



EON WIRES & CABLES



EON LIGHTING



EON LED BULBS



EON FANS



EON LITHIUM ION BATTERIES

From the Chairman's Desk



“ Fortunately for us, our determination to succeed infuses us with the passion to re-create ”

Dear Shareholders,

Warm greetings,

It has been another momentous year. We've taken bold steps and are heading towards an exciting future. We have successfully launched all our new products in the market. Thanks to our quality, the reviews have only been excellent. We've kept the competition on the edge and our sales figures are constantly on the rise.

We stayed true to our core philosophy of innovation in products. We have paid total attention to the users of our products and technology and focused on delivering efficiency and cost effectiveness without compromising on quality. It is this 'people-centric' approach that has helped us forge healthy and successful business partnerships with some of the world's leading players such as OMS and Simon Electric of Europe to form Luxtra Lightings and Indo-Simon switches respectively.

However, this is just the beginning. We are steadily foraying into the space of offering products and solutions for next generation communication devices – rechargeable power storage devices and functional & fashionable Mobile phone accessories to name a few. Such products are expected to reach a wider user base thus helping create smoother lifestyles.

At the macro level, we as Eon Electric are constantly renewing ourselves to match steps with a fast growing nation, both economically and socially. We believe that having a global attitude supported with world-class technology will help in development of our country and its people. It will help provide growth opportunities which in turn will bring about modernization, technological, innovation and upgradation.

A case in point being, the increasing environmental concerns, for which we have employed the best resources and minds to conceive and design energy conserving products. Not just that, we would also introduce eco-friendly practises in our work space and culture.

With so much on our radar, we believe the only way to achieve all this is to move forward. Fortunately for us, our determination to succeed infuses us with the passion to re-create. Therefore, giving us the confidence to create yet another remarkable year in 2013-14 and setting new and higher milestones in the years to follow.

I am grateful to our Board of Directors for their unwavering support and guidance. I take this opportunity to thank all our stakeholders including our customers and shareholders, who have reposed trust and confidence in us and have always extended their consistent support. I look forward to your continued patronage and support.

With kind and cordial regards,

V. P. Mahendru

Chairman-cum-Managing Director

Board of Directors

| | |
|------------------------|--|
| V. P. Mahendru | Chairman-cum-Managing Director |
| Vivek Mahendru | Executive Director |
| Vinay Mahendru | Executive Director |
| R. C. Bansal | Non-Executive Independent Director |
| A. K. Ghosh | Non-Executive Independent Director |
| Ranjan Sarkar | Non-Executive Independent Director |
| <hr/> | |
| K.B. Satija | Vice President (Corporate Finance) |
| Kumar Indramani | Sr. Manager(Legal) & Company Secretary |

Auditors

J. C. Bhalla & Co., Chartered Accountants, New Delhi

Bankers

State Bank of Patiala

Corporate Office

B-88, Sector - 83
 Noida - 201305, (U.P)

Registered Office

1048, Sector-14,
 Sonapat, Haryana - 131001

Works:

Unit: I

Plot No. 10, Sector 4, SIDCUL,
 Haridwar, Uttarakhand - 249403

Unit: II

Plot No. 28-29, Sector 6B, SIDCUL,
 Haridwar, Uttarakhand - 249403

Unit: III

Plot No. 1C, Sector 7, SIDCUL,
 Haridwar, Uttarakhand - 249403

Contents

| | |
|------------------------------------|----|
| Notice | 2 |
| Directors' Report | 5 |
| Management Discussion and Analysis | 8 |
| Corporate Governance Report | 11 |
| Auditors' Report | 22 |
| Balance Sheet | 26 |
| Statement of Profit & Loss | 27 |
| Cash Flow Statement | 28 |
| Significant Accounting Policies | 30 |
| Notes on Financial Statements | 33 |

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of **EON ELECTRIC LIMITED** will be held on Monday, the 30th day of September, 2013 at 9.00 A.M at Kanak Garden Resort, 55 Mile Stone, G. T. Karnal Road, Murthal, Distt. Sonapat, Haryana - 131027, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2013 along with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. R.C.Bansal, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri A. K. Ghosh, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. J C Bhalla & Co., Chartered Accountants, New Delhi, having Registration No. 001111N issued by the Institute of Chartered Accountants of India (ICAI), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors or Committee thereof in addition to reimbursement of service tax, as applicable."

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Ranjan Sarkar who was appointed as an Additional Director by the Board of Directors in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation."

By order of the Board of Directors

Place: Noida

Dated : 10th August, 2013

(Kumar Indramani)

Sr. Manager (Legal) & Company Secretary

IMPORTANT NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. a Members/ Proxies should bring copies of the Annual Report to the Meeting, since copies of the Annual Report will not be distributed at the Meeting.
b Members should bring the enclosed attendance slip duly filled in, for attending the Meeting.

- c Members who hold shares in dematerialized form, should write their client ID and DP ID numbers and those who hold shares in physical form, should write their folio number in the attendance slip.
 - d In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of their names will be entitled to vote.
 - e Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, the 25th September, 2013 to Monday, the 30th September, 2013 (both days inclusive), for the purpose of Annual General Meeting.
 5. As per the Listing Agreement, it is hereby declared that Company's shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and Annual Listing Fee for the year 2013-14 has been paid to the concerned stock exchange(s).
 6. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed as unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government. Special Interim Dividend declared by the Company during the financial year 2011 – 12 is still lying in the respective Unpaid Dividend Account of the Company. Members who have not yet encashed the said Dividend are requested to make their claim to the Corporate Office of the Company at B 88, Sector 83, Noida – 201305. Kindly note that no such claim shall lie against the Company after the unclaimed dividend becomes eligible for transfer to the IEPF.
 7. Members having any queries on accounts of the Company are requested to intimate the Company at least 10 days in advance of the Meeting so that the required information may be made available at the Meeting.
 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.
 9. Members desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Company Act, 1956, are requested to submit the prescribed Form 2B for this purpose to the Company.
 10. **All shareholders are requested to register their email_Id for sending future corporate communication i.e Annual Report, Notices etc. by the company through email to comply with the requirement of Circular issued by the Ministry of Corporate Affairs, New Delhi (General Circular No. 17/2011 & 18/2011 Green initiatives in Corporate Governance). Members holding share in demat form, should send/update their email_Id with their depository participant and those who shares in physical form should send their email_Id to the Registrar directly to enable us to send the Annual Report in electronic mode, in future.**

By order of the Board of Directors

Place: Noida

(Kumar Indramani)

Dated : 10th August, 2013

Sr. Manager (Legal) & Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned under Item No. 5 of the accompanying Notice.

The Board of Directors of the Company had appointed Shri Ranjan Sarkar as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 with effect from 12th July, 2013 and he holds the office of Director upto the date of this Annual General Meeting.

The Company has received a notice alongwith requisite fee from a member of the company under Section 257 of the

Companies Act, 1956 proposing the candidature of Shri Ranjan Sarkar as Director of the Company, liable to retire by rotation.

A brief resume of Shri Ranjan Sarkar is provided at the Details of Directors seeking appointment /re-appointment at this Annual General Meeting in terms of Clause 49 of the Listing Agreement.

The Board of Directors proposes to appoint Shri Ranjan Sarkar as Director and recommends the resolution as set out at Item no. 5 of the Notice for approval of the members.

None of the Directors of the Company except Sh. Ranjan Sarkar himself maybe concerned or interested in the resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

SHRI R. C. BANSAL

Shri R. C. Bansal is the Director liable to retire by rotation and being eligible offer himself for re-appointment at the ensuing 24th Annual General Meeting.

Shri R. C. Bansal aged 75 years is Independent Director of the Company since 24th June, 2005. He is a Chartered Accountant since 1962 with specialization in Finance and Management.

He is a Director of Advance Metering Technology Limited, Citicap Channels Limited, Citicap Housing Development Limited and Citicap Print Media Private Limited. He is also the Chairman of Audit Committee, Remuneration Committee and Investors' Grievance Committee of Advance Metering Technology Limited.

He holds 800 equity shares of the Company.

SHRIA. K. GHOSH

Shri A. K. Ghosh is the Director liable to retire by rotation and being eligible offer himself for re-appointment at the ensuing 24th Annual General Meeting.

Sh. A.K.Ghosh aged 74 years is Independent Director of the Company since 24th June, 2005.

He is a Chartered Accountant. Sh. A.K.Ghosh does not hold any shares of the Company. Sh. A.K.Ghosh is not related to any member of the Board of Directors or to any Management Personnel of the Company.

He is a Director of Advance Metering Technology Limited, Cico Technologies Limited and Gardtools Private Limited.

He is also member of Audit Committee and Remuneration Committee of Advance Metering Technology Limited. He does not hold any shares of the Company.

SHRI RANJAN SARKAR

Shri Ranjan Sarkar aged 73 years, has graduated in Electrical Engineering from Jadavpur University in the year 1963. . He has almost 50 years of rich and diversified experience in the fields of General Management, Marketing, Engineering, Installation, Testing and Commissioning, Manufacturing, Materials Control, Project Management, Strategic Business Planning.

He is also the director of Delta Sensor Private Limited and he is not member of any committee. He does not hold any shares of the Company.

By order of the Board of Directors

Place: Noida

Dated : 10th August, 2013

(Kumar Indramani)

Sr. Manager (Legal) & Company Secretary

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report together with Audited Accounts of your Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

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

| Particulars | (₹/Crore) | |
|--|--|--|
| | For the year ended 31 st March, 2013 | For the year ended 31 st March, 2012 |
| Revenue from Operations | 156.14 | 56.15 |
| EBITDA | (22.63) | (22.38) |
| Other Income | 8.48 | 11.67 |
| Finance Costs | 2.52 | 0.59 |
| Depreciation and Amortisation Expense | 2.46 | 3.15 |
| Profit/(Loss) before Tax | (19.13) | (14.45) |
| Less: Tax Expenses | 0.66 | 0.18 |
| Profit/(Loss) after Tax | (19.79) | (14.63) |
| Profit/(Loss) from Discontinuing Operations | - | (2.29) |
| Profit/(Loss) for the year | (19.79) | (16.92) |
| Add: (a) Profit brought forward from previous year | 29.50 | 46.42 |
| (b) Loss from Discontinuing Operations transferred to Resulting Company pursuant to Scheme of Arrangement | 2.29 | - |
| Balance carried to Balance sheet | 12.00 | 29.50 |

The Revenue from Operations of your company has gone up by 178.08% to ₹ 156.14 crores during the current financial year as against ₹ 56.15 crores during the previous year, on account of increase of sales of finished products and traded goods.

DIVIDEND

Constrained by planned financial investment for faster growth, your Directors do not recommend any dividend for the year under review.

CORPORATE RESTRUCTURING

Pursuant to the Scheme of Arrangement ("Scheme") u/s 391 to 394 of the Companies Act, 1956 between Eon Electric Limited ("Eon") and Advance Metering Technology Limited ("AMTL") and their respective shareholders and creditors for demerger of the Metering Division and Power generation Business of the company duly sanctioned by the Hon'ble High Court for the States of Punjab & Haryana at Chandigarh vide its Order dated 27th March, 2012, the Metering Division and Power Generation Business of Eon stands demerged and transferred to and vested in AMTL with effect from 1st April, 2011 (Appointed Date) on a going concern basis.

The Scheme became effective on 8th April, 2012 (Effective Date) on filing of the Certified True Copy of the said Order of Hon'ble High Court with the Registrar of Companies, NCT of Delhi & Haryana.

