



HELLA INDIA LIGHTING LIMITED

COMMITTED TO  
PRODUCT  
**INNOVATIONS**  
**AND SAFETY**  
**EXCELLENCE**

ANNUAL REPORT 2021-22

# HELLA INDIA LIGHTING LTD.

## SOE & IAM PRODUCT PORTFOLIO

### Projector Lamp Family



### LED Lamp Family



### Auxiliary Lamp Family





Great  
Place  
To  
Work®

India's Great Mid-size  
Workplaces

INDIA

2021

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



India's Great  
Mid-size Workplaces  
Award - 2020



India's Best Leaders  
in Times of Crisis  
Award - 2021



APEA 2021 Award



Company of the Year  
Auto & Auto Component Dare  
to Dreams Award - 2019



FICCI Road Safety  
Awards, 2019



CII Industrial Innovation  
Award - 2017



CSR Leadership Award



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



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



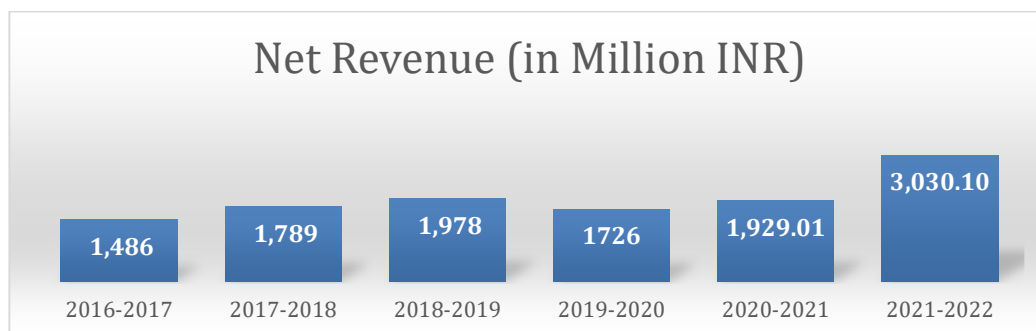
## MD Speech HELLA

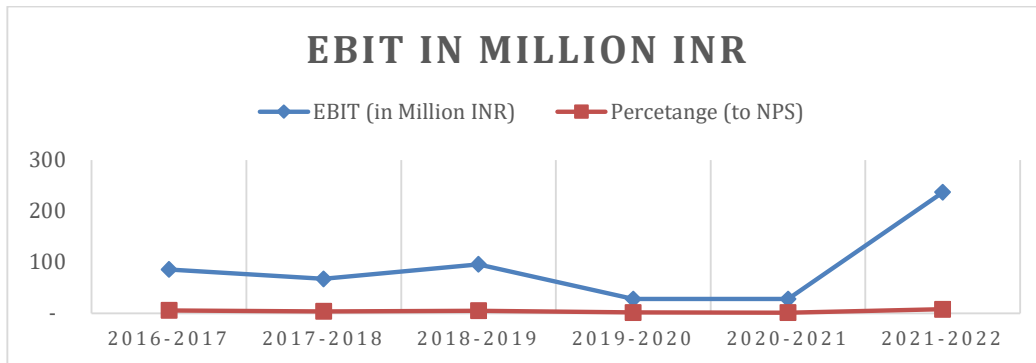


**Dear Shareowners,**

It is time to present the 62nd Annual Report of your company, HELLA India Lighting Limited. The tide has turned. The worst seems to be over, but we will continue to pay attention to emerging public Health issues & adopt appropriate Practices to protect and support all people connected to our ecosystem. We have successfully weathered the storm of the pandemic. I take this opportunity to thank each one of you to have unshakable faith and trust in your company. Hoping you, your family and loved ones are all healthy and happy. I also firmly believe that adverse times have brought us together more, united us more and aligned us more towards a common vision and mission. Thank you all once again.

Buoyed by your support and encouragement, your company continued to stride ahead majestically on the pathways of product portfolio development with dedication and distinction. From introducing new product categories to individual vehicle specific applications & solutions, all happened in this year, resulting into record breaking performance, both on Top Line and Bottom Line.





Your company created the whole digital ecosystem to combat the pandemic and post pandemic work schedules. Digital Transformation emerged and has become the norm of the day. Productivity of manpower shifted gears gracefully and professionally and the results are there for all to see and appreciate. The strategy of marketing communications too went digital and engaging content has now become a part of HELLA culture. Product videos and product photoshoots all integrated the digital presence of your company. Company's cataloguing and Channel Management portal and application got upgraded and now also support our Customer Relationship Management activities digitally.

Participating in fast growing 2W Electric Vehicle market segment in India, your company entered into this segment in FY 21-22 with more than 5 OEM's launching their models with our LED Front Lighting System. We continued with our Modular Customisation strategy which paid so well in our Commercial Vehicle and Agriculture Segment. First time ever a LED Head Lamp in popular 5.75" size was locally developed and manufacturing at our Derabassi Plant. Year also saw acquisition and successful launch of LED Marker lamps for Global Business to a very promising Global EV OEM's located in USA, with the support of our Hella Sales Company in that country.

To improve Process Capability at our Plant in Derabassi, Soft Water Plant got installed for Moulding area and Pipeline connector blockage issue was eliminated which was causing contamination/sludger in raw water. 1st Time ever Vibration Welding process introduced at HIL. New Arzuffi Metallizer installed which has double the capacity as compared to Leybold Metallizer, Metalizing being our one of the core processes.

In Aftermarket Business Division, A full range of filters and lubricants for 2 wheelers and cars was launched with zest and fervour. Bulb for 2 wheelers, Wave 95 Dia Horn, Aux Lamp Black Magic Series and Commercial Vehicle head Lamp upgrades were also added to the HELLA repertoire. 2 Wheeler Head Lamps range also got added brightly under a progressive expansion. HELLA also explored more dimensions in vehicle specific products. From 2 wheeler spark plug for Motorcycles to Tail lamp for small commercial vehicles, your company has many more vehicle specific products on the anvil.

As soon as the dark clouds of the pandemic blew over and normalcy started coming back, HELLA opened doors to ground marketing activities with full force. Hella Value Partners Meet, Retailers Meet, Mechanics & Electricians Meets, Sales Conference and Regional Expos started to happen with lot of enthusiasm and excitement. HELLA business partners all over the country made these events great occasions to share and strengthen our bonds. The physical interaction has ushered in a new vigour in all of us to explore new horizons together with renewed commitment. The Brand Merchandise/POP basket too got revamped with quality additions.

You all very well know how strongly your company feels about connecting and adding value to the communities linked with the automobile industry. Our Technician Training Project has

added more than 400 trained Auto Service Mechanics to the Indian Aftermarket Industry in last few years. Motorsports is a key avenue where HELLA keeps contributing in many ways to enhance consumer experience of driving and off-roading. One of the many first initiatives your company undertook post pandemic was to connect with the Offroad Community. Recently it organised Nazir Hussain Memorial Drive 2022. The event was very well received and proved to be a great interactive consumer engagement platform where we introduced our Safety Light Bars.

Against all odds your company has managed to stay resilient, thanks to your support. We truly believe that human resource management is a critical function and requires equal and utmost attention. In August 2021, The Great Place To Work Institute, in their special study, recognised our Leadership practices as "India's Best Leaders in Times of Crisis 2021", in the mid-size category. As you already know that last year we continued to be among Top50 Great Place to Work company in India. In an effort to enhance productivity, HELLA has been consistently providing its employees with needed trainings, ensuring their and the company's success simultaneously. HELLA has been able to achieve benchmark in quality performance because of this very approach. Understanding the changing work culture post covid, we implemented the Hybrid working(Mobile working). This was very much appreciated by our employees & it reflected in our employee satisfaction survey.

Your company is a very active, focused responsible citizen. In its quest to ensure Road Safety as our Corporate Social Goal, we organised many knowledge and awareness programs, we don't leave any stone unturned. Seminars to exhibitions, ideas to road safety drives all raised hands and further empowered team HELLA to pursue its vision and mission with intent and drive. One such Industrywide awareness campaign was "Pahal" where online training modules on Road Safety got created and delivered by our execution Partner "Drive Smart, Drive Safe" through CSR funding. As our Vision statement says, "Technology of Tomorrow for the Life of Today on Indian Roads".

Global Think Act Save project started and Energy saved sums up to 356000 KWH/Year and CO2 emission reduced by 252 T/Year. Energy as % of sales reduced from 1.98% to 1.43% in FY 21-22. Mfg. Cost as % of sales reduced from 23% to 19% in FY 21-22.

I would certainly like to take this opportunity to salute the zeal and valor of our entire frontline Corona Warriors not only the Doctors, the hospital staffs, the essential service providers, the police but also our Commercial Drivers, Logistic service providers and Production Workers who kept the supply chain alive during our toughest times of ongoing Pandemic, and also thanks to the state governments and the Govt. of India in their relentless fight against COVID-19.

I firmly believe that we shall overcome this pandemic with all guts and glory till then let's keep up the fight.

Stay safe. Vaccinate yourselves. Remain protected.

Sd/-

Sincerely yours

Ramashankar Pandey

## **INSIDE THIS REPORT**

BOARD OF DIRECTORS

CORPORATE INFORMATION

FINANCIAL HIGHLIGHTS

MANAGING DIRECTOR'S MESSAGE

NOTICE CALLING AGM

DIRECTORS' REPORT & ANNEXURES

INDEPENDENT AUDITORS' REPORT & ANNEXURES

BALANCE SHEET AS AT 31 MARCH, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF CHANGE IN EQUITY AS AT 31 MARCH 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**BOARD OF DIRECTORS**

Mr. Saket Mehra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non – Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

Mr. Christoph Boris Söhnchen  
Non-Executive Director

Mr. Stefan Van Dalen  
Additional Director – Non-Executive

**EXECUTIVE OFFICERS**

Mr. Amit Bhardwaj  
Chief Financial Officer

Ms. Aakritee Khanna  
Company Secretary

**AUDIT COMMITTEE**

Mr. Saket Mehra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non - Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

**SHARE TRANSFER COMMITTEE**

Mr. Tarun Gulati  
Non - Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Mr. Saket Mehra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non- Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

Mr. Christoph Boris Söhnchen  
Non-Executive Director

Mr. Stefan Van Dalen  
Additional Director – Non-Executive

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Saket Mehra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non – Executive Independent Director

Mr. Rama Shankar Pandey  
Managing Director

Mr. Christoph Boris Söhnchen  
Non-Executive Director

Mr. Stefan Van Dalen  
Additional Director – Non-Executive

**NOMINATION & REMUNERATION COMMITTEE**

Mr. Saket Mehra  
Non – Executive Independent Director

Mr. Tarun Gulati  
Non - Executive Independent Director

Mr. Christoph Söhnchen  
Non-Executive Director

Mr. Stefan Van Dalen  
Additional Director – Non-Executive

---



## **CORPORATE INFORMATION**

### **STATUTORY AUDITORS**

M/s S.N. Dhawan & Co LLP  
Chartered Accountants,  
2nd floor, 51-52, Sector 18,  
Udyog Vihar Phase-IV,  
Gurugram, Haryana 122016, India

### **INTERNAL AUDITOR**

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, 2<sup>nd</sup> Floor,  
Naraina Industrial Area,  
Phase – 1, New Delhi - 110028

### **REGISTERED OFFICE**

K-61B, LGF, Kalkaji, New Delhi – 110019.  
**T** (+91) 124 4425700  
**CIN** U74899DL1959PLC003126  
**W** [www.hella.com](http://www.hella.com)

### **CORPORATE OFFICE**

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

### **BANKERS**

Deutsche Bank  
State Bank of India  
Canara Bank  
HSBC Bank

### **WORKS**

#### **MANUFACTURING UNIT – I**

Ambala Chandigarh Highway, Derabassi - 140507

#### **MANUFACTURING & TRADING WAREHOUSE**

- Shri Mookambika Enterprises, No 16, Thattankulam Road, Madhavaram, Chennai, Tamil Nadu
- Khasra Number 2914, Kataria Industrial Complex, Daultabad Road, Near Symphony Prints, Gurugram, Haryana – 122001

## NOTICE

NOTICE is hereby given that the **62<sup>nd</sup> Annual General Meeting** of the members of Hella India Lighting Limited ('the Company') is scheduled to be held on Friday, the 23rd day of September 2022, at 03:00 p.m Indian Standard Time (IST) through Video Conferencing / Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mr. Christoph Boris Söhnchen (DIN 09021769), who retires by rotation and being eligible, offers himself for re-appointment as a director.

### SPECIAL BUSINESS:

3. To consider and approve the appointment of Mr. Stefan Van Dalen as Director (Non-Executive) of the Company

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152, 161 of the Companies Act 2013, read with the applicable provisions of Articles of Association of the Company and any other provisions of the Companies Act 2013, read with applicable Rules, as may be applicable for the time being in force, Mr. Stefan Van Dalen (DIN: 0009675112), who was appointed as Additional Director (Non-Executive) of the Company by the Board of Directors with effect from 15th July 2022 and who holds office upto the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director (Non-Executive) of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Rama Shankar Pandey – Managing Director, Mr. Amit Bhardwaj, Chief Financial Officer of the Company and Ms. Aakritee Khanna – Company Secretary of the Company, be and are hereby severally authorized to take all necessary steps including but not limited to filing of requisite forms, and other documents etc. with the Registrar of Companies, NCT of Delhi and Haryana, and to do all such acts, deeds and things as may be necessary in this regard."

4. To consider and ratify remuneration of Cost Auditor payable for the financial year 2022-23:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Ashish & Associates, Cost Accountant (Firm Registration No. 103521) who has been appointed as a Cost Auditor of the Company by the Board of Directors to conduct the audit of cost records and statements to be maintained by the Company for the financial year ending 31st March, 2023, be paid remuneration of Rs. 67,000/- (Rupees Sixty-Seven thousand only) per annum, plus applicable taxes and such out of pocket expenses (if any) , as are pre-approved by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT Mr. Rama Shankar Pandey – Managing Director and Mr. Amit Bhardwaj, Chief Financial Officer of the Company and Ms. Aakritee Khanna – Company Secretary of the

Company, be and are hereby authorized severally to take all necessary steps including sending intimation to the said cost auditors, filing of requisite forms, and other documents etc. with the Registrar of Companies, NCT of Delhi and Haryana, for the appointment of Cost Auditor and to do all such acts, deeds and things as may be necessary in this regard.”

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

Place: Gurugram  
Dated: 26<sup>th</sup> August, 2022

Sd/-  
Aakritee Khanna  
Company Secretary  
Membership No : A48297  
6<sup>th</sup> Floor, Plot No 184, Platinum Tower,  
Udyog Vihar, Phase -1, Gurugram,  
Haryana - 122016

**Registered Office:**

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

**Note(s):**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, is annexed herewith and forms part of this Notice.
2. In view of the COVID-19 pandemic, Ministry of Corporate Affairs has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 05, 2022 (collectively referred to as “MCA Circulars”) has permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without physical presence of the Members at a common venue.
3. In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) read with the MCA Circular, the Annual General Meeting of the Company is being conducted through VC/OAVM (hereinafter referred to as “e-AGM”). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/ Clarification note dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the e-AGM.
4. In terms of the MCA circulars, since the physical attendance of members has been dispensed with, the facility of appointment of proxies by Members will not be available. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. In accordance with the prescribed circulars of MCA, The Notice of the e-AGM along with the Annual Report for the financial year ended on March 31, 2022, are being sent only through electronic mode to members whose e-mail address is registered with the Company or with the Depository Participant(s) and shall also be made available at the website of the Company, i.e. www.hella.co.in. Members attending the AGM through VC/OAVM shall be counted for the purpose of quorum, pursuant to the provisions of Section 103 of the Companies Act, 2013.
6. The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 and 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.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2022 to 23th September, 2022 (both days inclusive).

