

# **TECHNOLOGY OF TOMMOROW FOR THE LIFE OF TODAY**



**HELLA INDIA LIGHTING LIMITED**  
**ANNUAL REPORT 2017 – 2018**

# HELLA INDIA LIGHTING LTD.

## SOE & IAM PRODUCT PORTFOLIO

### Projector Lamp Family



Module 90  
(High Beam)



Module 90  
(Low Beam)



Module 90  
(Fog Lamp)



Module 60 (High/  
Low/Work Lamp)

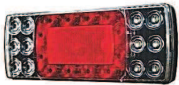


Semi Customised  
Headlamp



Work Lamp  
W394

### LED Lamp Family



LED Tail  
Lamp



4 Inch LED



LED Work Lamp  
(Eco 16)



Decorative  
Lamp (LED)



LED Aux Lamp



RL PLUS  
LED Beacon

### Auxiliary Lamp Family



Fog Lamp



Comet 500  
(Driving & Fog)



Comet 450/550  
(Driving & Fog)



Combination Head  
Lamp



Interior Lamp



Battery Cut-Off  
Switch



Disc Horn  
(Red Grill)



Trumpet Horn  
(Blue Sapphire)



Premium  
Trumpet (Chrome)



LED Light Bar



LED Head Lamp  
with DRL



Rallye Light



Dashboard Camera



Halogen Bulb



Spark Plug



Brake Pads



A/C Part



Test Equipment  
(Beamsetter)



Wiper Blade



Filter



Battery



Engine Oil



Care Care



Coolant



Dear Shareowners,

I appreciate this opportunity to reach you through the Annual Report 2017-18 and share my thoughts with all the stakeholders of the Company.

Firstly, it is indeed your unwavering faith and confidence in the Company that gives us the zeal, inspiration and motivation to continually strive for excellence.



**H. Jackson Brown proudly said. “The best preparation for tomorrow is doing your best today” and we at HELLA truly abide by it.**

We are pleased to present the 58th Annual Report of Hella India Lighting Limited the “Company” on the activity and business update and our strengths as one of the global leader in automotive and lighting technology and our journey of becoming a globally preferred solutions partners in automotive industry and we look forward to the coming years with great excitement.

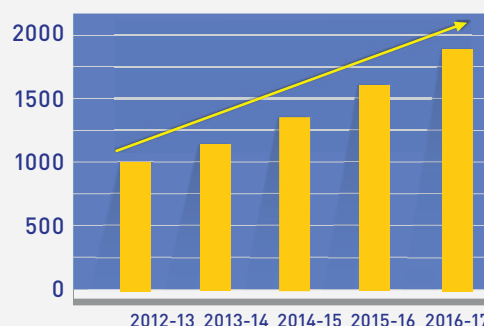
The Financial Year 2017-2018 marked another significant period of growth and prosperity for us, taking a huge leap, both in terms of profitability and sales. Our strong resolution with an exorbitant effort put in to arrest the alarming level of road deaths on Indian roads has gained us nationwide support and encouragement.

Our 250 km relay walkathon from Delhi to Chandigarh organised during the Road Safety Week 2018 to created awareness on the necessity of seamless walking zones for

pedestrians, garnered immense appreciation from our clients, government institutions, the general public as well as the media. This further motivated us to expand our horizon in the field of innovation to help outdo road fatalities by bringing the “Technology of Tomorrow for the Life of Today”.

Intensive research carried out in our domains of electronics, thermal engineering and design, has helped us come up with ingenious products like full LED rear and signal light system, customized headlamps and the like for our special OE Customers, along with car care and filtration products for Aftermarket, that has not only been acknowledged, but also has made its way in the Quality Conscious market segment.

**TOTAL TURNOVER (MINR)**



Intensive research carried out in our domains of electronics, thermal engineering and design, has helped us come up with ingenious products like full LED rear and signal light system, customized headlamps and the like for our special OE Customers, along with car care and filtration products for Aftermarket, that has not only been acknowledged, but also has made its way in the Quality Conscious market segment.

In an endeavour to enhance productivity, we believe that human resource management comes out as a critical function and hence requires equal attention. Therefore, HELLA has been consistent in providing its employees with worthwhile trainings, ensuring theirs as well as the company's success. It is because of this combined effort that has enabled HELLA to achieve benchmark in quality performance.

The company's 'Make in India' initiative is in line with the government's vision wherein the production of advanced technology products not only meets the automotive needs of the country, but also the needs of the world. Module lamps, Aux Lamps, Rear Combination Lamps, LED Side Marker and Beacon are some of the major products being manufactured in India, that has positively contributed towards transforming the scenario of road safety on Indian roads, resulting in revamping the Indian Automotive Industry.

HELLA takes great pride in being awarded with the CII Innovation Industrial Award 2017 and has been recognized as Most Innovative Enterprise in India in the mid-size manufacturing companies' category. HELLA also added another feather to its cap by winning the coveted ET NOW Award for "Innovations in Corporate Social Responsibility Practices. We are also pleased to inform you that we have been listed under 'Great Place to Work' and congratulate each one of you for the same.

Hella have been recognized among top 20 Great Place to Work Companies to work for 2018 in mid-size segment. Not only this, Hella India Lighting Ltd is one of the winner among top 5 in auto-component segment. Every year, more than 10,000 organizations from over 58 countries partner with Great Place to Work® Institute for assessment, benchmarking and planning actions to

strengthen their workplace culture.

In view of the growing demand for support from customers, we had modernized the plant and introducing new products with advance technologies in the product portfolio. We are quite optimistic considering the increasing content per vehicle due to various technological advancement and various regulatory measures such as emission, safety regulations etc., the growth in the auto component industry will be relatively higher than the underlying growth in the automotive industry in the medium to long term.

To conclude, we had a good year. We remain encouraged and confident of achieving our long-term objectives of inclusive, sustainable and profitable growth. As we look ahead, I feel confident of strong growth in the medium to long term.

I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

I would like to take this opportunity to thank all our employees for their contribution in the continued success of Hella. I would also like to extend my gratitude towards our business partners, associates, vendors and also the Central, State governments and government agencies for their sustained support. I would also like to express my sincere appreciation to all of our shareholders for your continued faith, trust, encouragement and support.

**Let's stretch the limits of our abilities to achieve beyond par.**

**Thanking You and Best Regard**



**Rama Shankar Pandey**





## Industry recognition to HELLA's commitment towards Quality & Innovation



**CII Industrial Innovation Award - 2017**



**Auto Components India Magazine Award for Auto Component of the Year - 2017**



**Winsome Quality Pathfinder Award (Manufacturing: Small Business) 2015**



**APEA 2016 Award**



**CSR Leadership Award**



**CV Magazine Award for Auto Component of the Year - 2016**



**ICAT Trophy for Excellence in Lighting Technology at iSOL - 2015**



**Frost and Sullivan India Manufacturing Excellence Awards - 2016**



**ACMA Silver Trophy in Large Category for Quality & Productivity - 2015**



**ACMA QC Competition Award - 2016**



## **BOARD OF DIRECTORS COMMITTEE**

Mr. Anil Sultan  
Alternate Director

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non- Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

Dr. Nicolas Wiedmann  
Non- Executive Director

## **EXECUTIVE OFFICERS**

Mr. Narender Jain  
Chief Financial Officer

**COMPANY SECRETARY**  
Ms. Aakritee Khanna

## **AUDIT COMMITTEE**

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non - Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non - Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

## **CORPORATE SOCIAL RESPONSIBILITY**

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non- Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non – Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

## **RISK MANAGEMENT COMMITTEE**

Mr. Avinash Razdan Bindra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non - Executive Independent Director

Dr. Nicolas Wiedmann  
Non - Executive Director



## **CORPORATE INFORMATION STATUTORY AUDITORS**

M/s Deloitte Haskins & Sells LLP,  
Chartered Accountants,  
7 Floor Building 10  
Tower - B DLF Cyber City Complex  
DLF City phase-II  
Gurugram – 122002.

## **COST AUDITORS**

M/s Mushtaq A. Mir & Co,  
Cost Accountants,  
Unit 13, Centrum Plaza,  
Golf Course Road  
Ext. Sector -53,  
Gurugram, Haryana.

## **INTERNAL AUDITOR**

(Gurugram and Pune Location)  
M/s Jain Pramod Jain & Co.,  
Chartered Accountants  
F-591, Sarita Vihar,  
New Delhi – 110 076

## **REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
44 Community Center, 2nd Floor,  
Naraina Industrial Area,  
Phase – 1, New Delhi - 110028

## **REGISTERED OFFICE**

K-61B, LGF, Kalkaji, New Delhi – 110019.  
T (+91) 124 4425700  
CIN U74899DL1959PLC003126  
Wwww.hella.com

## **CORPORATE OFFICE**

6th Floor, Platinum Tower,  
Plot No. 184, Udyog Vihar,  
Phase – I, Gurugram,  
Haryana – 122 016 ,  
T (+91) 124 4658600  
F (+91) 124 4658699

## **BANKERS**

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

## **WORKS MANUFACTURING UNIT – I**

Ambala Chandigarh Highway,  
Derabassi - 140507

## **MANUFACTURING & TRADING WAREHOUSE**

- Shri Mookambika Enterprises, No 16, Thattankulam Road, Madhavaram, Chennai, Tamil Nadu
- Khewat Number 240/220, Kila Number 17/6, Badshah Road, Surat Nagar – II, Gurugram, Haryana – 122001

## **TRADING WAREHOUSE AT – PUNE**

Chambli Phata, Chambli Goan Road, Opp – Vitthal Nagar,  
Chakan Dist – Pune, Maharashtra, Pin Code – 410501





## NOTICE

NOTICE is hereby given that the 58th Annual General Meeting of the Members of Hella India Lighting Limited will be held on Friday the 24th Day of August, 2018 at 9:30 A.M. at the Tivoli Garden Resort Hotel, Chhattarpur Hills, Chattarpur, New Delhi- 110 074, to transact the following business:

### ORDINARY BUSINESS

**1. Adoption of the Audited Financial Statements as at 31st March, 2018**

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018, the Audited Statement of Profit and Loss Account for the year ended on that date, together with Reports of Auditors and Directors thereon.

**2. Consideration and approval of appointment of Dr. Nicolas Wiedmann as Director**

To consider and approve the appointment of Dr. Nicolas Widemann as Director who retires by rotation.

**3. Ratification of Appointment of Auditors and fix their remuneration**

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the members at the 56th AGM held on September 30, 2016 the appointment of M/s. Deloitte Haskins & Sells LLP, (Firm Registration No. 117366w/w-100018) Chartered Accountants, Gurugram, Haryana, as the Statutory Auditors of the Company as well as Auditor for audit of consolidated financial statements of the Company, to hold office till the conclusion of the 61th AGM of the Company to be held in the calendar year 2021 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019 as may be determined by the board of Directors in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

### SPECIAL BUSINESS

**4. Approve the remuneration of Cost Auditors for the financial year ending March 31st, 2019**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Mushtaq A. Mir & Co. Cost Accountants. Gurugram, Haryana who have been appointed by the Board of Directors vide resolution dated 29th June, 2018 to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 at the remuneration of Rs. 75,000/- p.a plus applicable taxes and out of pocket expenses if any as approved by the Board of Directors of the Company be and is hereby ratified and approved."

**By Order of the Board of Directors**  
HELLA India Lighting Limited

Place: Gurugram  
Dated: 29th June, 2018

Sd/-  
Aakritee Khanna  
Company Secretary  
Membership No : A48297

**Note(s):**

1. The relative Explanatory Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 in concerning special business under Item No. 4 of the notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE. THE BLANK PROXY FORM IS ENCLOSED HERewith. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
3. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days except Sundays and Holidays during office hours up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain close for a period of 10 days, from 15th August, 2018 to 24th August, 2018 (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, Naraina 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.

Pursuant to Section 108 of Companies Act 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is pleased to offer Remote e-voting (Electronic Voting) facility to its members to cast their votes electronically on all resolution set forth in this Notice convening the 58th Annual General Meeting of the members of the company, to be held on Friday, August 24, 2018, at 09.30 A.M.

The Company has engaged the services of Link Intime India Private Limited as the authorised agency to provide the Remote e-voting facilities. The Remote e-voting facility will be available during the following voting period:

Commencement of Remote E-voting	End of Remote E-voting
From 9:00 A.M. on 21st August 2018	Upto 5:00 P.M. on 23rd August 2018

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

The instructions for shareholders voting electronically are as under:

The voting period begins on 21st August, 2018 at 9:00 AM and ends on 23rd August, 2018 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th August, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).  Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.  Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:





Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE : The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.**

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

### **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

### **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us :- Tel : 022 - 49186000.



## Other Instructions

The Remote e-voting period commences on 21st August, 2018 at 9.00 A.M. and ends on 23rd August, 2018 at 5.00 P.M. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date which is 17th August 2018, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

In terms of the amended Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the company is also offering the facility for voting by way of physical ballot process at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot process for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date being Friday, 17th August, 2018.

Mr. J.K.Gupta, Practicing Company Secretaries (email: jitesh@jkgupta.com,) (Membership No. F3978) has been appointed as the Scrutinizer to scrutinize the Remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hella.co.in](http://www.hella.co.in) and on the website of CDSL within three days of conclusion of the meeting.

The notice of the meeting is also available on the website of the Company at [www.hella.co.in](http://www.hella.co.in).

**By Order of the Board of Directors**

HELLA India Lighting Limited

Sd/-

Aakritee Khanna

Company Secretary

Membership No : A48297

H.No. 392/9, Subhash Nagar,

Gurugram, Haryana.

