and 08th February 2013. The members attendance at the committee meetings is presented below:



Name of the Members	Category	No. of Meetings Attended (Total Meetings held: 2)
Mr. Rama Shankar Pandey	Member	2 (2)
Mr. Akhilesh Kumar Maheshwari	Member	2 (2)
Mr. Avinash Razdan Bindra	Member	1 (2)
Mr. Guido Johannes Christ	Member	1 (2)

## 7 GENERAL MEETINGS

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

Financial Year	Venue	Date	Time
2011-2012	Vyayam Shala, Village – Jhuljhuli, P.O. Ghumanhera, New Delhi - 110073	29 <sup>th</sup> September, 2012	09:30 A.M.
2010-2011	Emperors Court 1, T. G. Leisure & Resorts, Chattarpur Hills, Mehrauli, New Delhi - 110074	30 <sup>th</sup> August, 2011	09:30 A.M.
2009-2010	The Daffodils Hotels, Tania Farm Complex, Chattarpur Mandir Road, New Delhi – 110030	28 <sup>th</sup> September, 2010	10.00 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
29 <sup>th</sup> September, 2012	1. Appointment of Mr Rama Shankar Pandey for 3 years w.e.f. 1st January 2012 till 31st December 2014 and fixation of his remuneration as ₹ 44.00 Lacs for the calendar year 2012. 2. Approval of inter company loan of ₹ 10 Crore to Hella India Automotive Private Limited pursuant to Section 372 A of the Companies Act 1956.
30 <sup>th</sup> August, 2011	Nil
28 <sup>th</sup> September, 2010	1.Appointment of Mr Rama Shankar Pandey as Managing Director at a Remuneration of ₹ 12 Lacs per annum. 2.Revision in Remuneration of Mr Rama Shankar Pandey – Managing Director to ₹ 40.05 Lacs per annum including variable bonus of Rs 8.55 lacs per annum and vehicle running expenses of ₹ 1.50 lacs per annum.

No Extraordinary General Meetings of the Company held during last three years.

During the year, no resolution was passed through Postal Ballot, in terms of the provisions of Section 192 A of the Companies Act, 1956 and rules framed by Government of India being Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Also, no resolution is proposed to be conducted through postal ballot in the forth coming Annual General Meeting.

## 8. 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 no instances of non-compliance by the Company, during last three years.
- (iii) During the year, the Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

## 9. MEANS OF COMMUNICATION

The Company publishes its financial results in newspapers having circulation in English and Hindi language. The financial results (including Limited Review Report) and other important information viz details of its business, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc, are also available on the website of the Company i.e. [www.hella.co.in](http://www.hella.co.in).

## 10. GENERAL SHAREHOLDERS' INFORMATION

- (i) **Date, Time & Venue of the Annual General Meeting:**  
**Venue :** Hotel Aravali Villa, F.H-1, Bandh Road, N.H-8, Rajokari, New Delhi-110038, India  
**Date & Time:** 27th September, 2013 at 10:00 A.M.

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

- (iii) **Book Closure Date:**  
16th September 2013 to 20th September 2013 (both days inclusive)

- (iv) **Listing on Stock Exchanges:**  
The Company's equity shares are listed on:

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

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

The annual listing fee for the financial year 2012-2013 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.), 44, Community Center, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi - 110028.

**Share Transfer system:** The Company has made arrangements with Link Intime India Private Limited, the common agency for share transfer and depository services. Link Intime India Private Limited checks and verify the complete documents received for transfer/transmission. Link Intime India Private Limited has also been authorised by the Company to approve transfer/ transmission upto the tune of 2% of total paid-up capital of the Company. After approving / verifying the request for transfer/ transmission, it is sent to the share transfer Committee for noting / approval (as may be required).

The Share Transfer Committee, constituted specifically for this purpose, meets as and when required 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 2012 to 31st March 2013**

Monthly high and low quotations traded at Bombay Stock Exchange during the financial year 2012-13.

Month	High Price	Low Price
April 2012	160.00	141.50
May 2012	153.50	141.85
June 2012	149.95	137.85
July 2012	150.00	139.70
August 2012	155.00	134.00
September 2012	147.95	118.40
October 2012	129.05	104.15
November 2012	152.85	109.15
December 2012	141.75	117.00
January 2013	125.65	109.00
February 2013	120.60	100.00
March 2013	119.00	115.00

(vi) **Distribution of Holding as on 31st March 2013**

Nominal Value of Shareholding in ₹	No. of Shareholders	No of Shares held	Amount in ₹	% of Total
1-2500	1759	177657	1776570	5.602
2501-5000	210	80571	805710	2.541
5001-10000	60	45469	454690	1.434
10001-20000	27	38910	389100	1.227
20001-30000	14	35819	358190	1.129
30001-40000	10	36321	363210	1.145
40001-50000	2	10000	100000	0.315
50001-100000	7	46717	467170	1.473
100001 & Above	8	2699936	26999360	85.134
<b>Total</b>	<b>2097</b>	<b>3171400</b>	<b>31714000</b>	<b>100.00</b>





## (vii) Shareholding Pattern as on 31st March 2013

	Category	No. of Shares	% of Holding
<b>A</b>	<b>Promoters Holding</b>		
	i) Promoters		
	- Indian	978,263	30.85
	- Foreign	1,617,400	51.00
	ii) Persons acting in concern	Nil	Nil
	<b>Sub Total</b>	<b>25,95,663</b>	<b>81.85</b>
<b>B</b>	<b>Non - Promoters Holding</b>		
	i) Institutional Investors	Nil	Nil
	ii) Mutual Funds and U.T.I.	Nil	Nil
	iii) Banks, Financial Institutions, Insurance Companies / Central / State Govt. Institutions / Non Government Institution	100	0.00
	iv) Foreign Institutional Investors	Nil	Nil
	<b>Sub Total</b>	<b>100</b>	<b>0.00</b>
<b>C</b>	<b>Others</b>		
	a) Bodies Corporate	44,378	1.40
	b) Individual-i) individual shareholders holding nominal share capital upto ₹ 1 lakh	4,38,728	13.83
	ii) individual shareholders holding nominal share capital in excess of ₹ 1 lakh	79793	2.52
	c) Any other (Please specify)		
	-Directors & their relatives	Nil	Nil
	-NRIs	5567	0.18
	-Clearing members	Nil	0.00
	-Hindu Undivided Families	7171	0.23
		<b>Sub Total</b>	<b>5,75,637</b>
	<b>Grand Total (A+B+C)</b>	<b>31,71,400</b>	<b>100.00</b>

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

The shares of the Company have already been inducted in dematerialization on NSDL & CDSL. The Tripartite Agreements with CDSL & NSDL have been executed on 3rd May 2001 & 27th June 2001, respectively. As on 31st March 2013, 1287461 equity share capital of the Company representing 40.60% 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.

\* Attention of members is invited at the clause 'Delisting of Securities' and 'compliance of clause 40A of listing agreement' in the Directors Report.

## (ix) Location of Manufacturing Units/Trading Units

### Manufacturing Unit

#### Unit – I

Ambala Chandigarh Highway, Derabassi - 140507, District Patiala, Punjab.

#### Unit – II

Village Mahiwala, Derabassi, Punjab (set up after completion of last financial year).

