

HELLA INDIA LIGHTING LIMITED

(Formerly J.M.A. INDUSTRIES LIMITED)

Regd. Office : B-13, Badarpur Extn., New Delhi - 110044

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ANNUAL REPORT

2004 - 2005

HELLA INDIA LIGHTING LIMITED

(Formerly J.M.A. INDUSTRIES LIMITED)

BOARD OF DIRECTORS

| | |
|--------------------|--------------------|
| Mr. Gerwin Vilain | Chairman |
| Mr. Martin Herbst | |
| Mr. Rainer Krause | |
| Mr. Peter F. Doyle | |
| Mr. R.K. Bhandari | |
| Mr. V.K. Mathur | |
| Dr. V.P. Juneja | |
| Mr. Raman Sharma | Alternate Director |
| Mr. Kuldeep Singh | Alternate Director |
| Mr. R.S. Sharma | Managing Director |

COMPANY SECRETARY

Mr. Rakesh Sharma

AUDITORS

S.P. Chopra & Co.
Chartered Accountants
New Delhi

BANKERS

-Canara Bank
-State Bank of Patiala

REGISTERED OFFICE

B-13, Badarpur Extn.,
New Delhi - 110044

UNITS

- 14/6, Mathura Road,
Faridabad, Haryana
-Derabassi, Distt. Patiala
Punjab

LISTING OF EQUITY SHARES

-The Delhi Stock Exchange Association Ltd.
3 /1 & 4/4B, Asaf Ali Road,
New Delhi - 110002

-The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001

ANNUAL GENERAL MEETING

Thursday, 22nd September, 2005 at
Executive Club, 439, Village Shahoorpur,
P.O. Fatehpur Beri, New Delhi - 110030.

REGISTRAR & TRANSFER AGENTS

M/s Intime Spectrum Registry Limited,
A-31, IIIrd Floor, Near PVR Cinema,
Naraina Industrial Area, Phase-I,
New Delhi - 110028.

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HELLA INDIA LIGHTING LIMITED

(Formerly J.M.A. INDUSTRIES LIMITED)

NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of Hella India Lighting Limited will be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi on Thursday, 22nd September, 2005 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2005, Profit & Loss Account for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. K. Mathur who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr. V. P. Juneja who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Peter F. Doyle who retires by rotation and is eligible for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

"RESOLVED THAT M/s. S.P. Chopra & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the company, who retires at the conclusion of the 45th Annual General Meeting be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 45th Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company at the remuneration to be decided by the Board of Directors of the Company."

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Rainer Krause who was appointed as an Additional Director in terms of Article 120 of the Articles of Association and Section 260 of the Companies Act, 1956 and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board
For Hella India Lighting Limited,

Place : New Delhi
Date : 28th July, 2005

(Rakesh Sharma)
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at B-13, Badarpur Extension, New Delhi-110 044, not less than 48 (forty eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid.
3. The Explanatory Statement setting out the material facts in respect of the special business under Item No. 6 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed for a period of 8 days, from Thursday, 15th day of September, 2005 to Thursday, 22nd day of September, 2005 (both days inclusive).
5. Members are requested to send request for change in their addresses, if any, directly to the Share Registrar and Transfer Agents viz. Intime Spectrum Registry Limited, A-31, 3rd Floor, Near PVR Cinemas, Naraina Industrial Area, Phase-1, New Delhi.
6. Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 10 days before the date of the meeting, so that the requisite information is made available at the meeting.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6**

Mr. Rainer Krause was appointed as an Additional Director in the Board Meeting held on 29th January, 2005 and as per the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of Forty-fifth Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956, from a member signifying the intention to propose the name of Mr. Rainer Krause as a Director, along with a deposit of Rs. 500/-.

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

None of the Directors except Mr. Rainer Krause, is interested or concerned in the Resolution.