8. 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), Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 or at their e-mail id: [jyoti.singh@linkintime.co.in](mailto:jyoti.singh@linkintime.co.in).
9. As the AGM is being conducted through VC, for the smooth conduct of proceedings of the e-AGM, members are encouraged to express their views/send their queries related to Annual Report or any other matter concerning the Company in advance on the email id [jyoti.singh@linkintime.co.in](mailto:jyoti.singh@linkintime.co.in), from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card. Questions that will be received by the Company by Monday (Day), 19<sup>th</sup> September 2022(Date) upto 5:00 p.m. (Time) IST shall only be considered and responded during the e-AGM
10. Members who would like to express their views or ask questions during the e-AGM may register themselves as a speaker by sending a request in advance on the email id [jyoti.singh@linkintime.co.in](mailto:jyoti.singh@linkintime.co.in), from their registered email address mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card by Monday(Day) ,19<sup>th</sup> September 2022 (Date) upto 5:00 p.m. (Time) IST. Please note that only those shareholders who have registered themselves as a speaker in advance will only be allowed to express their views/ask questions during the meeting
11. The Company reserves the right to restrict the number of questions/queries/clarifications to be addressed at the e-AGM and restrict the number of speakers, as appropriate, for smooth conduct of the e-AGM.
12. 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.

#### **PROCEDURE FOR JOINING THE E-AGM THROUGH VIDEO CONFERENCING:**

1. 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 62nd Annual General Meeting of the members of the company, to be held on Friday, September 23, 2022, at 3.00 P.M.
2. 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 20th September 2022	Upto 5:00 P.M. on 22 <sup>nd</sup> September 2022

3. The members, who would like to avail e-voting facility, would follow below instructions: -
4. The instructions for shareholders voting electronically are as under:
  - a) The voting period begins on 20<sup>th</sup> September 2022 at 9:00 AM and ends on 22<sup>nd</sup> September 2022 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 16<sup>th</sup> September, 2022, 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.**

## PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

- b) Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only.
  - c) Login method for Individual shareholders holding securities in demat mode with CDSL is given below:
    - Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
    - After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.
    - If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- CDSL Easi / Easiest Login Page



e:

CDSL Easi / Easiest Inbox Page: Evoting Service Provider Links



Shareholders re-directed to InstaVote Inbox Page:





<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>
---	--

Helpdesk for Individual Shareholders holding securities in demat mode with CDSL:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43

Login method for **Individual shareholders holding securities in demat mode with NSDL** is given below:

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com>
- Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.
- After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS "Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

**NSDL IDeAS Login Page::**



**Shareholders re-directed to InstaVote Inbox Page:**



<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>
---	--

#### **Helpdesk for Individual Shareholders holding securities in demat mode with NSDL:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

#### **For Individual shareholders holding securities in physical mode**

<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> </ol> <p>► Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -</p> <p>User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.  PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p>
--	---

	<p>DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p> <p>Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <p>► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>► Click "confirm" (Your password is now generated).</p> <p>2. Click on 'Login' under 'SHARE HOLDER' tab.</p> <p>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, 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.</p>
--	---

Helpdesk for Individual Shareholders holding securities in demat mode:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

## 5. Other Instructions

The Remote e-voting period commences on 20<sup>th</sup> September, 2022 at 9.00 A.M. and ends on 22<sup>nd</sup> September, 2022 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 16<sup>th</sup> September 2022, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

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, 16<sup>th</sup> September, 2022.

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 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 at [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 shall also be available on the website of the Company at [www.hella.co.in](http://www.hella.co.in).

#### **Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

#### **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id i.e. id [jyoti.singh@linkintime.co.in](mailto:jyoti.singh@linkintime.co.in)
2. for the general meeting.
3. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
4. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
5. Other shareholders may ask questions to the panelist, via active chat-bot during the meeting.



6. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. 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'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

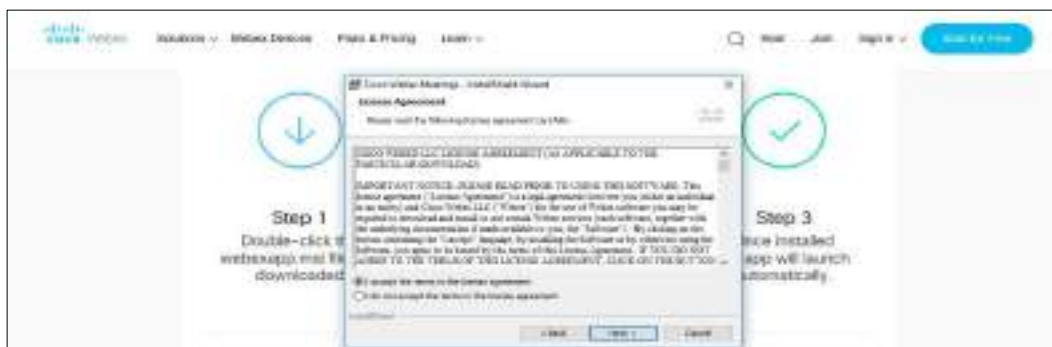
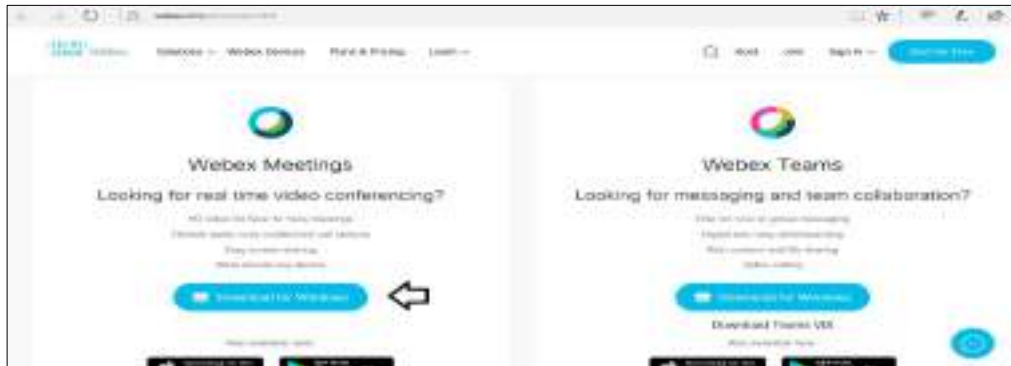
**InstaMeet Support Desk**  
**Link Intime India Private Limited**

**Annexure**

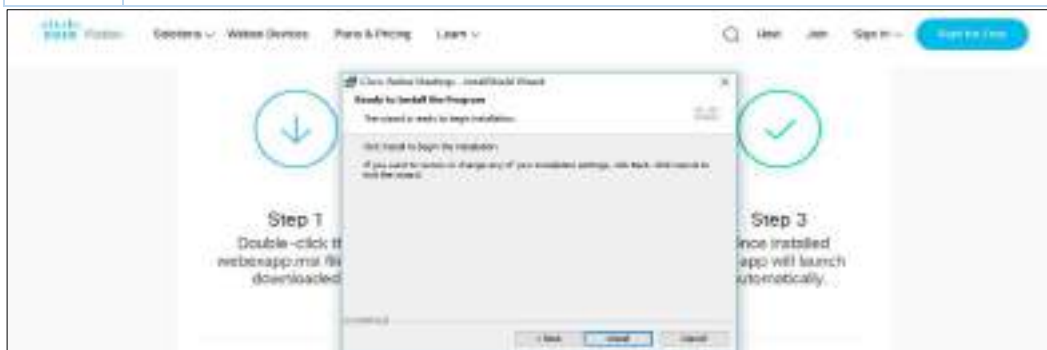
**Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html>



<b>Step 1</b>	<b>Enter your First Name, Last Name and Email ID and click on Join Now.</b>
<b>1 (A)</b>	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
<b>1 (B)</b>	<p>If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u>.</p> <p>Click on <u>Run a temporary application</u>, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now</p>



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



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

Place: Gurugram  
Dated: 26<sup>th</sup> August, 2022

**Registered Office:**  
K-61B, LGF, Kalkaji, New Delhi – 110019.  
T (+91) 124 4658600  
CIN U74899DL1959PLC003126

Sd/-  
Aakritee Khanna  
Company Secretary  
Membership No : A48297  
6<sup>th</sup> Floor, Plot No 184, Platinum Tower,  
Udyog Vihar, Phase -1, Gurugram,  
Haryana - 122016

## **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 details relating to the Special Business mentioned under Item No. 3 & 4 of the accompanying Notice:

### **Item No. 3**

Pursuant to the provisions of Section 161 of the Companies Act, along with applicable/relevant rules, Mr. Stefan Van Dalen was appointed as an Additional Director w.e.f. 15th July 2022 by the Board of Directors of the Company upon recommendation of the Nomination and Remuneration Committee of the Company and Mr. Stefan Van Dalen holds the office as Additional Director, upto the conclusion of this Annual General Meeting.

Mr. Stefan Van Dalen is well educated and possesses vast experience in Automobile industry. Accordingly, your Board of Directors considers that it would be in the interest of the Company to appoint him as Director (Non-Executive) of the Company.

Brief particulars of Mr. Stefan Van Dalen are given below:

Name	:	Mr. Stefan Van Dalen
Brief Profile	:	Mr. Stefan Van Dalen is having decades of rich experience in the Automotive sector, including his current tenure in HELLA Group. Over the last several years of his tenure with the Hella Group, he has immensely contributed to the growth and success of the Hella Group, including the Independent Aftermarket (IAM) Business Division of Hella.
Shareholding in the Company	:	Nil
Other Directorships	:	Nil

The Board recommends the Resolution as set out under business item no. 3 in the notice of this meeting for approval of the Members by means of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Stefan Van Dalen, who is an appointee is/are concerned or interested, financially or otherwise, in the said resolution.

### **ITEM NO. 4**

The Board of Directors have approved the appointment of M/s Ashish & Associates., Cost Accountant (Firm Registration No. 103521) as the Cost Auditor of the Company, to conduct the audit of Cost records and statements of the Company, for the financial year ending 31st March, 2023, at a remuneration of Rs. 67,000/- (Rupees Sixty-Seven thousand only) per annum plus applicable taxes and such out of pocket expenses (if any), as are pre-approved by the Board of Directors of the Company from time to time.

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.

The Board recommends the Resolution as set out under business item no. 4 in the notice of this meeting for the approval of the Members as an Ordinary Resolution

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or

interested, financially or otherwise, in the proposed resolution

HELLA India Lighting Limited

Place: Gurugram  
Dated: 26<sup>th</sup> August, 2022

Sd/-  
Aakritee Khanna  
Company Secretary  
Membership No : A48297  
6<sup>th</sup> Floor, Plot No 184, Platinum Tower,  
Udyog Vihar, Phase -1, Gurugram,  
Haryana - 122016

**Registered Office:**  
K-61B, LGF, Kalkaji, New Delhi – 110019.  
**T** (+91) 124 4658600  
**CIN** U74899DL1959PLC003126  
[www.hella.com](http://www.hella.com)



## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 62<sup>nd</sup> Directors' Report of **Hella India Lighting Limited ('the "Company"')** on the business and operations of the Company, along with the audited financial statements of accounts for the financial year ended 31<sup>st</sup> March, 2022 ('**financial year under review**').

### 1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2022 is summarized below:

*(All amounts are in Lakh Indian Rupees)*

Particulars	For the Year Ended	
	31 March, 2022	31 March, 2021
Revenue from Operations	30,300.99	19,290.07
Other Income	262.64	301.63
<b>Total Income</b>	<b>30,563.63</b>	<b>19,591.70</b>
<b>Total Expenses</b>	<b>28,195.88</b>	<b>19,313.07</b>
<b>Profit Before Finance Costs and Depreciation &amp; Amortization &amp; Tax</b>	<b>3,823.49</b>	<b>1,519.05</b>
Finance Costs	425.00	390.83
Depreciation and amortisation expense	1,030.74	849.59
<b>Profit Before Tax</b>	<b>2,367.75</b>	<b>278.63</b>
Net Current Tax expenses	739.07	306.45
Prior year tax expenses	(44.81)	-
Deferred Taxes	(24.46)	(30.96 )
<b>Net tax expenses</b>	<b>669.80</b>	<b>275.49</b>
Profit /Loss After Tax	1,697.75	3.14
<b>Total other comprehensive income/loss</b>	<b>(4.25)</b>	<b>( 12.97)</b>
<b>Total comprehensive income/loss</b>	<b>1,693.70</b>	<b>(9.83)</b>
Earning per share (face value Rs 10 each)		
Basic and diluted earning per share (Rs.)	53.54	0.10

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

The financial year 2021-22 was a considerably better year for the Company compared to FY 2020-21, which was a much more challenging year, primarily due to the impact of COVID-19 world-wide, including India. The Company had a significant amount of increase in its **Revenue from Operations**, which grew from INR 19,29,007,000/- to **INR 30,30,099,000/-**. The **Expenses** of the Company were increased to **INR 28,19,588,000/-** from INR 19,31,307,000/-, in the previous year, owing to increase in cost of

Raw material and components, Employee Benefit expenses, Finance Costs (including interest on borrowings) etc. Your Company still managed to have **Profit Before Tax of INR 2,36,775,000/-, which was higher than that of the previous year, i.e. INR 27,863,000/-**. However, post consideration of Net Current Tax expenses, Prior year tax expenses & Deferred Taxes, which increased from INR 27,549,000 to INR 66,980,000/-, your Company had a **profit after tax of INR 1,69,775,000/-, compared to a Profit After Tax of 314,000/-, in the previous financial year**. After considering the other comprehensive (loss) of INR 425,000, Total **comprehensive income stands at INR 1,69,370,000**. The Basic and diluted Earning per share (for equity share having face value of Rs. 10 each) stands at INR 53.54, as on 31<sup>st</sup> March, 2022, compared to INR 0.10, as on 31<sup>st</sup> March, 2021.

Your Company further continues to retain its customers, and at the same time is continuing to build 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., and believes that 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

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, i.e. 31 March, 2022 and the date of this report.

### 5. DIVIDEND

Your Company had a total comprehensive income, post tax of INR 1,69,370,000 during the current financial year. Your Board of Directors have however considered it prudent to retain its profits into the business, in view of proposed capex and working capital requirements for future growth prospects. Accordingly, your directors have decided not to recommend any dividend for the year under review.

### 6. TRANSFER TO GENERAL RESERVES

In view of the total comprehensive income, post tax of INR 1,69,370,000 during the current financial year, your Company has not transferred any amount(s) to the General Reserves of the Company, during the current financial year.

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

Management's Discussion and Analysis and Corporate Governance Report are not applicable for your Company.

### 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.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2022, 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, 2022 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.

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

Mr. Tarun Gulati was appointed for a term of 5 year as Independent Director of the Company with effect from the conclusion of the 61<sup>st</sup> AGM dated 30<sup>th</sup> September, 2021, till the conclusion of 66<sup>th</sup> Annual General meeting (AGM).

During the year, Mr. Saket Mehra was appointed as Independent Director of the Company in the 2<sup>nd</sup> Extra Ordinary General Meeting, w.e.f. 21<sup>st</sup> December 2021, for a term of 5 years.

Further, during the year, Mr. Stefan Van Dalen was appointed as Additional Director of the Company, w.e.f 15<sup>th</sup> July 2022, pursuant to Section 161 of the Companies Act, 2013. Mr. Stefan Van Dalen is proposed to be appointed/regularised as Director of the Company, in the ensuing 62<sup>nd</sup> AGM.