#### Unit III

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



## Manufacturing and Trading Warehouse

### Unit IV

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

### Trading Warehouse

### Unit V

**Pune Warehouse:** Chambli Phata, Chambli Gaon Road, Opp. Vitthal Nagar, Chakan, Dist. Pune, Maharashtra PIN Code 410501.

**(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)  
44, Community Center, 2nd Floor,  
Naraina Industrial Area, Phase I,  
Near PVR, Naraina,  
New Delhi - 110028

OR

Company Secretary  
Hella India Lighting Limited  
6A, 6th Floor, Plot No 184,  
Platinum Tower, Udyog Vihar,  
Phase -I, Gurgaon, Haryana  
Pin 122016

## 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 2012-2013.

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

Place: Gurgaon  
Date: 12th August 2013

Sd/-  
(Rama Shankar Pandey)  
Managing Director

Sd/-  
(Christoph Johannes Droste)  
Director

## 11. CEO & CFO DECLARATION

We Rama Shankar Pandey-Managing Director and Sunil Kumar Singh-Sr. Manager Finance of the Company hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March 2013 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:
- (i) Significant change in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statement and
  - (iii) 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: Gurgaon  
Date: 29th May 2013

Sd/-  
**(Rama Shankar Pandey)**  
Managing Director

Sd/-  
**(Sunil Kumar Singh)**  
Sr. Manager Finance

## 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, 2013 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



## Independent Auditor's Report

### To the Members of Hella India Lighting Limited

#### 1. Report on the financial statements

We have audited the accompanying financial statements of Hella India Lighting Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### 4. Basis of qualified opinion

*During the year, the Company has implemented new integrated system. During the course of data migration, the management observed discrepancies in inventory records uploaded in the new system and conducted a hundred percent physical verification at all its units at the year end, except for stock lying with third parties. Based on the physical verification, the closing inventory was updated in the books. The Company has not performed reconciliation between inventory initially uploaded in the new system and inventory considered as per physical verification.*

*Further, the management also observed discrepancies in the valuation of the inventory of finished goods and work in process as at the year end. The Company is in the process of reconciling these differences. Pending such reconciliation, we are unable to comment on the financial impact, if any, on finished goods and work in process inventory balances as at 31 March 2013 and the consequential impact of the same on cost of goods sold, change in inventories of finished goods, work in progress and loss for the year ended 31 March 2013 along with related disclosures in the financial statements.*

#### 5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified opinion*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## 6. Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

B. As required by Section 227(3) of the Act, we report that:

- (i) Except for our comment in 4 above, 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;
- (ii) Except for our comment in 4 above, 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;
- (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act to the extent applicable; and
- (v) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For B S R & Co.**

Chartered Accountants

Firm Registration No.: 101248W

Sd/-

**Jiten Chopra**

Partner

Membership No.: 092894

Date: 29th May 2013

Place: Gurgaon



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 for which third party confirmations are received. 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 the current year, all the fixed assets were verified by the management. As informed to us, the discrepancies noticed on such verification were not material and were properly dealt in books of account.
- (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) *As mentioned in the 'Basis of qualified opinion' paragraph of the main audit report, during the course of data migration to new integrated system, the management observed discrepancies in inventory records uploaded. As explained to us, at the year end, based on the physical verification, these inventory records have subsequently been updated. Except for our comments above, based on the information and explanations made available, the Company is maintaining proper records of inventory. In the absence of details of the reconciliation, we are unable to determine whether the differences noted were material though the adjustments have been made in books of account.*
3. According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and therefore suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods *except for our comments in respect of discrepancies noted in inventory records uploaded/valuation as stated in paragraph 4 of the main audit report.* 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, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) (b) of the Order is not applicable.
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 Customs duty, Excise duty, Service tax, Income-tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. *Dues in respect of Provident Fund, Employees' State Insurance and Sales tax have not been deposited regularly, of which several of the delays have been significant.* As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth tax.



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 2013 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, Employees' State Insurance, Sales tax, Excise duty, Service tax, wealth tax and Cess. 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	3,119,228	2001-02	Hon'ble High Court of Delhi
Income tax Act, 1961	Disallowance for foreign exchange fluctuation	3,958,969	2004-05	Hon'ble High Court of Delhi

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

10. As at 31 March 2013, the accumulated losses of the Company are not more than fifty percent of its net worth. *The Company has incurred cash losses in the current and immediately preceding financial year.*
11. The Company did not have any outstanding dues to financial institutions or banks or outstanding debentures 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. The Company did not have any term loans outstanding during the year.
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. As stated above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Accordingly, the provision of clause 4(xviii) of the order are not applicable.
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 Accountants  
Firm Registration No.: 101248W

Place: Gurgaon  
Date: 29th May 2013

Sd/-  
Jiten Chopra  
Partner  
Membership No.: 092894

# HELLA INDIA LIGHTING LIMITED



## BALANCE SHEET AS AT 31 MARCH 2013

(All amounts are in Indian Rupees)

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	146,077,000	146,077,000
Reserve and surplus	2.2	111,843,741	147,380,776
		<u>257,920,741</u>	<u>293,457,776</u>
<b>Non-current liabilities</b>			
Other long-term liabilities	2.3	1,290,756	900,756
Long-term provisions	2.4	8,678,796	6,351,566
		<u>9,969,552</u>	<u>7,252,322</u>
<b>Current liabilities</b>			
Trade payables	2.5	202,439,912	119,914,530
Other current liabilities	2.6	31,456,905	14,058,646
Short-term provisions	2.7	4,910,483	4,415,460
		<u>238,807,300</u>	<u>138,388,636</u>
		<u>506,697,593</u>	<u>439,098,734</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.8	70,885,135	38,178,190
Capital work in progress		-	952,500
		<u>70,885,135</u>	<u>39,130,690</u>
Non-current investments	2.9	10,000,000	10,000,000
Long-term loans and advances	2.10	114,100,871	3,614,432
Other non-current assets	2.11	5,644,413	4,607,753
		<u>200,630,419</u>	<u>57,352,875</u>
<b>Current assets</b>			
Inventories	2.12	107,205,059	71,273,414
Trade receivables	2.13	162,977,899	94,120,078
Cash and bank balance	2.14	25,590,904	208,824,394
Short-term loan and advances	2.15	6,974,535	3,385,227
Other current assets	2.16	3,318,777	4,142,746
		<u>306,067,174</u>	<u>381,745,859</u>
		<u>506,697,593</u>	<u>439,098,734</u>
<b>Significant accounting policies</b>	<b>1</b>		
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  
Hella India Lighting Limited

Sd/-  
**Jiten Chopra**  
Partner  
Membership No: 092894  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Sarvesh Upadhyay**  
Company Secretary  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Dr. Gunther Schmidt**  
Director  
Place: Gurgaon  
Date: 29 May, 2013



# HELLA INDIA LIGHTING LIMITED



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(All amounts are in Indian Rupees)