By Order of the Board
For Hella India Lighting Limited

Place: New Delhi
Date : 28th July, 2005

(Rakesh Sharma)
Company Secretary

HELLA INDIA LIGHTING LIMITED*(Formerly J.M.A. INDUSTRIES LIMITED)***DIRECTORS' REPORT**

To,

The Members,

Your Directors take pleasure in presenting the 45th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

| | (Rs. in lacs) | |
|--|---------------------------------|----------------------------------|
| | CURRENT YEAR ENDED 31.3.2005 | PREVIOUS YEAR ENDED 31.3.2004 |
| Profit / (Loss) before | | |
| Depreciation & Interest | 201.24 | (346.37) |
| Interest | 119.92 | 129.11 |
| Profit/ (Loss) before Depreciation | 81.32 | (475.48) |
| Depreciation | 27.61 | 25.61 |
| Net profit/(-) Loss after Depreciation | 53.71 | (501.09) |
| Balance Brought Forward | (2317.27) | (1816.18) |
| Transfer from General Reserve | | |
| to Profit & Loss Account | Nil | Nil |
| Balance Carried over to | | |
| the Balance Sheet | (2263.57) | (2317.27) |

PERFORMANCE

During the period under review for 12 months, the company achieved a net sales turnover of Rs.1870.52 lacs as compared to the previous year Rs.1249.85 lacs for 12 months. The net profit amounts to Rs.53.71 lacs for 12 months as compared to the loss for previous year of Rs.501.09 lacs for 12 months.

CHANGE OF NAME OF THE COMPANY

The Name of the Company has been changed from J.M.A. Industries Limited to Hella India Lighting Limited with effect from 9th November, 2004.

With the induction of name of "HELLA", a renowned name in the field of automobiles, the business will get an extra impetus and your Directors are optimistic about the much better results in the time to come.

DIVIDEND

Since your Company has accumulated losses and made only Marginal profits during the year under review, your Directors have not recommended any dividend.

SUBSIDIARIES

M/s Bitoni Lamps Limited and Chetan Genthe & Co. Limited are the subsidiaries of the Company. Since, the Directors of the said subsidiary companies have failed to provide the audited accounts, the Company is constrained to provide the complete statement and accounts of subsidiary companies in terms of Section 212 of the Companies Act, 1956.

DIRECTORS

During the year under review, Mr. Werner Boekels and Mr. Thomas Cornelius had resigned from the Board of Directors of the Company with effect from 21st April, 2004 and 29th January, 2005 respectively. Your Board places on record its appreciation of the valuable guidance and support provided by Mr. Boekels and Mr. Cornelius during their association with the company.

The Board of Directors had appointed Mr. Gerwin Vilain as a Director in Casual Vacancy, caused due to the resignation of Mr. Werner Boekels, in its meeting held on 21st April, 2004.

The Board of Directors had also co-opted Mr. Rainer Krause as an Additional Director of the Company in its meeting held on 29th January, 2005. His term of office expires on the forthcoming Annual General Meeting and the company has received a notice under section 257 of the Companies Act, 1956, for the appointment of Mr. Krause as a Director of the Company.

Further, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. V.K. Mathur, Dr. V.P. Juneja and Mr. Peter F Doyle, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of annual accounts for the financial year ended 31st March 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a going concern basis.

AUDITORS

M/s S. P. Chopra & Co, Chartered Accountants, the Statutory Auditors of the company, have audited the accounts of the Company for the financial year 2004-2005, following the prescribed accounting standards.

The observations/qualifications given by the auditors in its report dated 28th July, 2005 have been noted and the comments on the same has been annexed to and form part of this report.

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

FIXED DEPOSITS

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

HELLA INDIA LIGHTING LIMITED

(Formerly J.M.A. INDUSTRIES LIMITED)

INDUSTRIAL RELATIONS

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

STATUTORY DISCLOSURES

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

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

ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

COMPLIANCE CERTIFICATE

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

ACKNOWLEDGEMENT

Your Directors are grateful to the Banks, Shareholders, Customers, Distributors, Authorised Dealers and all other business constituents for the valued co-operation and support extended by them to the Company during the year under review.