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

## 11. NUMBER OF MEETINGS OF THE BOARD & COMMITTEE MEETING

The Board met four times during the financial year, the details of which are given below and the intervening gap between any two meetings were within the period prescribed under the Companies Act, 2013.

### A. Board Meetings

The Board met four times in financial year 2021-22, on 21.05.2021, 27.08.2021, 26.11.2021 and 25.05.2022. 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 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Rama Shankar Pandey	Managing Director	4	4
Mr. Christoph Boris Sohnchen	Non-Executive Director	4	4
Mr. Avinash Razdan Bindra <sup>1</sup>	Independent Director	2	2
Mr. Tarun Gulati	Independent Director	4	4
Mr. Saket Mehra <sup>2</sup>	Independent Director	1	1

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.

## B. 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. Currently the Board has Five Committees, which are enumerated as below:-

### a) Audit Committee

The Audit Committee met two times in financial year 2021-22 viz on 21.05.2021 and 27.08.2021. 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 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Rama Shankar Pandey	Managing Director	2	2
Mr. Avinash Razdan Bindra <sup>1</sup>	Independent Director	2	2
Mr. Tarun Gulati	Independent Director	2	2
Mr. Saket Mehra <sup>3</sup>	Independent Director	0	0

<sup>1</sup> Mr. Avinash Razdan Bindra has vacated his office as Independent Director w.e.f. 30-09-2021.

<sup>2</sup> Mr. Saket Mehra has been appointed as Independent Director w.e.f. 21.12.2021

<sup>3</sup> Mr. Saket Mehra has been appointed as member of Audit Committee, CSR Committee, Nomination & Remuneration Committee & Stakeholder's Relationship Committee w.e.f. 25-03-2022.

## b) Stakeholders Relationship Committee

There was no Stakeholder Relationship Committee Meetings held during the Financial Year 2021-22.

Name	Category	Number of Meetings held during the year 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Rama Shankar Pandey	Managing Director	0	0
Mr. Avinash Razdan Bindra <sup>1</sup>	Independent Director	0	0
Mr. Tarun Gulati	Independent Director	0	0
Mr. Saket Mehra <sup>3</sup>	Independent Director	0	0
Mr. Christoph Boris Sohnchen <sup>4</sup>	Non-Executive Director	0	0

## c) Share Transfer Committee

There were no Share Transfer Committee Meetings held during the Financial Year 2021-22.

Name	Category	Number of Meetings held during the year 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Rama Shankar Pandey	Managing Director	0	0
Mr. Avinash Razdan Bindra	Independent Director	0	0
Mr. Tarun Gulati	Independent Director	0	0

<sup>4</sup> Mr. Christoph Boris Sohnchen has been appointed as member w.e.f. 25-03-2022.



## d) Nomination and Remuneration Committee

The Nomination and Remuneration Committee met three times in financial year 2021-22, on 27.08.2021, 26.11.2021 and 25.03.2022. 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 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Christoph Boris Sohnchen <sup>5</sup>	Non-Executive Director	2	2
Mr. Avinash Razdan Bindra <sup>1</sup>	Independent Director	1	1
Mr. Tarun Gulati	Independent Director	3	3
Mr. Saket Mehra <sup>3</sup>	Independent Director	0	0

## e) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee met three times in financial year 2021-22, on 21.05.2021, 27.08.2021 and 25.03.2022. 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 2021-22	
		Held [during the Director's Tenure]	Attended
Mr. Rama Shankar Pandey	Managing Director	3	3
Mr. Avinash Razdan Bindra <sup>1</sup>	Independent Director	2	2
Mr. Tarun Gulati	Independent Director	3	3
Mr. Saket Mehra <sup>3</sup>	Independent Director	0	0
Mr. Christoph Boris Sohnchen <sup>4</sup>	Non-Executive Director	0	0

## 12. 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. During the year under review, there have been no materially significant related party transactions between the Company and Directors, management, subsidiaries or relatives, as defined under section 188 (1) of the Act. Suitable disclosures as

<sup>5</sup> Mr. Christoph Boris Sohnchen had appointed as member w.e.f. 26.11.2021

required under relevant accounting standard have been made in Note - 4.35 of the Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022.

There are no transactions that are required to be reported in Form AOC-2; hence such does not form part of this report.

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure – 1** of this Report in the format as prescribed in the Companies (CSR Policy) Rules, 2014. The Composition of the CSR Committee, CSR Policy and Projects approved by the Board are available on the Company's Website i.e. [www.hella.co.in](http://www.hella.co.in).

### **14. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirm that the Company has devised proper systems to ensure compliance with the provisions of the applicable Secretarial Standards (SS-1 and SS-2) relating to 'Meetings of Board of Directors' and 'General Meetings' respectively.

### **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. APPOINTMENT OF STATUTORY AUDITORS AND AUDITORS' REPORT/EXPLANATIONS AND/OR COMMENTS BY THE BOARD; APPOINTMENT OF COST AUDITORS**

### **A. Appointment of Statutory Auditors**

The members are hereby informed that M/s S.N. Dhawan & CO LLP (Firm Registration no. 000050N/N500045) was appointed as Statutory Auditor for the first term of 5 (five) consecutive years from the conclusion of the 61st Annual General Meeting (AGM) dated 30<sup>th</sup> September, 2021, till the conclusion of the 66th AGM of the Company.

#### **Statutory Auditors' Report & Board's Comments:**

The INDEPENDENT AUDITOR'S REPORT dated August 26, 2022 (including ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT, i.e. Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013) & ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section) on the Financial Statements of the Company for the year ending 31st March, 2022, as issued by M/s S.N. Dhawan & CO LLP, Chartered Accountants, Statutory Auditor of the Company are self-explanatory and thus do not require any further comments/remarks by the Board of Directors.

It is also pertinent to note that there are no qualifications, observations or comments on financial transactions or matters (which have any adverse effect on the functioning of the Company) made by the statutory auditor in their Report (including the ANNEXURES, i.e. ANNEXURE "A" & ANNEXURE "B").

### **B. Cost Auditors**

The Company had appointed M/s SARK & Co., Cost Accountants in its Board Meeting held on 27<sup>th</sup> August 2021 for the audit of cost records under 'Electricals or electronic machinery and Other machinery and Mechanical Appliances' for financial year 2021-22- 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 2021-22 shall be forwarded to the Central Government as required under law.

The maintenance of cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are made and maintained by the Company.

### **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. Pramod Jain, Internal Auditor, a Chartered Accountant by profession, has carried out the Internal Audit and submitted his report on Quarterly basis to the Company.

In the Board meeting held on 13<sup>th</sup> June, 2017, Mr. Pramod Jain was appointed as Internal Auditor & his appointment has been agreed to be on a continual basis, unless terminated by the Board of Directors of the Company.

## **20. COMMITTEES OF THE BOARD**

During the year under review and in accordance with the Companies Act, 2013, 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.

## **21. COMPANY POLICY(S)**

Your Company has a well-defined Nomination and Remuneration Policy, Corporate Social Responsibility (CSR) Policy, which is placed at its web-portal/link, [www.hella.co.in](http://www.hella.co.in) → Investors → Policies and Information Related to Directors

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

During the year under review, your Company has not given any loan or guarantees or provided securities or made investment to/in any other body corporates or persons falling under the provision of Section 186 of the Act.

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

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure III** to this Report and forms an integral part of this report.

## **24. ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at [www.hella.co.in](http://www.hella.co.in). By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

## **25. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.

2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme or provision of money in accordance with any scheme approved by company through special resolution for the purchase of fully paid-up shares in the company held by trustees for the benefit of the employees of the company or such shares held by the employees of the company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. During the financial year under review, there was no change in Share Capital of the Company.
6. In accordance with section 67(3) of the Companies Act 2013, there is no disclosure in respect of voting rights not exercised directly by the employees.
7. There are no proceedings initiated/ pending against your company under the Insolvency and Bankruptcy Code, 2016.
8. There was no one-time settlement and valuation required in respect of any loan / finance facility availed from any Bank(s) or Financial Institution(s).

## **26. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has duly set up an Internal Committee (IC) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment at all of its locations and adopted a policy on prevention of sexual harassment at workplace.

The Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is committed to promote a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22.

No of complaints received	:	Nil
No of complaints disposed off	:	Nil

## **27. 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 members of the committee are as follows:

As on 31st March 2022:

S. No.	Name of Director	Designation in Nomination & Remuneration Committee
1	Mr. Saket Mehra	Member
2	Mr. Tarun Gulati	Member
3	Mr. Christoph Sohnchen	Member

[www.hella.co.in](http://www.hella.co.in) → Investors → Policies and Information Related to Directors

## 28. 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/-

**Rama Shankar Pandey**  
Managing director  
DIN- 02848326

Sd/-

**Christoph Boris Sohnchen**  
Non-Executive Director  
DIN- 09021769

**Place: Gurugram**

**Dated: 26<sup>th</sup> August, 2022**

### Registered Office:

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

T (+91) 124 4658600

CIN - U74899DL1959PLC003126

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

**ANNEXURE I****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22**

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

**1. Brief outline on CSR Policy of the Company.**

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.

The Company has adopted the CSR policy which is in compliance with Schedule VII read with Section 135 of the Companies Act, 2013.

**2. Composition of the CSR Committee**

<b>S. No.</b>	<b>Name</b>	<b>Designation/Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1.	Mr. Rama Shankar Pandey	Managing Director	3	3
2.	Mr. Avinash Razdan Bindra <sup>6</sup>	Independent Director	2	2
3.	Mr. Saket Mehra <sup>7</sup>	Independent Director	-	-
4.	Mr. Christoph Sohnchen <sup>8</sup>	Non-Executive Director	-	-
5.	Mr. Tarun Gulati	Independent Director	3	3

<sup>6</sup> Mr. Avinash Razdan Bindra has vacated office as Director & member of CSR Committee w.e.f. 30-09-2021.

<sup>7</sup> Mr. Saket Mehra has been appointed as member of CSR Committee w.e.f. 25-03-2022.

<sup>8</sup> Mr. Christoph Boris Sohnchen has been appointed as CSR Committee member w.e.f. 25-03-2022.



3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

[www.hella.co.in](http://www.hella.co.in) → Investors → Corporate Social Responsibility Policy

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy), Rules 2014, if applicable (attach the report) : Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule(3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
	TOTAL		

6. Average net profit of the company as per section 135(5) : INR 42,576,277

7. (a) Two per cent of average net profit of the company as per section 135(5): INR 8,51,526/-

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : Nil

(c ) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): INR 8,51,526/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent( in Rs.)				
	Total Amount Transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
13,00,000	Nil	Nil	Nil	Nil	Nil



**(C ) Details of CSR Amount spent against other than ongoing projects for the financial year: Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area ( Yes/No)	Location of the Project		Amount Spent for the project (in Rs.)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation – through implementing Agency	
				State	District			Name	CSR Registration Number
1.	Nil								
2.									
3.									
<b>TOTAL</b>									

**(d) Amount spent in Administrative Overheads : NIL**

**(e ) Amount spent on Impact Assessment, if applicable : NIL**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : NIL**

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two per cent of average net profit of the company as per section 135(5)	8,51,526
(ii)	Total amount spent for the Financial Year	13,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,48,474
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,48,474

**1. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable**

Sl. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be sent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1	Nil						
2							
3							
	<b>TOTAL</b>						

**(b) Details of CSR amount Spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No.	Project ID	Name of the Project	Financial Year in which the	Project Duration	Total amount allocated for the	Amount Spent on the project in the	Cumulative amount spent at the end of reporting	Status of the project Completed/ Ongoing

			project was commenced		project (in Rs.)	reporting Financial Year (in Rs.)	Financial Year (in Rs.)	
1.								
2.								
3.								
	TOTAL							

2. In case of creation or acquisition of Capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details) **Not Applicable**

- (a) Date of creation or acquisition of the Capital asset(s). : Nil  
 (b) Amount of CSR spent for creation or acquisition of capital asset. : Nil  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil  
 (d) Provide details of the Capital asset(s) created or acquired (including complete address and location of the capital asset). : Nil

3. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

<p>Sd/-</p> <p>Rama Shankar Pandey</p> <p>Managing Director</p>	<p>Sd/-</p> <p>Tarun Gulati</p> <p>(Chairman CSR Committee)</p>	<p>(Person specified under clause (d) of sub-section (1) of section 380 of the Act)</p> <p>(wherever applicable)</p>
---	---	--

**ANNEXURE II****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, 2022.

<b>A. CONSERVATION OF ENERGY</b>	
i) the steps taken or impact on conservation of energy.	<ol style="list-style-type: none"> <li>1) 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.</li> <li>2) HVAC running on 26 degree, instead of 24 for energy saving, "Saved HVAC energy cost by covering the HVAC area to avoid the cooling losses.</li> <li>3) Speed of Rapid rolling door is increased from 30 Sec to 13 Sec to reduce the heat loss during opening of doors.</li> <li>4) Replace fixed speed induction motor with servo motors in IMM to reduce the energy consumption.</li> <li>5) Installation of Artic master device to all Water chillers to reduce the energy consumption.</li> <li>6) Automatic air leak detector to detect any air leakage in the plant to reduce the wastage of Compressed air.</li> </ol>
ii) the steps taken by the Company for utilizing alternate sources of energy.	Installation of roof top 302KW solar plant and running in production since Oct-2020. 682925 KWH generated till July'22
iii) the capital investment on energy conservation equipments;	Invested 37 lakh on Artic Master, Servo motors, automatic air leak detector to save annually 50000KWH unit.

**B. TECHNOLOGY ABSORPTION**

i) the efforts made towards technology absorption;	<ol style="list-style-type: none"> <li>a) Standalone Dehumidifier installed with high running molding machine to use during the weekend for urgent production.</li> <li>b) Paint robot installed for BMC area.</li> <li>c) Installed two automatic vertical storage rack for fixtures and plastic material.</li> </ol>
--	--

ii) the benefits derived like product improvement, cost reduction, production development, import substitution;	<ol style="list-style-type: none"> <li>1) Enhancement of experience and knowledge of the people to be used in new projects.</li> <li>2) New Robots installed on machine for production improvement in molding machine</li> <li>3) Below Electrical Panel upgrade inhouse for the production improvement <ol style="list-style-type: none"> <li>a) Abb Rotary Machine Panel</li> <li>b) Eco Work Lamp EOL Machine Panel</li> <li>c) 6040 Machine Panel</li> </ol> </li> </ol>
iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	<ol style="list-style-type: none"> <li>1) Arzuffi Metallizing machine.</li> <li>2) Motoman robot for gluing application.</li> </ol>
a. the details of technology imported;	<ul style="list-style-type: none"> <li>• Arzuffi Metallizing machine- (AM/KW 2DA2 1900/1800 IC MF)</li> <li>• Motoman robot for gluing application- GP 12</li> <li>•</li> </ul>
b. the year of import;	2020-2021
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.	<ol style="list-style-type: none"> <li>1) 6T Vibration Shaker (0-2500 Hz)</li> <li>2) Drop tester ( 75 mm – 2500 mm)</li> <li>3) SAE impact tester as per SAEJ575/FMVSS108 vibration test requirement</li> <li>4) Conducted Emission Test setup as per CISPR25 TEM cell</li> <li>5) Electrical Test setup as per ISO 16750-2</li> </ol>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO***Amount in Lakh Indian Rupees*

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Earnings	8924.58	4992.28
Outgo	1145.77	1005.11

## **INDEPENDENT AUDITORS' REPORT**

**To,  
The Members of  
Hella India Lighting Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Hella India Lighting Limited ("the Company")**, which comprise the Balance sheet as at 31 March 2022, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board/Director's report including annexures to Board/Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other



information, we are required to report that fact. We have nothing to report in this regard as the said report is expected to be made available to us after the date of our report.