Place: Gurugram

Dated: 29th June, 2018

## Registered Office:

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

T (+91) 124 4658600

CIN U74899DL1959PLC003126

[Wwww.hella.com](http://Wwww.hella.com)



## INFORMATION REQUIRED TO BE FURNISHED

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

Name	: Dr. Nicolas Wiedmann
Qualification	: Dr. rer. nat.
Brief Profile	: Dr. Wiedmann is 42 years old and having approx 19 years of rich experience of Automotive segments. His past assignment with McKinsey, Johnson Controls, Kautex/Textron.
Shareholding in the Company	: Nil
Other Directorships	: HA/HAAU Hella Australia Pty Ltd, HFA Hella Fahrzeugteile Austria GmbH
He is also the member of Nomination & Remuneration Committee.	

**By Order of the Board of Directors**

HELLA India Lighting Limited

Sd/-

Aakritee Khanna

Company Secretary

Membership No : A48297

H.No. 392/9, Subhash Nagar,

Gurugram, Haryana.

Place: Gurugram

Dated: 29th June, 2018

## Registered Office:

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

T (+91) 124 4658600

CIN U74899DL1959PLC003126

Wwww.hella.com





## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required by section 102 of the Companies Act, 2013, the following statement sets out all material facts relating to the Special Business mentioned under Item No. 4 of the accompanying Notice:

### Item No. 4

The Board of Directors have approved the appointment of M/s M/s Mushtaq A. Mir & Co., Cost Accountants, Gurugram as the Cost Auditor of the Company to conduct the audit of Cost records of the Company for the financial year ending 31st March, 2019 at the remuneration of Rs. 75,000/- plus applicable taxes, out of pocket expenses if any.

In accordance with the provisions of the Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2019.

None of the Directors /Key managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval by the Shareholders.

**By Order of the Board of Directors**  
HELLA India Lighting Limited

Sd/-

Place: Gurugram

Dated: 29th June, 2018

Aakritee Khanna

Company Secretary

Membership No : A48297

H.No. 392/9, Subhash Nagar,

Gurugram, Haryana.

### Registered Office:

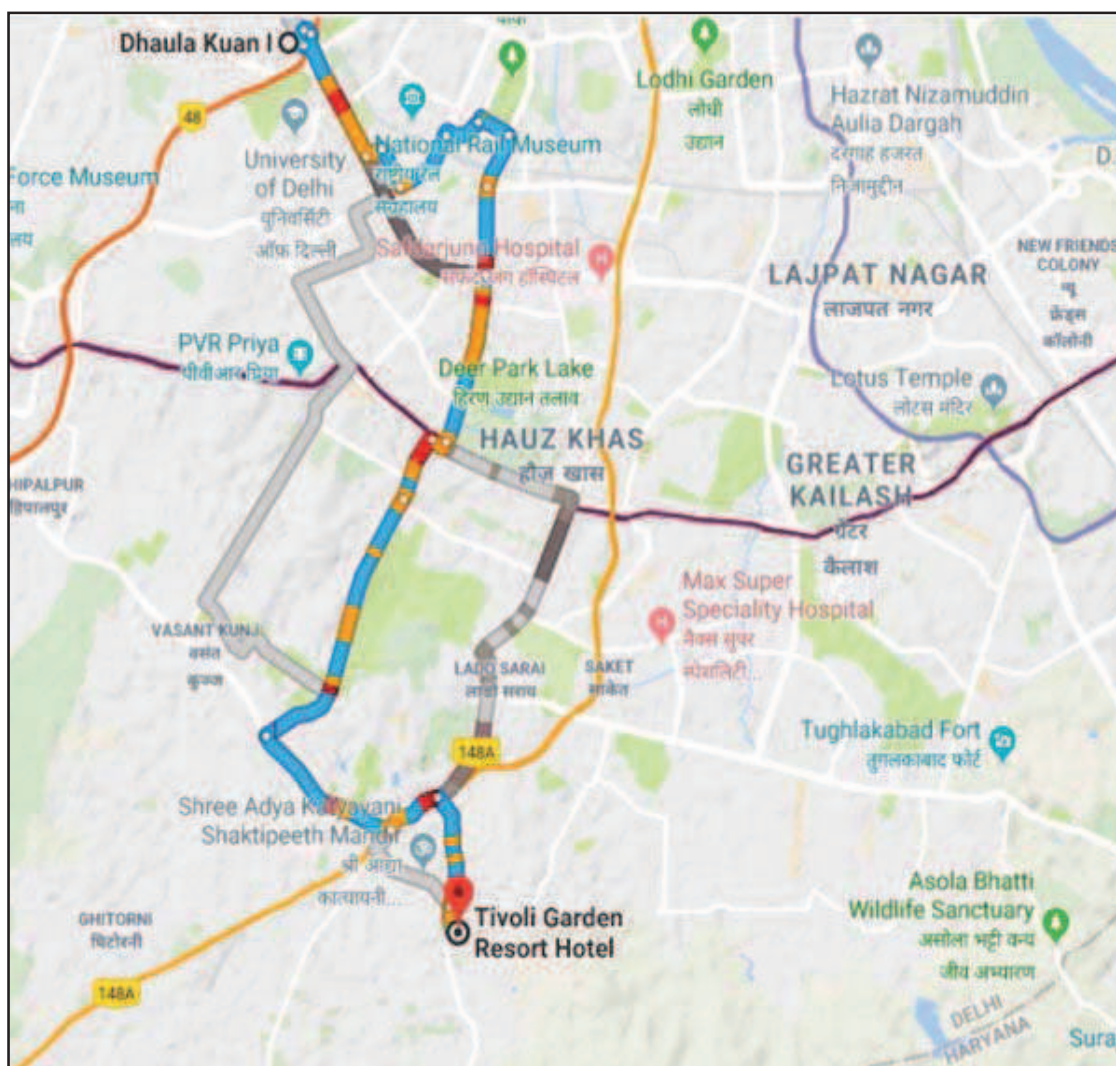
K-61B, LGF, Kalkaji, New Delhi – 110019.

T (+91) 124 4658600

CIN U74899DL1959PLC003126

Wwww.hella.com

## Route Map :



## DIRECTORS' REPORT

Dear Members,

Your Directors take great pleasure in presenting the 58th Annual Report of Hella India Lighting Limited the "Company" on business and operations along with the audited financial statements of accounts for the financial year ended 31st March 2018.

### 1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended March 31st 2018 is summarized below:

*(In Thousand INR)*

Particulars	Standalone	Year Ended
	31.03.2018	31.03.2017
Revenue from Operations	1,765,912	1,517,645
Profit Before Tax, Interest and Depreciation	124,776	144,614
Interest	9,156	12,544
Depreciation	59,403	58,608
Profit Before Tax	56,217	73,462
Current Taxes	24,557	11,869
Deferred Taxes	-2,965	-17,944
Profit After Tax	34,625	79,537
Transfer to Balance Sheet	34,625	79,537
Earnings Per Share (Nominal Value of Share Rs. 10/-) Basic/Diluted (Amt. in Rs.)	10.92	25.08

### 2. OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The financial year 2017-18 happens to be a good year as the Company maintained its position with gross revenue from operations ended at INR 1,738,780 Thousand, an increase of 17 % from the previous year. Operating EBITDA is 7.07% and the PBT is 3.18% with PAT stood at INR 34,625 Thousand. The EPS stands at INR 10.92.

Your Company continues to retain its customers and at the same time having new associations, which reflects the ongoing trust of our customers to whom we dedicate our daily work.

Your Company is quite optimistic considering the increasing content per vehicle due to various technological advancement and various regulatory measures such as emission, safety regulations etc., the growth in the auto component industry will be relatively higher than the underlying growth in the automotive industry in the medium to long term.

### 3. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business during the year under review.

### 4. MATERIAL CHANGES AND COMMITMENTS

During the year under review, there have been no material changes and commitments affecting the affairs/financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

### 5. DIVIDEND

Your Board of Directors have considered it prudent to plough back the profits into the business in view of proposed capex and working capital requirement for future growth prospects as such your Directors have decided not to recommend any dividend for the year under review.





## 6. TRANSFER TO GENERAL RESERVES

In view of the further growth plan and planned investments of the Company. Your Directors have decided to retain 100% of Profit after Tax of the year under review for future expansion and propose to transfer to the General Reserve of the Company.

## 7. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

Management's Discussion and Analysis and Corporate Governance Report for the year under review is presented in a separate section and forming part of this Annual Report.

## 8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review no Company has become or ceased to become its subsidiary(s) or Joint Venture or Associate Company.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) & 134 (5) of the Companies Act, 2013 the Board of Directors hereby confirm, to the extent applicable that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)

Dr. Nicolas Wiedmann had retired by rotation and was reappointed as Director retiring by rotation at the 57 AGM held on 21st September, 2017 pursuant to Sec 152(6) of the Companies Act, 2013.

Mr. Ramashankar was reappointed as Managing Director for a period of three years w.e.f. 1st January 2018 by the shareholders in their 57th AGM held on 21st September, 2017.

Mr. Anil Sultan, resigned as Alternate Director of Dr. Nicolas Wiedmann on his arrival on 16.03.2018 and was reappointed as Alternate director of Dr. Nicolas Wiedmann on 18th March, 2018.

Mr. Shikhar Goel Company Secretary has resigned w.e.f. 16th May, 2018 and Ms Aakritee Khanna has been appointed a Company Secretary w.e.f 29th June, 2018.

None of the directors are disqualified as per the provisions of sub section (2) of section 164 of the Companies Act, 2013.

## 12. NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year, the details of which are given in the "Corporate Governance Report" and forms part of this Annual Report. The intervening gap between any two meetings were within the period prescribed under the Companies Act, 2013.

## 13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions made by the Company with promoters, directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large and approval of the board of directors and shareholders were obtained wherever required.



The particulars of Contract or arrangements with related parties referred to in Section 188 (1), as prescribed in Form AOC -2 of the rules prescribed under Chapter IX relating to Accounts of the Companies under the Companies Act, 2013 is appended as **Annexure I**.

## **14. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy the "CSR Policy" indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company has been actively participating in CSR activities since its inception and manages and supports various charitable and philanthropic work in the vicinity where it operates. The Annual Report on CSR activities is annexed as **Annexure II** to this report.

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

The Board of Directors of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, together form the Best Management System (BMS) that governs how the Company conducts the business and manages associated risks.

The Company has introduced several improvements such as Internal Controls Management and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by Internal Audit methodologies and processes.

## **16. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such control Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee of the Company.

## **17. DECLARATION OF INDEPENDENT DIRECTORS**

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

## **18. DETAILS IN RESPECT OF FRAUDS**

There has been no fraud reported by the auditors of the Company under sub section 12 of section 143 under the Companies Act, 2013.

## **19. AUDITORS AND AUDITORS' REPORT/EXPLANATIONS OR COMMENTS BY THE BOARD**

### **A. Statutory Auditors**

At the 56th Annual General Meeting held on September 30, 2016, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366w/w-100018), Gurugram were appointed to hold office till the conclusion of the 61st Annual General Meeting to be held in the calendar year 2021. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the members in the ensuing AGM. The Company has received a certificate from the auditors to the effect if they are appointed; it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Statutory Auditors have submitted their report on financial state of affairs of your Company for the financial year ended 31st March, 2018. There are no major adverse observations and remarks and are self-explanatory and do not require further explanations.

The other observations made in the Auditor's Report read with relevant notes to the accounts are

self-explanatory and hence therefore do not call for any further comments/explanations under section 134(3) of the Companies Act, 2013.

## B. Cost Auditors

The Company had appointed M/s Mushtaq A. Mir & Co, Cost Accountants in its Board Meeting held on 13th June, 2017 for the audit of cost records under 'Electricals or electronic machinery and Other machinery and Mechanical Appliances' for financial year 2017-18 following the Notification F. No. 52/26/CAB-2010 of Cost Audit Branch of the Ministry of Corporate Affairs dated 24th January, 2012. The Cost Auditors' Report for the financial year 2017-18 shall be forwarded to the Central Government as required under law.

## C. Secretarial Auditor

During the year under consideration your Company was not required to appoint Secretarial Auditor.

## D. Internal Auditors

During the year under review Mr. M/s Pramod Jain, Internal Auditor, a Chartered Accountant by profession, has carried out the Internal Audit and submitted his report on Quarterly basis to the Audit Committee of the Company.

He has been appointed for a further period unless terminated by the Board of directors of the company in their meeting held on 13th June, 2017.

## 20. COMMITTEES OF THE BOARD

During the year under review and in accordance with the Companies Act, 2013 and other laws the Company currently has the following committees as under:

- (i) Audit Committee;
- (ii) Stakeholders Relationship Committee;
- (iii) Share Transfer Committee;
- (iv) Nomination and Remuneration Committee;
- (v) Corporate Social Responsibility (CSR) Committee.

Details of all the Committees along with their compositions and meetings held during the year are provided in the "Corporate Governance Report" section in this Annual Report.

## 21. COMPANY POLICY(S)

The Company has adopted the following Policies the details are attached as **Annexure III**.

(a) Nomination and Remuneration Policy (b) Corporate Social Responsibility (CSR) Policy.