Pursuant to the above Scheme, the Authorised, Issued, Subscribed and Paid up Share Capital of Eon as on 9th May, 2012 ("the Record Date") has been reduced to half by changing the face value of the shares from ₹ 10/- to ₹ 5/- each. Accordingly, the Board of Directors of Eon and AMTL have at their respective meeting held on 12th May, 2012 allotted to all the eligible shareholders of Eon, one fully paid up Equity Share of the face value of ₹ 5/- each of Eon and one fully paid equity share of the face value of ₹ 5/- each of AMTL in lieu of every one paid up equity share of the face value of ₹ 10/- each held by them as on the Record Date.

DIRECTORS

In accordance with provisions of Companies Act, 1956 and Articles of Association of the Company, Shri R. C. Bansal and Shri A. K. Ghosh Directors are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. Your Board also recommends their re-appointment at the Annual General Meeting.

Shri Ranjan Sarkar has been appointed as Additional Director w.e.f 12th July, 2013 and he holds office of Director up to the date of ensuing Annual General Meeting. The Company has received notice from a member under section 257 of the Companies Act, 1956 expressing his intention of proposing his appointment as Director of the Company.

In accordance with the requirement of Clause 49 of the Listing Agreement, brief resume of Shri R. C. Bansal, Shri A. K. Ghosh and Shri Ranjan Sarkar, giving details of their expertise areas, directorship and members of various committees are given by way of notes to the Notice of Annual General Meeting.

During the year, Shri P.K. Ranade, has resigned from the post of Joint Managing Director & Directorship of the Company with effect from 23rd March, 2013 due to his professional pre-occupations and active involvement in the day to day business of the resulting company Advance Metering Technology Limited.

Dr. Sai Ramachandran, Non Executive Independent Director has due to his indifferent health, resigned from the Directorship of the company with effect from 19th June, 2013.

The Board of Directors place on record its appreciation for the valuable services rendered by Shri P. K. Ranade and Dr. Sai Ramachandran during their association as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. That in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2013, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2013 and of the profit or loss of the company for the year ended on that date;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2013, on a going concern basis.

AUDITORS**1. STATUTORY AUDITORS:**

M/s J C Bhalla & Co., Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. J C Bhalla & Co. to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The Board of Directors recommends the re-appointment of J C Bhalla & Co. Chartered Accountants, as Statutory Auditors of the Company for the financial year 2013-2014..

2. COST AUDITORS:

The Cost Audit is applicable to the Company from the financial year 2012-13 onwards. Accordingly, pursuant to Section 233B of the Companies Act, 1956 read with Companies(Cost Accounting Records) Rules, 2011 M/s Berk Patra Kumar & Associates, Cost Accountants were appointed as Cost Auditors to conduct the cost audit of the Company for the products falling under Chapter Heading 84 & 85 – Engineering machinery(including Electrical & Electronic products) for the financial year ending on the 31st March, 2013.

The Company had filed the Compliance Report before Ministry of Corporate Affairs with in the due date for the financial year ended March 31, 2012 in terms of The Companies (Cost Accounting Records) Rules, 2011.

Based on the recommendation of Audit Committee of the Company, the Board of Directors of the Company has re-appointed M/s Berk Patra Kumar & Associates, Cost Accountants to conduct the cost audit for the financial year 2013-14.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance for the year under review along with Auditors Certificate regarding Compliance of Corporate Governance is given in Annexures - A and B and form part of this Report.

PARTICULARS OF EMPLOYEES

The information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report is being sent to the shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining the particulars, may obtain it by writing to the Company Secretary.

PERSONNEL

Personnel relations with all employees and workers remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998, as amended from time to time, is given in Annexure-C and forms part of Directors' Report.

LISTING OF SHARES

The Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The trading of equity shares of the Company was temporarily suspended with effect from 8th May, 2012 as the Company had fixed 9th May, 2012 as Record Date to ascertain the shareholders who would be eligible for allotment of shares in terms of Scheme of Arrangement.

The trading of equity shares of the face value of ₹ 5/- each has re-commenced on BSE & NSE with effect from 7th June, 2012.

FIXED DEPOSITS

The Company has not accepted any deposits during the year under review, within the meaning of Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made thereunder.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance of Clause 49 of the Listing Agreement entered with the Stock Exchanges, a separate section on Management Discussion and Analysis that includes details on the state of affairs of the Company as required to be given in Directors Report forms part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the cooperation and assistance received from various Central and State Governments, Stakeholders, Banks, Valued clients and business associates. Your Directors also wish to place on record their deep sense of appreciation for the unstinting support and efforts of the the employees at all levels towards the operations and growth of the Company and finally grateful to Board of Directors and members for unwavering support and guidance.

For and on behalf of the Board of Directors,

Place: Noida

Dated: 10th August, 2013

(V.P. Mahendru)

Chairman-Managing Director

Management Discussion & Analysis

Company Overview

Eon Electric Limited (hereinafter “the Company”) is engaged in the business of manufacturing and marketing of electrical equipments such as Wires & Cables, Modular Switches, Lighting products, LED Lights, Energy Efficient Fans, Lithium ion Batteries and Mobile Phone Accessories. After demerger of its metering & power generation business in the year 2012, the Company has continued with remaining business and has further diversified its business in LED based lighting products and Energy Efficient Fans & Water Heaters.

In order to augment the production of LED Lighting products and Energy Efficient Fans, the Company has recently acquired two factories at SIDCUL Haridwar which are in close proximity to the Company’s existing works and would provide better synergy and economies of large scale production in the tax free zone at Uttarakhand.

The Company is also exploring an opportunity to diversify its existing business into other sectors including home appliances business.

The company continues to be committed towards making best of quality products at affordable prices through technological innovation and up gradation, modernisation, adoption of best practices, global benchmarking, value proposition, and deep commitment to customer satisfaction besides ensuring human as well as environmental safety, thus enhancing the value addition for the investors and for the society as a whole. No doubt, we will establish our capabilities beyond the Indian borders and enable our clients, enjoy the value of our products and services globally.

Industry Structure & Development, Opportunity & threats

The Gross Domestic Product of our country has been growing at the rate of about 8% for the last several years. The liberalisation and globalisation of the economy is leading to an increased tempo in industrial and commercial activities and this, coupled with penetration of technology and I.T. in the day to day working of the common man, is expected to result in a high growth in power demand. It is accordingly essential that development of power sector should be commensurate with the overall economic growth of the nation.

The Indian Power Sector is a core component of the Indian infrastructure and its expansion is essential for the success of economic liberalisation of India. This is evident from ever increasing power demand of the country’s vibrant economy leading to a widening gap between the supply and demand. The Government of India has recognised the pivotal role of electric power in economic development and also the urgent and critical need to invest heavily to reduce the growing gap in power demand and supply. During the 12th five year plan, Indian shall be adding a power generation capacity of 6500 MW. This massive addition in generation capacity would also bring along with it a much bigger demand for electrical equipments and components including cables & wires, switches etc.

The industry is fully geared up to meet the likely demand arising out of 12th Plan and even beyond. The Cable & Wires industry has shown positive trends for the past five years due to the increased activity in power sector, improved industrial climate and industry initiatives to explore export markets. The outlook of cables & wires industry continue to remain positive on the back of demand expected to be generated as per estimation in various sectors like power, real estate etc.

The Lighting industry is growing at the rate of 17- 18% per annum over last few years. The consumer usage pattern for light sources witnessed a distinct shift from the conventional sources towards new Energy Efficient Lamps such as CFLs and LEDs due to growing thrust on energy conservation and increase of power tariff.

The increased emphasis on power generation and new fast developing consciousness for conservation of power and energy efficiency has hastened the process of growth of demand for the Company’s products.

With diversification of Company’s product range which would now include Lithium ion Batteries, Energy Efficient Fans, LEDs for Lighting and Luminaires, the prospects of Company are good.

Since power sector and infrastructure/real estate sector are main consumers of Company's products, any slowdown in these sectors can largely impact the demand for Company's products. Further most of the Company's products are highly competitive and also face challenge from unorganised sector which are providing cheap products with inferior quality. Hence the pricing across our business is also under risk due to competition. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our businesses to ensure adequate quality product differentiation

Financial Performance

Financial performance of the Company for the year 2012 – 13 as compared to the previous year is furnished in detail in the Directors' Report.

Segment-wise performance:

Cables & Wires

The Cables & Wires segment recorded a turnover of ₹ 111.53 Crores for the financial year ended 31st March, 2013 as against ₹ 51.45 Crores for the financial year ended 31st March 2012. Our focussed efforts in brand building, awareness creation for acceptance of products and market penetration through a fast growing network of channel partners has helped us to become a household name amongst its user segment which has also translated into a growth in sales during the year under review.

Lighting Segment

The Lighting Segment achieved a turnover of ₹ 15.26 Crores for the financial year ended 31st March 2013 as against ₹ 2.81 Crores for the year ended 31st March 2012. The Company is working on new innovative strategic plans and pursuing new creative opportunities in the areas of advance lighting systems which will further augment the growth of this segment during the coming years.

Others

Other products i.e Modular Switches, Electrical Fans, Geysers, Lithium ion batteries and mobile phone accessories contributed a turnover of ₹ 29.34 Crores for the financial year ended 31st March 2013 as against ₹ 1.34 Crores for the year ended 31st March 2012.

Human Resource Development

The Company continues to provide a platform for individual opportunities and for growth in knowledge and skills of its people. The relationship with all the employees continues to be cordial. The management acknowledges the contribution of its employees and the spirit of commitment demonstrated by them in realising the company's vision. The company has started a number of new initiatives which will further enhance the company's ability to attract and retain high caliber employees for faster growth of the Company's business.

Research and Development

Your company continues its efforts to integrate the R&D activities with the business needs of the company to offer safe, energy efficient, value added products and services to its customers.

Internal control systems and their adequacy

The Company's internal 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 Statutory as well as Internal Auditors and cover all offices, factories and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment

and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

Risks & Concern

The Company has an elaborate process for Risk Management. The Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both Management and Audit Committee. Some of the risks relate to competitive intensity and cost volatility.

Domestic Electric Market has very intense competition. Presence of multinational companies and import from China is increasing market competition which has resulted in price pressure in the market for all range of products. Your company has accordingly established itself as an innovative Company with a lean and efficient manufacturing and marketing network which manages your Company's supply chain. Accordingly, your Company proposes to address these risks by continuous product development, focused efforts to reduce costs, increase market share by diversifying existing product range and customer base with the addition of new strategic customers and strengthening the existing relationships.

Cautionary Statement

The statements in this report, particularly which relate to Management Discussion and Analysis Report describing the Company's objectives, plans, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances.

ANNEXURE "A" TO THE DIRECTORS REPORT - 2013

CORPORATE GOVERNANCE

1. Company's philosophy on the Code of Governance

Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. Corporate Governance philosophy stems from our belief that our company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. The core values of the Company are based on integrity, emphasis on product quality and transparency in its dealings with all stakeholders. Any good corporate governance provides an appropriate framework for the Board, its committees and the executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders. The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company is committed to meeting the aspirations of all of its stakeholders.

The Company is fully committed to follow the procedures and practices in conformity with Clause 49 of the Listing Agreement of the Stock Exchanges, as applicable, Your Directors present the Company's Report on Corporate Governance as under.