Particulars	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
<b>Revenue from operations</b>			
Sale of product		769,787,462	655,860,287
Other operating revenue	2.17	2,986,598	2,201,439
		<b>772,774,060</b>	658,061,726
Less: Excise duty		92,397,089	68,875,976
		<b>680,376,971</b>	589,185,750
Other income	2.18	29,556,124	37,518,582
<b>Total</b>		<b>709,933,095</b>	<b>626,704,332</b>
<b>Expenses</b>			
Cost of material consumed	2.19	479,206,313	397,387,213
Changes in inventories of finished goods and work-in-progress	2.20	(13,172,358)	(507,734)
Employee benefit	2.21	91,771,667	57,313,448
Depreciation	2.8	11,027,003	14,290,182
General and administrative	2.22	176,637,505	189,767,355
<b>Total</b>		<b>745,470,130</b>	<b>658,250,464</b>
<b>Loss before tax</b>		<b>35,537,035</b>	31,546,132
<b>Tax expense</b>			
Current tax	-	-	74,000
<b>Net loss for the year</b>		<b>35,537,035</b>	<b>31,620,132</b>
Earnings/(Loss) per equity share (face value Rs 10 each)			
-Basic and diluted loss per share (Rs.)	2.30	(11.21)	(9.97)
<b>Significant accounting policies</b>	<b>1</b>		
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  
Hella India Lighting Limited

Sd/-  
**Jiten Chopra**  
Partner  
Membership No: 092894  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Sarvesh Upadhyay**  
Company Secretary  
Place: Gurgaon  
Date: 29 May, 2013

Sd/-  
**Dr. Gunther Schmidt**  
Director  
Place: Gurgaon  
Date: 29 May, 2013

# HELLA INDIA LIGHTING LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(All amounts are in Indian Rupees)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Loss before tax</b>	<b>(35,537,035)</b>	<b>(31,546,132)</b>
<b>Adjustments:</b>		
Depreciation	11,027,003	14,290,182
Liabilities and provisions no longer required written back	(797,565)	(11,680,000)
Interest income(on fixed deposits, loans and investments)	(16,905,096)	(19,960,741)
Unrealised foreign exchange fluctuations (net)	1,705,387	24,244
Loss/ (profit) on sale of fixed assets	-	85,659
Provision for doubtful debts	2,555,928	1,247,400
Provision for doubtful advances	104,377	367,596
Provision for impairment loss	-	42,400,000
Fixed assets written-off	1,055,786	-
Advances written-off	-	394,781
<b>OPERATING PROFIT /(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(36,791,215)</b>	<b>(4,377,011)</b>
<b>Adjustments:</b>		
Decrease/(Increase) in inventories	(35,931,645)	(10,594,003)
Decrease/(Increase) in trade receivables	(72,234,050)	(25,190,220)
Decrease/(Increase) in short-term loans and advances	(3,693,684)	3,240,765
Decrease/(Increase) in other current assets	91,278,668	(101,278,668)
Decrease/(Increase) in long-term loans and advances	(3,189,302)	(281,300)
Decrease/(Increase) in other non-current assets	-	(87,720)
Increase/(decrease) in long-term provisions	2,327,230	1,262,087
Increase/(decrease) in other long-term liabilities	390,000	170,000
Increase/(decrease) in trade payables	82,437,857	21,085,236
Increase/(decrease) in short-term provisions	495,023	4,203,231
Increase/(decrease) in other current liabilities	4,867,223	(637,890)
<b>CASH GENERATED/ (USED IN) OPERATIONS</b>	<b>29,956,105</b>	<b>(112,485,495)</b>
Taxes paid on operating activities	-	(2,443,056)
<b>NET CASH/ (USED IN) OPERATING ACTIVITIES (A)</b>	<b>29,956,105</b>	<b>(114,928,551)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work-in-progress)	(38,603,332)	(21,310,432)
Purchase of Investments	-	(5,000,000)
Proceeds from sale/discard of fixed assets	-	55,529
Loan to related party	(100,000,000)	-
Interest received (on fixed deposits, loans and investments)	17,729,065	16,751,874
<b>CASH GENERATED/ (USED IN) INVESTING ACTIVITIES</b>	<b>(120,874,267)</b>	<b>(9,503,029)</b>
Taxes paid on investing activities	(1,036,660)	(10,598,965)
<b>NET CASH GENERATED/ (USED IN) INVESTING ACTIVITIES (B) *</b>	<b>(121,910,927)</b>	<b>(20,101,994)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(12,447,700)
<b>NET CASH GENERATED/ (USED IN) FINANCING ACTIVITIES (C)</b>	<b>-</b>	<b>(12,447,700)</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(91,954,822)</b>	<b>(147,478,245)</b>
Cash and cash equivalents at the beginning of period	107,545,726	255,023,971
Cash and cash equivalents at the end of period (refer note 2.14)	15,590,904	107,545,726

\* Refer note 2.36

1.The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".  
As per our report of even date

**For B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

Sd/-

**Jiten Chopra**

Partner

Membership No: 092894

Place: Gurgaon

Date: 29 May, 2013

For and on behalf of the Board of Directors

**Hella India Lighting Limited**

Sd/-

**Rama Shankar Pandey**

Managing Director

Place: Gurgaon

Date: 29 May, 2013

Sd/-

**Sarvesh Upadhyay**

Company Secretary

Place: Gurgaon

Date: 29 May, 2013

Sd/-

**Dr. Gunther Schmidt**

Director

Place: Gurgaon

Date: 29 May, 2013

# HELLA INDIA LIGHTING LIMITED



## Notes To Financial Statement

(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.1 Share capital</b>		
<b>Authorized</b>		
<b>Equity shares, Rs. 10 par value</b>		
3,500,000 (previous year 3,500,000) equity shares	35,000,000	35,000,000
<b>Preference shares, Rs. 100 par value</b>		
2,150,000 (previous year 2,150,000) non-convertible, non-cumulative, redeemable preference shares	215,000,000	215,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, subscribed and paid-up</b>		
<b>Equity shares</b>		
3,171,400 (previous year 3,171,400) equity shares of Rs. 10 each fully paid up	31,714,000	31,714,000
<b>Preference shares</b>		
1,143,630 (previous year 1,143,630) 0.0000001% preference shares of Rs. 100 each fully paid up	114,363,000	114,363,000
	<u>146,077,000</u>	<u>146,077,000</u>

### i) Rights, preferences and restrictions

#### Equity shares

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

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

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

#### Preference shares

Preference shares issued by the Company are non-convertible, non-cumulative, non participating and redeemable.

Preference shareholders are not entitled to vote.

Preference shareholders are entitled to 0.0000001% dividend.