## 22. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided as under:

Name of the Entity	Relation	Amount in Rs.	Particulars of Loans, Guarantees and Investments	Purpose for which the loan, guarantee and investment are proposed to be utilized
Not Applicable				

*\*In addition to the above, the Company has given advance against salary to employees of the Company as per the terms of appointment.*

## 23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption, foreign exchange earnings

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

Pursuant to Section 178(1) of the Companies Act, 2013 and other applicable provisions thereof, the Board of Directors has constituted Nomination and Remuneration Committee. A Nomination and Remuneration Policy of the Company has also been laid down and approved by the Nomination and Remuneration Committee and Board. The said policy lays down the criteria for the appointment of Directors', Key Managerial Personnel and Senior Management Personnel. The said policy also specifies the appointment and remuneration including criteria for determining qualification, term/tenure, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors), removal, policy on Board diversity, Directors and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013. The said policy of the Company is attached as **Annexure II** to this report. The members of the committee are as follows:

As on 31st March 2018

S. No.	Name of Director	Designation in Nomination & Remuneration Committee
1	Mr. Avinash Razdan Bindra	Member
2	Dr. Nicolas Wiedmann	Member
3	Mr. Tarun Gulai	Member

## 30. ACKNOWLEDGEMENT

The Board of Directors acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, financial institutions, government and other agencies. Your Directors thank the customers, vendors and other business associates for their continued support in the company's growth.

Your Directors also wish to place on record their appreciation to the contribution made by employees because of which, the Company has achieved impressive growth through the competence, hard work, solidarity and co-operation at all levels.

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

HELLA India Lighting Limited

	Sd/-	Sd/-
	Mr. Rama Shankar Pandey	Mr. Anil Sultan
	Managing director	Alternate Director
	DIN- 02848326	DIN- 00467681
Place: Gurugram	6th Floor, Plot No – 184,	6th Floor, Plot No - 184,
Dated: 29th June, 2018	Platinum Tower, Udyog Vihar,	Platinum Tower, Udyog Vihar,
	Phase – 1, Gurgaon, PIN- 122016	Phase – 1, Gurgaon, PIN-
122016		

### Registered Office:

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

T (+91) 124 4658600

CIN U74899DL1959PLC003126

Wwww.hella.com



## FORM NO. AOC-2

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

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

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

Sl.	Particulars	Details
A	Name(s) of the related party and nature of relationship;	<b>Not Applicable</b>
B	Nature of contracts/arrangements/transactions;	
C	Duration of the contracts / arrangements/transactions;	
D	Salient terms of the contracts or arrangements or transactions including the value, if any;	
E	Justification for entering into such contracts or arrangements or transactions;	
F	Date(s) of approval by the Board;	
G	Amount paid as advances, if any;	
H	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

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

Sl.	Particulars	Details
A	Name(s) of the related party and nature of relationship;	<b>As per mentioned in Notes to Financials of 2.30.</b>
B	Nature of contracts/arrangements/transactions;	
C	Duration of the contracts / arrangements/transactions;	
D	Salient terms of the contracts or arrangements or transactions including the value, if any;	
E	Date of approval by the Board, if any;	
F	Amount paid as advances, if any;	



Details of related party transactions i.e. transactions of the company, with its promoters, the Directors or the management, their relatives or with the subsidiaries of the Company etc. are present under Note no. 2.30 of the notes forming part of the financial statements for the year ended 31st March, 2018 to Annual Accounts.

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

HELLA India Lighting Limited

Place: Gurugram  
Dated: 29th June, 2018  
-122016

Sd/-  
Mr. Rama Shankar Pandey  
Managing director  
DIN- 02848326  
6th Floor, Plot No – 184,  
Platinum Tower, Udyog Vihar,  
Phase – 1, Gurgaon, PIN- 122016

Sd/-  
Mr. Anil Sultan  
Alternate Director  
DIN- 00467681  
6th Floor, Plot No - 184,  
Platinum Tower, Udyog Vihar,  
Phase – 1, Gurgaon, Pin

**Registered Office:**

K-61B, LGF, Kalkaji, New Delhi – 110019.  
T (+91) 124 4658600  
CIN U74899DL1959PLC003126  
Wwww.hella.com

## ANNEXURE II

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18 (As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

S. No.	Particulars	Remarks																
1.	A Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>Your company believes that Corporate Social Responsibility is a means to achieve a balance of economic, environmental and social imperatives, while addressing the expectations of shareholders and all stakeholders. It is a responsible way of doing business. At Hella India Lighting Limited, our CSR strategy focuses on aligning corporate goals with development goals thereby enabling inclusive growth. Through the CSR initiatives, your Company strives to provide informal education through skill development and mostly Road Safety activity as awareness campaign, walkathon etc. in association with Drive Smart Drive Safe (D2S) being promoted by the Company in association with other like-minded institutions in this reporting year.</p> <p>The Company has adopted the CSR policy which is in compliance with Schedule VII read with Section 135 of the Companies Act, 2013.</p> <p>The complete CSR policy of the company is available on the website of the company and can be assessed at <a href="http://www.hella.co.in">www.hella.co.in</a>.</p>																
2.	The Composition of the CSR Committee	<p>The composition of the Committee is as under:</p> <table><tr><th>S. No.</th><th>Name</th><th>Position</th><th>Status</th></tr><tr><td>1.</td><td>Mr. Rama Shankar Pandey</td><td>Managing Director</td><td>Member</td></tr><tr><td>2.</td><td>Mr. Avinash Razdan Bindra</td><td>Independent Director</td><td>Member</td></tr><tr><td>3.</td><td>Mr. Tarun Gulati</td><td>Independent Director</td><td>Member</td></tr></table>	S. No.	Name	Position	Status	1.	Mr. Rama Shankar Pandey	Managing Director	Member	2.	Mr. Avinash Razdan Bindra	Independent Director	Member	3.	Mr. Tarun Gulati	Independent Director	Member
S. No.	Name	Position	Status															
1.	Mr. Rama Shankar Pandey	Managing Director	Member															
2.	Mr. Avinash Razdan Bindra	Independent Director	Member															
3.	Mr. Tarun Gulati	Independent Director	Member															
3.	Average net profit of the Company for the last three financial years	Rs. 57,093,000																
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs.1,141,860																
5.	Details of CSR spent during the financial year:																	
	(a) Total amount to be spent for the financial year	Rs.1,141,860																

	(b) Amount unspent, if any	NIL
	(c) Manner in which the amount spent during the financial year:	

CSR Project/ Activity identified	Sector in which the project is covered	Location of the project/ program	Amount outlay (Budget Amt in Rs.)	Amount spent on the project or programs (Amt. In Rs.)	Cumulative expenditure up to the reporting period (Amt. In Rs.)	Amount spent direct or implementing agency
Road Safety through Drive Smart Drive Safe	Road Safety	Gurgaon, Haryana	650,000	650,000	650,000	Implementing Agency
Skill Development through Prayaas	Education	Bangalore, South	500,000	500,000	500,000	Implementing Agency
<b>Grand Total</b>			<b>1,150,000</b>	<b>1,150,000</b>	<b>1,150,000</b>	

6. Reasons for not spending the amount:

**Not Applicable.**

## RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

For and on behalf of Board of Directors  
HELLA India Lighting Limited

Sd/-  
Rama Shankar Pandey  
Managing Director  
DIN- 02599816  
6th Floor, Plot No – 184,

Platinum Tower, Udyog Vihar,  
Phase – 1, Gurgaon, PIN-122016

Sd/-  
Avinash Razdan Bindra  
Chairman CSR Committee  
DIN- 03517938  
F - 302, Siddh Apartments

I. P. Extn., Patpargang,  
New Delhi, Pin - 110092

107,  
Place: Gurugram  
Dated: 29th June, 2018

### (A) NOMINATION AND REMUNERATION POLICY

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

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

#### 1. OBJECTIVE

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

The Key Objectives of the Committee would be:

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

#### 2. DEFINITIONS

**“Board”:** “Board” means Board of Directors of the Company.

**“Committee”** means Nomination & Remuneration Committee of company as constituted or reconstituted by the Board, from time to time.

**“Company”:** “Company” means Hella India Lighting Limited.

**“Director”:** “Directors” means Directors of the Company.

**“Independent Director”:** As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, “Independent director” shall mean a non-executive director, other than a nominee director of the company:

who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

- (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

apart from receiving director’s remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or



during the current financial year;

who, neither himself nor any of his relatives —

holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

holds together with his relatives two per cent or more of the total voting power of the company; or

is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

is a material supplier, service provider or customer or a lessor or lessee of the company;

who is not less than 21 years of age.

**“Key Managerial Personnel”: “Key Managerial Personnel” means—**

Chief Executive Officer or the managing director or the manager;

Company secretary;

Whole-time director;

Chief Financial Officer; and

such other officer as may be prescribed under the applicable statutory provisions / regulations

“Senior Management”: The expression “Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

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

### 3. **Applicability:-**

The Policy is applicable to

Directors (Executive & Non Executive)

Key Managerial Personnel

Senior Management Personnel

### 4. **ROLE OF COMMITTEE**

- The role of the Committee inter alia will be the following:
- to formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- to recommend to the Board the appointment and removal of Senior Management;
- to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;

- to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to develop a succession plan for the Board and to regularly review the plan.

## 5. MEMBERSHIP

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

## 6. CHAIRMAN

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

## 7. FREQUENCY OF MEETINGS

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

## 8. COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 9. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

## 10. VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 11. NOMINATION DUTIES

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

- Ensuring that there is an appropriate induction & training program in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;

- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- Considering any other matters as may be requested by the Board.

## 12. REMUNERATION DUTIES

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

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

## 13. GENERAL APPOINTMENT CRITERIA

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

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

The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

## ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

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

## 14. TERM / TENURE

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

## 15. REMOVAL

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

to the provisions and compliance of the said Act, rules and regulations.

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

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

### 1. Executive Directors:

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

### 2. Non-Executive Director:

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

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his independence
- inform the Board immediately when they lose their independence,
- assist the company in implementing the best corporate governance practices.
- strive to attend all meetings of the Board of Directors and the Committees;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- keep themselves well informed about the company and the external environment in which it operates;
- do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## 17. REMUNERATION

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

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

### 1. Director/ Managing Director

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



## 2. Non-executive Independent Directors

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

## 3. KMPs / Senior Management Personnel etc.

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

## 4. Directors' and Officers' Insurance

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

## 18. MINUTES OF COMMITTEE MEETING

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

## (B) CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### Objective

The Company understands that being part of this society this is their moral responsibility to aid and serve the society to the maximum possible extend.

While there are several ways to serve the society, Company believe that awareness is one of the key requirements which shall in turn help to educate people about Road Safety and impact reducing the road accidents on Indian Roads. Company firmly believes that increasing death tolls due to road accidents is at the alarming stage. Statistics suggest that in our country "Every ONE MINTUE THREE PERSON IS DYING ON INDIAN ROAD". It has become the utmost priority to make India free from road accident and this objective may be achieved by educating and spreading awareness amongst the people. It does not only bring awareness about the statistics but also helps to make India free from avoidable road accident.

The Company also aims to create and spread awareness and create a sense of responsibility among drivers/public towards safe driving.

By above objectives, the Company is intended to provide "Inclusive Awareness" amongst the society to educate them about the Road Safety and to make INDIA free from road Accident.

The above objective of the Company falls under clause (ii) of Schedule VII read with Section 135 of the Companies Act 2013.

### Formation of CSR Committee

To meet the objectives of Corporate Social Responsibility of the Company, it has formed a CSR Committee wherein the committee shall consists of at least three directors out of which at least one shall be an Independent Director. At present the CSR Committee consists of the following members :-

Mr. Rama Shankar Pandey	- Managing Director of the Company
Mr. Tarun Gulati	- Director of the Company
Mr. Avinash Razdan Bindra	- Director of the Company

Company Secretary of the company would act as Secretary for the committee also.

### Projects and Programs

In addition to all those projects & programs, as approved for CSR under the provisions of section 135 of Companies Act, 2013 and/or its amendments or its rules thereof or through Notification, circular, by MCA or any autonomous competent authority. The committee would also focus on the following programs and



projects to achieve its objective:

- To educate people about Road Safety and impact reducing the road accident on Indian Roads.
- To create and spread awareness and create a sense of responsibility among drivers/public towards safe driving.
- To promote road safety concept through awareness rallies, campaigns, street plays, banners, posters, hoardings, electronic media, internet, World Wide Web, social networking sites, educate people on road safety with tips on driving habits, create awareness towards best practices in vehicle maintenance and upkeeps, ensuring proper visibility and adequate signaling devices.
- To spread awareness on Do's & Don'ts concerning safety critical issues, usage of safety products so that lives can be saved.
- To create sense of responsibility towards safe driving.

## **Execution and monitoring of the Programs and Projects by Committee**

- Profile the existing support & Operational system and its stakeholders
- Understand their current & future needs
- Design programs
- Monitor the progress
- Build / deliver the projects or structures / solution
- Involve the stakeholders
- Develop the delivery model
- Review for sustenance
- Start of new assignment.

## **Terms of Reference of Committee**

The Committee will inter alia perform the following activities:

- Formulate and update the CSR Policy.
- Monitoring the CSR policy from time to time.
- Recommend to Board the amount of expenditure to be incurred on the CSR activities.
- Ensure that CSR expenditure is not less than 2% of the average net profit of the company during last three years.
- Execute and Monitor the CSR activities.
- Monitor CSR expenditure.
- Ensure to obtain approval of the board if the expenditure on CSR exceeds 2.5% of the average net profits of during last three years.
- Ensure the related compliance of Companies Act 2013 and related rules, notifications thereof.
- Appraise the Board about CSR activities, funds utilized, funds required for carrying out the activities etc.
- Delegate of its power to any individual who will subsequently report to the committee.
- Duty of CSR Committee
- Review past and current CSR activities of the company, examine their alignment with schedule VII.
- Research on national and local development priorities and setting up relevant CSR activities for the company
- Studying the CSR practices of other companies and learning from their experiences.
- Formulate and recommend to BOD, a CSR policy listing the activities to be undertaken and mention

what those policies would imply in terms of the company's vision, mission and its core business area.