2. Board of Directors

i. Composition

The Company has a combination of Executive and Non-Executive Independent Directors. The Board consists of six Directors. Your Company has Executive Chairman and half of the total number of Directors comprises of independent Directors. The number of Non-Executive independent Directors is not less than 50% of the total number of Directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii) across all Companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other Companies.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last AGM, as also the number of Directorships and Committee position as held by them in other Public Limited Companies as on 31st March, 2013 are given below:

| Name | Category | No. of Board Meetings Attended during 2012-2013 | Whether attended last AGM held on 28 th September 2012 | No. of Directorships in other Public Limited Companies | No. of committee positions held in other Public Limited Companies | |
|---|------------------------------------|---|---|--|---|--------|
| | | | | | Chairman | Member |
| Sh. V. P. Mahendru (Chairman-cum-Managing Director) | Promoter Not Independent Executive | 9 | Yes | -- | -- | -- |
| Sh. P. K. Ranade * (Joint Managing Director) | Promoter Not Independent Executive | 6 | No | 2 | -- | -- |
| Sh. Vinay Mahendru (Executive Director) | Promoter Not Independent Executive | 9 | Yes | -- | -- | -- |
| Sh. Vivek Mahendru** (Executive Director) | Promoter Not Independent Executive | 8 | Yes | -- | -- | -- |
| Sh. R. C. Bansal (Director) | Independent Non-Executive | 10 | Yes | 3 | 3 | -- |
| Dr. Sai Ramachandran (Director) | Independent Non-Executive | 9 | No | 3 | 3 | 2 |
| Sh. A. K. Ghosh (Director) | Independent Non-Executive | 9 | Yes | 2 | -- | -- |

* Ceased to be Director since 23rd March, 2013.

** Director since 12th May, 2012

ii. Board Meetings:

The Board met ten times on the following dates during the financial year 2012-2013 and the gap between any two meetings did not exceed four months:

- | | | |
|---------------------------------|-----------------------------------|-----------------------------------|
| 1. 25 th April, 2012 | 5. 12 th July, 2012 | 9. 31 st January, 2013 |
| 2. 12 th May, 2012 | 6. 14 th August, 2012 | 10. 25 th March, 2013 |
| 3. 30 th May, 2012 | 7. 6 th October, 2012 | |
| 4. 29 th June, 2012 | 8. 30 th October, 2012 | |

3. Audit Committee

i. Terms of reference:

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The terms of reference of the Audit Committee are in accordance with the requirements of the Clause 49(II) of the Listing Agreement and as specified by the Board of Directors of the Company and inter-alia includes:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc of the candidate.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. **Composition:**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement [Clause 49 II(A)] with Stock Exchanges. The Audit Committee comprises of one Executive Director and two Non-Executive independent Directors. The Chairman of the Audit Committee is an independent Director.

iii. **Attendance of Members at the meeting of the Audit Committee during 2012-13:**

| Members | Meetings Held | Meetings Attended |
|-----------------------------|---------------|-------------------|
| Sh. R. C. Bansal (Chairman) | 5 | 5 |
| Dr. Sai Ramachandran*** | 5 | 5 |
| Sh. P. K. Ranade* | 5 | 5 |
| Sh. A. K. Ghosh** | 5 | Nil |
| Sh. Vivek Mahendru** | 5 | Nil |

* Ceased to be Member since 23rd March, 2013.

** Member since 25th March, 2013. No meeting held during his tenure.

*** Ceased to be member since 25th March, 2013 due to reconstitution.

4. **Remuneration Committee**

i. **Brief description of terms of reference**

The terms of reference of the Committee are to appraise the performance of the executive directors, determine and recommend to the Board, compensation to executive directors including remuneration policy.

The Committee has three non-executive independent Directors.

ii. **Composition, names of Members and Chairman of Remuneration Committee and attendance at its meeting are as under:**

| Name of Member | Designation | Category | Total Meetings held during the tenure of the member | Meetings attended |
|----------------------|-------------|------------------------------------|---|-------------------|
| Sh. R.C. Bansal | Chairman | Independent Non-Executive Director | 1 | 1 |
| Dr. Sai Ramachandran | Member | Independent Non-Executive Director | 1 | 1 |
| Sh. A.K. Ghosh | Member | Independent Non-Executive Director | 1 | 1 |

iii. **Remuneration Policy**

The Remuneration Committee recommends remuneration package after taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance & remuneration and recommends such performance criteria, that is in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

iv. **Remuneration to Executive Directors**

During the financial year 2012-13, the Company had made necessary applications to the Central Government (Ministry of Corporate Affairs) seeking their approval for payment of enhanced remuneration to Shri V.P. Mahendru, Chairman cum Managing Director and Shri Vinay Mahendru, Executive Director with effect from 1st August, 2012 and payment of remuneration to Shri Vivek Mahendru on appointment as Executive Director with effect from 1st August, 2012 after shareholders approval obtained through Postal Ballot Process on 29th August, 2012.

The Central Government had vide its letters dated 31st December, 2012 granted its approval for payment of enhanced remuneration to Shri V.P. Mahendru, Chairman cum Managing Director and Shri Vinay Mahendru,

Executive Director with effect from 1st August, 2012 and also granted its approval for payment of remuneration to Shri Vivek Mahendru on appointment as Executive Director with effect from 1st August, 2012.

a. Executive Directors:

The details of remuneration paid to Chairman cum Managing Directors and other Executive Directors during the financial year 2012-13 within the limits approved by the Central Government (Ministry of Corporate Affairs) are as under:

Remunerations paid to Executive Directors during 2012-2013

| Sr. No. | Name | Salary & Perquisites Rs. | Commission Rs. | Total Rs. | Period (3 Years w.e.f.) |
|--------------|--------------------|-----------------------------|-------------------|--------------------|----------------------------|
| 1. | Sh. V. P. Mahendru | 62,03,546 | -- | 62,03,546 | 01.08.2012 |
| 2. | Sh. Vivek Mahendru | 53,19,474 | -- | 53,19,474 | 01.08.2012 |
| 3. | Sh. Vinay Mahendru | 53,14,942 | -- | 53,14,942 | 01.08.2012 |
| Total | | 1,68,37,962 | -- | 1,68,37,962 | |

The salary and perquisites include all elements of remuneration i. e. salary and other allowances and benefits including contribution to Provident Fund. The Company does not pay any performance links incentives to any of the above Directors. The Company has so far not issued any stock options to Directors.

b. Non-Executive Independent Directors

The Company pays sitting fee to its Non-Executive Independent Directors for attending the meeting of the Board and its Committees. The details of the remuneration paid to non-executive Independent directors towards sitting fees for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Companies Act, 1956 during the financial year 2012-13 are given below.

| Non-Executive Directors | Sitting Fee (Rs.) |
|-------------------------|-------------------|
| Sh. R.C. Bansal | 64000 |
| Dr. Sai Ramachandran | 76000 |
| Sh. A.K. Ghosh | 40000 |

5. Shareholders/Investors' Grievances Committee and Share Transfer Committee.

The Board of Directors of the Company has constituted Shareholders/Investors' Grievances Committee comprising of an independent Director and an executive Director. The Committee monitors redressal of investors' grievances.

The Share Department of the Company and the Registrar and Share Transfer Agent, Alankit Assignments Ltd., Delhi, attend all grievances / correspondence expeditiously of the shareholders' and Investors' received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc. Usually a reply is sent within 15 days of receipt of letter except in the cases that are constrained by dispute or legal impediment.

The Board has nominated Sh. Kumar Indramani, Company Secretary, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the financial year 2012-13 under review was 17 Nos.

| Sl. No. | Type of Complaint | No. of Complaints Received | Solved | Pending |
|---------|----------------------------------|----------------------------|--------|---------|
| 1. | Dividend | 1 | 1 | -- |
| 2. | Annual Report | 2 | 2 | -- |
| 3. | Non Receipt of share Certificate | 5 | 5 | -- |
| 4. | General | 9 | 9 | -- |

Attendance of Members at the Meeting of the Investors Grievances Committee held during 2012-13:

| Members | Meetings Held | Meetings Attended |
|------------------------------------|---------------|-------------------|
| Dr. Sai Ramachandran (Chairman)** | 4 | 4 |
| Sh. Vinay Mahendru | 4 | 4 |
| Sh. R. C. Bansal* | 4 | Nil |

* Member since 25th March, 2013. No meeting held during his tenure.

** Ceased to be member since 25th March, 2013 due to reconstitution.

Share Transfer Committee

The Share Transfer committee of the Company generally meets fortnightly for approving the requests received from shareholders for share transfers, transmission, issue of duplicate share certificates, etc.

Attendance of Members at the Meeting of the Share Transfer Committee held during 2012-13:

| S.No. | Members | Designation | Meetings Held | Meetings Attended |
|-------|---|-----------------------------------|---------------|-------------------|
| 1 | Sh. P. K. Ranade, * Joint Managing Director | Chairman | 13 | 10 |
| 2 | Sh. Vinay Mahendru** Executive Director | Chairman (w.e.f. 15 Feb, 2013) | 13 | 3 |
| 3 | Sh. Kumar Indramani, Sr. Manager (Legal) & Company Secretary | Member | 13 | 13 |

* ceased to be member w.e.f 31st January, 2013 due to reconstitution.

** member w.e.f 31st January, 2013.

6. General Body Meetings

a) Details of the Annual General Meetings held and special resolutions passed in the last three years:

| Year | Category | Date | Meeting Location | Time | Whether any Special Resolutions passed |
|------|----------|------------|--|-----------|--|
| 2010 | AGM | 09.09.2010 | 51 Kms., G. T. Karnal Road, Murthal, District Sonapat, Haryana | 9.00 A.M. | No |
| 2011 | AGM | 11.06.2011 | Same as Above | 9.00 A.M. | No |
| 2012 | AGM | 28.09.2012 | Kanak Garden Resorts 55 Mile Stone, G. T. Karnal Road Murthal, District Sonapat, Haryana | 9.00 A.M. | No |

b) Details of the Extra Ordinary General Meetings held and special resolutions passed in the last three years:

| Year | Category | Date | Meeting Location | Time | Whether any Special Resolutions passed |
|---------|---------------------------------|------------|--|------------|--|
| 2009-10 | EGM | 25.01.2010 | 51 Kms, G.T. Karnal Raod, Murthal Dist- Sonapat, Haryana | 9.00 A.M. | Yes |
| 2010-11 | EGM | 06.05.2010 | 51 Kms, G.T. Karnal Raod, Murthal Dist- Sonapat, Haryana | 9.00 A.M. | Yes |
| 2011-12 | EGM (Court convened meeting) | 28.01.2012 | 51 Kms, G.T. Karnal Raod, Murthal Dist- Sonapat, Haryana | 10.00 A.M. | No |

(c) Postal Ballot:

During the year, consent of the members of the Company was sought by Special Resolution, through postal ballot as under:

Resolution passed through Postal Ballot process on 29th August, 2012:

- Special Resolution -
- (i) Issuance of 8,45,000 Zero Coupon Convertible Warrants convertible in equity shares of ₹ 5/- each on Preferential basis to the Promoters of the Company in accordance with SEBI(ICDR) Regulations, 2009
 - (ii) Revision of the period of appointment and remuneration of Shri V. P. Mahendru, Chairman cum Managing Director with effect from 1st August, 2012
 - (iii) Revision of the period of appointment and remuneration of Shri Vinay Mahendru, Executive Director with effect from 1st August, 2012
 - (iv) Appointment of Shri Vivek Mahendru as Whole Time/Executive Director with effect from 1st August, 2012

Postal ballot was conducted as per Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. Mr. Manish Ranjan, a practicing Company Secretary was appointed as Scrutinizer in the above mentioned resolution. The above mentioned resolution was passed by majority of the Shareholders voting in favour of the resolutions.