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

### ii) The reconciliation of the shares outstanding at the beginning and end of the year

	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Balance at the beginning and end of the year	3,171,400	31,714,000	3,171,400	31,714,000
<b>Preference shares</b>				
Balance at the beginning and end of the year	1,143,630	114,363,000	1,143,630	114,363,000

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount	No. of shares	Amount
<b>iii) Shares held by the holding, ultimate holding and/or subsidiary/associates</b>				
<b>Equity Shares</b>				
Reinhold Poersch GmbH. Germany, the holding company	1,617,400	16,174,000	1,617,400	16,174,000
Hella India Automotive Private Limited (formerly known as Hella India Electronics Private Limited), a fellow subsidiary	978,263	9,782,630	978,263	9,782,630
<b>Total</b>	<b>2,595,663</b>	<b>25,956,630</b>	<b>2,595,663</b>	<b>25,956,630</b>
<b>Preference shares</b>				
Reinhold Poersch GmbH. Germany, the holding company	1,143,630	114,363,000	1,143,630	114,363,000
<b>Total</b>	<b>1,143,630</b>	<b>114,363,000</b>	<b>1,143,630</b>	<b>114,363,000</b>

The ultimate holding company of the Company is Hella KGaA Hueck & Co., Germany.

iv) The details of shareholders holding more than 5% shares is as follows

	As at 31 March 2013		As at 31 March 2012	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares</b>				
Reinhold Poersch GmbH Germany	1,617,400	51.00	1,617,400	51.00
Hella India Automotive Private Limited	978,263	30.85	978,263	30.85
<b>Preference shares</b>				
Reinhold Poersch GmbH Germany	1,143,630	100.00	1,143,630	100.00

v) 13,000 (previous year 13,000) equity shares have been allotted as fully paid up bonus shares by capitalisation of reserves in earlier years.

vi) The preference shares are redeemable at par at any time after five years but prior to the expiry of twenty years from the date of allotment. Of these 500,000 preference shares have been allotted on 31 August 2006, 40,000 preference shares have been allotted on 18 March 2009 and 603,630 (by conversion of loan from the holding company) preference shares have been allotted on 16 March 2010.

## 2.2 Reserves and surplus

	As at 31 March 2013	As at 31 March 2012
<b>Capital reserve</b>		
Balance at the beginning and end of the year	1,756,311	1,756,311
<b>Revaluation reserve</b>		
Balance at the beginning and end of the year	2,494,752	2,494,752
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	100,000	100,000
<b>Securities premium reserve</b>		
Balance at the beginning and end of the year	295,249,220	295,249,220
<b>Surplus/ (deficit)</b>		
Balance at the beginning of the year	(152,219,507)	(120,599,375)
Add: profit/(loss) for the year	(35,537,035)	(31,620,132)
Balance at the end of the year	(187,756,542)	(152,219,507)
	<u>111,843,741</u>	<u>147,380,776</u>

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.3 Other long term liabilities</b>		
Others		
- Security deposit received	1,290,756	900,756
	<u>1,290,756</u>	<u>900,756</u>
<b>2.4 Long-term provisions</b>		
Provisions for employee benefits		
- Gratuity (refer to note 2.25)	5,515,828	3,882,658
- Leave encashment	3,162,968	2,468,908
	<u>8,678,796</u>	<u>6,351,566</u>
<b>2.5 Trade payables</b>		
Trade payables for goods and services		
- total outstanding dues of micro and small enterprises (refer to note 2.26)	15,203,341	16,459,604
- total outstanding dues of trade payables other than micro and small enterprises	187,236,571	103,454,926
	<u>202,439,912</u>	<u>119,914,530</u>
<b>2.6 Other current liabilities</b>		
Payable to employees		
- Salaries and wages	5,193,357	4,114,163
- Bonus and incentives	815,848	673,752
Other payables		
Statutory liabilities		
-Withholding and other taxes payable	6,368,832	2,754,052
-Contribution to provident and other funds	1,207,179	537,313
Advance from customers	202,503	841,216
Capital creditors	17,669,186	5,138,150
	<u>31,456,905</u>	<u>14,058,646</u>
# (net of excise duty recoverable Rs. 5,602,055; previous year Rs. 1,957,171)		
<b>2.7 Short-term provisions</b>		
Provision for employee benefit		
-Gratuity	237,997	74,673
-Leave encashment	93,458	79,796
Others		
- Provision for export obligations under EPCG License #	4,579,028	4,260,991
	<u>4,910,483</u>	<u>4,415,460</u>
# inclusive of interest thereon		



**2.8 Fixed assets  
Tangible Assets**

(All amounts are in Indian Rupees)

Particulars	Gross Block			Depreciation			Net block	
	As at 1 April 2012	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2013	Charge for the year	Loss on impairment	Sales/ Adjustments during the year	As at 31 March 2013
Land (Freehold)	118,322	-	-	118,322	-	-	-	118,322
Building	16,026,867	5,895,706	4,000	21,918,573	692,387	-	2,822	10,903,035
Leasehold improvements	1,645,558	13,271,955	-	14,917,513	1,373,964	-	-	12,317,479
Plant and equipment	96,240,149	17,482,400	881,836	112,840,713	6,421,185	-	623,083	37,586,486
Vehicles	2,876,115	3,971,995	-	6,848,110	681,295	-	-	3,373,042
Furniture and fixtures	5,556,287	1,828,006	1,246,905	6,137,388	383,555	-	744,383	2,617,287
Office equipment	1,835,525	505,407	229,276	2,111,656	174,029	-	165,427	882,694
Computers	14,139,170	1,834,261	1,535,586	14,437,845	1,300,588	-	1,306,102	3,086,790
<b>Total</b>	<b>138,437,993</b>	<b>44,789,730</b>	<b>3,897,603</b>	<b>179,330,120</b>	<b>11,027,003</b>	<b>-</b>	<b>2,841,817</b>	<b>70,885,135</b>
Previous Year (2011-2012)								
Particulars	Gross Block			Depreciation			Net block	
	As at 1 April 2011	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2013	Charge for the year	Loss on impairment	Sales/ Adjustments during the year	As at 31 March 2012
Land (Freehold)	118,322	-	-	118,322	-	-	-	118,322
Buildings	7,851,268	8,175,599	-	16,026,867	519,911	6,789,966	-	5,700,893
Leasehold improvements	1,155,357	490,201	-	1,645,558	70,714	-	-	419,487
Plant and equipment	86,985,384	9,254,765	-	96,240,149	9,422,803	31,059,332	-	26,784,024
Vehicles	3,053,315	-	177,200	2,876,115	416,251	98,074	46,050	82,342
Furniture and fixtures	3,812,588	1,823,176	79,477	5,556,287	744,357	1,831,219	69,439	1,675,358
Office equipment	1,355,698	479,827	-	1,835,525	206,454	400,282	-	615,164
Computers	11,860,547	2,278,623	-	14,139,170	2,909,693	2,221,128	-	2,782,600
<b>Total</b>	<b>116,192,479</b>	<b>22,502,190</b>	<b>256,677</b>	<b>138,437,992</b>	<b>14,290,182</b>	<b>42,400,000</b>	<b>115,489</b>	<b>38,178,190</b>

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.9 Non-current investments</b>		
<b>Long-term Investment - at cost</b>		
<b>Trade - unquoted</b>		
Investment in equity instrument		
Wegu Sondhi Private Limited	110,000	110,000
Nil (previous year 11,000) equity shares of face value Rs. 10 each, fully paid up		
Less: Provision for other than temporary diminution in value of investment	<u>110,000</u>	<u>110,000</u>
	-	-
<b>Others - unquoted</b>		
Investment in equity instruments		
In subsidiaries		
Bitoni Lamps Limited #	-	334,252
Nil (previous year 32,900) equity shares of face value Rs.10 each, fully paid up		
Chetan Genthe and Co. Pvt. Ltd.#	-	618,048
6,992 (previous year 6,992) equity shares of face value Rs. 100 each, fully paid up	<u>-</u>	<u>952,300</u>
Less: Provision for other than temporary diminution in value of investment	<u>-</u>	<u>952,300</u>
	-	-
Other non current investments		
National Highways Authority of India ('NHAI')	10,000,000	10,000,000
1000 (previous year 1000) Non convertible redeemable taxable bonds of face value Rs.10,000 each carrying interest @ 6% per annum	<u>10,000,000</u>	<u>10,000,000</u>
Aggregate amount of unquoted Investments	10,110,000	11,062,300
Less: Aggregate amount of provision for other than temporary diminution in value of investment	<u>110,000</u>	<u>1,062,300</u>
	<u>10,000,000</u>	<u>10,000,000</u>