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

For and on behalf of the Board

Place : New Delhi
Date : 28th July, 2005

Gerwin Vilain
Chairman

Observations on Auditors report.

The auditors have made observations in their report dated 28th July, 2005. The comments on each of the observations are given below:

- a) Under instructions from auditors the company has sent letters to Vendors / Contractors / Creditors of the company for seeking confirmation of closing balances. The company has received confirmation from various parties which has been provided to auditors. Some of them remain unreplyed.
- b) The company has taken deposit from Non Resident Indians. The company has observed that due to miscalculation of interest the company has paid excess interest which was otherwise due. While taking into consideration the excess credit given in the past the company feels the amount is no longer payable. The company has initiated steps for recovery against the said NRI's. As a result the company has neither accounted for the interest nor repaid the proposed amount. Since as per company's point of view the amount already paid is more than what have been due, no provision of interest has provided for.
- c) The company had taken an inter corporate deposit from M/s. Rahul Siemens Engg. Pvt. Ltd. The company noted that the substantial sum as a result of business transaction was due and payable to the company by M/s. Rahul Siemens Engg. Pvt. Ltd which exceeded the amount of inter corporate deposit receipt. Despite various reminders the amount was not returned. Accordingly the company has not provided any interest.
- d) The company has taken External Commercial Borrowing from its parent company for which the amount of interest is due. The company has approached parent company to defer the amount of interest payable which would become due and payable at the time of repayment of loan amount.
- e) The company is in the process of reviewing the Physical Verification report of Fixed Assets as submitted by the consultants. The company will take suitable action after the review.
- f) Certain inventory of the company is lying with its vendor with whom the company has a dispute. As a result the confirmation from such vendors have not received.
- g) During year ended March, 2001 the net worth of the company was eroded. Company became Sick company within the meaning of The Sick Industrial Companies (Special Provision) Act 1985. The company filed the application before the BIFR which was treated as belated. The Company has filed an appeal against the orders of BIFR before AAIFR. The appeal is still pending with AAIFR.

HELLA INDIA LIGHTING LIMITED

(Formerly J.M.A. INDUSTRIES LIMITED)

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

- a) Energy conservation measures taken :
The manufacturing process in our plant vary widely and cover process such as Electroplating, Painting, Sheet Metal Working and Plastic Injection Moulding.
In almost all these processes the introduction of temperature controller and their regular proper operational maintenance has ensured achievement of the energy.
- b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy :
The investments involved will be to introduce above mentioned schemes.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods :
It is hoped that with the proposed implementation of the above, there would be a decrease in energy consumption. Energy conservation has been made an integral part of the induction training programme for new employees. In addition, regular training sessions are held where employees are educated in the need to reduce energy consumption to the minimum.
- d) Total energy consumption and energy consumption per unit of production : Not Applicable

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

- 1 Specific Areas in which R&D carried out by the company : R&D has been carried out in the fields of lighting and signaling and also in production technology with the intent of producing better quality products.
- 2 Benefits derived as a result of the above R&D : We have been able to successfully develop several headlamps for domestic & export market, tail lamps, blinker lamps and switches for the Indian vehicle manufacturers and for export to foreign customers.
- 3 Future plan of action : Our R&D effort will be aimed at developing products in line with international quality standards so that we can provide better quality products to our reputed automobile manufacturers /customers
- 4 Expenditure on R&D : (Rs. In Lacs)
Recurring expenses : 1.45
R&D expenditure as a % of total turnover : 0.07 %

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1 Efforts, in brief, made towards technology absorption, adaptation and innovation : Currently we are not importing any technology but developing ourselves. Our R&D facility is recognised by the Government.
- 2 Benefit derived as a result of the above efforts : Not Applicable
- 3 In case of imported technology during the last five years :
a) Technology imported :
b) Year of Import : Not Applicable
c) Has technology been fully absorbed :
d) If not, areas where this has not taken place, reasons therefore and future plans of action :