Procedure for Postal Ballot

After receiving the approval of the Board of Directors, the Notice, Explanatory Statement along with the Postal Ballot Form and reply paid self addressed envelope, were dispatched to the members to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballot, the Scrutinizer, after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by the Chairman. The same were posted on the website of the Company and at the Registered Office of the Company. Necessary intimation relating to the voting by Postal Ballot was sent in time to the Stock Exchanges where the Company's shares are listed.

SUBSIDIARY COMPANY INFORMATION

IAFL Cables Limited ceased to be subsidiary of the Company w.e.f 1-April, 2011 in terms of Scheme of Arrangement of Demerger duly approved by Hon'ble High Court for the states of Punjab & Haryana vide its Order dated 27- March, 2012.

7. Disclosures

- No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company:
- The statement of related party transactions, is placed before the Audit Committee regularly:
- Transactions with related parties are disclosed in Note No. 38 of Notes on financial statement in the Annual Report:
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties of strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise.

Compliance with Mandatory / Non-mandatory Requirements

- The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has also adopted the non-mandatory requirements as specified in Annexure 1D to Clause 49 of the Listing Agreement regarding constitution of remuneration committee.

8. Means of Communication

- The quarterly and annual financial results of the Company are published in "The Financial Express all edition and Jansatta (Hindi Edition, Delhi). The Company regularly intimates un-audited and audited financial results to the Stock Exchanges immediately after are taken on record by the Board.
- The Company's Financial Results and official press releases are displayed on the Company's web site www.eonelectric.com

9. General Shareholders Information

i. Date, Time & Venue of the Annual General Meeting.

The Twenty Fourth Annual General Meeting will be held on Monday the 30th day of September, 2013 at 9.00 A.M at Kanak Garden Resort, 55 Mile Stone, G. T. Karnal Road, Murthal, District – Sonapat, Haryana - 131027.

ii. Financial Calendar

Tentative Schedule for the year 2013 - 2014.

| | | |
|---|---|------------------------------|
| First Quarter Results | : | Second Week of August 2013 |
| Second Quarter Results | : | Second Week of November 2013 |
| Third Quarter Results | : | Second Week of February 2014 |
| Fourth Quarter Results & Annual Results | : | Second Week of May 2014 |

iii. Date of Book Closure

From 25th September, 2013 to 30th September, 2013 (both days inclusive).

iv. Dividend Payment Date

Not applicable since no dividend is recommended by the Board.

v. Listing on Stock Exchanges
1. Bombay Stock Exchange Limited

25th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.

Telephone : 022-2272-1233-1234

Facsimile : 022-2272-2082/3132

The Company has paid listing fee to The Stock Exchange, Mumbai for the financial year 2013-2014.

2. National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400001.

Telephone : 022-26598235/36

Facsimile : 022-26598237/38

The Company has paid listing fee to National Stock Exchange of India Limited for the financial year 2013-2014.

vi. Stock Code/ ISIN Code

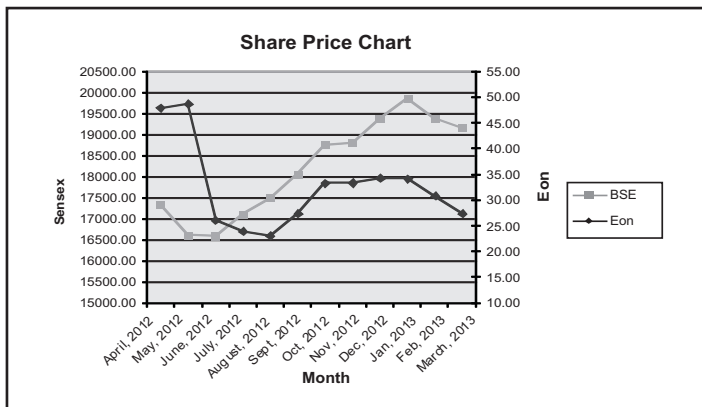
| | | |
|---------------------------------------|---|---|
| The Bombay Stock Exchange Limited | : | 532658 |
| National Stock Exchange of India Ltd. | : | EONELECT (April, 2012 to May, 2012) |
| | : | EON (June, 2012 till date) |
| ISIN No. - NSDL/ CDSL | : | INE076H01025 (April 2012 to May, 2012) |
| - NSDL/ CDSL | : | INE076H01025 (June, 2012 till date) |

vii. Stock Price and Volume

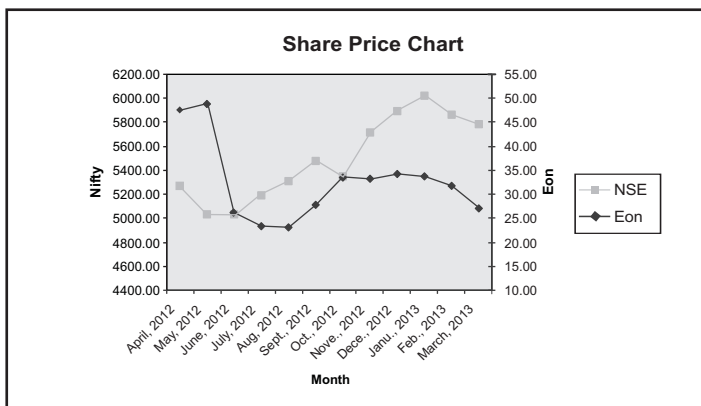
Monthly high and low quotation as also the volume of shares traded on The Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE) from 1st April, 2012

| 2012 – 13 | Bombay Stock Exchange Limited (BSE) | | | National Stock Exchange of India Limited (NSE) | | |
|-----------|--|------------|---------------|---|------------|---------------|
| | Highest (₹) | Lowest (₹) | Volume (Nos.) | Highest (₹) | Lowest (₹) | Volume (Nos.) |
| April | 60.75 | 35.10 | 398736 | 60.40 | 34.80 | 557475 |
| May | 53.85 | 43.65 | 71879 | 53.45 | 43.95 | 61479 |
| June | 30.00 | 22.30 | 103861 | 30.00 | 22.30 | 76019 |
| July | 26.75 | 21.15 | 63420 | 27.00 | 19.65 | 73921 |
| August | 25.90 | 20.30 | 41166 | 25.70 | 20.65 | 64498 |
| September | 34.10 | 20.75 | 178486 | 34.90 | 20.60 | 328387 |
| October | 40.45 | 26.25 | 221143 | 40.75 | 26.35 | 191527 |
| November | 37.55 | 29.25 | 101294 | 37.65 | 28.80 | 59704 |
| December | 38.45 | 30.10 | 97977 | 38.40 | 30.00 | 209762 |
| January | 38.40 | 30.10 | 113866 | 37.95 | 29.60 | 170921 |
| February | 35.00 | 26.80 | 65148 | 35.50 | 28.00 | 102068 |
| March | 30.75 | 24.10 | 36334 | 30.40 | 23.65 | 111987 |

a) Stock Price Movement at BSE.



b) Stock Price Movement at NSE.



Note: The face value of the shares of the company has been changed from ₹ 10/- to ₹ 5/- w.e.f 12th May, 2012 in terms of Scheme of Arrangement of Demerger duly approved by Hon'ble High Courts for the state of Punjab & Haryana vide its Order dated 27th March, 2012. The trading of shares of the company was temporarily suspended from 8th May, 2012 to 6th June, 2012 in terms of Scheme and the trading of shares of the face value ₹ 5/- each has been recommenced on BSE & NSE w.e.f. 7th June, 2012.

viii) Share Transfer System

The shares of the Company are traded in the compulsory dematerialized mode for all investors. The shares sent for transfer in physical form are registered within a fortnight (if in order and complete in all respects) and the share certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time. The Transfer Committee constituted by the Company is looking after all share transfers, which meets once in fortnightly to consider and approve transfer of shares.

The Company has appointed M/s. Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi – 110 055 as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of investor servicing relating to shares.

ix) Distribution of Shareholding as on 31st March, 2013

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Share holding |
|---------------------------|---------------------|-------------------|--------------------|--------------------|
| UP TO 500 | 15236 | 95.70 | 2766562 | 17.23 |
| 501 to 1000 | 338 | 2.12 | 522476 | 3.25 |
| 1001 to 2000 | 162 | 1.02 | 466550 | 2.91 |
| 2001 to 3000 | 61 | 0.38 | 301979 | 1.88 |
| 3001 to 4000 | 30 | 0.19 | 204847 | 1.28 |
| 4001 to 5000 | 17 | 0.11 | 164144 | 1.02 |
| 5001 to 10000 | 35 | 0.22 | 498058 | 3.10 |
| 10001 and above | 42 | 0.26 | 11132850 | 69.33 |
| Total | 15921 | 100.00 | 16057466 | 100.00 |

x) Dematerialization of Shares and Liquidity

The shares of the Company are in Compulsory Demat mode and 95.41% of the Company's share capital is dematerialised as on 31st March 2013.

xi) Outstanding GDRs/ADRs/Warrants

Nil

xii) Plant Locations:

- UNIT I - Plot No. 10, Sector 4, SIDCUL, Ranipur, Haridwar, Uttarakhand
- UNIT II - Plot No. 28 – 29, Sector 6B, SIDCUL, Haridwar, Uttarakhand
- UNIT III – Plot No. 1C, Sector 7, SIDCUL, Haridwar, Uttarakhand

xiii) Investors Correspondence may be addressed to the Compliance Office of the Company:

To contact R&TA for all matters relating to Shares : M/s. Alankit Assignments Ltd. Tel : 011-41540060-63
2E/ 21, Alankit House, Fax: 011-41540064
Jhandewalan Extn., e-mail: alankit@alankit.com
New Delhi - 110 055.

For any other general matters relating to Dividends, Annual Reports or in case of any difficulty/ grievances : Sh. Kumar Indramani
Company Secretary
Eon Electric Limited Tel: (0120) 3096724
B-88, Sector-83, Noida, Fax: (0120) 3096800
Distt. Gautam Budh Nagar, email:kumar.indramani@eonelectric.com
U.P. 201 305 Website: www.eonelectric.com

10. Auditors' Certificate on Corporate Governance

The Auditors' Certificate on Compliance of Clause 49 of the listing Agreement relating to Corporate Governance forms Annexure to the Directors' Report.

11. Certificate from Chief Executive Officer/ Chief Financial Officer

Certificate from Sh V. P Mahendru, Chairman cum Managing Director and Sh. K. B. Satija, Vice President (Corporate Finance) in terms of Clause 49(V) of the Listing Agreement with the Stock Exchange for the financial year ended March 31, 2013 was placed before the Board of Directors of the Company in its meeting held on May 25, 2013.

DECLARATION

Pursuant to Clause 49 of the Listing Agreement as amended, the code of Conduct (Code) of the Company has been displayed at Company's website www.eonelectric.com. All the members of the Board and the Senior Management personnel have affirmed compliance with the code for the year ended March 31, 2013.

(V. P. MAHENDRU)
CHAIRMAN CUM MANAGING DIRECTOR

ANNEXURE "B" TO THE DIRECTORS' REPORT**AUDITORS' CERTIFICATE****TO THE MEMBERS OF EON ELECTRIC LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Eon Electric Limited (Formerly Indo Asian Fusegear Limited) for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

Rajesh Sethi
Partner
M. No. 85669
For and on behalf of
JC Bhalla & Co.