- Recommend the amount of expenditure to be incurred for each activity
- Determine implementation mechanism
- Monitor and supervise implementation of the CSR projects recommended
- Monitor CSR policy from time to time.

## **Power of Board of the Company**

The Board, inter alia, has exclusive power to appoint/ remove any member of the committee as it thinks fit.

## **Expenditure on CSR**

CSR Expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the Schedule VII of the Act 2013 and related applicable rules.

Pursuant to Section 135 of the Act and related applicable rules, the committee will ensure that spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of the CSR policy.

## **CSR Reporting**

The Board's Report of the company shall include an annual report on CSR activities containing particulars as specified by the Act and related applicable rules from time to time.

Display of CSR activities on the website of the Company

The CSR activities shall also be displayed at the website of the Company in such format as may be prescribed by the Act and related applicable rules from time to time.

## ANNEXURE IV

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report of the year ended March 31, 2018.

#### A. CONSERVATION OF ENERGY

i) the steps taken or impact on conservation of energy.	<p>i) The conservation of energy is a continual activity(s). The company is putting a lot of emphasis/efforts on energy savings measures. It has been Company's continuous endeavor to follow strict guidelines and standard on preventive maintenance.</p> <p>Preventive maintenance is performed on some of the basic mechanical components through knowledge of replacement and alignments of parts thereby saving energy for the Company.</p> <p>ii) Maintenance of machines play a vital role in energy saving. We undertake preventive maintenance on regularly intervals to make machines &amp; utilities in perfect running condition.</p>
ii) the steps taken by the Company for utilizing alternate sources of energy.	Planning for Installation of Solar Plant with 200 KW Capacity in FY 18-19
iii) the capital investment on energy conservation equipments;	10 Lac

#### B. TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption;	<ul style="list-style-type: none"> <li>• New Laser de coating robot.</li> <li>• We have installed Goniometer in HIL Lab for testing many parameters of Lighting units.</li> <li>• In FY 18/19 planning to install new machines like BMC Molding, BMC Lacquering, Lens Hard Coating line.</li> <li>• LED Beacon Lamp for middle east market.</li> <li>• Eco LED work lamp for export market.</li> <li>• SMLR for local &amp; export market.</li> <li>• New head lamp with M-60 for agro customers (Under development).</li> <li>• LED AUX Lamp under development.</li> <li>• D&amp;D centre capacity enhancement in Derabassi Location.</li> </ul>
ii) the benefits derived like product improvement, cost reduction, production development, import substitution	<p>With this above efforts, the Company was able to drive following benefits:-</p> <ul style="list-style-type: none"> <li>• Entry into new market segment.</li> <li>• Increase of sales.</li> <li>• Addition of new product portfolio.</li> <li>• Enhancement of experience and knowledge of the people to be used in new projects.</li> <li>• Inhouse test facility started which we conducted earlier in Germany or third party labs in India.</li> <li>• Better Quality Control, production development.</li> <li>• Faster product development cycle with Cost reduction.</li> </ul>

iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	The Company has imported in the year 2016-17 two moulding machines from Finland and technical support in electronic development and simulations from global Hella counter parts. • Laser De-coating. • Goniometer in Lab.
a. the details of technology imported;	• Laser De-coating • Goniometer in Lab
b. the year of import;	2017 - 2018
c. whether the technology been fully absorbed;	Yes
d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof; and	Not Applicable
iv) the expenditure incurred on Research and Development.	CAPEX on Lab. (Goniometer, Unfractured & other equipment's) – Approx. 3.4 Crores.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

*Amount in Thousand INR*

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Earnings	293,548	236,863
Outgo	444,559	380,422

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The automotive and auto components industry has accounted for about 40% of machine tools consumption in India. As per manufacturing policy, India government aims at raising the contribution of manufacturing sector from 17 percent to 25 percent by 2022 among various promising areas in manufacturing, automobile and auto component industry is expected to be major contributor

The intense competition among the vendors has resulted in increased investment in R&D and implementation of high technology solutions in machine tools. Another major contributor to India's growing reputation is the emergence of the market as a key innovator auto component and knowledge hub for many overseas firms.

## MANAGEMENT PERCEPTION OF RISK & CONCERN

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities

The specific objectives of the Risk Management Policy are:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.



2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

The Board of Directors of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Management is responsible for ensuring that risks are identified, analyzed, evaluated and mitigated. Management monitor and report on material risks identified through the internal and external audit process.

The Internal Audit program is aligned to the company's risk profile and is responsible for providing independent assurance in relation to the effectiveness of processes to manage particular areas of risk. The scope of internal audit's risk-based program is agreed to as part of an annual plan which is refined as necessary

Head of Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

## CORPORATE GOVERNANCE REPORT

### I. Company's Philosophy on Corporate Governance

The Corporate Governance Philosophy at your company is:

- a) To ensure highest level of integrity and quality.
- b) To ensure observance of highest standards and levels of transparency, accuracy and accountability and reliability in the organization.
- c) To ensure protection of wealth and other resources of the company for maximizing the benefits to the stakeholder of the company.
- d) Your company ensures best performance by staff at all levels to maximize the operational efficiency and enhancing the stakeholder's value.

### II. Board of Directors

The Board of Directors of your Company is well constituted with an adequate numbers Directors. You Company is required to appoint Independent Directors. As on date of this report, the Board consists of four Directors. Your Company comprises of One whole time directors, One Non-Executive directors and two Independent Director. The composition of Board represents an optimal mix of professionals, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. The Agenda for the Board meeting includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

### Board Meetings

The Board met four times in financial year 2017-18 viz on 13.06.2017, 22.08.2017, 08.12.2017 and 16.03.2018. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year are as under:



Name	Category	Number of Meetings held during the year 2017-18	
		Held	Attended
Mr. Rama Shankar Pandey	Executive Director	4	4
Dr. Nicolas Wiedmann	Non-Executive Director	4	1
Mr. Avinash Razdan Bindra	Independent Director	4	3
Mr. Tarun Gulati	Independent Director	4	3

None of the Directors is member of the Board of more than fifteen Companies or a member of more than ten Board- level Committees or a Chairman of more than five such Committees

### III. COMMITTEE(S) OF THE BOARD

The Board Committee(s) play a crucial role in the governance structure of the Company. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Minutes of the meetings of all Committees are placed before the Board for their review and recommendations.

Currently the Board has Five committee which is enumerated as below:-

#### a) Audit Committee

The Audit Committee met four times in financial year 2017-18 viz on 13.06.2017, 22.08.2017, 08.12.2017 and 16.03.2018. The names and categories of the members on the Committee, their attendance at Audit Meetings held during the year are as under:

Name	Category	Number of Meetings held during the year 2017-18	
		Held	Attended
Mr. Rama Shankar Pandey	Executive Director	4	4
Mr. Avinash Razdan Bindra	Independent Director	4	3
Mr. Tarun Gulati	Independent Director	4	3

#### b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee met four times in financial year 2017-18 viz on 13.06.2017, 22.08.2017, 08.12.2017 and 16.03.2018. The names and categories of the members on the Committee, their attendance at Committee Meetings held during the year are as under:

Name	Category	Number of Meetings held during the year 2017-18	
		Held	Attended
Mr. Rama Shankar Pandey	Executive Director	4	4
Mr. Avinash Razdan Bindra	Independent Director	4	3
Mr. Tarun Gulati	Independent Director	4	3

c) Share Transfer Committee

The Share Transfer Committee met four times in financial year 2017-18 viz on 13.06.2017, 22.08.2017, 08.12.2017 and 16.03.2018. The names and categories of the members on the Committee, their attendance at Committee Meetings held during the year are as under:

Name	Category	Number of Meetings held during the year 2017-18	
		Held	Attended
Mr. Rama Shankar Pandey	Executive Director	4	4
Mr. Avinash Razdan Bindra	Independent Director	4	3
Mr. Tarun Gulati	Independent Director	4	3

d) Nomination and Remuneration Committee

The nomination and remuneration committee did not meet during the period under review.

e) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met three times in financial year 2017-18 viz on 13.06.2017, 22.08.2017 and 16.03.2018. The names and categories of the members on the Committee, their attendance at Committee Meetings held during the year are as under:

Name	Category	Number of Meetings held during the year 2017-18	
		Held	Attended
Mr. Rama Shankar Pandey	Executive Director	3	3
Mr. Avinash Razdan Bindra	Independent Director	3	2
Mr. Tarun Gulati	Independent Director	3	2

The Executive of the Board, in consultation with the Company Secretary and the Committee chairperson, determines the frequency and duration of the committee meetings. The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

**SHAREHOLDER INFORMATION****V. GENERAL BODY MEETING(S)****i. Annual General Body Meeting**

Previous three Annual General Meetings held:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
2017-18	21.09.2017	9:00	Resort Green Villa, The Nikunj (Nitesh Kunj) Hotel Complex, Gate No. 2, N.H.-8, Samalka, 1 KM ahead from Shiv Murti, New Delhi – 110037
2016-17	30.09.2016	9:00	Resort Green Villa, The Nikunj (Nitesh Kunj) Hotel Complex, Gate No. 2, N.H.-8, Samalka, 1 KM ahead from Shiv Murti, New Delhi – 110037
2015-16	28.09.2015	9:00	Hotel Aravali Villa, F.H.-1, Bandh Road, near Nitesh Kunj Farm House, N.H.-8, Rajokari, New Delhi - 110038

**ii. Extraordinary General Meeting**

Previous three Extraordinary General Meeting held:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
2016-17	28.04.2016	9:00	Hotel Aravali Villa, F.H.-1, Bandh Road, near Nitesh Kunj Farm House, N.H.-8, Rajokari, New Delhi - 110038

**ANNEXURE V****FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31st, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS</b>		
i)	CIN	U74899DL1959PLC003126
ii)	Registration Date	04-09-1959
iii)	Name of the Company	Hella India Lighting Limited
iv)	Category / Sub-Category of the Company	Limited by Shares
v)	Address of the Registered office and contact details	K61-B, LGF, Kalkaji, New Delhi – 110 019 Tel: +91 124 4658600 Fax: +91 124 4658699 Email: aakritee.khanna@hella.com www. hella.com
vi)	Whether listed company, if yes, name of the Stock Exchange where listed	No, Unlisted
vii)	Name, Address and contract details of the Registrar and Transfer Agent, if any.	Link Intime India Pvt. Ltd. 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028 Contact Details: Contact No : (011) 41410592 Fax No. (011) 41410591 Email: delhi@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

**As per Attachment A****III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES****As per Attachment B****IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)**

i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding (Specify if there is no change)	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, and Promoters and holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G

## V. INDEBTEDNESS

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

As per Attachment H

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors  
and/or Manager

As per attachment I

B. Remuneration to other directors

As per Attachment J

C. Remuneration to Key Managerial Personnel other than  
MD/MANAGER/WTD

As per Attachment K

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

As per Attachment L

## ATTACHMENT A

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products/services	NIC Code of the product/ service *	% to total turnover of the company #
	Manufacturing of:		
1.	Horns	3748	14%
2.	Lamps	3748	62%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation  
# On the basis of Gross Turnover

## ATTACHMENT B

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

Sl. No.	Name of Company	Address of Company	CIN/GLN	Ho Holding / Subsidiary /Associate Iding /	% of Shares held*	Applicable Section
1.	Hella Holding International GmbH	Rixbecker Str. 75, Lippstadt, Germany	Not Applicable	Holding	51	2(46)



**ATTACHMENT C**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0	0
b) Central Govt.	0	0	0	0.00	0	0	0	0	0
c) State Govt(s).	0	0	0	0.00	0	0	0	0	0
d) Bodies Corporate	999,890	0	999,890	31.53	1,000,590	0	1,000,590	31.55	0.02
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB - TOTAL (A) (1)	999,890	0	999,890	31.53	1,000,590	0	1,000,590	31.55	0.02
(2) Foreign									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	1,617,400	0	1,617,400	51.00	1,617,400	0	1,617,400	51.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB - TOTAL (A) (2)	1,617,400	0	1,617,400	51.00	1,617,400	0	1,617,400	51.00	0.00
TOTAL SHARE-HOLDING OF PROMOTER (A) = (A)(1)+ (A)(2)	2,617,290	0	2,617,290	82.53	2,617,990	0	2,617,990	82.55	0.02
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	100	0	100	0.00	100	0	100	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others specify	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB - TOTAL (B) (1)</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	17,130	20,780	37,910	1.20	17,079	20,780	37,859	1.19	-0.01
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
I) Individual shareholders holding nominal share capital up to Rs. 2 lakh	186,300	212,498	398,798	12.57	180,902	211,500	392,402	12.37	-0.20
II) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	70,469	0	70,469	2.22	70,929	0	70,929	2.36	0.14
<b>c) Others specify</b>									
i) NRIs	33,916	4,160	38,076	1.20	35,066	4,160	39,226	1.24	0.04
ii) Clearing Members	439	0	439	0.01	439	0	439	0.01	0
iii) Hindu Undivided Families	8,318	0	8,318	0.26	12,455	0	12,455	0.39	0.13
<b>SUB - TOTAL (B) (2)</b>	<b>316,572</b>	<b>37,438</b>	<b>554,010</b>	<b>17.46</b>	<b>316,870</b>	<b>236,440</b>	<b>553,310</b>	<b>17.45</b>	<b>-0.10</b>
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)</b>	<b>316,672</b>	<b>237,438</b>	<b>554,110</b>	<b>17.47</b>	<b>316,970</b>	<b>236,440</b>	<b>553,410</b>	<b>17.45</b>	<b>0.00</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS&amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRANDTOTAL (A+B+C)</b>	<b>2,933,962</b>	<b>237,438</b>	<b>3,171,400</b>	<b>100</b>	<b>2,934,960</b>	<b>236,440</b>	<b>3,171,400</b>	<b>100</b>	<b>0</b>