B. FOREIGN EXCHANGE EARNINGS AND OUT GO

(Rs. In lacs)

- a) Earnings : Rs 107.83
b) Outgo : Rs 89.90

For and on behalf of the Board

Place : New Delhi
Date : 28th July, 2005**GERWIN VILAIN**
CHAIRMAN

HELLA INDIA LIGHTING LIMITED*(Formerly J.M.A. INDUSTRIES LIMITED)***ANNEXURE-II****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Industry Structure and developments.**

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

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

2. Opportunities and Threats.

There is a growth in the automobile segment in the last year. New models in various segments have been introduced in the last few years. The Company has a strong "Hella" brand with high quality products to offer to the growing market. Strong parental support from Hella KGaA Hueck & Co. both financially and technically, international brand, innovative and environment friendly products continue to remain the main strengths of the Company.

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

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

3. Segment wise performance.

The Company operates in a single business segment. Within this segment there has been an increase in the sales of head lamps and sundry lamps.

4. Outlook.

The Company recognizes the need to produce the Free Form Technology Plastic Reflector and Clear Lense Headlamp. All existing and new Headlamps are to be produced with leveling system to cater to the OEMs requirements as per new standards.

Your company also plans to put substantial investments in the plant and machinery to provide latest technology in the automotive lighting of world standard to cater to the need of growing market of automobile.

5. Internal Control Systems & their adequacy.

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

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

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

7. Material Developments in Human Resources, Industrial Relations.

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

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

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

HELLA INDIA LIGHTING LIMITED*(Formerly J.M.A. INDUSTRIES LIMITED)***REPORT ON CORPORATE GOVERNANCE****1. GENERAL**

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

2. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Company's philosophy of Corporate Governance is preserving core values and ethical business conduct. Commitment to maximizing shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders is a fundamental shared value of Company's Board of Directors, management and employees and critical to the company's success. This value system translates into institutionalizing structures and procedures that enhance the efficacy of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

The Company is committed to conduct its business in a manner that exemplifies growth in shareholder value through ever improving financial results. The Company has set a goal for attaining the highest standard of good governance, meticulously pursue it and thereby maximize value for its shareholders, customers, employees and public at large.

3. BOARD OF DIRECTORS

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

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

As on March 31, 2005 the Board of Directors of the Company consists of 8 Directors, with a mix of Executive and Non-Executive Directors. The Board consists of one (1) Executive and seven (7) Non-Executive Directors. Three Non-Executive Directors are independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

a) Composition of the Board

The details of the Directors on the Board of the Company for the financial year 2004-2005 is as under:

| Name of the Director | Category | Number of Other Directorships held | Other Committee Membership | |
|----------------------|--------------------------|------------------------------------|----------------------------|--------|
| | | | Chairman | Member |
| Mr. Gerwin Vilain | Chairman (NED) | 6 | 1 | - |
| Mr. Werner Boekels | Chairman (NED) | 3 | 1 | - |
| Mr. Martin Herbst | Director (NED) | 8 | - | - |
| Mr. P. F. Doyle | Director (NED) | 14 | - | - |
| Mr. T. B. Cornelius | Director (NED) | NIL | - | - |
| Mr. Rainer Krause | Director (NED) | 1 | - | - |
| Mr. R. K. Bhandari | Director (NED) | 1 | - | - |
| Dr. V. P. Juneja | Director (NED) | NIL | - | 3 |
| Mr. V. K. Mathur | Director (NED) | 2 | 1 | 1 |
| Mr. R. S. Sharma | Managing Director (ED) | 2 | - | 2 |
| Mr. Raman Sharma | Alternate Director (NED) | 5 | - | 1 |
| Mr. Kuldeep Singh | Alternate Director (NED) | NIL | - | - |