Place: Noida
Dated: August 10, 2013

Chartered Accountants
Firm reg. No : 001111N

ANNEXURE "C" TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

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

- I) Energy conservation measures taken:
 - Energy conservation measures have been implemented in the Works as well as in the Company's entire offices nation wide. Some of these include management of energy efficient resources, energy audit cells etc. These measures have resulted in cost savings for the Company.
- II) Additional investments and proposal, if any, being implemented for reduction of consumption of energy:
 - NIL
- III) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of the cost of production of goods:
 - NIL
- IV) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:
 - NIL

B. TECHNOLOGY ABSORPTION

- V) Efforts made in technology absorption as per Form B of the Annexure as follows:
 1. Specific areas in which R&D carried out by the Company:
 - Continuous efforts are being made for integration of R&D activities with business needs so as to offer better value added products and services to our customers.

2. Benefits derived as a result of the above R&D:

Multifold benefits were accrued as a result of R&D activities. Apart from strengthening of technical base, benefits have also been reflected in terms of :

- improvement in products reliability
- Greater customer satisfaction
- Improvement in quality

3. Future Plan of Action:-Continue efforts to improve products quality and features.

4. Expenditure on R&D:

| | As on 31 st March, 2013 | As on 31 st March, 2012 |
|--|---------------------------------------|---------------------------------------|
| a) Capital | - | - |
| b) Recurring | - | - |
| c) Total | - | - |
| d) Total R & D expenditure as a percentage of total turnover | | |

Technology absorption, adaptation and innovation:

i) Efforts, in brief, made towards technology absorption, adaptations and innovation:

- Efforts to improve productivity and reduce raw material, power and electricity consumption continue.

ii) Benefits derived as a result of the above efforts:

- Cost reduction.

iii) In case of imported technology (imported during the last 5 years reckoned the beginning of the financial year), following information may be furnished:

- a) Technology imported.
- b) Year of import.
- c) Has technology been fully absorbed?.
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

-NOT APPLICABLE-

C. FOREIGN EXCHANGE EARNING AND OUTGO

VI) Activities relating to exports:

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for production and services; and export plans:

With objective to expand the reach of Company's products globally, the Management is also focussing on development of products as per requirement of foreign markets and appointment of channel partners for export sale. Promotional activities for strengthening of Eon brand and participation in exhibition in foreign countries for promotion of its products are some of the initiatives taken by the company in this regard.

- (b) Total foreign exchange used : ₹ 1134.66 Lacs
 Total foreign exchange earned : -

for and on behalf of the Board of Directors

V.P. Mahendru
Chairman cum Managing Director

Independent Auditors' Report

To The Members of Eon Electric Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Eon Electric Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956
 - (e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Rajesh Sethi

Partner

M. No. 85669

For and on behalf of

J C Bhalla & Co.

Chartered Accountants

Firm Regn. No : 001111N

Place : Noida

Dated: 25th May, 2013

Annexure to the Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at the year-end. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the Company.
- (c) The Company has not disposed off any substantial part of fixed assets during the year.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (b), (c) and (d) of the Order are not applicable to the Company.
- (e) The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. The Company has not undertaken any service activity during the year. Further, in our opinion, there is no continuing failure to correct major weaknesses in internal control.
- (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in section 301 Companies Act, 1956 during the year to be entered in the register to be maintained under that section. Accordingly commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sec 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Therefore, clause 4(vi) of the Order is not applicable to the Company.
- (vii) The Company has an internal audit system commensurate with the nature and size of the business.
- (viii) On the basis of the records produced, we are of the opinion that, prima facie, the cost accounting records prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 in respect of Lighting and Wire units have been maintained by the Company. However, we are not required to and have not carried out any detailed examination of such records.

- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed liabilities of statutory dues as on 31st March 2013 outstanding for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the particulars of disputed dues of Excise Duty and Sales tax aggregating to ₹ 5,23,14,146/- and ₹1,15,93,533/- respectively as at March 31, 2013 which have not been deposited on account of disputed matters are as follows:

| Nature of Dues | Demand in Dispute (₹) | Amount deposited (₹) | Period to which amount relates | Forum where pending |
|-------------------------------|-----------------------|----------------------|--------------------------------|--|
| Excise Duty Cases | | | | |
| Excise Duty including Penalty | 18,10,652 | 5,15,000 | August, 1998 to December, 1998 | Commissioner of Central Excise (Appeals), Chandigarh |
| Excise Duty including Penalty | 1,04,50,866 | 25,00,000 | 2007-2008 | Central Excise and Service Tax Appellate Tribunal, New Delhi |
| Excise Duty including Penalty | 3,94,84,604 | - | May 2004 | Central Excise and Service Tax Appellate Tribunal, New Delhi |
| Excise Duty including Penalty | 5,68,024 | - | April 2001 to August 2004 | Central Excise and Service Tax Appellate Tribunal, New Delhi |
| Total | 5,23,14,146 | 30,15,000 | | |

| Nature of Dues | Demand in Dispute (₹) | Amount deposited (₹) | Period to which amount relates | Forum where pending |
|------------------------|-----------------------|----------------------|--------------------------------|-------------------------------|
| Sales Tax Cases | | | | |
| Central Sales Tax | 33,32,266 | 13,32,906 | 2006-07 | Kerala VAT Appellate Tribunal |
| Kerala Value Added Tax | 82,61,267 | 27,53,756 | 2006-07 | Kerala VAT Appellate Tribunal |
| Total | 1,15,93,533 | 40,86,662 | | |

Appeal filed by Central Excise Department as on March 31, 2013 are ₹ 21,84,997/-.

| Nature of Dues | Demand in Dispute (₹) | Amount deposited (₹) | Period to which amount relates | Forum where pending |
|--------------------------------------|-----------------------|----------------------|----------------------------------|--|
| Excise Duty including Penalty | 20,65,676 | - | December, 2007 to September 2008 | Central Excise and Service Tax Appellate Tribunal, New Delhi |
| Service tax including education cess | 1,19,921 | - | July, 2004 to March, 2007 | Central Excise and Service Tax Appellate Tribunal, New Delhi |
| Total | 21,84,997 | - | | |

- (x) The Company does not have accumulated losses as at March 31, 2013. The Company has incurred cash losses during the financial year covered by the audit as well as in the immediately preceding financial year.

- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not raised any term loans during the year. Therefore, the provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized short term funds towards long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue during the year.
- (xxi) During the course of examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

Place : Noida
Dated: 25th May, 2013

Rajesh Sethi
Partner
M. No. 85669
For and on behalf of
J C Bhalla & Co.
Chartered Accountants
Firm Regn. No : 001111N

EON ELECTRIC LIMITED
Balance Sheet as at 31st March, 2013

| Particulars | Note No. | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---------------------------------|----------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 80,287,330 | 160,574,660 |
| Reserves and Surplus | 2 | 1,541,037,751 | 3,286,444,624 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 3 | 39,487,500 | - |
| Deferred Tax Liabilities (Net) | 4 | 8,984,215 | 37,843,587 |
| Other Long Term Liabilities | 5 | 14,469,379 | 7,552,826 |
| Long Term Provisions | 6 | 9,621,711 | 9,887,025 |
| Current Liabilities | | | |
| Short Term Borrowings | 7 | 273,926,528 | - |
| Trade Payables | 8 | 115,413,170 | 47,537,106 |
| Other Current Liabilities | 9 | 84,171,540 | 49,142,147 |
| Short Term Provisions | 10 | 4,534,305 | 5,322,896 |
| TOTAL | | 2,171,933,429 | 3,604,304,871 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| - Tangible Assets | 11 | 291,642,771 | 580,251,449 |
| - Intangible Assets | 11 | 82,613 | 337,335 |
| - Capital Work-in-Progress | 11 | 14,346,310 | 22,170,588 |
| Non - Current Investments | 12 | 364,194,405 | 837,511,751 |
| Long Term Loans and Advances | 13 | 56,154,687 | 126,844,670 |
| Current Assets | | | |
| Current Investments | 14 | 528,714,365 | 1,506,372,427 |
| Inventories | 15 | 341,860,176 | 131,242,870 |
| Trade Receivables | 16 | 399,825,036 | 199,490,768 |
| Cash and Bank Balances | 17 | 130,931,953 | 174,340,161 |
| Short Term Loans and Advances | 18 | 38,604,251 | 22,831,112 |
| Other Current Assets | 19 | 5,576,862 | 2,911,740 |
| TOTAL | | 2,171,933,429 | 3,604,304,871 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1 to 43 | | |

As per our report of even date annexed.

Rajesh Sethi
Partner
Membership No. 85669

Kumar Indramani
Sr. Manager(Legal) &
Company Secretary

K. B. Satija
Vice President
Corporate Finance

Vinay Mahendru
Excutive
Director

V. P. Mahendru
Chairman - cum -
Managing Director

for & on behalf of
J. C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Place : Noida
Dated : 25th May, 2013

EON ELECTRIC LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

| Particulars | Note No. | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|----------|---------------------------|---------------------------|
| INCOME | | | |
| Revenue from Operations | 20 | 1,561,361,015 | 561,492,591 |
| Other Income | 21 | 84,790,570 | 116,732,757 |
| Total Revenue | | 1,646,151,585 | 678,225,348 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 22 | 1,023,925,153 | 450,516,428 |
| Purchases of Stock-in-Trade | 23 | 477,784,866 | 72,513,893 |
| Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade | 24 | (228,102,875) | (1,938,645) |
| Employee Benefits Expense | 25 | 190,482,581 | 106,869,897 |
| Finance Costs | 26 | 25,184,162 | 5,906,999 |
| Depreciation and Amortization Expense | 27 | 24,602,926 | 31,481,276 |
| Other Expenses | 28 | 323,569,877 | 157,329,589 |
| Total Expenses | | 1,837,446,690 | 822,679,437 |
| Profit/(Loss) before Tax | | (191,295,105) | (144,454,089) |
| Tax Expenses | | | |
| Deferred Tax | | 7,124,658 | 1,859,557 |
| Wealth Tax | | 145,394 | 173,203 |
| Prior Period Tax Adjustments | | (614,932) | (216,414) |
| Profit/(Loss) for the year from Continuing Operations | | (197,950,225) | (146,270,435) |
| Profit/(Loss) from Discontinuing Operations | 29 | - | 13,151,715 |
| Tax Expense of Discontinuing Operations | 29 | - | 36,137,827 |
| Profit/(Loss) from Discontinuing Operations (after tax) | | - | (22,986,112) |
| Profit/(Loss) for the year | | (197,950,225) | (169,256,547) |
| Earnings per Equity Share (Face Value of ₹ 5/- each) | | | |
| (Previous year ₹ 10/- each) | 30 | | |
| - Basic | | (12.33) | (10.03) |
| - Diluted | | (12.33) | (10.03) |
| Significant Accounting Policies Notes on Financial Statements | 1 to 43 | | |

As per our report of even date annexed.