# refer to note 2.36

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.10 Long term loans and advances (unsecured)</b>		
Capital advances		
Considered good	8,528,388	1,331,476
Considered doubtful	560,956	460,731
Less: Provision for doubtful advances	<u>560,956</u>	<u>460,731</u>
Security deposits	5,572,483	2,282,956
Loans and advances to related party		-
Amount due from subsidiaries		-
Considered good	100,000,000	-
Considered doubtful #	-	3,265,823
Less: Provision for doubtful advances #	<u>-</u>	<u>3,265,823</u>
	<u>114,100,871</u>	<u>3,614,432</u>
# refer to note 2.36		
<b>2.11 Other non-current assets</b>		
Others		
Balance with bank held as margin money with sales authorities	712,691	712,691
Income taxes recoverable	4,931,722	3,895,062
	<u>5,644,413</u>	<u>4,607,753</u>
<b>2.12 Inventories (refer to note 2.34)</b>		
Raw material and components [includes goods in transit Rs. 16,959,427 (previous year Rs. 11,191,683)]	66,088,085	46,872,166
Work in progress	3,476,633	4,430,813
Finished goods	36,554,681	19,069,948
Stores and spares	1,085,660	900,487
	<u>107,205,059</u>	<u>71,273,414</u>
<b>2.13 Trade receivables (unsecured)</b>		
Outstanding for a period exceeding six months from the date these are due for payment	-	-
Considered good		
Considered doubtful	4,560,774	2,004,846
Less: Provision for doubtful debts	<u>4,560,774</u>	<u>2,004,846</u>
Other debts		
Considered good	162,977,899	94,120,078
	<u>162,977,899</u>	<u>94,120,078</u>



# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.14 Cash and bank balances</b>		
Cash and cash equivalents		
Cash in hand	123,987	135,837
Cheques in hand	239,115	-
Balances with banks		
Current accounts	15,227,802	16,314,513
Fixed deposit accounts (original maturity of 3 months or less)	-	91,095,376
Other bank balance		
Fixed deposit accounts	10,000,000	101,278,668
	<u>25,590,904</u>	<u>208,824,394</u>
<b>2.15 Short term loans and advances (unsecured)</b>		
Advance to suppliers		
Considered good	3,545,014	1,881,249
Considered doubtful	1,612,953	1,576,471
Less: Provision for doubtful advances	1,612,953	1,576,471
	<u>3,545,014</u>	<u>1,881,249</u>
Balances with excise authorities		
Considered good #	582,805	-
Considered doubtful	4,491,608	4,491,608
Less: Provision for doubtful advances	4,491,608	4,491,608
	<u>582,805</u>	<u>-</u>
Prepaid Expenses	1,749,366	866,260
Other advances	1,097,350	637,718
	<u>6,974,535</u>	<u>3,385,227</u>
(In current year, Net of Excise duty recoverable Rs. 5,602,055)		
<b>2.16 Other current assets</b>		
Interest accrued but not due		
- on fixed deposits with banks	277,680	3,615,697
- on NHAI bonds	600,000	527,049
- on intercompany loan to related party	2,441,097	-
	<u>3,318,777</u>	<u>4,142,746</u>
	<u>3,318,777</u>	<u>4,142,746</u>

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.17 Other operating revenues</b>		
Scrap sales	2,986,598	2,201,439
	<u>2,986,598</u>	<u>2,201,439</u>
<b>2.18 Other income</b>		
Interest		
- on fixed deposits with banks	5,395,502	19,433,692
- on NHAI bonds	600,000	527,049
- on inter company loan to related party	10,909,594	-
Liabilities and provisions no longer required written back	797,565	11,680,000
Exchange fluctuation (net)	-	373,728
Income tax refund	-	2,232,510
Miscellaneous income	11,853,463	3,271,603
	<u>29,556,124</u>	<u>37,518,582</u>
<b>2.19 Cost of material consumed</b>		
Raw material and components		
Opening stock	46,872,166	36,769,771
Add: Purchases	498,422,232	407,489,608
Less: Closing stock	66,088,085	46,872,166
	<u>479,206,313</u>	<u>397,387,213</u>
<b>2.20 Changes in inventories of finished goods and work-in-progress</b>		
Opening stock		
Finished goods	19,069,948	18,263,651
Work in progress	4,430,813	4,325,259
	<u>23,500,761</u>	<u>22,588,910</u>
Less: Closing stock		
Finished goods	36,554,681	19,069,948
Work in progress	3,476,633	4,430,813
	<u>40,031,314</u>	<u>23,500,761</u>
Increase/(decrease) in excise duty on stock of finished goods	(16,530,553)	404,117
	<u>3,358,195</u>	
	<u>(13,172,358)</u>	<u>(507,734)</u>
<b>2.21 Employee benefit expense</b>		
Salaries and wages	79,889,317	49,176,976
Contribution to provident and other funds	4,344,939	2,691,687
Staff welfare	7,537,411	5,444,785
	<u>91,771,667</u>	<u>57,313,448</u>

# HELLA INDIA LIGHTING LIMITED



(All amounts are in Indian Rupees)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>2.22 General and administrative</b>		
Consumption of stores and spares	21,000,306	23,171,017
Power and fuel	10,279,242	10,298,484
Travelling and conveyance	20,181,351	14,557,316
Freight outward	21,314,562	21,144,228
Contractual manpower	22,429,978	17,763,719
Legal and professional	11,732,463	6,099,761
Auditor's remuneration		
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	466,744	160,000
Rent	6,062,625	4,174,280
Rates and taxes	1,987,544	9,067,109
Insurance	1,936,506	1,010,302
Repairs and maintenance:		
on buildings	3,235,226	523,971
on plant and machinery	2,738,485	1,532,123
on others	16,434,068	9,983,737
Vehicle running and maintenance	1,470,813	1,055,021
Printing and stationery	850,978	685,161
Telephone	3,580,472	3,054,926
Bank charges	309,261	313,315
Exchange fluctuation (net)	993,965	-
Provision for doubtful debts	2,555,928	1,247,400
Provision for doubtful advances	104,377	367,596
Provision for impairment of assets	-	42,400,000
Provision for obsolete inventory	-	85,659
Loss on sale of fixed assets	-	394,781
Advances written off	-	-
Fixed assets written off	1,055,786	-
Royalty	3,400,000	-
Advertisement and sales promotion	11,405,501	10,314,127
Warranty	3,590,072	3,440,878
Miscellaneous	5,601,252	5,002,444
	<u>176,637,505</u>	<u>189,767,355</u>



(All amounts are in Rupees)

## 1. Company overview

Hella India Lighting Limited, ('the company') is a public limited company and is incorporated under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and Delhi Stock Exchange. The Company is primarily engaged in manufacturing of automotive lights, switches, blinkers etc.