Notes :-

NED – Non Executive Director

ED – Executive Director

1. Mr. Gerwin Vilain was appointed as a director in casual vacancy in place of Mr. Werner Boekels who resigned from the Board with effect from 21.04.2004.
2. Mr. T B Cornelius has resigned from the Board w.e.f. 29.1.2005.
3. Mr. Rainer Krause was appointed w.e.f. 29.1.2005 as Additional Director on the Board.
4. Mr. Raman Sharma was appointed as Alternate Director to Mr. Martin Herbst with effect from 21.04.2004.
5. The number of other directorships mentioned above include the directorships held by Directors in the Companies which are specifically excluded under section 278 of the Companies Act, 1956.

HELLA INDIA LIGHTING LIMITED*(Formerly J.M.A. INDUSTRIES LIMITED)***b) Attendance at the Board Meetings**

During the year under review, the Board of Directors met four (4) times. The meetings were held on 21st April, 2004; 30th July, 2004; 22nd October, 2004; and 29th January, 2005.

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

| Name of the Director | Number of Board Meetings attended (Total meetings held : 4) | Attendance at last AGM of 30th September, 2004 |
|----------------------|--|---|
| Mr. Gerwin Vilain | 3 (4) | Yes |
| Mr. Werner Boekels | 1 (4) | No |
| Mr. Rainer Krause | 1 (4) | No |
| Mr. Martin Herbst | 0 (4) | No |
| Mr. P. F. Doyle | 0 (4) | No |
| Mr. T. B. Cornelius | 3 (4) | Yes |
| Mr. R. K. Bhandari | 1 (4) | No |
| Dr. V. P. Juneja | 3 (4) | No |
| Mr. V. K. Mathur | 3 (4) | No |
| Mr. R. S. Sharma | 4 (4) | Yes |
| Mr. Raman Sharma | 4 (4) | Yes |
| Mr. Kuldeep Singh | 0 (4) | No |

Note :

1. Mr. T.B. Cornelius has resigned from the Board w.e.f. 29.1.2005.
2. Mr. Kuldeep Singh is an alternate Director to Mr. P.F. Doyle.
3. Mr. Raman Sharma is an alternate director to Mr. Martin Herbst.
4. Mr. Rainer Krause was appointed on the Board w.e.f. 29.1.2005.
5. Mr. Werner Boekels has resigned from the Board w.e.f. 21.4.2005.

4. INFORMATION SUPPLIED TO THE BOARD

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

- Annual operating plans and budgets, capital budgets, updates;
- Quarterly results of the Company and its operating divisions of business segments;
- Minutes of meeting of audit committee and other committees of the board;
- Materially important show cause, demand, prosecution and penalty notices;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of a substantial nature;
- Details of any joint venture or collaboration agreement;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations fronts;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement;
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer;

5. COMMITTEE OF DIRECTORS

The Company has three Board level committees. Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee.

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

HELLA INDIA LIGHTING LIMITED*(Formerly J.M.A. INDUSTRIES LIMITED)***(a) AUDIT COMMITTEE**

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

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

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

During the year, the committee met three (3) times viz. on 29th July, 2004, 22nd October, 2004 and 29th January, 2005.

The composition and Directors' attendance at the committee meetings is presented below:

| Member Director | Category | No. of Meetings Attended (Total Meetings held : 3) |
|------------------------|-----------------|---|
| Mr. Gerwin Vilain | Chairman | 1 (3) |
| Mr. Raman Sharma | Member | 3 (3) |
| Dr. V.P Juneja | Member | 3 (3) |

Note

1. Mr. Raman Sharma has vacated the office of Chairman of the Committee w.e.f. 21.04.2004 and Mr. Gerwin Vilain was appointed as Chairman of the Committee on the same date.
2. Mr. R.S. Sharma has vacated the office of the Member of the Committee w.e.f. 21.04.2004 and Mr. Raman Sharma was appointed as Member on the same date.

The functions of the Audit Committee include the following:

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

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

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