



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	Year Ended	
	Standalone 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.



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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.



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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



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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



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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		

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