## 2. Significant Accounting Policies

(i) The financial statements are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956 (the 'Act') 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) Current–non-current classification

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

#### Assets

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

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

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

All other assets are classified as non-current.

#### Liabilities

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

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

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

All other liabilities are classified as non-current.



## Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

## (iv) Fixed assets and depreciation

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

Fixed assets are being depreciated at the rates mentioned below which are equivalent to the management estimate of the useful economic life of the assets:-

Assets	Useful life (in years)
Building	15
Plant and equipment	8
Computers	4
Furniture and fixtures	12
Office equipment	8
Vehicles	5-6

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 ₹ 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.

## (v) Impairment

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

## (vi) Operating lease (as lessee)

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

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

## (vii) Investments

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

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

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



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

## (viii) Revenue recognition

Revenue from sale of goods is recognised 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.

## (ix) Inventories

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

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

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

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

## (x) Foreign currency transactions

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 Statement of Profit and Loss. Monetary items, denominated in foreign currency, are restated at the exchange rate prevailing at the year end and the resulting exchange difference recognised in the Statement of Profit and Loss.

## (xi) Employee benefits

### *Short-term employee benefits*

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

### *Post-employment benefits*

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

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

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

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



## (xii) 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.

## (xiii) Provisions, contingent liability and contingent assets

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

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

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

## (xiv) Taxation

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

## (xv) Cash and cash equivalents

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

## 2.23. Commitments

	As at 31 March 2013	As at 31 March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs.9,089,344; previous year Rs. 1,792,207)	16,954,839	4,635,396

## 2.24. Contingent liabilities

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



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

There has been no change in the contingent liabilities from previous year.

#Assessment year

## 2.25. 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. 4,344,939 (previous year Rs. 2,691,687) pertaining to employers' contribution to Provident Fund and Employees' State Insurance is recognised as an expense and included in "Employee benefit expense" in note no. 2.21.

### b) Gratuity Plan (defined benefit plan)

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

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	3,957,331	3,313,410
Interest cost	325,585	281,640
Current service cost	915,850	531,198
Benefits paid	(71,942)	(321,050)
Actuarial (gain)/loss	627,001	152,133
<b>Present value of obligation at the end of the year</b>	<b>5,753,825</b>	<b>3,957,331</b>
<b>Changes in the fair value of the Plan assets</b>	-	-
(The Company does not have any Plan assets)		
<b>Actuarial gain/(loss)</b>		
Actuarial gain/ (loss) for the year – obligation	(627,001)	(152,133)
Actuarial (gain)/ loss for the year - plan assets	-	-
Total (gain)/ loss for the year	627,001	152,133
Actuarial (gain)/ loss recognised in the year	627,001	152,133
Unrecognised actuarial (gains)/ losses at the end of year	-	-
<b>Amount recognised in the Balance Sheet</b>		
Present value of obligation at the end of the year	5,753,825	3,957,331
Fair value of the plan assets in the end of the year	-	-
Funded status	(5,753,825)	(3,957,331)
<b>Unrecognised actuarial (gains)/losses</b>	-	-
<b>Liability recognised in the Balance Sheet #</b>	<b>(5,753,825)</b>	<b>(3,957,331)</b>
<b>Gratuity cost for the year</b>		
Current service cost	915,850	531,198
Past service cost	-	-
Interest cost	325,585	281,640
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	627,001	152,133
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>1,868,436</b>	<b>964,971</b>
# comprises short-term provision Rs. 237,997 (previous year Rs. 74,673) and long-term provision Rs. 5,515,828 (previous year Rs. 3,882,658).		





Particulars	As at 31 March 2013	As at 31 March 2012
<b>Economic assumptions</b>		
Discount rate	8.25%	8.50%
Expected rate of return on plan assets	-	-
Long term rate of compensation increase	5.50%	6.00%
<b>Demographic assumptions</b>		
Retirement age	58 years	58 years
Mortality table	LIC (1994-96) mortality tables.	LIC (1994-96) mortality tables.
Withdrawal Rates		
	<b>Ages</b>	<b>Withdrawal rate</b>
	Upto 30 years	3%
	Upto 44 years	2%
	Above 44 years	1%

### Experience Adjustment

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
Present value of obligation at the end of the year	5,753,825	3,957,331	3,313,410	2,292,210	3,687,749
Fair value of plan assets	-	-	-	-	-
<b>Liability recognised in the balance sheet</b>	<b>5,753,825</b>	<b>3,957,331</b>	<b>3,313,410</b>	<b>2,292,210</b>	<b>3,687,749</b>
Experience adjustments on Plan assets/liabilities gain / (loss)	(730,578)	(165,107)	(766,315)	(165,868)	(723,165)

### 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 2013 for the estimated term of the obligations.

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

S.No.	Particulars	As at 31 March 2013	As at 31 March 2012
(i)	the principal amount remaining unpaid to supplier as at the end of the year	12,231,021	14,755,399
(ii)	the interest due on the principal remaining outstanding as at the end of the year	78,121	59,737
(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	1,189,995	769,666
(v)	the amount of interest accrued and remaining unpaid at the end of the year	2,972,320	1,704,205
(vi)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-



## 2.27. Segment information

The Company is engaged in the business of manufacture and after sale support 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 2013			Year ended 31 March 2012		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	617,458,583	92,474,511	709,933,094	575,646,531	51,057,801	626,704,332
Segment assets	468,127,870	38,569,723	506,697,593	428,487,294	10,611,440	439,098,734
Capital expenditure	43,837,233	-	-	23,044,690	-	-

### 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, Significant accounting policies. The description of segment assets and liabilities and the accounting policies in relation to segment accounting are as under:

**a) Segment revenue**

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

**b) Segment assets**

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

## 2.28. Related party disclosures

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

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

Nature of the relationship	Name of the company/ Body corporate
1. Holding company	Reinhold Poersch GmbH, Germany
2. Subsidiary company	Chetan Genthe & Company Pvt. Ltd. (refer note 2.36) Bitoni Lamps Limited (refer note 2.36)

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

Nature of the relationship	Name of the Company/ Party
1. Ultimate Holding Company	Hella KGaA Hueck & Co., Germany
2. Fellow subsidiaries	<i>In India</i> Hella India Automotive Private Limited (formerly known as Hella India Electronics Private Limited)



## Outside India

Hella Fahrzeugteile Austria, Austria  
 Hella Phil Inc., Philippines  
 Hella Australia Pty. Limited, Australia  
 Hella Asia Singapore Pte. Limited, Singapore  
 Beifang Hella Automotive Lighting Ltd, China  
 Hella Innenleuchten-Systeme Bratislava, Solakia  
 Hella Japan Inc., Japan  
 Hella Inc., United States of America  
 Changchun Hella Automotive Lighting Ltd., China  
 Behr Hella Service GmbH, Germany  
 Hella Fahrzeugkomponenten GmbH, Germany  
 Hella Romania S.R.L., Romania  
 Hella Trailer Systems GmbH, Germany  
 Hella Saturnus Slovenija D.O.O., Slovenia  
 Hella Leuchten-Systeme GmbH, Germany  
 Hella Lighting Finland Oy, Finland  
 Hella-New Zealand Ltd, New Zealand  
 Docter Optics GmbH, Germany  
 Hella (Xiamen) Automotive Electronics Co. Ltd., China  
 Hella Automotive South Africa Pty. Ltd., South Africa  
 Hella Middle East FZE, Dubai  
 Mr. Rama Shankar Pandey (Managing Director)