### **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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

The Company's financial statements for the year ended 31 March 2021 prepared in accordance with Ind AS were audited by the predecessor auditor whose audit report dated 27 August 2021 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - e. on the basis of written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 B";
- g. in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act;
- h. 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 4.31 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4.41 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 4.30 to the financial statements.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

*For* **S. N. Dhawan & CO LLP**

Chartered Accountants

Firm's Registration No. 000050N/ N500045

**Sd/-**

**Rahul Singhal**

Partner

Membership No. 096570

UDIN: 22096570AQAKWX5459

Place of Signature: Gurugram

Dated: 26 August 2022

**Annexure A to the Independent Auditor's Report of even date of Financial Statements of Hella India Lighting Limited**

**(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner during each year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company as at 31 March 2022 for holding any benami property under the Benami Property Transactions Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable. (Refer note 4.47 of the financial statements)
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies of 10% or more were noticed on verification between the physical stocks and the book records.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions which are secured by way of guarantees given by group companies. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not provided any guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships during the year except that the Company has granted unsecured loans to other parties.
- (a) (A) The company does not have any subsidiary, joint venture or associate. Accordingly, the requirement to report on clause 3(iii)(a)(A) of the Order is not applicable.
- (b) (B) The Company has provided unsecured loans to employees as mentioned below:

(Amount in Rs. lakhs)	
Particulars	Loans
<b>Aggregate amount during the year</b>	
- Others Employees	12.65
<b>Balance outstanding as at balance sheet date</b>	
- Others Employees	8.40

- (c) In our opinion the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not made investments and not provided any guarantee or security or granted any advances in the nature of loans during the year.
- (d) In the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular.
- (e) There is no overdue amount for more than ninety days in respect of loans given.
- (f) Loan or advance in the nature of loan granted falling due during the year has not been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (g) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) In our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) No undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable except as follows:

Name of Statute	Nature of dues	Period to which amount relates	Amount involved and not paid (in INR Lakhs)	Remarks, if any
Haryana VAT Act	Sales tax	2015-16	43.61	-
Customs Act, 1962	Custom duty	2021-22	6.94	-
Labour Welfare Act, 1965	Labour welfare fund	2020-21	0.24	-

Also, we draw attention to note 4.46 to the financial statements which more fully explains the matter regarding non- payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

(c) Statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount involved and not paid (in INR Lakhs)
Punjab VAT Act 2005	Sales Tax	Punjab VAT Tribunal	AY 2012-13	4.39 <sup>1</sup>
Income-tax Act, 1961	Tax deducted at source	CPC-Traces	Various	3.81
Income-tax Act, 1961	Income-tax	ITAT	AY 2010-11	17.40
Income-tax Act, 1961	Income-tax	ITAT	AY 2011-12	262.50
Income-tax Act, 1961	Income-tax	Commissioner of Income-tax (Appeals)	AY 2013-14	10.33
Income-tax Act, 1961	Income-tax	Commissioner of Income-tax (Appeals)	AY 2017-18	650.50 <sup>2</sup>
Income-tax Act, 1961	Income-tax	Commissioner of Income-tax (Appeals)	AY 2018-19	0.98

<sup>1</sup> Net of INR 1.46 lakh paid under protest

<sup>2</sup> Net of INR 223.24 lakh paid under protest

(viii) There are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) The Company does not have any term loan.

- (d) No funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.  
  
(b) During the year and upto the date of this report, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.  
  
(c) No-whistle blower complaint has been received during the year by the Company.
- (xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.  
  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
  
(d) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.



- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities along with details provided in Note 4.51 to the Financial statements which describe the maturity analysis of assets & liabilities, other information accompanying the financial statements, based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For S. N. Dhawan & CO LLP**

Chartered Accountants

Firm's Registration No. 000050N/ N500045

**Sd/-**

**Rahul Singhal**

Partner

Membership No. 096570

UDIN: 22096570AQAKWX5459

Place of Signature: Gurugram

Dated: 26 August 2022

**Annexure B to the Independent Auditor's Report of even date of Financial Statements of Hella India Lighting Limited**

**(Referred to in paragraph 1(f) 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 with reference to financial statements of Hella India Lighting Limited ("the Company") as of 31 March 2022 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 the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the 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 the Company's 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, and to the best of our information and according to the explanations given to us the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. N. Dhawan & CO LLP**

Chartered Accountants

Firm's Registration No. 000050N/ N500045

**Sd/-**

**Rahul Singhal**

Partner

Membership No. 096570

UDIN: 22096570AQAKWX5459

Place of Signature: Gurugram

Dated: 26 August 2022

**HELLA INDIA LIGHTING LIMITED**
**BALANCE SHEET AS AT 31 MARCH 2022**
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment and intangible assets			
(i) Property, plant and equipment	4.01 (a)	5,277.96	4,639.78
(ii) Capital work-in-progress	4.01 (b)	935.37	742.61
(iii) Other intangible assets	4.02 (a)	30.65	25.33
(iv) Right of use assets	4.02 (b)	238.15	91.38
b) Financial assets			
(i) Investments	4.03	-	0.20
(ii) Other financial assets	4.04	100.04	54.57
(c) Deferred tax assets (net)	4.05	189.36	163.26
(d) Non-current tax assets (net)	4.06	389.48	199.49
(e) Other non-current assets	4.07	93.00	422.31
<b>Total non-current assets</b>		<b>7,254.01</b>	<b>6,338.93</b>
<b>Current assets</b>			
a) Inventories	4.08	3,981.99	3,087.62
b) Financial assets			
(i) Trade receivables	4.09	5,481.77	3,960.51
(ii) Cash and bank balance	4.10	352.28	396.72
(iii) Other financial assets	4.11	27.48	46.67
c) Other current assets	4.12	2,320.10	1,570.73
<b>Total current assets</b>		<b>12,163.62</b>	<b>9,062.25</b>
<b>Total Assets</b>		<b>19,417.63</b>	<b>15,401.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	4.13	317.14	317.14
b) Other equity		6,109.43	4,415.73
<b>Total Equity</b>		<b>6,426.57</b>	<b>4,732.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	4.14	1,199.27	2,389.76
(ii) Lease liabilities	4.36	190.92	48.95
b) Provisions	4.15	562.79	443.34
c) Other non-current liabilities	4.16	78.87	62.24
<b>Total non-current liabilities</b>		<b>2,031.85</b>	<b>2,944.29</b>
<b>Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	4.17	3,703.15	625.00
(ii) Lease liabilities	4.36	63.45	61.04
(iii) Trade payables	4.18		
(A) Total outstanding dues of micro and small enterprises		1,422.12	984.42
(B) Total outstanding dues of other than micro and small enterprises		4,592.16	4,866.18
(iv) Other financial liabilities	4.19	592.07	399.05
b) Provisions	4.20	375.54	369.97
c) Other current liabilities	4.21	210.72	418.36
<b>Total current liabilities</b>		<b>10,959.21</b>	<b>7,724.02</b>
<b>Total Equity and Liabilities</b>		<b>19,417.63</b>	<b>15,401.18</b>

See accompanying notes forming part of the financial statements

1 to 4.51

In terms of our report attached

**For S.N.Dhawan & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

For and on behalf of the Board of Directors

**Hella India Lighting Limited**

Sd/-

**Rahul Singhal**

Partner

Membership No. 096570

Sd/-

**Rama Shankar Pandey**

Managing Director

DIN : 02848326

Sd.-

**Christoph Boris Sohnchen**

Director

DIN- 09021769

Sd/-

**Aakritee Khanna**

Company Secretary

ACS : 48297

Sd.-

**Amit Bhardwaj**

Chief Financial Officer

ACA-407431

Place: Gurugram

Date: 26th August 2022

Place: Gurugram

Date: 26th August 2022

**HELLA INDIA LIGHTING LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**  
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
<b>Sales of products</b>			
Revenue from operations	4.22	30,300.99	19,290.07
Other income	4.23	262.64	301.63
<b>Total income</b>		<b>30,563.63</b>	<b>19,591.70</b>
<b>Expenses</b>			
Cost of materials consumed	4.24	16,540.54	10,338.78
Purchase of stock-in-trade (traded goods)		1,984.09	1,028.29
Changes in inventories of finished goods, work-in-progress and traded goods	4.25	(336.20)	(117.67)
Employee benefits expense	4.26	3,288.19	2,467.40
Finance costs	4.27	425.00	390.83
Depreciation and amortisation expenses	4.01 and 4.02	1,030.74	849.59
Impairment losses	4.01	216.70	664.01
Other expenses	4.28	5,046.82	3,691.84
<b>Total expenses</b>		<b>28,195.88</b>	<b>19,313.07</b>
<b>Profit before tax</b>		<b>2,367.75</b>	<b>278.63</b>
<b>Tax expense (net)</b>			
(a) Current tax expense		739.07	306.45
(b) Prior year tax expense		(44.81)	-
(c) Deferred tax (credit)/charge		(24.46)	(30.96)
<b>Total tax expense</b>		<b>669.80</b>	<b>275.49</b>
<b>Profit for the year</b>		<b>1,697.95</b>	<b>3.14</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the post employment defined benefit plans		(5.89)	(17.97)
(b) Income tax relating to items that will not be reclassified to profit or loss		1.64	5.00
<b>Total other comprehensive income</b>		<b>(4.25)</b>	<b>(12.97)</b>
<b>Total comprehensive income</b>		<b>1,693.70</b>	<b>(9.83)</b>
Earning per share (face value Rs 10 each)			
-Basic and diluted earning per share (Rs.)	4.37	53.54	0.10

See accompanying notes forming part of the financial statements 1 to 4.51

In terms of our report attached

**For S.N.Dhawan & CO LLP**  
Chartered Accountants  
Firm Registration No. 000050N/N500045

Sd/-

**Rahul Singhal**  
Partner  
Membership No. 096570

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

Sd/-

**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326

Sd/-

**Christoph Boris Sohnchen**  
Director  
DIN- 09021769

Sd/-

**Aakritee Khanna**  
Company Secretary  
ACS : 48297

Sd/-

**Amit Bhardwaj**  
Chief Financial Officer  
ACA-407431

Place: Gurugram  
Date: 26th August 2022

Place: Gurugram  
Date: 26th August 2022

**HELLA INDIA LIGHTING LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**  
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. CASH FROM OPERATING ACTIVITIES :</b>			
Profit before tax		2,367.75	278.63
<b>Adjustments for:</b>			
Depreciation and amortisation expenses		1,030.74	849.59
Impairment Loss		216.70	664.01
Liabilities and provisions no longer required written back		(56.16)	(1.16)
Interest expense		405.41	375.64
Interest income (on fixed deposits, loans and investments)		(1.59)	(18.40)
Net unrealised foreign exchange gain		1.58	10.62
Profit on sale of fixed assets		(0.10)	(2.60)
Other comprehensive income		(5.89)	(17.97)
Provision for doubtful debts		-	2.30
Interests on lease liability		19.59	15.19
Investments written-off		0.20	-
Advances written-off		1.12	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>3,985.44</b>	<b>2,173.82</b>
<b>Changes in Working Capital :</b>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Decrease/(Increase) in inventories		(894.37)	(831.44)
Decrease/(Increase) in trade receivables		(1,523.78)	(1,013.54)
Decrease/(Increase) in other current assets		(750.59)	(360.54)
Decrease/(Increase) in other non-current financial assets		(43.98)	33.01
Decrease/(Increase) in Other non-current assets		(13.82)	(0.74)
Decrease/(Increase) in Other current financial assets		19.19	(43.31)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Increase/(decrease) in non-current provisions		113.56	31.21
Increase in trade payables		220.78	2,076.85
Increase/(decrease) in current provisions		5.57	(23.21)
Increase/(decrease) in other current liabilities		(153.98)	302.32
<b>CASH GENERATED IN OPERATIONS</b>		<b>964.02</b>	<b>2,344.43</b>
Net income tax paid		(884.25)	(275.62)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>79.77</b>	<b>2,068.81</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>			
Capital expenditure on fixed assets, including capital advances		(1,508.87)	(976.78)
Proceeds from sale of fixed assets		0.10	10.84
Interest received (on fixed deposits, loans and investments)		1.49	18.35
<b>CASH GENERATED/ (USED IN) INVESTING ACTIVITIES</b>		<b>(1,507.28)</b>	<b>(947.59)</b>
Net income tax paid		-	-
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(1,507.28)</b>	<b>(947.59)</b>
<b>C. CASH FROM FINANCING ACTIVITIES</b>			
Repayment of long term borrowings		(625.00)	-
Proceeds from long term borrowings		59.51	-
Proceeds from short term borrowings		2,453.15	(1,054.57)
Payment of lease rental		(102.74)	(121.96)
Interest paid		(401.85)	(308.38)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>1,383.07</b>	<b>(1,484.91)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(44.44)</b>	<b>(363.69)</b>
Cash and cash equivalents at the beginning of the year		396.72	760.41
Cash and cash equivalents at the end of the year (Refer note 4.10)		352.28	396.72
<b>Cash and cash equivalents comprises :</b>			
Cash and cash equivalents			
(a) Cash in hand		-	-
(b) Balances with banks			
(i) In current accounts		143.99	344.99
(ii) In EEFC accounts		208.29	51.73
(iii) In short term fixed deposits		-	-
		<b>352.28</b>	<b>396.72</b>

**Note :**

The Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind AS)-7

In terms of our report attached

**For S.N.Dhawan & CO LLP**  
Chartered Accountants  
Firm Registration No. 0000050N/N-500045

**Sd/-**

**Rahul Singhal**  
Partner  
Membership No. 096570

Place: Gurugram  
Date: 26th August 2022

1 to 4.51

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

**Sd/-**  
**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326

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

Place: Gurugram  
Date: 26th August 2022

**Sd/-**  
**Christoph Boris Sohnen**  
Director  
DIN- 09021769

**Sd/-**  
**Amit Bhardwaj**  
Chief Financial Officer

**HELLA INDIA LIGHTING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

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

**a. Fully paid up equity shares (face value of Rs. 10 each)**

Balance at 1 April 2020

Changes in equity share capital during the year

Balance at 31 March 2021

Changes in equity share capital during the year

Balance at 31 March 2022

No. of shares	Amount
31,71,400	317.14
-	-
31,71,400	317.14
-	-
<b>31,71,400</b>	<b>317.14</b>

**b. Other equity**

Particulars	Reserves and Surplus							Total
	General reserve	Securities premium account	Revaluation reserve	Other comprehensive income	Capital redemption reserve	Retained earnings	Equity component of non-cumulative, non-convertible redeemable preference shares (Refer note 4.14)	
<b>Balance at 01 April 2020</b>	<b>17.56</b>	<b>2,952.49</b>	<b>24.95</b>	<b>(20.61)</b>	<b>1.00</b>	<b>432.36</b>	<b>1,017.80</b>	<b>4,425.56</b>
Profit for the year	-	-	-	-	-	3.14	-	3.14
Other comprehensive income for the year, net of income tax	-	-	-	(12.97)	-	-	-	(12.97)
<b>Balance at 31 March 2021</b>	<b>17.56</b>	<b>2,952.49</b>	<b>24.95</b>	<b>(33.58)</b>	<b>1.00</b>	<b>435.50</b>	<b>1,017.80</b>	<b>4,415.73</b>
Profit for the year	-	-	-	-	-	1,697.95	-	1,697.95
Other comprehensive income for the year, net of income tax	-	-	-	(4.25)	-	-	-	(4.25)
<b>Balance at 31 March 2022</b>	<b>17.56</b>	<b>2,952.49</b>	<b>24.95</b>	<b>(37.83)</b>	<b>1.00</b>	<b>2,133.45</b>	<b>1,017.80</b>	<b>6,109.43</b>

In terms of our report attached

**For S.N.Dhawan & CO LLP**

Chartered Accountants

Firm Registration No. 000050N/N500045

Sd/-

**Rahul Singhal**

Partner

Membership No. 096570

For and on behalf of the Board of Directors

**Hella India Lighting Limited**

Sd/-

**Rama Shankar Pandey**

Managing Director

DIN : 02848326

Sd/-

**Christoph Boris Sohnchen**

Director

DIN- 09021769

Sd/-

**Aakritee Khanna**

Company Secretary

ACS : 48297

**Sd/-**

**Amit Bhardwaj**

Chief Financial Officer

ACA-407431

Place: Gurugram

Date: 26th August 2022

Place: Gurugram

Date: 26th August 2022

## **Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **1. Corporate Information**

Hella India Lighting Limited, ('the Company') was incorporated on 4 September 1959. Its ultimate parent company is Forvia Germany GmbH (Formerly Faurecia Participation GmbH). The registered office of the Company is located at K-61 B, LGF, Kalkaji, New Delhi – 110019. 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 and provide related services.