## ATTACHMENT D

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31-03-2017)			Shareholding at the beginning of the year (As on 31-03-2017)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares *	% change in shareholding during the year
1.	Hella India Automotive Private Limited	999,890	31.53	0	1,000,590	31.55		0.02
2.	Hella Holding International, GmbH	1,617,400	51.00	0	1,617,400	51.00	0	0.00
	<b>Total</b>	<b>2,617,290</b>	<b>82.53</b>	<b>0</b>	<b>2,617,990</b>	<b>82.55</b>	<b>0</b>	<b>0.02</b>

## ATTACHMENT E

### iii) Change in Promoters' Shareholding

Shareholder Name	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the Year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Hella India Automotive Private Limited	999,890	31.53	1,000,590	31.55

## ATTACHMENT F

### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the top ten Shareholders	Shareholding at the beginning of the Year 01.04.2017		Shareholding during the year (01-04-17 to 31-03-18)			Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In	Reason	No. of Shares	% of total Shares of the company
Bhagwan Advani	460	0.0145	31.03.18	46858	Transfer	47318	1.4920
Krishna Kumar Dharamshi Somaiya	33101	1.0437	-	-	-	33101	1.0437
Ashok J Thawani	23611	0.7445	-	-	-	23611	0.7445
Dgl Pvt Ltd	13680	0.43	-	-	-	13680	0.43
Shakuntla Kohli	11120	0.43	-	-	-	11120	0.43
Rahul Manoj Shah	8740	0.2756	-	-	-	8740	0.2756
Shashank S Khade	8299	0.2617	-	-	-	8299	0.2617
Kalpesh Harshad Kinariwala	8053	0.2539	-	-	-	8053	0.2539
Fortune Financial And Equities Services Private Limited	8000	0.2523	-	-	-	8000	0.2523
Shivram Krishnamurthy	7520	0.2371	-	-	-	7520	0.2371

## ATTACHMENT G

### v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the Year 01.04.2017		Shareholding during the year (01-04-17 to 31-03-18)			Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of Shares	% of total Shares of the company	Date	Increase/ Decrease In Shareholding	Reason	No. of Shares	% of total Shares of the company
Not applicable							

## ATTACHMENT H

### V. INDEBTENDNESS

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

	Amount in INR			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	NA	86,667	NA	86,667
ii) Interest due but not paid	NA	4,658	NA	4,658
iii) Interest accrued but not due	NA		NA	
<b>TOTAL (i+ii+iii)</b>	<b>NA</b>	<b>91,325</b>	<b>NA</b>	<b>91,325</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	NA	-	NA	-
Reduction	NA	216,667	NA	216,667
Net Change	NA	216,667	NA	216,667
<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i) Principal Amount	NA	650,000	NA	650,000
ii) Interest due but not paid -	NA	-	NA	-
iii) Interest accrued but not due	NA	3,026	NA	3,026
<b>TOTAL (i+ii+iii)</b>		<b>65,3026</b>	<b>NA</b>	<b>653,026</b>

## ATTACHMENT I

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S No.	Particulars of Remuneration	Amount in Rs.	Total Amount
		Rama Shankar Pandey (Managing Director)	
1	<b>Gross salary</b> (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	10,964,335	10,964,335
2	Stock Option	NIL	
3	Sweat Equity	NIL	
4	Commission a. As % of profit b. Other, specify		
5	<b>Total (A)</b>	<b>10,964,335</b>	<b>10,964,335</b>
No Ceiling as per the Act, the Company being Private Limited		NA	

<sup>1</sup>The above figure doesn't include the contribution to Provident Fund amounting to Rs. 501423



## ATTACHMENT J

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Mr. Avinash Razdan Bindra	Mr. Tarun Gulati	(Amt. in Rs.) Total Amount
1.				
	Fee for attending board / committee meetings	77000	79000	156000
	Commission	0	0	0
	Others, please specify	0	0	0
	<b>TOTAL (1)</b>	<b>77000</b>	<b>79000</b>	<b>156000</b>
2.				
	Fee for attending board / committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	<b>TOTAL (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (B)=(1+2)</b>	<b>77000</b>	<b>79000</b>	<b>156000</b>
	<b>TOTAL MANAGERIAL REMUNERATION*</b>			
	<b>Overall Ceiling as per the Act</b>			16800000

\* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

## ATTACHMENT K

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

(Amount in Rs.)

S No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Narender Jain (CFO)	Mr. Shikhar Goel (Company Secretary)	
	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,989,820	632,040	
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	79,224	28,443	
	(c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961			
2	Stock Option	NIL	NIL	
3	Sweat Equity	NIL	NIL	
4	Commission	NIL	NIL	
	a. As % of profit			
	b. Other, specify			
5	Other, please specify	None	None	
	Total (A)	2,069,044	660,483	
	Ceiling as per the Act	NA	NA	

## ATTACHMENT L

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

<sup>2</sup> The above figure doesn't include the contribution to Provident Fund amounting to Rs. 114,084.

<sup>3</sup>The above figure doesn't include the contribution to Provident Fund amounting to Rs. 40,959.

<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		



## INDEPENDENT AUDITOR'S REPORT

### To The Members of HELLA INDIA LIGHTING LIMITED

#### 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 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.26 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses—Refer Note 2.25 (b) to the financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company—Refer Note 2.39 to the financial statements
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

**VIJAY AGARWAL**

Partner

(Membership No. 094468)

Place: Gurugram

Date: 29.06.2018

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Hella India Lighting Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may



occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

**VIJAY AGARWAL**

Partner

(Membership No. 094468)

Place: Gurugram

Date: 29.06.2018

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the erstwhile name of the Company "J.M.A. Industries Limited" as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and leasehold improvements disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for inventories lying with third parties at the end of the year for which confirmations have been obtained and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained we have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Service Tax, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and other material statutory dues applicable to it and generally been regular in case of depositing Income Tax and tax deducted at source to the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Excise Duty, Sales tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
  - Details of dues of Sales Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved and not paid (Rs. in Thousand)
Punjab VAT Act 2005	Sales Tax	Deputy Excise and Taxation Commissioner (Appeals)	AY 2012-13	439#

#Net of Rs. 146 paid under protest

There are no disputed dues in respect of Income-tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions and government during the year. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

**VIJAY AGARWAL**

Partner

(Membership No. 094468)

Place: Gurugram

Date: 29.06.2018

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED BALANCE SHEET AS AT 31 MARCH 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,46,077	1,46,077
Reserve and surplus	2.2	3,17,140	2,82,515
		<u>4,63,217</u>	<u>4,28,592</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	-	43,334
Other long-term liabilities	2.4	3,190	3,190
Long-term provisions	2.5	27,173	22,264
		<u>30,363</u>	<u>68,788</u>
<b>Current liabilities</b>			
Short-term borrowings	2.6	40,021	(0)
Trade payables	2.7		
(i) Total outstanding dues of micro and small enterprises		28,618	23,591
(ii) Total outstanding dues of other than micro and small enterprises		3,38,652	2,03,763
Other current liabilities	2.8	1,36,510	1,00,441
Short-term provisions	2.9	38,238	44,535
		<u>5,82,039</u>	<u>3,72,330</u>
		<u><b>10,75,619</b></u>	<u><b>8,69,710</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.10	3,39,095	2,84,476
Intangible assets		-	1,636
Capital work in progress		59,051	65,321
		<u>3,98,146</u>	<u>3,51,433</u>
Non-current investments	2.11	20	20
Long-term loans and advances	2.12	39,157	19,926
Deferred tax assets (net)	2.33	20,909	17,944
Other non-current assets	2.13	1,325	1,903
		<u>4,59,557</u>	<u>3,91,226</u>
<b>Current assets</b>			
Inventories	2.14	2,10,457	1,41,589
Trade receivables	2.15	3,14,224	2,72,043
Cash and bank balance	2.16	37,997	43,925
Short-term loan and advances	2.17	53,384	20,927
		<u>6,16,062</u>	<u>4,78,484</u>
		<u><b>10,75,619</b></u>	<u><b>8,69,710</b></u>

See accompanying notes forming part of the financial statements

1 to 2.41

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-10018

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

Sd/-  
**Vijay Agarwal**  
Partner  
Place: Gurugram  
Date: 29 June 2018

Sd/-  
**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326  
Place: Gurugram  
Date: 29 June 2018

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

Sd/-  
**Aakritee Khanna**  
Company Secretary  
ACS : 48297

Sd/-  
**Narender Jain**  
Chief Financial Officer  
FCA : 511778

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue from operations</b>			
<b>Sales of products</b>			
Revenue from operations (gross)	2.18	17,77,701	16,75,296
Less: Excise duty		38,921	1,89,241
Revenue from operations (net)		17,38,780	14,86,055
Other income	2.19	27,132	31,590
<b>Total revenue</b>		<b>17,65,912</b>	<b>15,17,645</b>
<b>Expenses</b>			
Cost of materials consumed	2.20	10,27,863	8,62,138
Purchase of stock-in-trade (traded goods)		61,502	46,620
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(19,873)	(1,151)
Employee benefits expenses	2.22	1,72,773	1,50,379
Finance cost	2.23	9,156	12,545
Depreciation and amortisation expenses	2.10	59,403	58,608
Other expenses	2.24	3,98,871	3,15,044
<b>Total expenses</b>		<b>17,09,695</b>	<b>14,44,183</b>
<b>Profit before tax</b>		<b>56,217</b>	<b>73,462</b>
<b>Tax expense/ (benefit)</b>			
(a) Current tax expense		21,620	13,003
(b) (Less)/Add MAT credit entitlement		1,134	(1,134)
(c) Prior year tax expenses		1,803	-
(d) Deferred tax (credit)/charge		(2,965)	(17,944)
Net tax expenses/(benefit)		21,592	(6,075)
<b>Profit after tax</b>		<b>34,625</b>	<b>79,537</b>
Earning per share (face value Rs 10 each)			
-Basic and diluted earning per share (Rs.)	2.32	10.92	25.08

See accompanying notes forming part of the financial statements

1 to 2.41

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-10018

For and on behalf of the Board of Directors

**Hella India Lighting Limited**

Sd/-

**Vijay Agarwal**

Partner

Place: Gurugram

Date: 29 June 2018

Sd/-

**Rama Shankar Pandey**

Managing Director

DIN : 02848326

Place: Gurugram

Date: 29 June 2018

Sd/-

**Anil Sultan**

Director

DIN : 00467681

Sd/-

**Aakritree Khanna**

Company Secretary

ACS : 48297

Sd/-

**Narender Jain**

Chief Financial Officer

FCA : 511778

# HELLA INDIA LIGHTING LIMITED



HELLA INDIA LIGHTING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Profit before tax		56,217	73,462
Adjustments for:			
Depreciation and amortisation expenses		59,403	58,608
Liabilities and provisions no longer required written back		(4,023)	(11,102)
Interest expense		9,156	12,545
Interest income (on fixed deposits, loans and investments)		(400)	(573)
Net unrealised foreign exchange gain		165	(449)
Profit on sale of fixed assets		(174)	-
Bad debts written-off		4,082	1,960
Fixed assets written-off		1,042	313
Advances written-off		-	4,131
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>1,25,468</b>	<b>1,38,895</b>
Adjustments for (increase) / decrease in operating assets:			
Decrease/(Increase) in inventories		(68,868)	2,418
Increase in trade receivables		(45,061)	(21,527)
Decrease/(Increase) in short-term loans and advances		(32,457)	(8,456)
Decrease/(Increase) in long-term loans and advances		(1,297)	(5,797)
Increase in other non-current assets		578	(830)
Adjustments for increase / (decrease) in operating liabilities:			
Increase in long-term provisions		4,909	7,942
Increase in other long-term liabilities		-	452
Increase in trade payables		1,42,572	6,007
Increase/(decrease) in short-term provisions		6,588	27,430
Increase in other current liabilities		16,233	7,732
<b>CASH GENERATED IN OPERATIONS</b>		<b>1,48,665</b>	<b>1,54,266</b>
Net income tax paid		(44,645)	2,732
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>1,04,020</b>	<b>1,56,998</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure on fixed assets, including capital advances		(1,18,089)	(90,636)
Proceeds from sale of fixed assets		174	-
Interest received (on fixed deposits, loans and investments)		400	740
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>		<b>(1,17,515)</b>	<b>(89,896)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term borrowings		(21,667)	(43,333)
Proceeds from short term borrowings		40,021	-
Interest paid		(10,787)	(13,882)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES (C)</b>		<b>7,567</b>	<b>(57,215)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(5,928)</b>	<b>9,887</b>
Cash and cash equivalents at the beginning of the year		43,925	34,038
Cash and cash equivalents at the end of the year (Refer note 2.16)		37,997	43,925
<b>Cash and cash equivalents comprises :</b>			
(a) Cash on hand		8	35
(b) Balances with banks			
(i) In current accounts		37,924	26,932
(ii) In EEFC accounts		65	16,958
		<b>37,997</b>	<b>43,925</b>

See accompanying notes forming part of the financial statements 1 to 2.41

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-10018

For and on behalf of the Board of Directors

Hella India Lighting Limited

Sd/-

Vijay Agarwal

Partner

Place: Gurugram

Date: 29 June 2018

Sd/-

Rama Shankar Pandey

Managing Director

DIN : 02848326

Place: Gurugram

Date: 29 June 2018

Sd/-

Anil Sultan

Director

DIN : 00467681

Sd/-

Aakritee Khanna

Company Secretary

ACS : 48297

Sd/-

Narender Jain

Chief Financial Officer

FCA : 511778

## HELLA INDIA LIGHTING LIMITED

Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

### 1. Company overview

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

### 2. Significant Accounting Policies

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

- (ii) Use of estimates

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

- (iii) **Current-non-current classification**

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

#### Assets

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

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

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

All other assets are classified as non-current.