Rajesh Sethi
Partner
Membership No. 85669

Kumar Indramani
Sr. Manager(Legal) &
Company Secretary

K. B. Satija
Vice President
Corporate Finance

Vinay Mahendru
Excutive
Director

V. P. Mahendru
Chairman - cum -
Managing Director

for & on behalf of
J. C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Place : Noida
Dated : 25th May, 2013

EON ELECTRIC LIMITED
Cash Flow Statement for the year ended 31st March, 2013

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) Before Tax from Continuing Operations | (191,295,105) | (144,454,089) |
| Profit / (Loss) Before Tax from Discontinuing Operations | - | 13,151,715 |
| Profit / (Loss) Before Tax | (191,295,105) | (131,302,374) |
| Adjustments for : | | |
| Depreciation / Amortisation on Continuing Operations | 24,602,926 | 31,481,276 |
| Depreciation / Amortisation on Discontinuing Operations | - | 19,651,976 |
| Interest Income on Continuing Operations | (15,378,055) | (25,731,201) |
| Interest Income on Discontinuing Operations | - | (49,804) |
| Dividend Received on Continuing Operations | (1,149) | (25,709,590) |
| Dividend Received on Discontinuing Operations | - | (18,081,697) |
| Interest Charged on Continuing Operations | 25,184,162 | 5,906,999 |
| Interest Charged on Discontinuing Operations | - | 217,705 |
| Loss/(Profit) on Sale of Fixed Assets of Continuing Operations | (65,157) | (5,292,685) |
| Loss/(Profit) on Sale of Investments on Continuing Operations | (61,552,026) | (50,769,649) |
| Loss/(Profit) on Sale of Investments on Discontinuing Operations | - | (81,791,604) |
| Operating Profit before Working Capital Changes | (218,504,404) | (281,470,648) |
| Movements in Working Capital : | | |
| (Increase) / Decrease in Trade Receivables | (230,420,338) | (42,431,204) |
| (Increase) / Decrease in Inventories | (227,958,419) | (5,072,971) |
| (Increase) / Decrease in Long Term Loans and Advances | (35,402,802) | (78,832,375) |
| (Increase) / Decrease in Short Term Loans and Advances | (20,613,853) | (6,148,869) |
| (Increase) / Decrease in Other Current Assets | 7,943,981 | (78,965) |
| Increase /(Decrease) in Trade Payables and Other Current Liabilities | 116,178,206 | 8,519,275 |
| Increase /(Decrease) in Long Term Provisions | 1,483,679 | 2,146,908 |
| Increase /(Decrease) in Short Term Provisions | 1,560,284 | (134,458) |
| Increase /(Decrease) in Other Long Term Liabilities | 6,916,553 | 2,491,101 |
| Cash generated from / (used in) Operations | (598,817,113) | (401,012,206) |
| Direct Taxes Paid | 1,210,285 | 4,855,432 |
| NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES | (600,027,398) | (405,867,638) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (126,061,346) | (300,520,948) |
| Proceeds from sale of Fixed Assets | 150,000 | 17,532,346 |
| Proceeds from sale of Non - Current Investments | - | 546,335,834 |
| Purchase of Non - Current Investments | (56,814,905) | (592,898,900) |
| Proceeds from sale of Current Investments | 1,057,634,161 | 4,777,135,626 |
| Purchase of Current Investments | (617,316,475) | (3,977,886,850) |
| Interest Received on Continuing Operations | 11,212,933 | 24,689,936 |
| Interest Received on Discontinuing Operations | - | 68,104 |
| Dividend Received on Continuing Operations | 1,149 | 25,709,590 |
| Dividend Received on Discontinuing Operations | - | 18,081,697 |
| NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES | 268,805,517 | 538,246,435 |

Cash Flow Statement (Cont'd)

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|---------------------------|---------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of Share Warrants/Capital | - | 46,725,000 |
| Buy Back of Equity Shares (Net) | - | (115,964,056) |
| Proceeds from Long Term Borrowings | 46,321,875 | - |
| Repayment of Long Term Borrowings | (6,834,375) | (1,610,710) |
| Proceeds from Short Term Borrowings | 273,926,528 | - |
| Interest Paid on Continuing Operations | (25,184,162) | (5,906,999) |
| Interest Paid on Discontinuing Operations | - | (217,705) |
| NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES | 288,229,866 | (76,974,470) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (42,992,015) | 55,404,327 |
| Opening Balance of Cash and Cash Equivalents | 174,340,161 | 118,935,834 |
| Cash and Cash Equivalents transferred to the Resulting Company under the Scheme of Arrangement | 416,193 | - |
| Closing Balance of Cash and Cash Equivalents | 130,931,953 | 174,340,161 |

Cash and cash equivalents include ₹ 6,48,34,952/- (Previous Year ₹ 57,948,146/-) on account of Margin Money and Fixed Deposits which are held for more than three months and are not available for use by the Company

As per our report of even date annexed.

Rajesh Sethi
Partner
Membership No. 85669

Kumar Indramani
Sr. Manager(Legal) &
Company Secretary

K. B. Satija
Vice President
Corporate Finance

Vinay Mahendru
Excutive
Director

V. P. Mahendru
Chairman - cum -
Managing Director

for & on behalf of
J. C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Place : Noida
Dated : 25th May, 2013

Significant Accounting Policies

Company Overview :

Eon Electric Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The company is engaged in the manufacturing and selling of Cables and Wires, Energy Efficient Lighting, Wiring accessories, Fans, Geysers and other electrical products. The Company has also entered into business of Lithium-ion Batteries and Mobile Phone Accessories.

Significant Accounting Policies :

1. Basis of preparation of Financial Statements:-

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

2. Use of Estimates :-

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

3. Fixed Assets :-

(a) Tangible Assets

Fixed Assets are accounted at cost of acquisition (net of cenvat availed) inclusive of inward freight, duties, taxes and incidentals related to acquisition and installation including interest on loan taken for the acquisition of assets upto the date of commissioning of assets. Pre-operating expenses for major projects are also capitalised, wherever appropriate. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-in-Progress.

The revalued amounts of Fixed Assets are presented in the Balance Sheet by restating the net book value by adding thereon the net increase on account of revaluation.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition. Costs relating to development of Computer Software are capitalized. Software expenses, other than development costs, are expensed off in the year they are incurred.

4. Depreciation / Amortisation :-

Depreciation is provided on pro-rata basis on W.D.V. method at the rates prescribed by Schedule XIV to the Companies Act, 1956 except Leasehold Improvements which are amortized over the period of Lease i.e. five years and Computer Software is amortized over a period of five years.

Premium on leasehold land is amortized over the period of lease.

100% depreciation is provided in respect of assets upto ₹ 5,000/-.

Depreciation on the revalued portion of Fixed Assets is charged to the Merger Adjustment Account.

5. Inventories :-

Inventories are valued as under :-

- | | | |
|------------------------|---|---|
| i) Raw Material | - | At lower of cost determined on FIFO basis and net realisable value. |
| ii) Work-in-Progress | - | At lower of cost and net realisable value. |
| iii) Finished Goods | - | At lower of cost including excise duty and net realizable value |
| iv) Stock-in - Trade | - | At cost. |
| v) Material in Transit | - | At cost. |

Significant Accounting Policies

6. Revenue Recognition :-

Sales :

Sale of goods is recognised at the point of despatch of finished goods to customers. Sales are inclusive of excise duty and exclusive of sales tax.

Investing and other Activities :

Income on account of interest and other activities is recognized on an accrual basis. Dividends are accounted for when the right to receive the payment is established.

7. Transactions in Foreign Currency :-

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency monetary items (including forward contracts) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognized as income or expense in the year in which they arise.

The premium or discount arising at the inception of a forward contract, which are not intended for trading purpose, is amortised as expense or income over the life of the contract.

8. Employee Benefits

(a) Short Term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(b) Long Term Employee Benefits

(i) Defined Contribution plan

Provident Fund and Employees' State Insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (presently 12.0%) of the employees' basic salary and dearness allowance. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the Employees' State Insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined benefit plan

Leave Encashment – Liability on account of unavailed earned leave at the year end is provided as per the actuarial valuation according to Projected Unit Credit Method.

Gratuity – Liability on account of Gratuity at the year end is provided as per the actuarial valuation according to the Projected Unit Credit Method.

(iii) Actuarial gains or losses arising from such transactions are charged to revenue in the year in which they arise.

9. Borrowing Costs:-

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such assets are ready for intended use. Other Borrowing Costs are charged as an expense in the year in which these are incurred.

Significant Accounting Policies

10. Investments :-

Non-current Investments (Long Term Investments) are stated at cost after deducting provision, if any, made for decline, other than temporary, in the values. Current Investments are stated at lower of cost and market / fair value.

11. Taxation :-

Tax expense comprises both current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing difference between taxable income and accounting income that are capable of reversal in one or more subsequent period(s) and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognized unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

12. Earnings Per Share :-

Basic Earnings per equity share is computed by dividing net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period. The Diluted Earnings per share is calculated on the same basis as Basic Earnings per share, after adjusting for the effects of potential dilutive equity shares.

13. Segment Reporting :-

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Corporate Expenses".

14. Leases :-**Operating Lease – As Lessee**

Lease Rentals in respect of assets taken on 'Operating Lease' are charged to the Statement of Profit and Loss on an actual basis.

15. Pre-operative Expenditure :-

The Expenditure incurred by the Company from the date of setting up of a new unit, up to the date of commencement of commercial production of the unit is treated as Pre-operative expenditure to be capitalised as a part of the indirect cost of construction. The amount of such expenditure is apportioned over the individual assets in an equitable manner in the year of commencement of Commercial Production of the unit. The amounts not directly attributable to fixed assets are charged to the Statement of Profit and Loss in the year in which such expenditure is incurred.

16. Impairment of Assets :-

Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

17. Provisions , Contingent Liabilities and Contingent Assets:-

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the year ended 31st March, 2013

| 1 SHARE CAPITAL | 31-Mar-13 | | 31-Mar-12 | |
|--|-------------------|--------------------|-------------------|--------------------|
| | Nos. | Amount (₹) | Nos. | Amount (₹) |
| Authorised Share Capital | | | | |
| Equity Shares of ₹ 5/- each (Previous year ₹ 10/- each) | 19,000,000 | 95,000,000 | 19,000,000 | 190,000,000 |
| Preference Shares of ₹5/- each (Previous year ₹ 10/- each) | 6,000,000 | 30,000,000 | 6,000,000 | 60,000,000 |
| | 25,000,000 | 125,000,000 | 25,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of ₹ 5/- each fully paid up (Previous year ₹ 10/- each) | 16,057,466 | 160,574,660 | 16,057,466 | 160,574,660 |
| TOTAL | 16,057,466 | 160,574,660 | 16,057,466 | 160,574,660 |

- 1.1 Pursuant to the Scheme of Arrangement ("Scheme") u/s 391 to 394 of the Companies Act, 1956 between Eon Electric Limited ("Eon") and Advance Metering Technology Limited ("AMTL") and their respective shareholders and creditors for demerger of the Metering Division and Power Generation Business of the company' duly sanctioned by the Hon'ble High Court for the States of Punjab & Haryana at Chandigarh vide its order dated 27th March, 2012, the Metering Division and Power Generation Business of Eon stands demerged and transferred to and vested in AMTL with effect from 1st April, 2011 (Appointed Date) on a going concern basis.

The Scheme became effective on 8th April, 2012 (Effective Date) on filing of the Certified True Copy of the said Order of the Hon'ble High Court with the Registrar of Companies, NCT of Delhi & Haryana.

Pursuant to the above Scheme, the Authorised, Issued, Subscribed and Paid Up Share Capital of Eon as on 9th May, 2012 ("the Record Date") has been reduced to half by changing the face value of the shares from ₹ 10/- to ₹ 5/- each. Accordingly, the Board of Directors of Eon and AMTL have at their respective meetings held on 12th May, 2012 allotted to all the eligible shareholders of Eon, one fully paid-up Equity Share of the Face Value of ₹ 5/- each of Eon and one fully paid-up Equity Share of the Face Value of ₹ 5/- each of AMTL in lieu of every one fully paid-up Equity Share of the face value of ₹ 10/- each held by them in Eon as on the Record Date.