### 3. Key management personnel

Nature of transaction	Year ended 31 March 2013	Year ended 31 March 2012
<b>Sale of products</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	32,688,410	36,669,588
Fellow subsidiaries		
- Hella India Automotive Private Limited	72,276	86,300
- Hella Fahrzeugteile Austria GmbH	4,840,094	4,250,085
- Hella Australia Pty. Limited	214,655	309,233
- Beifang Hella Automotive Lighting Ltd	1,428,926	3,004,103
- Hella Asia Singapore Pte. Limited	138,344	-
- Hella Inc.	24,744,116	-
- Hella Automotive South Africa Pty. Ltd.	7,645,364	-
- Hella Middle East FZE	7,719,898	-
<b>Purchase of raw materials</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	36,396,224	16,733,916
Fellow subsidiaries		
- Hella India Automotive Private Limited	137,857,119	127,431,912
- Hella Fahrzeugteile Austria	378,696	-
- Hella Asia Singapore Pte. Limited	47,887,936	38,333,967
- Hella Inc.	73,061	-
- Hella New Zealand Ltd.	2,963,558	-

# HELLA INDIA LIGHTING LIMITED



Nature of transaction	Year ended 31 March 2013	Year ended 31 March 2012
- Hella Lighting Finland Oy, Finland	21,483	-
- Hella Trailer Systems GmbH	246,058	262,791
- Hella Saturnus Slovenija D.O.O	25,742,233	4,996
- Hella Leuchten-Systeme GmbH	5,613	247,917
- Behr Hella Services GmbH	593,323	3,318,171
- Docter Optics GmbH	-	1,580,709
- Beifang Hella Automotive Lighting Ltd.	80,971	-
- Hella (Xiamen) Automotive Electronics Co. Ltd.	955,542	-
- Hella Australia Pty. Limited	104,152	-
<b>Loans and advances given</b>		
Fellow Subsidiaries		
- Hella India Automotive Private Limited	100,000,000	-
<b>Other income</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	7,820,959	2,596,546
Fellow Subsidiaries		
- Hella India Automotive Private Limited	10,909,592	-
<b>Legal and professional (commission on guarantee)</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	-	640,128
<i># Guarantee has been given for the overdraft facility availed by the Company. The commission paid on such guarantee are reimbursed by the company.</i>		
<b>Legal and professional (cost sharing)</b>		
Fellow Subsidiaries		
- Hella India Automotive Private Limited	3,440,233	-
<b>Salaries and wages</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	1,361,942	671,688
<b>Repair and maintenance – others</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	10,336,903	5,259,391
Fellow subsidiaries		
- Changchun Hella Automotive Lighting Ltd.	-	267,468
<b>Advertisement and sales promotion</b>		
Fellow Subsidiaries		
- Hella India Automotive Private Limited	2,462	-
<b>Royalty expenses</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co	3,400,000	-
<b>Purchase of fixed assets</b>		
Fellow subsidiaries	7,639,450	2,295,381
- Hella New Zealand Limited		
- Hella Leuchte Systems GMBH	236,272	-
<b>Reimbursement of expenses</b>		
To ultimate holding company		
- Hella KGaA Hueck & Co.	169,666	2,098,181

# HELLA INDIA LIGHTING LIMITED



Nature of transaction	Year ended March 2013	Year ended 31 March 2012
To fellow subsidiaries		
- Hella India Automotive Private Limited	4,214,369	734,970
- Hella Fahrzeugteile Austria GmbH	-	80,888
- Hella Asia Singapore Pte. Limited	-	85,971
- Hella Trailer Systems GmbH	-	14,587
- Hella Lighting Finland Oy	-	2,290
<b>Reimbursement of expenses</b>		
From ultimate holding company		
- Hella KGaA Hueck & Co.	119,306	2,698,054
From fellow subsidiaries		
- Hella India Automotive Private Limited	2,304	-
- Hella Fahrzeugteile Austria GmbH	101,727	-
- Behr Hella Service GmbH	-	1,845,150
<b>Managerial remuneration</b>		
Key management personnel		
- Rama Shankar Pandey	5,805,934	5,209,136

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

	Year ended March 2013	Year ended 31 March 2012
<b>Trade receivables</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	8,649,520	8,343,089
Fellow subsidiaries		
- Hella India Automotive Private Limited	19,865	-
- Hella Fahrzeugteile Austria GmbH	1,940,303	803,562
- Hella Australia Pty. Limited	70,071	17,957
- Beifang Hella Automotive Lighting Ltd	895,938	473,712
- Hella Inc.	18,689,377	-
- Hella Automotive South Africa Pty. Ltd.	5,369,522	-
- Hella Middle East FZE	2,147,796	-
- Changchun Hella Automotive Lighting Ltd.	146,919	143,710
- Hella Asia Singapore Pte. Limited	131,509	-
<b>Trade payables</b>		
Ultimate holding company		
- Hella KGaA Hueck & Co.	29,638,994	4,505,566
Fellow subsidiaries		
- Hella India Automotive Private Limited	47,706,840	30,386,144
- Hella Fahrzeugteile Austria GmbH	166,510	-
- Hella Asia Singapore Pte. Limited	13,019,476	10,035,137
- Hella Inc.	73,820	-
- Hella Saturnus Slovenija D.O.O	21,714,461	4,996
- Hella Leuchten-Systeme GmbH	5,596	247,917
- Hella Trailer Systems GmbH	-	201,547
- Hella Lighting Finland Oy	21,720	2,290
- Hella New Zealand Limited	-	-
- Hella Australia Pty. Limited	64,676	-
- Beifang Hella Automotive Lighting Ltd	69,743	-
- Behr Hella Service-GmbH	586,337	-
- Hella (Xiamen) Automotive Electronics Co. Ltd.	995,363	-

# HELLA INDIA LIGHTING LIMITED



	As at 31 March 2013	As at 31 March 2012
<b>Capital Creditors</b>		
Fellow subsidiaries		
- Hella New Zealand Limited	10,904,034	-
<b>Loans and advances</b>		
Fellow subsidiaries		
- Hella India Automotive Private Limited	100,000,000	-
Subsidiaries		
- Bitoni Lamps Limited	-	1,041,642
- Chetan Genthe & Company Private Limited	-	2,224,181
<b>Other Current Assets</b>		
Fellow subsidiaries		
- Hella India Automotive Private Limited	2,441,097	-

## 2.29 Operating leases

The Company has office and residential premises for its personnel under cancellable and non-cancellable operating leases. Operating lease rentals charged to the Statement of Profit and Loss during the year ended 31 March 2013 is Rs. 6,062,625 (previous year Rs. 4,174,280). The future minimum lease expense in respect of non cancellable lease is as follows:

	As at 31 March 2013	As at 31 March 2012
Not later than 1 year	5,432,268	1,159,944
Later than 1 year but not later than 5 years	8,178,847	3,189,846
Later than 5 years	-	-