#### **2 Significant accounting policies**

##### **Statement of compliance**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements for the year ended 31 March 2022 were authorized and approved by the audit committee on 26 August 2022.

#### **3 Basis of accounting and preparation of financial statements**

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1 inputs are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Considering the size of the Company, the financial statements have been prepared in Lakh Indian rupees.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

The principal accounting policies are set out below.



**Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****(i) Use of estimates**

The preparation of financial statements are in conformity with Indian Accounting Standards (Ind AS), requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialise.

**(ii) Revenue recognition**

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Designing and service income is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

Other revenues are recognised on accrual basis.

**(iii) 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 income 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.

**(iv) Property, plant and equipment**

Property, plant and equipment held for use in production or supply of goods and services or for administration purpose are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost is inclusive of freight, duties, taxes and any other directly attributable costs to bring the assets to their working condition for intended use. Freehold land is measured at cost and is not depreciated.

*Depreciation methods: estimated useful lives and residual value*

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Schedule II to the Companies Act 2013, prescribes useful lives for property, plant and equipment. 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.

The technical team members have evaluated the lives after considering the property, plant and equipment lives against the lives prescribed under schedule II basis:

- Expected usage of the asset.
- Expected physical wear and tear

**Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

- Technical and commercial obsolescence
- Understand past practices and general industry experience
- Usage of assets including double and triple shift usage
- Considering nil scrap value

The rates as mentioned below were discussed with the holding company and were approved by technical team in their meeting held on 6th April 2021.

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

<b>Assets</b>	<b>Useful lives</b>
Building	30 Years
Plant and machinery (Injection moulding machine, Metallizer, Drying and Conveying system and other peripheral machines)	8 Years
Plant and equipment (other than above)	8 Years
Plant and equipment (Tools)	5 Years
Plant and equipment (Electric installation)	8 Years
Computers	3 Years
Furniture and fixtures	10 Years
Office equipment	5 Years
Vehicles	5 Years

Any gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to the statement of profit and loss.

The estimated useful life, residual value and depreciation methods are reviewed by the management at the end of each reporting period, with the effect of change in estimate accounted for on prospective 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 of the remaining period of the lease, whichever is shorter.

Assets costing up to Rs.0.05 are fully depreciated in the year of purchase.

**(v) Intangible assets**

Intangible assets are recognized only if acquired and 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 amortization and impairment losses, if any.

**Amortization methods and useful lives**

Intangible assets comprise software. Intangible assets are amortized in the Statement of Profit and 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 software's is being amortized on straight line basis over the useful life of 3 years.

**Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****(vi) Capital work-in-progress**

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

**(vii) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on initial recognition.

**Financial assets**

All regular way purchase or sale of financial assets are accounted for at trade date basis. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle liabilities simultaneously.

**Classification of financial assets:****Financial assets that meet the following conditions are subsequently measured at amortised cost:**

- i) Asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Effective interest method:** The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments other than those financial assets classified as FVTPL. Interest income is recognized in profit and loss and is included in the "Other Income" line item.

**Financial assets at fair value through profit and loss**

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit and loss (FVTPL).

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

## **Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **Financial liabilities and equity instruments**

**Classification as debt or equity:** Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument.

**Equity instruments:** An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### **Compound Financial Instruments:**

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **(viii) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. The cost formula applied for inventories is moving 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 realizable value.

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

#### **(ix) Preference shares**

The Company had issued Non-Cumulative Non-Convertible Redeemable Preference Shares (RPS) in multiple tranches. Each Non-Cumulative Non-Convertible Redeemable Preference Share carry non-cumulative preferential dividend @ 0.0000001% p.a. RPS are redeemable at par at any time after five years but prior to the expiry of twenty years from the date of allotment.

RPS that are treated as financial liability in accordance with the requirements of Ind AS 32, are initially recognised at fair value and subsequently measured at amortised cost using effective interest rate method (EIR).

#### **(x) Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of a qualifying assets are capitalized as a part of the cost the 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.

#### **(xi) Foreign currency transactions and translations**

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 realization/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## Hella India Lighting Limited

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

### Notes to the financial statements for the year ended 31 March 2022

#### (xii) 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 benefit plans:** The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit are recognised in profit and loss.

**Defined contribution plans:** The provident fund is a defined contribution plan; the Company pays fixed contributions to the appropriate government authorities and has no obligation to pay further amounts. Such fixed contributions are recognized in the Statement of Profit and Loss on accrual basis in the financial year to which they relate.

**Other long-term employee benefits:** Benefits under the Company's leave encashment policy constitutes 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 recognized immediately in the Statement of Profit and Loss.

#### (xiii) Goods and Service tax input credit

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

#### (xiv) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognized 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 amortization, if no impairment loss had been recognized.

#### (xv) Leases

The Company's lease asset classes primarily consist of leases for building and vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

**Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs. 3.50 in value). The Company recognizes the lease payments associated with these leases as an expense over the lease term.

**(xvi) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(xvii) Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by aggregate of weighted average number of equity shares and weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares outstanding during the year adjusted for all effects of dilutive potential equity shares. Potential equity shares are treated as dilutive when their conversion to equity shares would decrease net profit per share of the Company.

**(xviii) 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**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 up one year.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support/provision for warranty based on the information available with the Management duly taking into account the current and past technical estimates.

## **Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

**Contingent liability:** A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognized 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 recognized in the period in which the change occurs.

#### **(xix) Taxes on income**

**Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

**Deferred tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Minimum alternate tax:** 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 considered as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

#### **(xx) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting of the Company. The respective Chief Operating Decision Maker (CODM) of segments SOE (Head of SOE Business) and segment IAM (Head of IAM business) are responsible for allocating resources and assessing performance of their operating segment. The Company has monthly review and forecasting procedure in place and Managing Director reviews the operations of the Company as a whole (refer note no. 4.34).

#### **(xxi) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

##### **Significant management judgements and estimates**

The following are significant management judgements and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Hella India Lighting Limited**

(All amounts are in Lakh Indian Rupees, unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation ("DBO")** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

**Evaluation of Revenue recognition under Ind AS 115** - Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The management is of the view that its revenue arrangements are in line with the standard requirements.



**HELLA INDIA LIGHTING LIMITED**
**Notes to financial statements for the year ended 31 March 2022**
*(All amounts are in Lakh Indian Rupees except number of shares)*
**4.01(a) Property, plant and equipment**

Particulars	Freehold land	Factory building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
<b>Year ended 31 March 2021</b>								
<b>Gross carrying amount</b>								
Balance as at 1 April 2020	1.18	1,772.39	4,200.49	137.53	54.77	159.36	102.66	6,428.38
Additions	-	-	1,089.82	3.09	-	5.49	32.58	1,130.98
Disposals	-	-	10.13	-	-	-	-	10.13
<b>Closing gross carrying amount as at 31 March 2021</b>	<b>1.18</b>	<b>1,772.39</b>	<b>5,280.18</b>	<b>140.62</b>	<b>54.77</b>	<b>164.85</b>	<b>135.24</b>	<b>7,549.23</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2020	-	56.00	1,903.51	29.34	21.17	94.05	73.50	2,177.57
Depreciation charged during the year	-	62.33	599.52	17.26	11.42	21.93	21.31	733.77
Impairment Loss	-	-	-	-	-	-	-	-
Disposals	-	-	1.89	-	-	-	-	1.89
<b>Closing accumulated depreciation as at 31 March 2021</b>	<b>-</b>	<b>118.33</b>	<b>2,501.14</b>	<b>46.60</b>	<b>32.59</b>	<b>115.98</b>	<b>94.81</b>	<b>2,909.45</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>1.18</b>	<b>1,654.06</b>	<b>2,779.04</b>	<b>94.02</b>	<b>22.18</b>	<b>48.87</b>	<b>40.43</b>	<b>4,639.78</b>
<b>Year ended 31 March 2022</b>								
<b>Gross carrying amount</b>								
Balance as at 1 April 2021	1.18	1,772.39	5,280.18	140.62	54.77	164.85	135.24	7,549.23
Additions	-	121.99	1,387.53	50.53	11.17	52.06	55.36	1,678.64
Disposals*	-	15.89	4.32	7.97	-	8.86	48.15	85.19
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>1.18</b>	<b>1,878.49</b>	<b>6,663.39</b>	<b>183.18</b>	<b>65.94</b>	<b>208.05</b>	<b>142.45</b>	<b>9,142.68</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2021	-	118.33	2,501.14	46.60	32.59	115.98	94.81	2,909.45
Depreciation charged during the year	-	63.88	784.02	17.49	11.42	27.24	32.72	936.77
Impairment Loss	-	-	103.69	-	-	-	-	103.69
Disposals*	-	15.89	4.32	7.97	-	8.86	48.15	85.19
<b>Closing accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>166.32</b>	<b>3,384.53</b>	<b>56.12</b>	<b>44.01</b>	<b>134.36</b>	<b>79.38</b>	<b>3,864.72</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>1.18</b>	<b>1,712.17</b>	<b>3,278.86</b>	<b>127.06</b>	<b>21.93</b>	<b>73.69</b>	<b>63.07</b>	<b>5,277.96</b>

\*Rs. 85.19 lakhs is adjusted from gross carrying amount and accumulated depreciation to disclose disposals done in previous years.

**4.01 (b) Capital work-in-progress**

	31 March 2022	31 March 2021
Opening balance	742.61	1,886.91
Add : Additions during the year	1,877.43	470.89
Less: Assets capitalised during the year	1,571.66	1,065.67
Less: Assets impaired	113.01	549.52
<b>Closing balance</b>	<b>935.37</b>	<b>742.61</b>

**Capital work in progress ageing schedule-projects in progress**

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 2022	855.01	67.48	12.88	-	935.37
As at March 2021	253.82	251.21	231.25	6.33	742.61

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan

**HELLA INDIA LIGHTING LIMITED**
**Notes to financial statements for the year ended 31 March 2022**
*(All amounts are in Lakh Indian Rupees except number of shares)*
**4.02 (a) Intangible assets**

<b>Particulars</b>	<b>Computer software</b>	<b>Total</b>
<b>Year ended 31 March 2021</b>		
<b>Gross carrying amount</b>		
Balance as at 1 April 2020	30.81	30.81
Additions	27.13	27.13
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2021</b>	<b>57.94</b>	<b>57.94</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2020	21.66	21.66
Depreciation expense charged during the year	10.95	10.95
Impairment loss	-	-
Disposals	-	-
<b>Closing accumulated depreciation as at 31 March 2021</b>	<b>32.61</b>	<b>32.61</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>25.33</b>	<b>25.33</b>
<b>Year ended 31 March 2022</b>		
<b>Gross carrying amount</b>		
Balance as at 1 April 2021	57.94	57.94
Additions	18.53	18.53
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>76.47</b>	<b>76.47</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2021	32.61	32.61
Depreciation expense charged during the year	13.21	13.21
Disposals	-	-
<b>Closing accumulated depreciation as at 31 March 2022</b>	<b>45.82</b>	<b>45.82</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>30.65</b>	<b>30.65</b>

**4.02(b) Right of use asset**

<b>Particulars</b>	<b>Right of use</b>	<b>Total</b>
<b>Gross carrying amount</b>		
Balance as at 1 April 2020	301.44	301.44
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount as at 31 March 2020</b>	<b>301.44</b>	<b>301.44</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2020	105.27	105.27
Depreciation expense charged during the year	104.79	104.79
Disposals	-	-
<b>Closing accumulated depreciation as at 31 March 2021</b>	<b>210.06</b>	<b>210.06</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>91.38</b>	<b>91.38</b>
<b>Gross carrying amount</b>		
Balance as at 1 April 2021	301.44	301.44
Additions	227.53	227.53
Disposals	171.32	171.32
<b>Closing gross carrying amount as at 31 March 2022</b>	<b>357.65</b>	<b>357.65</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2021	210.06	210.06
Depreciation expense charged during the year	80.76	80.76
Disposals	171.32	171.32
<b>Closing accumulated depreciation as at 31 March 2022</b>	<b>119.50</b>	<b>119.50</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>238.15</b>	<b>238.15</b>

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>4.03 Investments</b>		
(Valued at cost unless stated otherwise)		
<b>Unquoted</b>		
<b>Investment in equity instrument of other entities</b>		
Wegu Sondhi Private Limited	-	1.10
NIL (previous year 11,000) equity shares of face value Rs. 10 each, fully paid up		
Less: Provision for other than temporary diminution in value of investment #	-	1.10
	-	-
 Drive Smart Drive Safe	0.20	0.20
2,000 (previous year 2,000) equity shares of face value Rs. 10 each, fully paid up		
Less: Provision for other than temporary diminution in value of investment #	0.20	-
	-	0.20
 Aggregate amount of unquoted investments	0.20	1.30
Less: Aggregate amount of provision for other than temporary diminution in value of investment	0.20	1.10
	-	<b>0.20</b>

For valuation basis, refer note no. 4.45

# Wegu Sondhi Private Limited is a dormant company.

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>4.04 Other financial assets</b>		
(Unsecured, considered good unless stated otherwise)		
Security deposits	85.90	41.92
Balance with banks - held as security against margin		
money given to Government authorities #	14.14	12.65
	<u>100.04</u>	<u>54.57</u>
For valuation basis, refer note no. 4.45		
# Margin Money Deposit primarily related to earmarked balances with the bank against the bank guarantees issued in the favour of relevant authorities		
<b>4.05 (a) Deferred tax liability arising on account of:</b>		
Difference between written down value of fixed assets as per Income tax Act, 1961 and as per the Companies Act, 2013	117.40	79.60
Provision for interest on preference shares	158.40	174.95
	<u>275.80</u>	<u>254.55</u>
<b>Deferred tax assets arising on account of:</b>		
Provision for gratuity	98.30	80.99
Provision for leave encashment	74.61	53.58
Impact of leasing (Ind AS 116)	4.51	5.18
Provision for doubtful receivables	2.55	9.78
Provision for doubtful advances	0.41	0.41
Provision for bonus	60.04	47.49
Provision for slow moving inventory	136.60	111.41
Provision for price reduction	-	17.28
Provision for warranty	88.14	91.69
	<u>465.16</u>	<u>417.81</u>
<b>Deferred tax asset/(liability) (net)</b>	<u>189.36</u>	<u>163.26</u>
	<b>Year ended</b>	<b>Year ended</b>
<b>(b) Reconciliation of tax expenses and accounting profit</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Profit before tax from continuing operation	2,367.75	278.63
Income tax expenses calculated at current tax rate	658.71	77.51
Add : Effect of expenses/income that are not deductible/includible in determining taxable profit.		
(i) Corporate social responsibility expenditure	1.81	1.47
(ii) Interest on delay in MSMED vendors payment	9.28	4.44
<b>Income tax expenses recognised in statement of profit &amp; loss (relating to continuing operation)</b>	<u>669.80</u>	<u>83.42</u>