#### Liabilities

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

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

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

All other liabilities are classified as non-current.

#### Operating cycle

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

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

#### Tangible fixed assets

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

#### Intangible fixed assets

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

#### Capital Work –In- Progress

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

#### Depreciation

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



## HELLA INDIA LIGHTING LIMITED

Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

### (a) Useful lives/ depreciation rates

Schedule II to the Companies Act 2013, prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported.

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

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

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

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

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

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

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

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

### (b) Depreciation on assets costing less than Rs. 5,000

The Company is depreciating asset costing less than Rs. 5000 is depreciated fully during the year in which the asset is acquired.

#### Amortisation

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

## HELLA INDIA LIGHTING LIMITED

Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

### (v) Impairment

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

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

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease period.

### (vii) Investments

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

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

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

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

### (viii) Revenue recognition

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

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

### (ix) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### (x) Inventories

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

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

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

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

### (xi) Borrowing Cost

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

### (xii) Foreign currency transactions

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

### (xiii) 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.

## HELLA INDIA LIGHTING LIMITED

Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

**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.

(xiv) **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.

(xv) **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.

Liabilities and provisions no longer required written back includes reversal of provision made during the previous years and charging of actual write of incurred during the year in the Statement of Profit and loss account.

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.

(xvi) **Cash and cash equivalents**

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

(xvii) **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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company

(xviii) **Provision for warranty**

"The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto one year.

As per the terms, the Company provides warranty support to its customers through Hella authorised service centers. The Company accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates."

(xix) **Goods and service tax**

Goods and Services tax input credit is accounted for in the books in the period in which the underlying goods/services received is accounted and when there is reasonable certainty in availing/ utilizing the credits.

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.1 Share capital</b>		
<b>Authorized</b>		
<b>Equity shares, Rs. 10 each</b>		
3,500,000 (previous year 3,500,000) equity shares	35,000	35,000
<b>Preference shares, Rs. 100 each</b>		
2,150,000 (previous year 2,150,000) non-convertible, non-cumulative, redeemable preference shares	2,15,000	2,15,000
	<b>2,50,000</b>	<b>2,50,000</b>
<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	31,714
<b>Preference shares</b>		
1,143,630 (previous year 1,143,630) 0.0000001% non- convertible, non-cumulative, redeemable preference shares of Rs. 100 each fully paid up	1,14,363	1,14,363
	<b>1,46,077</b>	<b>1,46,077</b>

(Refer note (i) to (v) below)

#### 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.

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, redeemable and non participating. 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

	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Balance at the beginning and end of the year	31,71,400	31,714	31,71,400	31,714
<b>Preference shares</b>				
Balance at the beginning and end of the year	11,43,630	1,14,363	11,43,630	1,14,363

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	As at 31 March 2018		As at 31 March 2017	
iii) Shares held by the holding company and fellow subsidiary company :				
	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Hella Holding International GmbH, Germany, the holding company	16,17,400	16,174	16,17,400	16,174
Hella India Automotive Private Limited, a fellow subsidiary	10,00,590	10,006	9,99,890	9,999
Total	26,17,990	26,180	26,17,290	26,173
Preference shares				
Hella Holding International GmbH, Germany, the holding company	11,43,630	1,14,363	11,43,630	1,14,363
Total	11,43,630	1,14,363	11,43,630	1,14,363

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

#### iv) The details of shareholders holding more than 5% shares :

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares</b>				
Hella Holding International GmbH, Germany, the holding company	16,17,400	51.00	16,17,400	51.00
Hella India Automotive Private Limited	10,00,590	31.55	9,99,890	31.53
<b>Preference shares</b>				
Hella Holding International GmbH, Germany, the holding company	11,43,630	100.00	11,43,630	100.00

v) 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. Out 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.

Also, refer to note 2.37 relating to delisting of shares of the Company.

## 2.2 Reserves and surplus

	As at 31 March 2018	As at 31 March 2017
<b>Capital reserve</b>		
Balance at the beginning and end of the year	1,756	1,756
<b>Revaluation reserve</b>		
Balance at the beginning and end of the year	2,495	2,495
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	100	100
<b>Securities premium reserve</b>		
Balance at the beginning and end of the year	2,95,249	2,95,249
<b>Deficit (Balance of statement of Profit and loss)</b>		
Balance at the beginning of the year	(17,085)	(96,622)
Add: Profit for the year	34,625	79,537
Balance at the end of the year	17,540	(17,085)
	<b>3,17,140</b>	<b>2,82,515</b>



(All amounts are in Thousand Indian Rupees except number of shares)

Annual Report 2017-18



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### 2.10 Fixed assets (owned)

Particulars	Gross Block			Accumulated Depreciation				Net block	
	As at 1 April 2017	Additions	Disposal	As at 31 March 2018	As at 1 April 2017	Depreciaton for the year	Eliminated on disposal of assets	As at 31 March 2018	As at 31 March 2017
Tangible Assets									
Land (Freehold)	118 (118)	- (-)	- (-)	118 (118)	- (-)	- (-)	- (-)	- (-)	118 (118)
Building	66,653 (62,954)	32,575 (3,699)	2,341 (-)	96,887 (66,653)	16,818 (14,915)	2,375 (1,902)	1,621 (-)	17,572 (16,817)	79,315 (49,836)
Leasehold improvements	15,268 (15,268)	- (-)	1,646 (-)	13,622 (15,268)	15,268 (14,506)	- (762)	1,646 (-)	13,622 (15,268)	- (762)
Plant and equipment	3,72,826 (3,24,286)	64,154 (60,641)	610 (12,101)	4,36,370 (3,72,826)	1,52,020 (1,24,263)	48,430 (39,633)	455 (11,876)	1,99,995 (1,52,020)	2,20,807 (2,00,022)
Motor vehicles	7,563 (7,563)	4,163 (-)	- (-)	11,726 (7,563)	5,757 (4,682)	1,222 (1,075)	- (-)	6,979 (5,757)	1,806 (2,881)
Furniture and fixtures	6,462 (7,320)	5,226 (336)	942 (1,194)	10,746 (6,462)	3,919 (4,606)	614 (447)	818 (1,134)	3,715 (3,919)	7,031 (2,543)
Office equipment	15,006 (14,718)	4,145 (654)	961 (366)	18,190 (15,006)	8,710 (6,192)	3,150 (2,864)	919 (346)	10,941 (8,710)	7,249 (6,296)
Computers	19,232 (17,257)	3,166 (2,717)	3,894 (742)	18,504 (19,232)	16,162 (14,945)	1,976 (1,951)	3,894 (734)	14,244 (16,162)	4,260 (3,070)
Sub total (A)	5,03,128 (4,49,484)	1,13,429 (68,047)	10,394 (14,403)	6,06,163 (5,03,128)	2,18,654 (1,84,109)	57,767 (48,634)	9,353 (14,090)	2,67,068 (2,18,654)	3,39,095 (2,84,476)
Previous year									
Intangible Assets									
Computer softwares	44,137 (44,137)	- (-)	- (-)	44,137 (44,137)	42,501 (32,526)	1,636 (9,975)	- (-)	44,137 (42,501)	- (1,636)
Sub total (B)	44,137 (44,137)	- (-)	- (-)	44,137 (44,137)	42,501 (32,526)	1,636 (9,974)	- (-)	44,137 (42,501)	- (1,636)
Previous year									
Grand total (A + B)	5,47,265 (4,93,621)	1,13,429 (68,047)	10,394 (14,403)	6,50,300 (5,47,265)	2,61,155 (2,16,635)	59,403 (58,608)	9,353 (14,090)	3,11,205 (2,61,155)	3,39,095 (2,86,112)
Previous year									

Note: Figures in bracket represents previous year.

#### Capital work-in-progress 31 March 2018 31 March 2017

Opening balance	65,321	21,931
Additions during the year	99,726	1,20,497
Less: Assets capitalised/sold during the year #	1,05,996	77,107
Closing balance	<b>59,051</b>	<b>65,321</b>

# Includes Rs. 7,014 invoiced to the customer.



# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.11 Non-current investments</b>		
(Valued at cost unless stated otherwise)		
<b>Trade - unquoted</b>		
<b>Investment in equity instrument of other entities</b>		
Wegu Sondhi Private Limited	110	110
11,000 (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 #	110	110
	-	-
Drive Smart Drive Safe	20	20
2,000 (previous year 2,000) equity shares of face value Rs. 10 each, fully paid up		
	20	20
Aggregate amount of unquoted investments	130	130
Less: Aggregate amount of provision for other than temporary diminution in value of investment	110	110
	20	20

# As on 31 March 2018, Wegu Sondhi Private Limited is a dormant company.

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>2.12 Long term loans and advances</b> (unsecured, considered good unless otherwise stated)		
Capital advances		
Considered good	18,871	8,140
Security deposits	5,028	4,861
Balance with Government authorities (paid under protest)	6,645	5,772
MAT credit entitlement	-	1,134
Prepaid expenses	276	19
Advance income tax [net of provision of Rs. 36,785 (Previous year Nil)]	8,337	-
	<b>39,157</b>	<b>19,926</b>
<b>2.13 Other non-current assets</b> (unsecured, considered good unless otherwise stated)		
Balance with banks - held as security against margin money given to Government authorities	1,325	1,903
	<b>1,325</b>	<b>1,903</b>
<b>2.14 Inventories (refer to note 2.36)</b> (Valued at the lower of cost and net realisable value)		
Raw materials and components [includes goods in transit Rs. 7,073 (previous year Rs. 7,356)]	1,11,369	79,826
Work in progress	4,599	3,354
Finished goods (other than those acquired for trading) [includes goods in transit Rs. 14,019 (previous year Rs. 15,274)]	53,312	38,696
Traded goods (acquired for trading)	19,672	15,660
Tools & Dies (brought for customers)	15,770	-
Stores and spares	5,735	4,053
	<b>2,10,457</b>	<b>1,41,589</b>
<b>2.15 Trade receivables</b> (unsecured, considered good unless otherwise stated)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	-	314
Doubtful	3,755	7,778
Less: Provision for doubtful trade receivables	3,755	7,778
Other trade receivables		314
Considered good	3,14,224	2,71,729
	<b>3,14,224</b>	<b>2,72,043</b>

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	As at 31 March 2018	As at 31 March 2017
-------------	------------------------	------------------------

#### 2.16 Cash and cash equivalents

Cash on hand	8	35
Balances with banks		
In current accounts	37,924	26,932
In EEFC accounts	65	16,958
	<b>37,997</b>	<b>43,925</b>
Of the above, the balances that meet the definition of Cash and ash equivalents as per AS 3 Cash Flow Statements is	<b>37,997</b>	<b>43,925</b>

#### 2.17 Short term loans and advances (unsecured, considered good unless otherwise stated)

Advance to suppliers			
Considered good	4,514		3,704
Balances with Government authorities			
Considered good			
- Cenvat credit receivable	-	11,315	
- Goods and service receivable	31,156	-	
- VAT credit receivable	223	471	
- VAT credit receivable (paid under protest)	3,949	-	
- Export incentives receivables	7,013	-	
- Advance custom duty	2,470	-	11,786
Prepaid expenses	1,284		1,595
Loans and advances to employees	2,775		3,842
	<b>53,384</b>		<b>20,927</b>

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>2.18 Revenue from operations</b>		
(a) Sale of products (refer note (i) below)	17,64,289	16,67,936
(b) Other operating revenues (refer note (ii) below)	13,412	7,360
Revenue from operations (gross)	17,77,701	16,75,296
Less : Excise duty	38,921	1,89,241
	<b>17,38,780</b>	<b>14,86,055</b>
<b>(i) Sale of products comprises:</b>		
Manufactured finished goods (refer to note 2.36(c))	16,94,748	16,18,098
Traded goods (refer to note 2.36(d))	69,540	49,838
	<b>17,64,288</b>	<b>16,67,936</b>
<b>(ii) Other operating revenues comprises:</b>		
Scrap sales	2,418	2,404
Export benefits*	10,994	4,956
	<b>13,412</b>	<b>7,360</b>
*Export benefits are in the nature of government grants covering following :		
Merchandise Exports from India Scheme (MEIS)	5,445	-
Duty draw backs	5,549	4,956
	<b>10,994</b>	<b>4,956</b>
<b>2.19 Other income</b>		
Interest income		
- on fixed deposits with banks	199	573
- other interest	201	-
- on income tax refund	-	225
Net gain on foreign currency transactions	9,446	9,671
Profit on sale of fixed assets	174	-
Liabilities and provisions no longer required written back	4,023	11,102
Miscellaneous income	13,089	10,019
	<b>27,132</b>	<b>31,590</b>
<b>2.20 Cost of material consumed</b>		
(Refer to note 2.36 (e))		
Raw material and components		
Opening stock	79,826	83,581
Add: Purchases	10,59,406	8,58,383
Less: Closing stock	1,11,369	79,826
	<b>10,27,863</b>	<b>8,62,138</b>
<b>2.21 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
Opening stock		
Traded goods	15,660	9,452
Finished goods	38,696	44,667
Work in progress	3,354	2,440
	<b>57,710</b>	<b>56,559</b>
Less: Closing stock		
Traded goods	19,672	15,660
Finished goods	53,312	38,696
Work in progress	4,599	3,354
	<b>77,583</b>	<b>57,710</b>
	<b>(19,873)</b>	<b>(1,151)</b>
	<b>(19,873)</b>	<b>(1,151)</b>

