



HELLA INDIA LIGHTING LTD
ANNUAL REPORT
2012-13



Dear Shareowners,

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

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

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

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

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

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

Best regards,

Sd/-

(RAMA SHANKAR PANDEY)

MANAGING DIRECTOR

HELLA INDIA LIGHTING LIMITED



BOARD OF DIRECTORS

(In alphabetical order)

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

COMPANY SECRETARY

Mr. Sarvesh Upadhyay

REGISTERED OFFICE

B-13, Badarpur Extension,
New Delhi - 110044

MANUFACTURING UNIT – I

Ambala Chandigarh Road, Derabassi, Punjab

MANUFACTURING UNIT – II

Village Mahiwala, Derabassi, Punjab

MANUFACTURING UNIT – III

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

UNIT - IV

MANUFACTURING & TRADING WAREHOUSE AT GURGAON

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

UNIT – V

TRADING WAREHOUSE AT - PUNE

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

LISTING OF EQUITY SHARES*

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

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

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

AUDITORS

B S R & Co.
Chartered Accountants,
Gurgaon

REGISTRAR & SHARE TRANSFER AGENT

(formerly Intime Spectrum Registry Limited)

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

BANKERS

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

ANNUAL GENERAL MEETING

Date: 27th September 2013

Time : 10:00 A.M.

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

By Order of the Board
For Hella India Lighting Limited

Place: Gurgaon
Date: 12th August 2013

Sd/-
Sarvesh Upadhyay
Company Secretary



NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at B-13, Badarpur Extension, New Delhi-110 044, not less than 48 (forty eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall have the right to vote only on the poll, if demanded at the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain close for a period of 5 days, from 16th September 2013 to 20th September 2013 (both days inclusive).
- Members are requested to send request for change in their addresses, if any, directly to the Registrar & Share Transfer Agent viz. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited), 44, Community Centre, 2nd Floor, Naryana Industrial Area, Phase – 1, Near PVR Naraina, New Delhi – 110028.
- Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 15 days before the date of the meeting, so that the requisite information is made available at the meeting.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

Name	:	Mr. Akhilesh Kumar Maheshwari
Qualification	:	Chartered Accountant, Company Secretary, B.Com
Brief Profile	:	Mr. Akhilesh Kumar Maheshwari is approx 49 years old and having 28 years of rich experience in finance, project finance, banking, fund raising, accounts, taxation, corporate matters, company secretarial matters etc. Being a versatile personality, he has vast experience in managing business affairs.
Shareholding in the Company	:	Nil
Other Directorships	:	Gulshan Polyols Limited, Jhabua Power Investments Limited, TKS Developers Limited, Jhabua Power Limited, Korba West Power Company Limited

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

Name	:	Mr. Avinash Razdan Bindra
Qualification	:	Fellow member of Institute of Cost & Works Accountants, MBA (Finance), PGDMM and also Bachelor of Science.
Brief Profile	:	Mr. Avinash Razdan Bindra is approx 47 years old and having more than 22 years of rich experience in budgeting, forecasting, evaluating P&L Account, internal control, cost controlling, management of finance, fund raising for new project and working capital, merger and de-merger etc.
Shareholding in the Company	:	Nil
Other Directorships	:	Nil

HELLA INDIA LIGHTING LIMITED



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

By Order of the Board
For Hella India Lighting Limited

Place: Gurgaon
Date: 12th August 2013

Sd/-
Sarvesh Upadhyay
Company Secretary

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

Item No. 5

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

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

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

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

By Order of the Board
For Hella India Lighting Limited

Place: Gurgaon
Date: 12th August 2013

Sd/-
Sarvesh Upadhyay
Company Secretary



DIRECTORS' REPORT

To,
The Members,

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

FINANCIAL RESULTS

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

(₹ in Lakhs)

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

OPERATIONAL PERFORMANCE

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

DIVIDEND

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

SUBSIDIARIES

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

DIRECTORS

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

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

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

HELLA INDIA LIGHTING LIMITED



DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed. However, with respect to valuation of inventory of finished goods, the Company has followed the general practice i.e. Cost or Net realizable value, whichever is lower.
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March 2013 on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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



AUDITORS & THEIR REPORT

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

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

Auditor's qualification read as under:

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

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

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

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

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

Auditor's Adverse Remark read as under:

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

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

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

Auditor's Adverse Remark read as under:

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

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

The performance of the Company is improving year by year now. Company is investing money for their future projects. Some of these expenses were having direct impact on the cash profits. Thus, the Company could not manage to get cash profit from operating activities in the current financial year. The company is expecting to reap the benefit of its current investment in the future.

FIXED DEPOSITS

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



BUSINESS EXPANSION

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

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

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

NEW WAREHOUSE

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

INDUSTRIAL RELATIONS

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

STATUTORY DISCLOSURES

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

DELISTING OF SECURITIES

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

COMPLIANCE OF CLAUSE-40A OF LISTING AGREEMENT

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

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

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

MAINTENANCE OF COST ACCOUNTING RECORD FOR FINANCIAL YEAR 2011-2012

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