## 2.30 Earnings/(loss) per share

	As at 31 March 2013	As at 31 March 2012
Loss after tax	35,537,035	31,620,132
Weighted average number of equity shares outstanding during the year	3,171,400	3,171,400
Basic and diluted earnings/ (loss) per share in rupees (face value – Rs. 10 per share )	(11.21)	(9.97)

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

## 2.31. Deferred taxes

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

	As at 31 March 2013	As at 31 March 2012
<b>Timing differences between accounting and tax books on account of:</b>		
<b>Deferred tax liability</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per the Companies Act, 1956	-	2,932,370
<b>Total (A)</b>	-	2,932,370
<b>Deferred tax assets</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per Companies Act, 1956	8,402,865	
Provision for gratuity	1,777,932	1,283,956

# HELLA INDIA LIGHTING LIMITED



Provision for leave encashment	1,006,236	826,927
Provision for doubtful receivables	1,409,279	650,472
Provision for doubtful advances	2,059,645	3,177,869
Provision for bonus	1,508,524	902,630
Provision for slow moving inventory	2,494,744	1,784,274
Provision for Impairment loss	13,101,600	13,756,680
Provision for Export Obligation – EPCG License	1,414,920	1,382,479
Unabsorbed depreciation and carry forward of losses under the Income-tax Act, 1961	62,892,304	63,274,822
<b>Total (B)</b>	<b>96,068,048</b>	<b>87,040,109</b>
<b>Net deferred tax asset(B-A)</b>	<b>96,068,048</b>	<b>84,107,739</b>
<b>Net amount recognised in the financial statements</b>	<b>-</b>	<b>-</b>

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

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

	As at 31 March 2013		As at 31 March 2012	
	(In original Currency)	(In Rupees)	(In original Currency)	(In Rupees)
<b>Trade receivable</b>				
- EURO	216,876	14,793,124	158,775	10,593,483
- USD	446,845	23,776,599	360	17,957
<b>Trade payables</b>				
- EURO	638,324	45,224,220	225,095	15,671,128
- USD	388,525	21,570,929	-	-
- AUD	1113	64,676		
<b>Cash in hand and at bank</b>				
- SGD	7.2	296	7	239
- EURO	281.6	18974	10	688

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

## 2.34. Additional information pursuant to the provisions of the Companies Act, 1956

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

	As at 31 March 2013	As at 31 March 2012
Horns	7,245,148	2,597,954
Lamps	19,968,030	11,526,952
Others #	9,341,503	4,945,042
<b>Total</b>	<b>36,554,681</b>	<b>19,069,948</b>

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



**b) Details of turnover (in Rupees)**

	Year ended 31 March 2013	Year ended 31 March 2012
Horns	219,104,767	175,982,163
Lamps	415,227,937	358,985,410
Others #	135,454,758	120,892,714
<b>Total</b>	<b>769,787,462</b>	<b>655,860,287</b>

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

**c) Raw materials and components consumed**

	Year ended 31 March 2013	Year ended 31 March 2012
CRC sheet/ CRC coil	5,957,111	6,280,877
Diffusing lenses	25,639,372	30,964,016
Motor	15,111,155	16,371,062
Horn (unfinished)	115,557,729	100,448,073
Others	316,940,946	243,323,185
<b>Total</b>	<b>479,206,313</b>	<b>397,387,213</b>

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

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

Item	Year ended 31 March 2013		Year ended 31 March 2012	
	Value (in Rupees)	%	Value (in Rupees)	%
Raw materials	101,047,436	21.09	69,458,337	17.60
- Imported	378,158,877	78.91	327,928,876	82.39
- Indigenous				
<b>Total</b>	<b>479,206,313</b>	<b>100</b>	<b>397,387,213</b>	<b>100</b>
Stores, spares and consumables				
- Imported	-	-	-	-
- Indigenous	21,000,306	100	23,171,017	100
<b>Total</b>	<b>21,000,306</b>	<b>100</b>	<b>23,171,017</b>	<b>100</b>

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

	Year ended 31 March 2013	Year ended 31 March 2012
Raw materials	45,414,242	66,839,014
Capital goods	10,095,080	2,295,381

**f) Expenditure in foreign currency**

	Year ended 31 March 2013	Year ended 31 March 2012
Employee benefit expenses	3,891,774	1,814,542
Travelling	1,097,749	339,865
Legal and professional charges (commission on guarantee)	-	640,128
Repairs and maintenance- others	10,336,903	5,526,859
Service after sales	-	2,583,028
Royalty	3,400,000	-



## HELLA INDIA LIGHTING LIMITED



### g. Earning in foreign Currency

	Year ended 31 March 2013	Year ended 31 March 2012
F.O.B. value of exports	83,686,880	4,8461,254
Other income (Development of tools)	7,820,959	2,596,546

- 2.35.** In view of continued losses incurred by the Company, during the year ended 31 March 2012, the management had done a detailed analysis to assess impairment of its fixed assets at the Derabassi factory, which is a separate cash generating unit. This analysis was based on future revenue growth and related expenditure and accordingly a provision of Rs. 424 lakhs had been created towards writing down the value of fixed assets to their recoverable amount in the year ended 31 March 2012. The recoverable amount was based on value in use which had been computed on the basis of discounted future cash flows projected by the management. This analysis had further been considered and taken on record by the Board of Directors in their meeting on 30 May 2012. Expense towards the impairment provision was included under the head 'Other expenses'.
- 2.36** The subsidiaries of the Company, namely, Bitoni Lamps Limited and Chetan Genthe and Co. Private Limited have been stricked-off from the register of companies with effect from 4 May 2012 and 8 June 2011 respectively and the companies stands dissolved. Consequently, the investment and advances recoverable (net of provision) have been knocked-off from the Company's books of account.

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

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

**Sd/-**  
**Jiten Chopra**  
*Partner*  
Membership No: 092894  
Place: Gurgaon  
Date: 29 May, 2013

**Sd/-**  
**Rama Shankar Pandey**  
*Managing Director*  
Place: Gurgaon  
Date: 29 May, 2013

**Sd/-**  
**Sarvesh Upadhyay**  
*Company Secretary*  
Place: Gurgaon  
Date: 29 May, 2013

**Sd/-**  
**Dr. Gunther Schmidt**  
*Director*  
Place: Gurgaon  
Date: 29 May, 2013

**HELLA INDIA LIGHTING LIMITED**

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

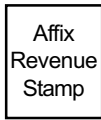
**FORM OF THE PROXY FOR THE 53rd ANNUAL GENERAL MEETING**

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 53rd Annual General Meeting of the Equity Shareholders of the company to be held at Hotel Aravali Villa, F.H-1, Bandh Road, N.H-8, Rajokari, New Delhi 110038, India on **27th September 2013 at 10:00 A.M.** or any adjournment or adjournments there of.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature:

Folio No./Client ID.....



No. of shares held.....

Address:

**Note:** The proxy form should be delivered at the Registered Office of the Company at B-13, Badarpur Extension, New Delhi - 110044, not less than 48 (Forty Eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. 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 **27th September 2013 at 10:00 A.M.** at Hotel Aravali Villa, F.H-1, Bandh Road, N.H-8, Rajokari, New Delhi-110038, India

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