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>2.22 Employee benefits expenses</b>		
Salaries and wages	1,43,196	1,28,237
Contribution to provident funds (Refer to note 2.27)	8,782	7,210
Gratuity expense (Refer to note 2.27)	4,517	4,139
Staff welfare expenses	16,278	10,793
	<b>1,72,773</b>	<b>1,50,379</b>
<b>2.23 Finance cost</b>		
Interest on delayed payment of Income Tax	807	1,038
Interest on borrowings from related party (Refer to note 2.30)	7,289	11,458
Interest on cash credit limit	1,060	49
	<b>9,156</b>	<b>12,545</b>
<b>2.24 Other expenses</b>		
Consumption of stores and spares (Refer to note 2.36 (g))	43,546	33,045
Increase/(decrease) of excise duty on inventory	(6,949)	(698)
Power and fuel	20,746	18,720
Travelling and conveyance	35,559	25,735
Freight outward	46,308	40,315
Contractual manpower	48,572	37,075
Legal and professional	31,637	19,107
Payment to auditors		
- Statutory audit fees	1,000	900
- Tax audit fees	100	100
- Other matters	400	400
- Out of pocket expenses	25	25
Rent (Refer to note 2.31)	11,681	11,649
Rates and taxes	3,307	4,643
Insurance	4,334	3,357
Repairs and maintenance:		
- on buildings	176	910
- on plant and machinery	4,666	5,483
- on others (including IT expenses Rs. 28,812 Previous year Rs. 20,371)	36,174	26,705
Vehicle running and maintenance	4,002	1,402
Printing and stationery	1,153	1,195
Communication	5,407	4,340
Bank charges	882	949
Bad debts	4,082	1,960
Advances written off	-	4,131
Expenditure on corporate social responsibility (Refer to note 2.39)	1,150	608
Loss of fixed assets written off	1,042	313
Royalty	19,426	11,879
Advertisement and sales promotion	56,465	20,788
Warranty	18,079	35,398
Miscellaneous	5,901	4,610
	<b>3,98,871</b>	<b>3,15,044</b>

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### 2.25. Commitments

a)	Particulars	As at 31 March 2018	As at 31 March 2017
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs. 18,870 (previous year Rs. 8,140))	28,189	12,635

b) The Company did not have any long term commitments/ contracts including derivative contracts for which there will be any material foressable losses.

#### 2.26. Contingent liabilities

Contingent liabilities with respect to disallowance of expenses under Income tax of Rs. 14,661 considered to the extent of adjustment of carry forward losses on which DTA has not been disclosed.

#### 2.27. Employee benefits

##### a) Defined Contribution Plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 8,782 (previous year Rs. 7,210) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### 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 2018	As at 31 March 2017
<b>Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	13,577	10,519
Interest cost	1,052	789
Current service cost	2,531	2,094
Benefits paid	(1,201)	(1,081)
Actuarial loss	934	1,256
<b>Present value of defined benefit obligation at the end of the year</b>	<b>16,893</b>	<b>13,577</b>
<b>Changes in the fair value of the Plan assets</b>		
(The Company does not have any Plan assets)		
<b>Net liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	16,893	13,577
Fair value of the plan assets	-	-
Funded status (Deficit)	(16,893)	(13,577)
<b>Unrecognised past service cost</b>	<b>-</b>	<b>-</b>
<b>Net liability recognised in the Balance Sheet</b>	<b>(16,893)</b>	<b>(13,577)</b>
<b>Components of employer's expenses</b>		
Current service cost	2,531	2,094
Interest cost	1,052	789
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	934	1,256
<b>Actuarial assumptions</b>		
Discount rate	7.75%	7.50%
Salary escalation	6.50%	6.50%
Retirement age	58 years	58 years
Mortality table	IALM (2006-08)	IALM (2006-08)
Attrition	mortality tables	mortality tables
Upto 30 years	3%	3%
Upto 44 years	2%	2%
Above 44 years	1%	1%

## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### Experience Adjustment

	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14
Present value of DBO at the end of the year	16,893	13,577	10,519	8,915	7,322
Experience adjustments on Plan assets/liabilities (gain) /loss	1,223	581	296	(565)	854

#### Actuarial assumptions for long terms compensated absences

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.75%	7.50%
Salary escalation	6.50%	6.50%
Retirement age	58 years	58 years
Mortality table	IAM (2006-08) mortality tables	IAM (2006-08) mortality tables
Attrition		
Upto 30 years	3%	3%
Upto 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors. Discount rate is based on market yields prevailing on government securities as at 31 March 2018 for the estimated term of the obligations.

- 2.28. 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, small and medium suppliers as defined in the Act:

S. No.	Particulars	As at 31 March 2018	As at 31 March 2017
i)	the principal amount remaining unpaid to supplier as at the end of the year	19,683	16,154
ii)	the interest due on the principal remaining outstanding as at the end of the year	377	320
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	1,120	1,137
v)	the amount of interest accrued and remaining unpaid at the end of the year	8,934	7,437
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	-	-



# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Significant accounting policies and notes to the financial statements

(All amounts are in Thousand Indian Rupees except number of shares)

#### 2.29 Segment reporting:

##### (i) Basis of preparation

###### Primary segment:

The primary segments have been identified in line with the Accounting Standard - 17 on 'Segment Reporting' as notified under Section 133 of the Companies Act 2013, taking into account the risks and return, organisation structure and internal reporting system.

The Company has identified the following business segments as reportable primary segment:

- 1) Manufacturing and sale of goods manufactured
- 2) Sales of aftermarket division

##### (ii) Segment accounting policies

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

###### (a) Segment assets and liabilities

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. Segment liabilities include all operating liabilities in respect of a segment and consist principally of creditors and accrued liabilities. Segment liabilities do not include share capital, reserves, provision for tax, deferred tax liability and other liabilities that cannot be reasonably allocated to segments. Segment assets do not include advance taxes, deferred tax, cash and bank balances and other assets that cannot be reasonably allocated to segments.

###### (b) Segment revenue and expenses

Segment revenue and expenses that are directly attributable to the segment have been allocated to various segments on the basis of specific identification. The remainder of the costs are categorised to the segment on a reasonable basis. Indirect expenses such as administrative expenses which form a significant component of total expenses are not specifically allocable to specific segments. Accordingly, these expenses are separately disclosed as "unallocated" and directly charged against total income.

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:

##### (i) Primary segment reporting by business segments

Particulars	Manufacturing and sales of goods manufactured		Sales of Aftermarket		Total	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue</b> (including duty drawback and other export incentives)	10,34,782	9,06,565	7,31,130	6,11,081	17,65,912	15,17,646
<b>Segment results</b>	1,03,431	67,531	-38,458	17,680	64,973	85,211
Add: Interest Income					400	795
Less: Interest Expenses					9,156	12,544
Net interest income/ (expense)					8,756	11,749
					<b>56,217</b>	<b>73,462</b>
<b>Net Profit before tax</b>					<b>56,217</b>	<b>73,462</b>
Less: Tax (Current and deferred)					21,592	-6,075
<b>Net Profit after tax</b>					<b>34,625</b>	<b>79,537</b>
<b>Other information</b>						
<b>Segment Assets</b>	8,21,498	6,54,619	4,37,746	3,39,439	12,59,244	9,94,058
Add: Unallocable assets					1,03,037	1,54,142
<b>Total Assets</b>					<b>13,62,281</b>	<b>11,48,200</b>
<b>Capital expenditure</b>	3,92,148	3,48,182	5,997	3,061	3,98,145	3,51,243
Add: Unallocable Capital expenditure					0	189
<b>Total Capital expenditure</b>					<b>3,98,145</b>	<b>3,51,432</b>
<b>Segment Liabilities</b>	5,75,112	4,98,947	1,81,118	89,801	7,56,230	5,88,748
Add: Unallocable liabilities					1,03,037	1,54,142
Add: Capital employed	2,46,385	1,55,673	2,56,629	2,49,637	5,03,014	4,05,310
<b>Total Liabilities</b>					<b>13,62,281</b>	<b>11,48,200</b>
Depreciation and amortisation	58,770	54,527	633	4,081	59,403	58,608
<b>Other non cash adjustments</b>						
Bad debts written off					4,082	1,960
Provision for Warranty					18,079	29,489
Provision for slow moving stock					1,001	8,853
Advance written off					0	4,131
Assets written off					1,042	313
Provisions no longer required written back					4,023	11,101
Unrealised foreign exchange (loss)/ gain					-165	-451

##### (ii) Secondary segment reporting by geographical segments.

Particulars	Domestic		Overseas		Total	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Segment revenue	14,72,365	12,80,783	2,93,547	2,36,862	17,65,912	15,17,645
Segment assets	9,89,784	8,19,794	85,835	49,915	10,75,619	8,69,709
Capital expenditure	1,06,703	75,707	16,224	35,713	1,22,927	1,11,419

## HELLA INDIA LIGHTING LIMITED

Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

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

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

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

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

Nature of the relationship	Name of the company/ Body corporate
1 Holding company	Hella Holding International GMBH, Germany

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

Nature of the relationship	Name of the Company/ Party
1 Ultimate Holding Company	Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)
2 i) Fellow subsidiaries (in India)	Hella India Automotive Private Limited
ii) Fellow subsidiaries (outside India )	Hella Fahrzeugteile Austria, Austria Hella Phil Inc., Philippines Hella Australia Pty. Limited, Australia Hella Asia Singapore Pte. Limited, Singapore Beifang Hella Automotive Lighting Ltd, China Hella Innenleuchten-Systeme Bratislava, Slovakia Hella Japan Inc. , Japan Hella Automotive Sales, Inc (Formally 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 Docker Optics GmbH, Germany Hella (Xiamen) Automotive Electronics Co. Ltd., China Hella Automotive South Africa Pty. Ltd., South Africa Hella Middle East FZE, Dubai Hella Slovakia Signal-Lighting s.r.o Hella Do Brasil Automotive Ltda Hella trading (Shanghai) co. Ltd. Hella Electronics Corp, USA
3. Key management personnel	Mr. Rama Shankar Pandey (Managing Director)



## c) Related party transactions:

Nature of transaction	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>Sale of products</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	1,20,553	84,487
Fellow subsidiaries		
- Hella India Automotive Private Limited	271	95
- Hella Fahrzeugteile Austria GmbH	5,147	4,149
- Hella Australia Pty. Limited	849	166
- Hella Asia Singapore Pte. Limited	13,115	28,272
- Hella Automotive Sales, Inc (Formally Hella Inc., United States of America	31,453	46,797
- Hella Automotive South Africa Pty. Ltd.	58,302	13,993
- Hella Middle East FZE	46,845	27,025
- Hella PHIL.INC	604	353
- Hella trading (Shanghai) co. ltd.	541	185
- Hella Romania SRL	-	219
- Hella Do Brasil Automotive Ltd	2,339	1,554
- Hella Russia	18	-
<b>Purchase of raw materials</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	57,640	42,530
Fellow subsidiaries		
- Hella India Automotive Private Limited	1,58,617	1,32,150
- Hella Fahrzeugteile Austria	6,956	5,598
- Hella Asia Singapore Pte. Limited	43,999	49,053
- Hella Automotive Sales, Inc (Formally Hella Inc., United States of America	22	13
- Hella New Zealand Ltd	3,176	1,672
- Hella Pagid GmbH	5,448	3,985
- Hella Saturnus Slovenija D.O.O	42,336	33,606

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

- Behr Hella Services GmbH	1,739	1,534
- Docter Optics GmbH	5,829	2,743
- Hella Australia Pty. Limited	926	162
- Hella Slovakia Signal-Lighting s.r.o	-	47
- Hella Innenleuchten Systeme GmbH	6,333	2,988
- Hella Lighting Finland Oy	-	53
- HELLA BHAP(Sanhe)Automotive Lighting Co.,Ltd	-	218
- Hella Slovakia Front Light S.R.O.	82	-
- Hella Romania SRL	6,176	7,016
- Hella Innenleuchten System Bratislava S.R.O	767	691
<b>Other income</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	7,054	1,740
Fellow subsidiaries		
- Hella Fahrzeugteile Austria	2,878	-
- HELLA BHAP(Sanhe)Automotive Lighting Co.,Ltd	-	1,261
<b>Legal and professional</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	1,056	507
# Guarantee given against the cash credit facility availed by the Company.		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	4,129	-
# Service specific contract for Purchase services and misc training.		
Fellow subsidiaries		
- Hella India Automotive Private Limited	4,970	4,970
<b>Interest Paid</b>		
- Hella GmbH & Co. KGaA (ECB)	7,289	11,458
<b>Employee benefit expenses</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	41	323
<b>Repair and maintenance – others (IT expenses)</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	28,812	20,371
<b>Royalty expenses</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	19,426	11,879