**HELLA INDIA LIGHTING LIMITED**
**Notes to financial statements for the year ended 31 March 2022**
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>4.06 Non-current tax assets (net)</b>		
Income taxes (net of provision for tax Rs. 1,363.08 (previous year Rs. 306.45))	166.24	74.49
Income-tax (paid under protest)	223.24	125.00
	<u>389.48</u>	<u>199.49</u>
<b>4.07 Other non-current assets</b>		
(Unsecured, considered good unless stated otherwise)		
Capital advances	78.04	419.68
Balance with Government authorities (paid under protest)		
- VAT credit receivable	<u>1.46</u>	<u>1.46</u>
Prepaid expenses	13.50	1.17
	<u>93.00</u>	<u>422.31</u>
For valuation basis, refer note no. 4.45		
<b>4.08 Inventories*</b>		
<b>(Valued at the lower of cost and net realisable value)</b>		
Raw materials and components	2,627.76	2,035.73
[includes goods in transit Rs. 161.44 (previous year Rs. 304.54)]		
Work in progress	86.26	70.93
Finished goods (other than those acquired for trading)	943.21	656.88
[includes goods in transit Rs. 262.05 (previous year Rs. 161.52)]		
Traded goods (acquired for trading)	200.10	165.56
Tools and dies	72.36	93.10
Stores and spares	<u>52.30</u>	<u>65.42</u>
	<u>3,981.99</u>	<u>3,087.62</u>
*net of provision of Rs.491.03 (previous year Rs.400.46)		
For valuation basis, refer note no. 4.45		
<b>4.09 Trade receivables</b>		
<b>Undisputed</b>		
Considered good	5,481.77	3,960.51
Credit Impaired	-	-
Less: Provision for doubtful trade receivables	<u>-</u>	<u>-</u>
	5,481.77	3,960.51
<b>Disputed</b>		
Considered good	-	-
Credit Impaired	9.16	35.18
Impairment allowance (allowance for bad and doubtful debts)	<u>(9.16)</u>	<u>(35.18)</u>
	<u>5,481.77</u>	<u>3,960.51</u>
Trade receivables includes Rs. 2,091.49 (previous year Rs. 1,235.36) due from related parties (refer note 4.35).		
For valuation basis, refer note no. 4.45		

**Trade receivables ageing schedule as at 31st March 2022**

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

Particular's	Not Due	As at 31 March 2022					
		Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
<b>Undisputed</b>							
Considered good	3,391.92	2,087.88	1.12	0.85	-	-	5,481.77
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	9.16	9.16
<b>Total</b>	<b>3,391.92</b>	<b>2,087.88</b>	<b>1.12</b>	<b>0.85</b>	<b>-</b>	<b>9.16</b>	<b>5,490.93</b>

**Trade receivables ageing schedule as at 31st March 2021**

Particular's	Not Due	As at 31 March 2021					
		Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Years	More than 3 Years	Total
<b>Undisputed</b>							
Considered good	2,678.69	1,281.28	0.54	-	-	-	3,960.51
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	26.02	-	9.16	-	35.18
<b>Total</b>	<b>2,678.69</b>	<b>1,281.28</b>	<b>26.56</b>	<b>-</b>	<b>9.16</b>	<b>-</b>	<b>3,995.69</b>

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022		As at 31 March 2021	
<b>4.10 Cash and bank balance</b>				
Balances with banks				
In current accounts		143.99		344.99
In EEFC accounts		208.29		51.73
		<u>352.28</u>		<u>396.72</u>
For valuation basis, refer note no. 4.45				
<b>4.11 Other financial assets- current (unsecured and considered good unless otherwise stated)</b>				
Security deposits		19.08		41.80
Loans to employees		8.40		4.87
		<u>27.48</u>		<u>46.67</u>
For valuation basis, refer note no. 4.45				
<b>4.12 Other current assets (unsecured, considered good unless otherwise stated)</b>				
Advance to suppliers				
Considered good	294.51	294.51	294.60	294.60
Doubtful	1.47		1.47	
Less: Provision for doubtful advances	<u>1.47</u>	-	<u>1.47</u>	-
Balances with Government authorities				
Considered good				
- Goods and service tax receivable	1,456.55		762.95	
- VAT credit receivable	2.23		2.23	
- Export incentives receivables	116.69		40.21	
- Goods and service tax receivable on export sales	369.39		412.18	
- Advance custom duty	<u>20.96</u>	1,965.82	<u>33.49</u>	1,251.06
Prepaid expenses		51.22		16.62
Advances to employees		8.40		8.40
Other advances		0.15		0.05
		<u>2,320.10</u>		<u>1,570.73</u>
For valuation basis, refer note no. 4.45				

**HELLA INDIA LIGHTING LIMITED**  
**Notes to financial statements for the year ended 31 March 2022**  
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>4.13 Equity share capital</b>		
<b>Authorised</b>		
<b>Equity shares, Rs. 10 each</b>		
3,500,000 (previous year 3,500,000) equity shares	350.00	350.00
<b>Preference shares, Rs. 100 each</b>		
2,150,000 (previous year 2,150,000) non-convertible, non-cumulative, redeemable preference shares	2,150.00	2,150.00
	<b>2,500.00</b>	<b>2,500.00</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	317.14	317.14
	<b>317.14</b>	<b>317.14</b>

(Refer note (i) to (vi) 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.

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

	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	31,71,400	317.14	31,71,400	317.14
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	<b>31,71,400</b>	<b>317.14</b>	<b>31,71,400</b>	<b>317.14</b>

**iii) Shares held by the holding company and fellow subsidiary company :**

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>				
Hella Holding International GmbH, Germany, the holding company	16,17,400	161.74	16,17,400	161.74
Hella India Automotive Private Limited, a fellow subsidiary	10,01,687	100.17	10,01,687	100.17
<b>Total</b>	<b>26,19,087</b>	<b>261.91</b>	<b>26,19,087</b>	<b>261.91</b>

The ultimate holding company of the Company is Forvia Germany GmbH ( Formerly Faurecia Participation GmbH )

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

	As at 31 March 2022		As at 31 March 2021	
	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	10,01,687	31.59	10,01,687	31.59

**v) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.**

**vi) Shares held by promoters at the end of the year**

Promotor name		As at 31 March 2022		As at 31 March 2021		% Change during the year
Equity Shares		No. of shares	% of total shares	No. of shares	% of total shares	
1	Hella Holding International GmbH, Germany	16,17,400	51.00	16,17,400	51.00	-
2	Hella India Automotive Private Limited	10,01,687	31.59	10,01,687	31.59	-
		<b>26,19,087</b>	<b>82.59</b>	<b>26,19,087</b>	<b>82.59</b>	

Promotor name		As at 31 March 2021		As at 31 March 2020		% Change during the year
Equity Shares		No. of shares	% of total shares	No. of shares	% of total shares	
1	Hella Holding International GmbH, Germany	16,17,400	51.00	16,17,400	51.00	-
2	Hella India Automotive Private Limited	10,01,687	31.59	10,01,490	31.58	0.01
		<b>26,19,087</b>	<b>82.59</b>	<b>26,18,890</b>	<b>82.58</b>	

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022		As at 31 March 2021	
<b>4.14 Borrowings</b>				
Unsecured - at amortized cost				
Other loans				
1,143,630 (previous year 1,143,630) 0.0000001% non-convertible, non-cumulative, redeemable preference shares of Rs. 100 each fully paid up from related party (Intermediate holding company) #		574.27		514.76
Term loan from related party (unsecured) ##	1,875.00		2,500.00	
Less : Current maturities of term loan from related party (refer to note number 4.17 )	<u>(1,250.00)</u>	625.00	<u>(625.00)</u>	1,875.00
		<b><u>1,199.27</u></b>		<b><u>2,389.76</u></b>

# Preference shares issued by the Company are non-convertible, non-cumulative, redeemable and non participating and are not entitled to vote. Preference shareholders have preference over equity shareholders for the payment of dividend and repayment of capital, in the event of liquidation of the Company. 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. Preference share capital is recognised at amortized cost as on the date of transition i.e. 1 April 2017. Company has considered the impact of transition as equity component of preference share capital of Rs.1,017.80 under other equity (Refer Statement of Changes in Equity). Further Company charges the interest on liability component on preference share capital on yearly basis.

## Term loan from related party is an Indian currency loan taken from Hella GMBH & Co. KgaA, Germany (Intermediate holding company). It carries interest at 8.75% per annum. The repayment schedule is as follows :

Installment	Repayment date	Amount to be repaid
1	15 March 2022	625.00
2	15 September 2022	625.00
3	15 March 2023	625.00
4	15 September 2023	625.00



**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>4.15 Provisions</b>		
Provisions for employee benefits		
- Gratuity (refer to note 4.32)	313.53	263.17
- Compensated absences	249.26	180.17
	<u><b>562.79</b></u>	<u><b>443.34</b></u>
<b>4.16 Other non-current liabilities</b>		
Others	5.71	5.71
Security deposit received	73.16	56.53
	<u><b>78.87</b></u>	<u><b>62.24</b></u>
<b>4.17 Borrowings</b>		
Loans repayable on demand		
- Cash credit facility from bank (Unsecured) ##	2,453.15	-
Current maturities of term loan from related party (refer to note number 4.14 )	1,250.00	625.00
	<u><b>3,703.15</b></u>	<u><b>625.00</b></u>

For valuation basis, refer note no. 4.45

# Cash credit facilities from banks carries an interest of 6.50% -7.75% (Deutsche bank) and 6.93 %-7.37% (HSBC ), computed on monthly basis on the actual amount utilized. Hella GMBH & Co. KgaA, Germany, the Intermediate holding company, has given the guarantee for the cash credit facility availed by the Company.

**HELLA INDIA LIGHTING LIMITED**
**Notes to financial statements for the year ended 31 March 2022**
*(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	As at 31 March 2022	As at 31 March 2021
-------------	------------------------	------------------------

**4.18 Trade payables**

Trade payables for goods and services

- total outstanding dues of micro, small and Medium enterprises (refer to note 4.33)

- total outstanding dues of other than micro, small and medium enterprises

1,422.12	984.42
4,592.16	4,866.18
<b>6,014.28</b>	<b>5,850.60</b>

Trade payable includes Rs.1,563.05 (previous year Rs.1,169.42) due to related parties (refer note 4.35).

**Trade Payable ageing schedule as at 31 March 2022**

Particulars	Not Due	Outstanding for following periods from document date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	741.91	512.45	0.99	42.89	123.88	1,422.12
Others	2,007.85	2,492.98	86.53	4.80	-	4,592.16
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,749.76</b>	<b>3,005.43</b>	<b>87.52</b>	<b>47.69</b>	<b>123.88</b>	<b>6,014.28</b>

**Trade Payable ageing schedule as at 31 March 2021**

Particulars	Not Due	Outstanding for following periods from document date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	474.37	343.28	35.90	46.12	84.75	984.42
Others	2,361.39	2,481.54	20.20	1.72	1.33	4,866.18
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	<b>2,835.76</b>	<b>2,824.82</b>	<b>56.10</b>	<b>47.84</b>	<b>86.08</b>	<b>5,850.60</b>

For valuation basis, refer note no. 4.45

**4.19 Other financial liabilities**

Interest accrued on borrowings (refer note 4.35)

Payable for purchase of fixed assets

Payable to employees

Other financial liability (refer note 4.35)

97.34	99.53
247.27	94.84
230.61	193.58
16.85	11.10
<b>592.07</b>	<b>399.05</b>

For valuation basis, refer note no. 4.45

**4.20 Provisions**

Provision for employee benefits

- Gratuity (refer to note 4.32)

- Compensated absences

Other provisions

- Provision for warranty (refer note 4.41)

39.81	27.96
18.92	12.43
316.81	329.58
<b>375.54</b>	<b>369.97</b>

**4.21 Other current liabilities**

Statutory remittances

Advance from customers

Other liabilities

158.87	116.88
46.17	298.80
5.68	2.68
<b>210.72</b>	<b>418.36</b>

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
<b>4.22 Revenue from operations</b>				
(a) Sale of products (refer note (i) below)		27,650.62		17,559.04
(b) Other operating revenues (refer note (ii) below)		2,650.37		1,731.03
		<b>30,300.99</b>		<b>19,290.07</b>
<b>(i) Sale of products comprises:</b>				
Manufactured finished goods		24,985.69		16,085.09
Traded goods		2,664.93		1,473.95
		<b>27,650.62</b>		<b>17,559.04</b>
<b>(ii) Other operating revenues comprises:</b>				
Scrap sales		67.31		31.84
Development income		2,326.38		1,611.64
Export benefits*		256.68		87.55
		<b>2,650.37</b>		<b>1,731.03</b>
*Export benefits are in the nature of government grants covering following :				
Merchandise & Service Exports from India Scheme (MEIS, SEIS & RoDTEP)		138.48		47.14
Duty draw backs		118.20		40.41
		<b>256.68</b>		<b>87.55</b>
<b>4.23 Other income</b>				
Interest income				
- on fixed deposits with banks	1.59		7.68	
- other interest	1.80	3.39	10.72	18.40
Net gain on foreign currency transactions		170.36		167.95
Profit on sale of fixed assets		0.10		2.60
Liabilities and provisions no longer required written back		56.16		1.16
Miscellaneous income		32.63		111.52
		<b>262.64</b>		<b>301.63</b>
<b>4.24 Cost of material consumed</b>				
Raw material and components				
Opening stock		2,035.73		1,430.56
Add: Purchases		17,132.57		10,943.95
Less: Closing stock		2,627.76		2,035.73
		<b>16,540.54</b>		<b>10,338.78</b>
<b>4.25 Changes in inventories of finished goods, work-in-progress and traded goods</b>				
Inventories at the beginning of the year				
Traded goods	165.56		141.91	
Finished goods	656.88		569.60	
Work in progress	70.93		64.19	
	<b>893.37</b>		<b>775.70</b>	
Less: Inventories at the end of the year				
Traded goods	200.10		165.56	
Finished goods	943.21		656.88	
Work in progress	86.26		70.93	
	<b>1,229.57</b>	<b>(336.20)</b>	<b>893.37</b>	<b>(117.67)</b>
		<b>(336.20)</b>		<b>(117.67)</b>

**HELLA INDIA LIGHTING LIMITED****Notes to financial statements for the year ended 31 March 2022***(All amounts are in Lakh Indian Rupees except number of shares)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>4.26 Employee benefits expenses</b>		
Salaries and wages	2,945.08	2,219.99
Contribution to provident funds (Refer to note 4.32)	168.56	140.97
Gratuity expense (Refer to note 4.32)	73.09	60.06
Staff welfare expenses	101.46	46.38
	<b>3,288.19</b>	<b>2,467.40</b>
<b>4.27 Finance cost</b>		
Interest on borrowings from related party (Refer to note 4.35)	219.36	251.69
Interest on cash credit limit	93.19	54.68
Interest on lease liability	19.59	15.19
Interest on amortized cost of preference shares	59.50	53.32
Others	33.36	15.95
	<b>425.00</b>	<b>390.83</b>
<b>4.28 Other expenses</b>		
Consumption of stores and spares	831.84	429.95
Power and fuel	223.25	177.56
Travelling and conveyance	107.97	49.66
Freight outward	630.69	512.93
Contractual manpower	694.76	554.53
Legal and professional (Refer to note 4.35)	250.44	248.72
Payment to auditors		
- Statutory audit fees	13.00	14.00
- Tax audit fees	2.00	1.00
- Out of pocket expenses	-	-
Rent (Refer to note 4.36)	71.98	20.97
Rates and taxes	12.06	28.64
Insurance	97.11	85.77
Repairs and maintenance:		
- on buildings	8.62	0.32
- on plant and machinery	41.59	51.08
- on others (including IT expenses Rs. 621.00 Previous year Rs.523.19 )	719.35	566.75
Vehicle running and maintenance	44.33	25.93
Printing and stationery	9.66	4.91
Communication	32.86	30.84
Bank charges	11.04	6.87
Provision for doubtful receivables	-	2.30
Provision for investment impairment	0.20	-
Advances written off	1.12	-
Expenditure on corporate social responsibility (Refer to note 4.42)	13.00	10.60
Royalty	219.55	169.71
Development expenses	687.73	509.70
Advertisement and sales promotion	220.58	126.65
Warranty	33.38	10.32
Miscellaneous	68.71	52.13
	<b>5,046.82</b>	<b>3,691.84</b>

**HELLA INDIA LIGHTING LIMITED**

Notes to financial statements for the year ended 31 March 2022

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

**4.29 Commitments**

a)	Particulars	As at 31 March 2022	As at 31 March 2021
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	409.38	430.87

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

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

**4.31 Contingent liabilities**

Contingent liabilities with respect to disallowance of expenses under Income-tax of Rs.1,175.69 (previous year Rs. 92.42) considered to the extent of adjustment of carry forward losses on which DTA has not been recognised.