- 1.2 Reconciliation of the number of Shares outstanding at the beginning and at the end of the year

Equity Shares

| | 31-Mar-13 | | 31-Mar-12 | |
|--|-------------------|-------------------|-------------------|--------------------|
| | Nos. | Amount (₹) | Nos. | Amount (₹) |
| Shares outstanding at the beginning of the year | 16,057,466 | 160,574,660 | 16,951,628 | 169,516,280 |
| Add : Shares Issued on conversion of Share Warrants | - | - | 890,000 | 8,900,000 |
| Less : Shares cancelled on Buy Back of Equity Shares | - | - | 1,784,162 | 17,841,620 |
| Less : Reduction in the face value of Shares from ₹ 10/- to ₹ 5/- each pursuant to the Scheme of Arrangement | - | 80,287,330 | - | - |
| Shares outstanding at the end of the year | 16,057,466 | 80,287,330 | 16,057,466 | 160,574,660 |

(a) During the year ended 31st March, 2012, the Company has converted 890,000 Zero Coupon Convertible Warrants allotted by it on preferential basis by private placement to the promoters of the Company during 2010-11 into 890,000 fully paid up Equity Shares of ₹ 10/- each at a price of ₹ 70/- per equity share. The difference between the Conversion Price and the face value of the equity shares has been credited to Securities Premium Reserve.

(b) During the year ended 31st March, 2012, the Company has bought back and extinguished 17,84,162 Equity Shares of ₹ 10/- each from the existing owners of Equity Shares other than the Promoters / Persons in Control from the open market through the Stock Exchange(s).

- 1.3 Details of Shareholders holding more than 5% shares in the company.

| Name of Shareholder | 31-Mar-13 | | 31-Mar-12 | |
|---|-----------|--------------|-----------|--------------|
| | Nos. | %age holding | Nos. | %age holding |
| Equity Shares of ₹ 5/- each (Previous year ₹10/- each) | | | | |
| VPM Industrial Services Corpn. LLP | 4,980,444 | 31.02% | 2,490,306 | 15.51% |
| PKR Hitech Industrial Corpn. LLP | - | - | 2,403,067 | 14.97% |
| Shri Ashish Dhawan | 1,350,000 | 8.41% | 1,350,000 | 8.41% |
| Shri V.P. Mahendru | 909,413 | 5.66% | 454,722 | 2.83% |

Notes on Financial Statements for the year ended 31st March, 2013

1.4 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 5/- per share (Previous year ₹ 10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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.

2 RESERVES AND SURPLUS

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Capital Reserve | | |
| As per last Balance Sheet | 36,891,000 | 36,891,000 |
| Capital Redemption Reserve | | |
| As per last Balance Sheet | 17,841,620 | - |
| Add: Transferred from General Reserve on Buy-back of Equity Shares | - | 17,841,620 |
| | <u>17,841,620</u> | <u>17,841,620</u> |
| Securities Premium Reserve | | |
| As per last Balance Sheet | 307,090,220 | 253,690,220 |
| Add: Securities Premium credited on Issue of Equity Shares (Refer Note No. 1.2 (a)) | - | 53,400,000 |
| | <u>307,090,220</u> | <u>307,090,220</u> |
| Merger Adjustment Account | | |
| As per last Balance Sheet | 38,330,187 | 39,640,967 |
| Less: Transferred to AMTL pursuant to the Scheme of Arrangement | 23,489,566 | - |
| Less: Amount transferred from Statement of Profit & Loss as reduction from Depreciation (Refer Note No. 27) | 772,323 | 858,136 |
| Less : Utilized on Discontinuing Operations | - | 452,644 |
| | <u>14,068,298</u> | <u>38,330,187</u> |
| General Reserve | | |
| As per last Balance Sheet | 2,591,310,646 | 2,707,274,702 |
| Add: Amount received from AMTL towards Buy-Back of fully paid Equity Shares pursuant to the Scheme of Arrangement (Refer Note No.29) | 57,982,028 | - |
| Less: Transferred to AMTL pursuant to the Scheme of Arrangement (Refer Note No. 29) | 1,604,162,899 | - |
| Less : Amount transferred to Capital Redemption Reserve on extinguishment of shares brought back | - | 17,841,620 |
| Less: Amount utilised towards Buy-Back of fully paid Equity Shares | - | 98,122,436 |
| | <u>1,045,129,775</u> | <u>2,591,310,646</u> |
| Surplus | | |
| As per last Balance Sheet | 294,980,951 | 464,237,498 |
| Add: Loss After Tax of Discontinuing Operations Transferred to AMTL pursuant to the Scheme of Arrangement | 22,986,112 | - |
| Less: Net Loss After Tax transferred from Statement of Profit & Loss | 197,950,225 | 169,256,547 |
| Amount available for Appropriation | <u>120,016,838</u> | <u>294,980,951</u> |
| TOTAL | <u>1,541,037,751</u> | <u>3,286,444,624</u> |

Notes on Financial Statements for the year ended 31st March, 2013

| 3 | LONG TERM BORROWINGS | 31-Mar-13 | | 31-Mar-12 | |
|---|---|-------------------|-------------------|--------------------|-------------------|
| | | Amount (₹) | | Amount (₹) | |
| | | Non Current | Current | Non Current | Current |
| | Unsecured | | | | |
| | Deferred payment liability | 39,487,500 | 19,693,125 | - | - |
| | TOTAL | 39,487,500 | 19,693,125 | - | - |
| | Note : | | | | |
| | Deferred payment liability is due to Haryana State Industrial & Infrastructure Development Corporation Limited against land purchased from them and is payable in 8 equal half yearly instalments alongwith interest thereon. | | | | |
| 4 | DEFERRED TAX LIABILITIES (Net) | | | 31-Mar-13 | 31-Mar-12 |
| | | | | Amount (₹) | Amount (₹) |
| | Deferred Tax Liabilities | | | | |
| | Differences in Depreciation & Amortisation for Accounting and Income Tax purposes | | | 12,783,727 | 40,807,074 |
| | | | | <u>12,783,727</u> | <u>40,807,074</u> |
| | Deferred Tax Assets | | | | |
| | Provision for Gratuity | | | 2,460,397 | 2,461,033 |
| | Provision for Compensated Absences | | | 1,339,115 | 502,454 |
| | | | | <u>3,799,512</u> | <u>2,963,487</u> |
| | Deferred Tax Liabilities (Net) | | | 8,984,215 | 37,843,587 |
| 5 | OTHER LONG TERM LIABILITIES | | | 31-Mar-13 | 31-Mar-12 |
| | | | | Amount (₹) | Amount (₹) |
| | Security Deposits | | | 14,469,379 | 7,552,826 |
| | TOTAL | | | 14,469,379 | 7,552,826 |
| 6 | LONG TERM PROVISIONS | | | 31-Mar-13 | 31-Mar-12 |
| | | | | Amount (₹) | Amount (₹) |
| | Provision for Employee Benefits | | | | |
| | Provision for Gratuity | | | 6,799,152 | 8,093,871 |
| | Provision for Compensated Absences | | | 2,822,559 | 1,793,154 |
| | TOTAL | | | 9,621,711 | 9,887,025 |
| 7 | SHORT TERM BORROWINGS | | | 31-Mar-13 | 31-Mar-12 |
| | | | | Amount (₹) | Amount (₹) |
| | Secured | | | | |
| | Loan from Banks | | | | |
| | - Cash Credit | | | 20,550,839 | - |
| | - Others | | | 253,375,689 | - |
| | TOTAL | | | 273,926,528 | - |

Notes :

- Cash Credit Facility is secured primarily against first charge by way of hypothecation of entire current assets and collaterally by equitable mortgage (first charge) of Plot No. 10, Sector-4, IIE, SIDCUL, Haridwar and personally guaranteed by two directors of the company.
- Other Loans from Banks are secured against pledge of approved Investments in Mutual Funds and Bonds held in the name of the company.

Notes on Financial Statements for the year ended 31st March, 2013

| 8 TRADE PAYABLES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|-------------------------------------|---------------------------|--------------------------|
| Micro, Small and Medium Enterprises | - | - |
| Others | <u>115,413,170</u> | <u>47,537,106</u> |
| TOTAL | <u>115,413,170</u> | <u>47,537,106</u> |

8.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |

| 9 OTHER CURRENT LIABILITIES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|--------------------------|--------------------------|
| Current maturities of Long Term Borrowings (Refer Note No. 3) | 19,693,125 | - |
| Income received in advance | 1,221,072 | 1,221,072 |
| Unpaid Dividend | 3,436,700 | 3,463,200 |
| Creditors for Capital Expenditure | 97,492 | 1,751,244 |
| Other Payables | | |
| - Advances from Customers | 2,306,824 | 3,300,009 |
| - TDS Payable | 3,467,275 | 2,255,637 |
| - CST / VAT / Service Tax Payable | 7,609,800 | 4,577,491 |
| - Book Overdraft | - | 2,096,866 |
| - Other Liabilities | 46,339,252 | 30,476,628 |
| TOTAL | <u>84,171,540</u> | <u>49,142,147</u> |

| 10 SHORT TERM PROVISIONS | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 607,777 | 227,727 |
| Provision for Compensated Absences | 1,208,796 | 78,631 |
| Others | | |
| Provision for Taxation (Net of Advance Income Tax) | 2,717,732 | 4,551,226 |
| Provision for Excise Duty on Finished Goods | - | 465,312 |
| TOTAL | <u>4,534,305</u> | <u>5,322,896</u> |

Notes on Financial Statements for the year ended 31st March, 2013

11. FIXED ASSETS

| Description | Gross Block | | | | Depreciation / Amortisation | | Net Block | |
|---|-----------------|-------------|---|-----------------|-----------------------------|--------------|---|-----------------|
| | As at 01-Apr-12 | Additions | Sale/Adjustments | As at 31-Mar-13 | As at 01-Apr-12 | For The Year | Up to 31-Mar-13 | As at 31-Mar-12 |
| | | | Transferred to AMTL pursuant to scheme of arrangement | Others | | | Transferred to AMTL pursuant to scheme of arrangement | Others |
| TANGIBLE ASSETS | | | | | | | | |
| Land - Free Hold | 20,891,200 | 84,240,000 | 20,891,200 | 84,240,000 | - | - | - | 20,891,200 |
| Land - Free Hold (given on Operating Lease) | 43,520,000 | - | - | 43,520,000 | - | - | - | 43,520,000 |
| Land - Lease Hold | 11,252,090 | - | - | 11,252,090 | 815,561 | 125,024 | 940,585 | 10,436,529 |
| Buildings | 65,946,087 | 1,130,363 | 17,830,648 | 49,245,802 | 32,138,138 | 2,672,246 | 24,068,327 | 33,807,949 |
| Buildings (given on Operating Lease) | 48,030,013 | - | - | 48,030,013 | 25,841,039 | 2,218,897 | 28,059,936 | 19,970,077 |
| Plant and Equipment | 567,199,646 | 28,071,450 | 467,082,768 | 128,188,328 | 174,738,775 | 11,169,449 | 46,968,132 | 392,460,871 |
| Furniture and Fixtures | 15,983,140 | 1,294,209 | 2,956,507 | 14,320,842 | 9,866,442 | 1,053,713 | 9,866,911 | 6,116,698 |
| Vehicles | 54,158,595 | 1,475,133 | 24,243,370 | 29,540,358 | 25,119,073 | 4,135,621 | 17,273,534 | 29,039,522 |
| Office equipment | 4,445,655 | 309,680 | 763,672 | 3,991,663 | 2,513,973 | 219,221 | 2,588,079 | 1,931,682 |
| Fans, Coolers and A.C. | 7,114,156 | 545,273 | 1,414,698 | 6,244,731 | 3,371,317 | 428,546 | 3,507,501 | 3,742,839 |
| Computers | 9,942,814 | 1,789,545 | 3,827,600 | 7,904,759 | 5,379,073 | 1,425,832 | 5,095,918 | 4,563,741 |
| Electrical Fittings | 5,546,986 | 928,464 | 600,746 | 5,874,704 | 2,329,692 | 513,169 | 2,341,596 | 3,217,294 |
| Lease Hold Improvements | 16,581,232 | - | 7,279,990 | 9,301,242 | 8,247,082 | 1,292,848 | 9,301,242 | 8,334,150 |
| Total (A) | 870,611,614 | 119,784,117 | 546,891,199 | 441,654,532 | 290,360,165 | 25,254,566 | 150,011,761 | 580,251,449 |
| INTANGIBLE ASSETS | | | | | | | | |
| Computer Software | 746,900 | 31,500 | 174,900 | 603,500 | 409,565 | 120,683 | 520,887 | 337,335 |
| Total (B) | 746,900 | 31,500 | 174,900 | 603,500 | 409,565 | 120,683 | 520,887 | 337,335 |
| Total (A+B) | 871,358,514 | 119,815,617 | 547,066,099 | 442,258,032 | 290,769,730 | 25,375,249 | 150,532,648 | 580,588,784 |
| Previous Year | 579,897,685 | 304,330,609 | - | 871,358,514 | 243,619,998 | 52,444,032 | 290,769,730 | 580,588,784 |
| Capital Work In Progress | | | | | | | | |
| | | | | | | | | 22,170,588 |