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### Purchase of fixed assets

Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	237	384
Fellow subsidiaries		
- Hella Lighting Finland Oy	-	387
- Hella Australia PTY LTD	2,354	-
- Hella Electronics Corp.	9	-
- Hella New Zealand Limited	97	-
- Hella Fahrzeugteile Austria	3,437	-
- Hella Romania SRL	219	1
- HELLA BHAP(Sanhe)Automotive Lighting Co.,Ltd	-	2,570
- Hella India Automotive Private Limited	233	961
- HELLA Innenleuchten-Systeme GmbH	2,185	726
- Hella Innenleuchten System Bratislava S.R.O	-	748

#### Reimbursement of expenses

To ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	129	319
To fellow subsidiaries		
- Hella India Automotive Private Limited	252	557
- Hella Corporate Center China	-	1,553
- Hella Saturnus Slovenija D.O.O	1	-
- Hella Romania SRL	11	-

#### Reimbursement of expenses

From ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	893	229
From fellow subsidiaries		
- Hella India Automotive Private Limited	1,695	1,141
- Hella Fahrzeugteile Austria GmbH	403	261
- Hella Automotive South Africa Pty Ltd.	-	365
- Hella Saturnus Slovenija D.O.O	-	287
- Hella Slovakia Signal-Lighting s.r.o	-	207
- Hella Romania SRL	583	-

#### Managerial remuneration

Key management personnel		
- Rama Shankar Pandey	10,964	9,370



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

Particulars	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>Trade receivables</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	36,486	20,500
Fellow subsidiaries		
- Hella India Automotive Private Limited	531	21
- Hella Fahrzeugteile Austria GmbH	5,408	270
- Hella Australia Pty. Limited	138	68
- Hella Automotive Sales, Inc (Formally Hella Inc., United States of America	9,475	16,484
- Hella Automotive South Africa Pty. Ltd.	22,297	6,821
- Hella Middle East FZE	9,940	3,643
- Hella PHIL.INC(Dr)	312	30
- Hella trading (Shanghai) co. ltd.	256	24
- Hella Do Brasil Automotive Ltda	1,523	-
<b>Long term borrowings</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	65,000	86,667

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

<b>Trade payables</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	41,647	18,859
Fellow subsidiaries		
- Hella India Automotive Private Limited	39,072	41,706
- Hella Fahrzeugteile Austria GmbH	2,852	1,636
- Hella Asia Singapore Pte. Limited	4,078	2,522
- Hella Automotive Sales, Inc (Formally Hella Inc., United States of America)	23	12
- Hella Saturnus Slovenija D.O.O	3,517	7,415
- Hella Innenleuchten-Systeme GmbH	2,218	929
- Hella New Zealand Limited	320	611
- Hella Australia Pty. Limited	716	8
- Behr Hella Service-GmbH	-	193
- Hella Corporate Center China	-	1,211
- Hella Romania SRL	3,043	2,522
- Hella Pagid GmbH	1,557	775
- Docter Optics GmbH	2,284	228
- Hella Innenleuchten-Systeme Bratislava	46	1,034
<b>Capital Creditors</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	-	343
Fellow subsidiaries		
- Hella Innenleuchten-Systeme GmbH	-	454
- Hella Innenleuchten-Systeme Bratislava	-	690
- Hella Australia Pty. Limited	-	1,118
<b>Other Current Liabilities</b>		
Ultimate holding company		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	3,026	4,662
<b>Loans and advances</b>		
Fellow subsidiaries		
- Hella GmbH & Co. KGaA, Germany (Formally Hella KGaA Hueck & Co.)	1,866	-

### 2.31. 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 2018 is Rs. 11,681 (previous year Rs. 11,649). The future minimum lease expense in respect of non cancellable lease is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	1,764	7,080
Later than 1 year but not later than 5 years	-	2,425
Later than 5 years	-	-



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### 2.32. Earnings/(loss) per share

Particulars	As at 31 March 2018	As at 31 March 2017
Profit/ (Loss) after tax	34,625	79,537
Weighted average number of equity shares outstanding during the year	31,71,400	31,71,400
Basic and diluted earnings/ (loss) per share in rupees (face value – Rs. 10 per share )	10.92	25.08

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.

#### 2.33. Deferred taxes

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

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Timing differences between accounting and tax books on account of:</b>		
<b>Deferred tax liability</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per the Companies Act, 2013	12,704	13,071
<b>Total (A)</b>	<b>12,704</b>	<b>13,071</b>
<b>Deferred tax assets</b>		
Provision for gratuity	5,585	4,489
Provision for leave encashment	3,978	2,024
Provision for sick leave	-	1,201
Provision for doubtful receivables	1,242	2,572
Provision for bonus	4,218	3,377
Provision for slow moving inventory	6,526	6,195
Provision for price reduction	-	946
Provision for warranty	11,702	9,750
Provision for export obligation – EPCG License	362	362
Disallowance U/s 40 a(i)	-	99
<b>Total (B)</b>	<b>33,613</b>	<b>31,015</b>
<b>Net deferred tax asset(B-A)</b>	<b>20,909</b>	<b>17,944</b>
<b>Net amount recognised in the financial statements</b>	<b>2,965</b>	<b>17,944</b>

Deferred tax assets have been recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised

## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
<b>Trade receivable</b>				
- EURO	660	52,179	362	24,438
- USD	525	33,656	369	23,403
<b>Trade payables</b>				
- EURO	786	63,877	604	42,752
- USD	222	14,617	142	9,437
- AUD	14	716	0	8
<b>Capital Creditors</b>				
- EURO	2	186	78	5512
- USD	6	407	6	365
- AUD	-	-	22	1118
<b>Cash in hand and at bank</b>				
- EURO	1	65	13	849
- USD	-	-	255	16,109

2.35. 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.

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

##### a) Details of inventories of finished goods

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
Horns	2,799	3,113
Lamps	39,060	24,577
Others #	11,453	11,006
<b>Total</b>	<b>53,312</b>	<b>38,696</b>

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



## b) Details of inventories of traded goods

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Lamps	5,812	4,118
Others #	13,860	11,542
<b>Total</b>	<b>19,672</b>	<b>15,660</b>

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

## c) Details of turnover of finished goods

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Horns	2,48,033	2,29,489
Lamps	10,69,261	9,65,059
Others #	3,77,454	4,23,550
<b>Total</b>	<b>16,94,748</b>	<b>16,18,098</b>

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

## d) Details of turnover of traded goods

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Lamps	19,687	11,164
Others #	49,853	38,674
<b>Total</b>	<b>69,540</b>	<b>49,838</b>

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

# HELLA INDIA LIGHTING LIMITED



## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

#### e) Raw materials and components consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
CRC sheet/ CRC coil	159	526
Diffusing lenses	42,812	41,905
Motor	25,885	28,451
Horn (unfinished)	1,46,305	1,15,269
Others	8,12,702	6,75,988
<b>Total</b>	<b>10,27,863</b>	<b>8,62,139</b>

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

#### f) Purchase of traded goods

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Lamps	18,951	10,787
Others #	42,551	35,833
<b>Total</b>	<b>61,502</b>	<b>46,620</b>

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

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

Item	Year ended 31 March 2018		Year ended 31 March 2017	
	Value (in Rupees)		Value (in Rupees)	%
Raw materials				
- Imported	3,63,661	35.38%	3,09,686	35.92%
- Indigenous	6,64,202	64.62%	5,52,453	64.08%
<b>Total</b>	<b>10,27,863</b>		<b>8,62,139</b>	
Stores, spares and consumables				
- Imported	-	-	-	-
- Indigenous	43,546	100.00%	33,045	100.00%
<b>Total</b>	<b>43,546</b>		<b>33,045</b>	

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw materials	3,70,816	3,12,644
Capital goods	14,879	30,434



## i) Expenditure in foreign currency

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Employee benefit expenses	41	323
Travelling	5,400	4,004
Repairs and maintenance- others (IT expenses)	28,812	20,371
Legal and professional	5,185	767
Royalty	19,426	11,879

## j) Earnings in foreign currency

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
F.O.B. value of exports	2,83,616	2,33,862
Other income (Development of tools)	9,932	3,001

## HELLA INDIA LIGHTING LIMITED

### Notes to financial statements for the year ended 31 March 2018

(All amounts are in Thousand Indian Rupees except number of shares)

- 2.37.** As stated in Part II Section A above, the promoters of the Company hold 82.55% of the total issued and subscribed equity capital of the Company and balance 17.45% stake is held by public shareholders. In 2005-06, the Company had applied for delisting from Delhi Stock Exchange (.DSE.) and Bombay Stock Exchange (.BSE.). While DSE allowed the Company to delist, BSE rejected the application vide letter dated 15 February 2006. On appeal, the Securities Appellant Tribunal (.SAT.) passed a favorable order dated 27 May 2008 for delisting of the Company. However, the said order of SAT was challenged before the Honourable Supreme Court of India by certain individual shareholders. The Supreme Court vide order dated 24 October 2008 stayed the delisting of the Company and the matter was sub-judice.

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

On 17 April 2015, the Bombay Stock Exchange delisted the shares of the Company w.e.f. 30 April 2015 and stated that the exit option will be kept open by the Acquirer . Hella India Automotive Private Limited (HIAPL) initially for six months at a rate of Rs. 52.39 per equity share. Further, during the previous year, HIAPL has extended suo moto the exit offer via resolution passed in Board meeting dated 3 March 2017.

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

The Company has made provision for various contractual obligation based on its assessment of the amount it estimates to incur such obligations, details of which are given below:

Particulars	As at 1 April 2017	Additions	Utilisations	As at 31 March 2018
Provision for export obligations under EPCG license *	1,094	-	-	1,094
Provision for warranty** (including additional warranty on interior lamp)	29,489	11,087	5,182	35,394

\* The Company had taken 2 EPCG licenses amounting to Rs. 2,120 in the year 2005 against which the Company has not fulfilled the export obligation specified in the licence. During the previous years, the Company has surrendered the licences and paid the duty saved and interest thereon of Rs. 4,281 with the department. The amount appearing above is a provision for other charges imposed by the department since the Company is waiting for no dues from the department.

\*\* The sales of Independent Aftermarket is covered by a warranty period of 6 months except two items i.e. DRL structured lens and LED tail lamp for which the warranty period is for 5 years.



**2.39** Under Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR), pursuant to its policy in this regard. The Act requires such companies to constitute a Corporate Social Responsibility Committee which shall formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

- a) Gross amount required to be spent by the company during the year : 1,142  
 b) Amount spent and paid during the year : 1,150

Particulars of amount paid during the year	For the year ended 31 March 2018	For the year ended 31 March 2017
For road safety activities	1,150	608
<b>Total</b>	<b>1,150</b>	<b>608</b>

**2.40** There were no amounts which were to be transferred to Investor and Protection Fund by the Company.

**2.41** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

*For and on behalf of Board of Directors of*

**Hella India Lighting Limited**

**Sd/-**

**Rama Shankar Pandey**

*Managing Director*

DIN : 02848326

Place: Gurugram

Date: 29 June 2018

**Sd/-**

**Anil Sultan**

*Director*

DIN : 00467681

Place: Gurugram

Date: 29 June 2018

**Sd/-**

**Aakritee Khanna**

*Company Secretary*

ACS : 48297

Place: Gurugram

Date: 29 June 2018

**Sd/-**

**Narender Jain**

*Chief Financial Officer*

FCA : 511778

Place: Gurugram

Date: 29 June 2018





## PROXY FORM

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

### Hella India Lighting Limited

CIN: U74899DL1959PLC003126

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

Name of the member(s):

e-mail Id:

Registered address:

Folio No/ \*Client Id:

\*DP Id:

I/We being the member(s) of ..... Shares of Hella India Lighting Limited, hereby appoint:

- |    |    |                 |                |
|----|----|-----------------|----------------|
| 1) | of | having email id | or failing him |
| 2) | of | having email id | or failing him |
| 3) | of | having email id | or failing him |

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Friday, August 24, 2018 at 09.30 A.M. at the Tivoli Garden Resort Hotel, Chhattarpur Hills, Chattarpur, New Delhi- 110 074, and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below

- Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors Including consolidated for the financial year ended 31st, March, 2018.
- To Consider and approve the appointment of Dr. Nicolas Widemann.
- Ratification of Appointment of Auditors and fixing their remuneration
- Approve the remuneration of Cost Auditors for the financial year ending March 31st, 2019

Affix one  
Rupee  
Revenue  
Stamp

Signed this..... day of.....2018

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

#### Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- This is only optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## ATTENDANCE SLIP

Hella India Lighting Limited  
CIN: U74899DL1959PLC003126  
Regd. Office: K-61B, LGF, Kalkaji, New Delhi – 110019.

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I, hereby record my presence at the 58th ANNUAL GENERAL MEETING of the Company at the Tivoli Garden Resort Hotel, Chhattarpur Hills, Chattarpur, New Delhi- 110 074 at 9:30 AM on Friday the 24th Day of August, 2018.

.....

Full name of the shareholder  
(in block capitals)

.....

Signature

Folio No...../DP ID No.\* ..... & Client ID No.\* .....

.....

Full name of Proxy  
(In block capitals)

.....

Signature

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy.

**If undelivered, please return to:**

**Hella India Lighting Limited**

CIN:U74899DL1959PLC003126

**Registered Office : K-61B, LGF,  
Kalkaji, New Delhi - 110019**