**4.32 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. 168.56 (previous year Rs.140.97) 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 Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**Risk Exposure**

**Inherent risk:** The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience. This may result in an increase in cost of providing these benefits to employees in future.

**Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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 2022	As at 31 March 2021
<b><u>Changes in the present value of defined benefit obligation</u></b>		
Present value of obligation at the beginning of the year	291.13	254.95
Interest cost	21.11	17.84
Current service cost	51.98	42.22
Past service cost	-	-
Benefits paid	(16.77)	(40.59)
Actuarial loss	5.89	16.71
<b>Present value of defined benefit obligation at the end of the year</b>	<b>353.34</b>	<b>291.13</b>
<b><u>Changes in the fair value of the Plan assets</u></b>		
(The Company does not have any Plan assets)		
<b><u>Net liability recognised in the Balance Sheet</u></b>		
Present value of defined benefit obligation	353.34	291.13
Fair value of the plan assets	-	-
Funded status (Deficit)	(353.34)	(291.13)
<b>Unrecognised past service cost</b>	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>(353.34)</b>	<b>(291.13)</b>
<b><u>Components of employer's expenses</u></b>		
Interest cost	21.11	17.84
Current service cost	51.98	42.22
Past service cost	-	-
	<b>73.09</b>	<b>60.06</b>
<b><u>Actuarial assumptions</u></b>		
Discount rate	7.25%	7.00%
Salary escalation	6.50%	6.50%
Retirement age	58 years	58 years
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rate (per annum)	5%	5%

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

*Experience Adjustment*

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Present value of DBO at the end of the year	353.34	291.13	254.95	213.85	168.92
Experience adjustments on Plan assets/liabilities (gain) /loss	13.45	16.71	0.80	3.02	12.23

**Sensitivity Analysis for significant actuarial assumptions**

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)				
Discount Rate (- / + 1%)	388.23	323.04	320.16	265.88
(% change compared to base due to sensitivity)	10%	-9%	10%	-9%
Salary Growth Rate (- / + 1%)	324.54	386.13	266.56	319.00
(% change compared to base due to sensitivity)	-8%	9%	-8%	10%
Attrition Rate (- / + 1%)	352.73	353.72	291.11	291.02
(% change compared to base due to sensitivity)	0%	0%	0%	0%

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

**c) Compensated absences**

Actuarial assumptions for long terms compensated absences

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.25%	7.00%
Salary escalation	6.50%	6.50%
Retirement age	58 years	58 years
Mortality table	IAM (2012-14) mortality tables	IAM (2012-14) mortality tables
Withdrawal rate (per annum)	5%	5%

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 2022 for the estimated term of the obligations.

**4.33** 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 2022	As at 31 March 2021
i)	the principal amount remaining unpaid to supplier as at the end of the year	1,206.03	801.70
ii)	the interest due on the principal remaining outstanding as at the end of the year	4.12	5.09
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	29.24	10.86
v)	the amount of interest accrued and remaining unpaid at the end of the year	216.09	182.72
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**

Notes to financial statements for the year ended 31 March 2022  
(All amounts are in Lakh Indian Rupees except number of shares)

**4.34 Segment reporting:**
**(i) Basis of preparation**
**Primary segment:**

The primary segments have been identified in line with the Ind AS 108 'Operating segments', 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.

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

Particulars	Manufacturing and sales of goods manufactured		Sales of Aftermarket		Elimination		Total	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue</b>	17,283.24	10,039.58	13,017.75	9,250.48	-	-	30,300.99	19,290.07
(including duty drawback and other export incentives)								
Intersegment revenue	2,040.37	1,737.46	-	-	(2,040.37)	(1,737.46)	-	-
<b>Total Revenue</b>							<b>30,300.99</b>	<b>19,290.07</b>
<b>Segment results</b>	190.30	(1,803.72)	2,599.06	2,454.79	-	-	2,789.36	651.08
Add: Interest Income							3.39	18.40
Less: Interest Expenses							425.00	390.83
<b>Net interest income/ (expense)</b>							<b>421.61</b>	<b>372.43</b>
							<b>2,367.75</b>	<b>278.63</b>
Less: Other un-allocable (expense)/Income (net of un-allocable income/expense)							-	-
<b>Net Profit before tax</b>							<b>2,367.75</b>	<b>278.63</b>
Less: Tax (Current and deferred)							669.80	275.49
<b>Net Profit after tax</b>							<b>1,697.95</b>	<b>3.14</b>
Other comprehensive income/(expenses)							(4.25)	(12.97)
<b>Total Comprehensive income</b>							<b>1,693.70</b>	<b>(9.83)</b>
<b>Other information</b>								
<b>Segment Assets</b>	15,465.80	12,061.35	3,077.70	2,728.69	-	-	18,543.50	14,790.03
Add: Unallocable assets							874.13	611.15
Intersegment assets	5,639.33	3,163.80	-	-	(5,639.33)	(3,163.80)	-	-
<b>Total Assets</b>							<b>19,417.63</b>	<b>15,401.18</b>
<b>Capital expenditure</b>	6,162.77	5,376.58	67.97	30.76			6,230.74	5,407.34
Add: Unallocable Capital expenditure							251.39	91.76
<b>Total Capital expenditure</b>							<b>6,482.13</b>	<b>5,499.10</b>
<b>Segment Liabilities</b>	10,803.02	9,144.89	(3,168.68)	(2,405.04)			7,634.34	6,739.84
Add: Unallocable liabilities							5,356.72	3,928.47
Add: Capital employed	2,896.25	2,996.37	5,067.30	4,198.34			6,426.57	4,732.87
<b>Total Liabilities</b>							<b>19,417.63</b>	<b>15,401.18</b>
Depreciation and amortisation	750.96	1,378.38	415.72	30.44			1,166.68	1,408.81
Add: Unallocable depreciation							80.76	104.79
<b>Total depreciation and amortization</b>							<b>1,247.44</b>	<b>1,513.60</b>
<b>Other non cash adjustments</b>								
Provision for Warranty							(12.77)	(15.07)
Provision for slow moving stock							90.57	64.57
Provision for doubtful trade receivable/advances							-	2.30
Provisions no longer required written back							56.16	1.16
Unrealised foreign exchange (loss)/ gain							(1.58)	(10.62)

**(ii) Secondary segment reporting by geographical segments**

Particulars	Domestic	Overseas	Total
	For the year ended 31 March 2022	For the year ended 31 March 2022	For the year ended 31 March 2022
Segment revenue	21,376.41	8,924.58	30,300.99
Non-Current assets other than financial assets and deferred tax assets	6,964.61	-	6,964.61

Particulars	Domestic	Overseas	Total
	For the year ended 31 March 2021	For the year ended 31 March 2021	For the year ended 31 March 2021
Segment revenue	14,297.78	4,992.28	19,290.07
Non-Current assets other than financial assets and deferred tax assets	6,120.90	-	6,120.90

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022  
(All amounts are in Lakh Indian Rupees except number of shares)

**4.35 Related party disclosures****Related party disclosures**

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

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

Nature of the relationship	Name of the company/ Body corporate
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	Forvia Germany GmbH ( Formerly Faurecia Participation GmbH )
2 Intermediate Holding company	Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)
3 i) Fellow subsidiaries (in India)	Hella India Automotive Private Limited
ii) Fellow subsidiaries (outside India )	Hella Fahrzeugteile Austria GmbH
	Hella-Phil Inc
	Hella Australia Pty. Limited, Australia
	Hella Asia Singapore Pte Ltd.
	Hella Automotive Sales, Inc (Formerly Hella Inc., United States of America
	Hella Romania SRL
	Hella Saturnus Slovenija d.o.o.
	Hella Innenleuchten-Systeme GmbH
	Hella Lighting Finland Oy
	Hella New Zealand Limited
	Docter Optics SE
	Hella Automotive South Africa (Pty.) Ltd.
	Hella Middle East FZE
	Hella Slovakia Lighting s.r.o.(Formerly Hella Slovakia Signal-Lighting s.r.o)
	Hella do Brasil Automotive Ltda
	Hella trading (Shanghai) co. ltd.
	Hella LLC, Russia
	Hella S.A.S. France
	Hella Autotechnik Nova, s.r.o.
	Hella Gutmann Solutions GmbH
	Hella Pagid GmbH
	Hella Automotive Mexico S.A.
	Hella Ltd.UK
	Hella Shanghai Electronics Co., Ltd.
	Hella Electronics Corporation
	Jiaxing Hella Lighting Co. Ltd
	Changchun Hella Faway Automotive Lighting Co., Ltd.
	Hella Corporate Center China
3 Key management personnel	Mr. Rama Shankar Pandey (Managing Director) Mr. Amit Bhardwaj (Chief Financial officer) Ms. Aakritee Khanna (Company Secretary)

**c) Related party transactions:**

Nature of transaction	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Sale of products</b>		
Intermediate holding company		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	3,562.96	1,747.43
Fellow subsidiaries		
- Hella India Automotive Private Limited	8.95	-
- Hella Fahrzeugteile Austria GmbH	244.21	133.41
- Hella Australia Pty. Limited	7.49	14.49
- Hella Asia Singapore Pte Ltd.	0.16	0.40
- Hella Automotive Sales, Inc (Formerly Hella Inc., United States of America	1,738.33	529.28
- Hella Automotive South Africa (Pty.) Ltd.	276.66	278.61
- Hella Middle East FZE	507.82	528.12
- Hella-Phil Inc	-	1.09
- Hella trading (Shanghai) co. ltd.	16.88	4.44
- Hella Romania SRL	1.05	5.62
- Hella do Brasil Automotive Ltda	33.64	20.29
- Hella LLC, Russia	137.25	51.49
- Hella New Zealand Limited	5.93	4.34
- Hella S.A.S France	4.65	6.88
- Hella Innenleuchten Systeme GmbH	-	0.34
- Hella Ltd.	-	4.00



**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

**Purchase of raw materials**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	500.39	268.83
--	--------	--------

## Fellow subsidiaries

- Hella India Automotive Private Limited	900.34	862.80
- Hella Fahrzeugteile Austria GmbH	151.45	176.65
- Hella Automotive Sales, Inc (Formerly Hella Inc., United States of America)	-	7.37
- Hella New Zealand Limited	49.41	25.11
- Hella Pagid GmbH	95.52	157.35
- Hella Saturnus Slovenija d.o.o.	89.24	21.73
- Hella Shanghai Electronics Co., Ltd.	7.64	-
- Docter Optics GmbH	-	11.12
- Hella Australia Pty. Limited	8.31	2.95
- Hella Slovakia Lighting s.r.o.(Formerly Hella Slovakia Signal-Lighting s.r.o)	2.03	0.23
- Hella Innenleuchten Systeme GmbH	23.84	52.73
- Hella Automotive Mexico S.A.	0.93	-
- Hella Electronics Corporation	2.24	-
- Hella Romania SRL	351.97	312.53
- Hella Innenleuchten System Bratislava S.R.O	0.64	4.91

**Other operating revenue**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	777.33	235.46
--	--------	--------

## Fellow subsidiaries

- Hella Fahrzeugteile Austria GmbH	44.42	18.75
- Hella Romania SRL	10.03	24.47
- Hella Gutmann Solutions GmbH	282.75	279.84
- Jiaying Hella Lighting Co. Ltd	7.62	-
- Hella New Zealand Limited	7.80	9.26

**Legal and professional**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	25.37	21.50
(Guarantee fee for guarantee given against the cash credit facility availed by the Company)		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	31.09	21.54
(Service specific contract for Purchase services and misc training)		

## Fellow subsidiaries

- Hella India Automotive Private Limited	62.49	62.49
- Hella Corporate Center China	-	2.07

**Interest Expense**

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	219.36	251.69
--	--------	--------

**Other Operating expenses**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	5.82	0.43
--	------	------

## Fellow subsidiaries

- Hella New Zealand Limited	-	0.12
- HELLA Autotechnik Nova, s.r.o.	1.57	-
- Hella Romania SRL	3.25	-
- Hella India Automotive Private Limited	1.76	-

**Repair and maintenance – others (IT expenses)**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	621.00	524.02
--	--------	--------

**Royalty expenses**

## Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	219.55	169.71
--	--------	--------

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

<b>Purchase of fixed assets</b>		
Intermediate holding company		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	7.39	7.19
(Interest capitalized on borrowing)		
Fellow subsidiaries		
- Hella Lighting Finland Oy	-	10.37
- Hella New Zealand Limited	-	0.19
- Hella Fahrzeugteile Austria GmbH	-	8.46
- Hella Romania SRL	13.27	2.13
- HELLA Innenleuchten-Systeme GmbH	0.02	0.21
- HELLA Autotechnik Nova, s.r.o.	-	0.04
<b>Sale of fixed assets</b>		
Fellow subsidiaries		
- Hella Romania SRL	-	10.84
<b>Sale of project tools</b>		
Fellow subsidiaries		
- Hella India Automotive Private Limited	21.00	-
<b>Reimbursement of expenses</b>		
To fellow subsidiaries		
- Hella India Automotive Private Limited	2.07	0.12
<b>Reimbursement of expenses</b>		
From Intermediate holding company		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	-	11.31
From fellow subsidiaries		
- Hella India Automotive Private Limited	9.56	8.95
- Hella Romania SRL	0.89	-
- Changchun HellaFaway Automotive Lighting Co., Ltd	-	6.74
<b>Managerial remuneration*</b>		
Key management personnel		
- Rama Shankar Pandey	172.74	124.49
- Amit Bhardwaj	22.57	-
- Aakritree Khanna	7.67	6.55
* Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.		

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

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Trade receivables</b>		
Intermediate holding company		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	829.08	536.93
Fellow subsidiaries		
- Hella India Automotive Private Limited	-	0.44
- Hella Fahrzeugteile Austria GmbH	67.79	79.47
- Hella Australia Pty. Limited	1.53	5.34
- Hella Innenleuchten-Systeme GmbH	-	0.34
- Hella Automotive Sales, Inc (Formerly Hella Inc., United States of America)	972.19	293.09
- Hella Automotive South Africa (Pty.) Ltd.	102.48	83.74
- Hella Middle East FZE	34.86	109.81
- Hella S.A.S france	-	0.07
- Jiaxing Hella Lighting Co. Ltd	7.59	-
- Hella Gutmann Solutions GmbH	25.27	46.92
- Hella trading (Shanghai) co. Ltd.	11.16	1.32
- Hella Romania SRL	-	11.56
- Hella LLC, Russia	19.33	27.66
- Hella do Brasil Automotive Ltda	20.23	20.15
- Hella New Zealand Limited	-	8.03
- Hella Ltd.UK	-	3.79
- Changchun Hella Faway Automotive Lighting Co., Ltd.	-	6.69
<b>Borrowings</b>		
Intermediate holding company		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	1,875.00	2,500.00
(Term loan in an Indian currency)		
- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	574.27	514.76
(Non-convertible, non-cumulative, redeemable preference shares of Rs. 100 each fully paid up)		

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

**Trade payables**

Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	562.35	353.88
--	--------	--------

Fellow subsidiaries

- Hella India Automotive Private Limited	590.68	305.99
- Hella Fahrzeugteile Austria GmbH	105.57	52.73
- Hella Automotive Sales, Inc (Formerly Hella Inc., United States of America	-	7.45
- Hella Saturnus Slovenija d.o.o.	1.97	4.58
- Hella Innenleuchten-Systeme GmbH	1.43	26.73
- Hella Electronics Corp.	1.47	-
- Hella New Zealand Limited	37.98	11.55
- Hella Australia Pty. Limited	4.96	1.82
- Hella Shanghai Electronics Co., Ltd.	2.12	-
- Hella Romania SRL	230.23	295.13
- Hella Pagid GmbH	21.99	108.30
- Hella Innenleuchten-Systeme Bratislava	-	1.23
- Hella Automotive Mexico S.A.	0.27	-
- Hella Slovakia Lighting s.r.o.(Formerly Hella Slovakia Signal-Lighting s.r.o)	2.03	-
- Hella Autotechnik Nova, s.r.o.	-	0.04

**Other financial Liabilities**

Intermediate holding company

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	114.19	110.63
--	--------	--------

**Bank guarantee**

- Hella GmbH & Co. KGaA, Germany (Formerly Hella KGaA Hueck & Co.)	2,500.00	2,500.00
(Bank guarantee given by Intermediate holding company against the cash credit facility availed by the Company)		

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

**4.36 Leases****The Company as a lessee**

The Company's leases primarily consists of leases for building and vehicles. Generally the contracts are made for fixed period and does not have a purchase option at the end of lease term. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company applies the 'short-term lease' recognition exemptions for these leases with lease terms of 12 months or less.

**(i) Amount recognised in the Balance**

The balance sheet shows the following amounts relating to the leases:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Right of use assets</b>		
Building	238.15	89.58
Vehicles	-	1.80
<b>Total</b>	<b>238.15</b>	<b>91.38</b>

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Lease liabilities</b>		
Current	63.45	61.04
Non-current	190.92	48.95
<b>Total</b>	<b>254.37</b>	<b>109.99</b>

**Maturity analysis of lease liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Within one year	63.45	61.04
Later than one year but less than five years	179.97	48.95
Later than five years	10.95	-
<b>Total</b>	<b>254.37</b>	<b>109.99</b>

**(ii) The amount recognised in the statement of profit and loss**

The statement of profit and loss shows the following amounts relating to the leases:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Depreciation charge of right of use of assets</b>		
Building	78.96	99.06
Vehicles	1.80	5.73
<b>Total</b>	<b>80.76</b>	<b>104.79</b>

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on lease liabilities (included in finance cost)	19.59	15.19
Expenses relating to short term and low value leases (included in other expenses)	71.98	20.97
The total cash outflow for leases for the year ended were Rs.	174.72	125.36

**(iii) Extention and termination option**

Extention and termination options are included in various leases executed by the Company. These are used to maximise operational feasibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and lessee.

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

(iv) The Company do not have any operating leases under non-cancellable arrangement.

**4.37 Earnings per share**

Particulars	As at 31 March 2022	As at 31 March 2021
Profit after tax	1,697.95	3.14
Weighted average number of equity shares outstanding during the year	31,71,400	31,71,400
Basic and diluted earnings per share in rupees (face value – Rs. 10 per share )	53.54	0.10

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

**4.38** 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.

**4.39 Additional information****a) Expenditure in foreign currency**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	219.36	251.69
Repairs and maintenance- others (IT expenses)	621.00	524.02
Legal and professional	59.10	49.73
Royalty	219.55	169.71
Other Expenses	17.77	9.96

**b) Earnings in foreign currency**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
F.O.B. value of exports	6,583.00	3,364.40
Other operating revenue (Development of tools)	2,326.38	1,611.64
Other income (Testing of Electronic Part)	15.20	16.24

**4.40 Relationship with struck-off company**

Name of the Struck of company	Nature of transaction with struck-off company	Number of shares as on 31-March-2022	Number of shares as on 31-March-2021
Wegu Sondhi Private Limited	Shares held	-	11,000

**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

**4.41 Disclosure in respect of Indian Accounting Standard 37 'Provisions, Contingent Liabilities & Contingent Assets' 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 2021	Additions	Reversal/ Adjustment	As at 31 March 2022
Provision for warranty** (including additional warranty on interior lamp of Rs.243.08 (previous year Rs.243.08))	329.58	-	12.77	316.81

\*\* 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.

**4.42** 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.

Particulars of amount paid during the year	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Amount required to be spent during the year	8.52	10.60
b) Amount of expenditure incurred	13.00	10.60
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities: Donation for road safety activities		

**4.43 Capital management:**

The Company's objective for managing capital is to ensure as under:

- To ensure the company's ability to continue as a going concern.
- Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholders' value.
- Maintain an optimal capital structure.
- Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital structure keeping in view of:

- Compliance of financial covenants of borrowing facilities.
- Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings. There have been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

**4.44 Financial risk management:**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

(i) Market risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee.

**(a) Foreign exchange risk:**

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, EURO and AUD. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations may get adversely affected as the rupee appreciates/ depreciates against these currencies.

**The Company's foreign currency exposure not hedged is as follows:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	(in original currency)	(in Rupees)	(in original currency)	(in Rupees)
<b>Trade receivable</b>				
- EURO	12.02	996.60	9.76	824.74
- USD	16.19	1,212.07	2.25	163.95
<b>Cash in hand and at bank</b>				
- EURO	1.86	157.05	0.59	51.73
- USD	0.68	51.24	-	-
<b>Trade payables</b>				
- EURO	11.86	1,014.83	10.77	945.36
- USD	6.01	460.83	7.38	549.49
- AUD	0.09	4.96	0.03	1.82
<b>Capital Creditors</b>				
- EURO	0.17	14.56	0.06	5.13
- USD	0.13	10.27	-	-

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately Rs.241.70 and Rs.150.55 for financial assets and financial liabilities respectively for the year ended March 31, 2022.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately Rs.104.04 and Rs.150.18 for financial assets and financial liabilities respectively for the year ended March 31, 2021.

**(b) Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any significant /material interest rate risk as the the Company's long-term debt obligations are with fixed interest rates.

**(c) Credit risk:** Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was :-

Particulars	As at	As at
	31 March 2022	31 March 2021
Investments	-	0.20
Other financial assets (current and non - current)	127.52	96.37
Trade receivables	5,481.77	3,960.51
<b>Total</b>	<b>5,609.29</b>	<b>4,057.08</b>

Particulars	As at	As at
	31 March 2022	31 March 2021
Not past due	3,391.92	2,678.69
Past due 90 days-one year	2,089.00	1,281.82
More than one year	128.37	96.57
<b>Total</b>	<b>5,609.29</b>	<b>4,057.08</b>

**Movement of allowance for financial assets**

Particulars	As at	As at
	31 March 2022	31 March 2021
Opening allowance for financial assets	35.18	32.88
Add: Addition in allowances during the year	0.20	2.30
Less: Adjusted/reversed during the year	26.02	-
<b>Closing allowance for impairment in financial assets</b>	<b>9.36</b>	<b>35.18</b>

**HELLA INDIA LIGHTING LIMITED**

Notes to financial statements for the year ended 31 March 2022

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

d) **Liquidity risk:** The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of its funds in bank. Liquidity risk is managed by company's established policy & procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities. The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2022 and at 31 March 2021:

**As at 31 March 2022**

Particulars	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Trade payables</b>	6,014.28	6,014.28	-	6,014.28	-	-	-	6,014.28
<b>Borrowings</b>								
Non Cumulative Non-convertible Redeemable Preference Shares	574.27	11,436.30	-	-	-	-	11,436.30	11,436.30
Term loan from related party (including current maturities)	1,875.00	1,875.00	-	-	1,250.00	625.00	-	1,875.00
<b>Other financial liabilities</b>								
Loan repayable on demand	2,453.15	2,453.15	2,453.15	-	-	-	-	2,453.15
Interest accrued but not due	-	-	-	-	-	-	-	-
Interest accrued and due	97.34	97.34	-	97.34	-	-	-	97.34
Payable on purchase of fixed assets	247.27	247.27	-	247.27	-	-	-	247.27
Security deposits received	73.16	73.16	-	-	-	-	73.16	73.16
Other financial liability	16.85	16.85	-	16.85	-	-	-	16.85
Payable to employees	230.61	230.61	-	230.61	-	-	-	230.61
<b>Total</b>	<b>11,581.93</b>	<b>22,443.96</b>	<b>2,453.15</b>	<b>6,606.35</b>	<b>1,250.00</b>	<b>625.00</b>	<b>11,509.46</b>	<b>22,443.96</b>

**As at 31 March 2021**

Particulars	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Trade payables</b>	5,850.60	5,850.60	-	5,850.60	-	-	-	5,850.60
<b>Borrowings</b>								
Non Cumulative Non-convertible Redeemable Preference Shares	514.76	11,436.30	-	-	-	-	11,436.30	11,436.30
Term loan from related party (including current maturities)	2,500.00	2,500.00	-	-	2,500.00	-	-	2,500.00
<b>Other financial liabilities</b>								
Interest accrued but not due	99.53	99.53	-	99.53	-	-	-	99.53
Payable on purchase of fixed assets	94.84	94.84	-	94.84	-	-	-	94.84
Security deposits received	56.53	56.53	-	-	-	-	56.53	56.53
Other financial liability	11.10	11.10	-	11.10	-	-	-	11.10
Payable to employees	193.58	193.58	-	193.58	-	-	-	193.58
<b>Total</b>	<b>9,320.94</b>	<b>20,242.48</b>	<b>-</b>	<b>6,249.65</b>	<b>2,500.00</b>	<b>-</b>	<b>11,492.83</b>	<b>20,242.48</b>



**Hella India Lighting Limited**

Notes to financial statements for the year ended 31 March 2022

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

**4.45 Fair value measurements**

The carrying value of the Company's financial instruments by categories as follows:- (measured at amortised cost)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Investments	-	-	0.20	0.20
Other financial assets- non current	100.04	100.04	54.57	54.57
Trade receivables	5,481.77	5,481.77	3,960.51	3,960.51
Cash and cash balance	352.28	352.28	396.72	396.72
Other financial assets- current	27.48	27.48	46.67	46.67
<b>Total</b>	<b>5,961.57</b>	<b>5,961.57</b>	<b>4,458.67</b>	<b>4,458.67</b>
<b>Financial liabilities</b>				
Borrowing	4,902.42	4,902.42	3,014.76	3,014.76
Trade payables	6,014.28	6,014.28	5,850.60	5,850.60
Other financial liabilities	592.07	592.07	399.05	399.05
Lease liabilities	254.37	254.37	109.99	109.99
<b>Total</b>	<b>11,763.14</b>	<b>11,763.14</b>	<b>9,374.40</b>	<b>9,374.40</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Management has assessed that trade receivables, cash and cash equivalents, other bank balances, loans, investments, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- 4.46** In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent dismissal of the review petition in August 2019 had ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has not assessed possible outcomes of the judgment on determination of provident fund contributions. However, the Company believes it is not probable that certain components paid by the Company will be subject to payment of Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.
- 4.47** There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) during the year ended 31 March 2022 (Previous year Rs. Nil).
- 4.48** The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Previous year Rs. Nil).
- 4.49** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 4.50** The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**HELLA INDIA LIGHTING LIMITED**

Notes to financial statements for the year ended 31 March 2022

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

**4.51 Ratios**

S.No	Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance	% Change	Reason for change
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.11	1.17	(0.06)	-5.40%	
2	Debt-Equity Ratio (In times)	Total Debt (including Current maturities of Long Term Borrowings and excluding lease liabilities)	Shareholder's Equity	0.38	0.64	(0.26)	-40.17%	The decrease is primarily on account of payment of ECB loan installment payment
3	Debt Service Coverage Ratio (In times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.79	2.89	(0.10)	-3.39%	
4	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	26.42	0.07	26.35	39723.61%	The increase is primarily on account of increase in revenue
5	Inventory turnover ratio (In times)	Cost of goods sold	Average Inventory	5.15	4.21	0.93	22.20%	
6	Trade Receivables turnover ratio (In times)	Net sales = Total sales - sales return	Average Trade Receivable	6.42	5.57	0.84	15.16%	
7	Trade payables turnover ratio (In times)	Total purchases of raw material, store and spares and stock in trade	Average Trade Payables	3.22	2.74	0.48	17.42%	Increase primarily due to increase in purchase of raw material
8	Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	25.16	14.41	10.74	74.53%	The increase is primarily on account of increase in revenue
9	Net profit ratio (%)	Net Profit	Net sales = Total sales - sales return	5.60	0.02	5.59	34325%	The increase is primarily on account of increase in revenue
10	Return on Capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	32.15	8.83	23.32	264.24%	The increase is primarily on account of increase in revenue
11	Return on investment	Income generated from investments	Time weighted average investments	30.43	0.00	30.43	2320984.56%	The increase is primarily on account of increase in revenue/profit

**Formulae for computation of ratios are as follows:**

Current Ratio	Current assets/ Current liabilities
Debt- Equity Ratio	Total debt/ Total equity
Debt Service Coverage Ratio	Net profit before interest and taxes / Debt service including lease payments and Principal repayments
Return on Equity Ratio	Net income / Average shareholder's equity
Inventory Turnover Ratio	(Revenue from operation+Other operating income) less EBITDA / Average
Trade Receivables Turnover Ratio	(Revenue from operation+Other operating income)/ Average Trade Receivables
Trade payables turnover ratio	Net Purchase/ Average Trade payables
Net capital turnover ratio	Net Sales/ Working Capital
Net profit ratio	Net profit after tax before exceptional item (net of tax) / Revenue from operations+ Other operating income)
Return on Capital employed	Net profit x 100/Capital employed [Capital employed = Fixed Assets + Current Assets - Current Liabilities]
Return on investment	Net Profit after interest and taxes/ Shareholders funds X 100

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

Sd/-

**Rama Shankar Pandey**  
Managing Director  
DIN : 02848326

Sd/-

**Christoph Boris Sohnchen**  
Director  
DIN- 09021769

Sd/-

**Aakritee Khanna**  
Company Secretary  
Place: Gurugram  
Date: 26th August 2022

**Amit Bhardwaj**  
Chief Financial Officer  
ACA-407431



If undelivered, please return to:

**Hella India Lighting Limited**

CIN: U74899DL1959PLC003126

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