(in ₹)

Notes on Financial Statements for the year ended 31st March, 2013

| 12 NON CURRENT INVESTMENTS (Long Term Investments) | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| NON TRADE INVESTMENTS (valued at cost unless stated otherwise) | | |
| In Equity Shares of Subsidiary Companies - Unquoted, fully paid up | | |
| Nil (Previous Year 8,640,000) Equity Shares of ₹10/- each of IAFL Cables Ltd. | - | 86,400,000 |
| Investment in Joint Ventures | | |
| Nil (Previous Year 40,000) Cash Shares of Saudi Riyals 50 each of Saudi National Lamps and Electricals Company Ltd | - | 25,732,351 |
| 6,37,000 (Previous Year Nil) Equity Shares of ₹10/- each of Luxtra Lighting Pvt Ltd. | 6,370,000 | - |
| 20,367,942 (Previous Year 10,598,050) Equity Shares of ₹10/- each of Indo Simon Electric Private Limited | 203,679,420 | 105,980,500 |
| Investments in Preference Shares - Unquoted, fully paid up | | |
| 2,650,000 (Previous Year 2,650,000) 10% Convertible Preference Shares of ₹10/-each of IAFL Power Distribution & Infrastructure Private Limited | 26,500,000 | 26,500,000 |
| Investments in Bonds - Quoted, fully paid up | | |
| 29,669 (Previous Year 29,669) Nos. of Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India | 29,669,000 | 29,669,000 |
| 14,239 (Previous Year 14,239) Nos. of Tax Free Bonds Tranche-1Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited | 14,239,000 | 14,239,000 |
| 48,991 (Previous Year 48,991) Nos. of Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited | 48,991,000 | 48,991,000 |
| Investments in Mutual Funds - Quoted, fully paid up | | |
| Nil (Previous Year 3,000,000) Units of Face Value of ₹10/- each of Baroda Pioneer 370 Day FMP-Series1-Growth Plan | - | 30,000,000 |
| Nil (Previous Year 5,000,000) Units of Face Value of ₹10/- each of Reliance Fixed Horizon Fund - XXI - Series 11 - Growth Plan | - | 50,000,000 |
| Nil (Previous Year 19,999,990) Units of Face Value of ₹10/- each of Reliance Fixed Horizon Fund - XXI - Series 18 - Growth Plan | - | 199,999,900 |
| Nil (Previous Year 22,000,000) Units of Face Value of ₹10/- each of State Bank of India Debt Fund Series-13 Months-12-Growth | - | 220,000,000 |
| 3,000,000 (Previous Year Nil) Units of Face Value of ₹10/- each of Reliance Mutual Fund - Fixed Horizon FD XXIII SR1 Growth | 30,000,000 | - |
| Investments in Others - Unquoted | | |
| Zephyr Peacock India III Fund | 4,745,985 | - |
| TOTAL | 364,194,405 | 837,511,751 |
| Aggregate amount of quoted investments | 122,899,000 | 592,898,900 |
| Market Value of quoted investments | 132,697,452 | 598,046,374 |
| Aggregate amount of unquoted investments | 241,295,405 | 244,612,851 |
| Aggregate provision for diminution in value of Investments | - | - |

Notes on Financial Statements for the year ended 31st March, 2013

12.1 Details of Non-Current Investments (Long Term Investments) transferred to AMTL pursuant to the Scheme of Arrangement

| | |
|---|--------------------|
| a) Equity Shares of Subsidiary Companies - Unquoted fully paid up 8,640,000 Equity Shares of ₹10/- each of IAFL Cables Ltd. | 86,400,000 |
| b) Investment in Joint Ventures 40,000 Cash Shares of Saudi Riyals 50 each of Saudi National Lamps and Electricals Company Ltd | 25,732,351 |
| c) Investments in Mutual Funds - Quoted, fully paid up 22,000,000 Units of Face Value of ₹10/- each of State Bank of India Debt Fund Series-13 Months-12-Growth | 220,000,000 |

TOTAL **332,132,351**

13 LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Capital Advances | 46,858,750 | 8,055,500 |
| Security Deposits | 6,538,393 | 8,829,807 |
| Loans and Advances to Related Parties (Refer Note No. 13.1) | - | 13,420,000 |
| Share Application Money (Refer Note No. 13.2) | - | 82,000,000 |
| Balance with Statutory/Government Authorities | 2,500,000 | 8,642,078 |
| Un-amortised Lease Rent | - | 5,627,295 |
| Prepaid Expenses | 257,544 | - |
| Loans and Advances to Employees | - | 269,990 |
| TOTAL | 56,154,687 | 126,844,670 |

13.1 Details of Loans and Advances transferred to AMTL pursuant to Scheme of Arrangement

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) | Maximum Balance during the year(₹) |
|--|-------------------------|-------------------------|---------------------------------------|
| Loan to Saudi National Lamps & Electricals Ltd | - | 13,420,000 | 1,342,000 |

13.2 Share Application Money includes Share Application Money given to Joint Venture Companies

| Name of the Company | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|-------------------------------------|-------------------------|-------------------------|
| Indo Simon Electric Private Limited | - | 77,500,000 |
| Luxtra Lighting Private Limited | - | 4,500,000 |
| TOTAL | - | 82,000,000 |

14 CURRENT INVESTMENTS

Current portion of Long-Term Investments
(valued at lower of cost and market value)

Investments in Mutual Funds - Quoted, fully paid up

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Nil (Previous Year 8,000,000) Units of Face Value of ₹ 10/- each of ICICI Prudential FMP Series 54-24 Months Plan Cumulative | - | 80,000,000 |
| Nil (Previous Year 14,000,000) Units of Face Value of ₹ 10/- each of Reliance Fixed Horizon Fund-XVII Series 13 Growth Plan | - | 140,000,000 |
| Nil (Previous Year 4,366,259) Units of Face Value of ₹ 10/- each of HDFC Monthly Income Plan - Long Term - Growth | - | 100,000,000 |
| 3,000,000 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Baroda Pioneer 370 Day FMP-Series1-Growth Plan | 30,000,000 | - |

Notes on Financial Statements for the year ended 31st March, 2013

Contd.

CURRENT INVESTMENTS

5,000,000 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Reliance Fixed Horizon Fund - XXI - Series 11 - Growth Plan

31-Mar-13
Amount (₹)

50,000,000

31-Mar-12
Amount (₹)

-

19,999,990 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Reliance Fixed Horizon Fund - XXI - Series 18 - Growth Plan

199,999,900

-

Investments in Mutual Funds - Unquoted, fully paid up

Nil (Previous Year 4,621,371) Units of Face Value of ₹ 10/- each of Reliance Monthly Income Plan - Growth Plan

-

100,000,000

Current Investments

Investments in Mutual Funds -Quoted, fully paid up

Nil (Previous Year 7,999,990) Units of Face Value of ₹ 10/- each in State Bank of India Debt Fund Series - 90 Days - 58 - Growth

-

79,999,900

Nil (Previous Year 1,415,929) Units of Face Value of ₹ 10/- each in of Kotak Quarterly Interval Plan Series 1 - Growth

-

20,000,000

Nil (Previous Year 15,079,044) Units of Face Value of ₹10/- each of State Bank of India Magnum Income Fund FR Saving + Bond Plan Growth

-

250,000,000

Nil (Previous Year 10,000,000) Units of Face Value of ₹10/- each of State Bank of India Debt Fund Series-367 Days-11-Growth

-

100,000,000

Nil (Previous Year 10,089,068) Units of Face Value of ₹ 10/- each of State Bank of India Debt Fund Series-367 Days-14-Growth

-

100,890,680

Nil (Previous Year 3,826,374) Units of Face Value of ₹10/- each of State Bank of India Dynamic Bond Fund-Growth

-

50,000,000

Nil (Previous Year 5,000,000) Units of Face Value of ₹10/- each of Kotak FMP Series 66 - Growth

-

50,000,000

Nil (Previous Year 2,525,508) Units of Face Value of ₹ 10/- each of BNP Paribas Short Term Income Fund - Institutional Growth

-

30,000,000

Investments in Mutual Funds - Unquoted, fully paid up

147 (Previous Year 94,786) Units of Face Value of ₹1000/- each of State Bank of India-Premier Liquid Fund-Regular Plan-Growth

252,587

159,682,764

1,411 (Previous Year 950) Units of Face Value of ₹1000/- each of Morgan Stanley Liquid Fund-Regular-Growth Plan

1,600,000

1,000,000

Nil (Previous Year 1,112) Units of Face Value of ₹10/- each of State Bank of India SHF-Ultra Short Term-Institutional Plan-Growth

-

1,526,903

Nil (Previous Year 257,828) Units of Face Value of ₹100/- each of ICICI Flexible Income Premium Growth

-

49,698,031

Nil (Previous Year 12,779,325) Units of Face Value of ₹ 10/- each of Kotak Flexi Debt Scheme Institutional - Growth

-

163,221,371

Nil (Previous Year 1,934,284) Units of Face Value of ₹ 10/- each of BNP Paribas Money Plus - Institutional Growth

-

30,352,778

1,709,978 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Franklin Tempelton India Low Duration Fund Growth

19,999,900

-

27,705 (Previous Year Nil) Units of Face Value of ₹ 1000/- each of State Bank of India-Premier Liquid Fund-Regular Plan-Growth

46,861,978

-

1,630,486 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Kotak Bond Scheme Plan A - Growth

55,000,000

-

Notes on Financial Statements for the year ended 31st March, 2013

Contd.

CURRENT INVESTMENTS

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| 748,828 (Previous Year Nil) Units of Face Value of ₹ 10/- each of HDFC Income Fund - Growth | 20,000,000 | - |
| 637,857 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Reliance Dynamic Bond Fund - Growth Plan - Growth Option | 10,000,000 | - |
| 4,487,357 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Reliance Dynamic Bond Fund - Direct Plan - Growth Plan - Growth Option | 70,000,000 | - |
| 648,421 (Previous Year Nil) Units of Face Value of ₹ 10/- each of Reliance Income Fund - Growth Plan - Growth Option | 25,000,000 | - |
| TOTAL | 528,714,365 | 1,506,372,427 |
| Aggregate amount of quoted investments | 279,999,900 | 1,100,890,580 |
| Market Value of quoted investments | 310,186,389 | 1,145,895,605 |
| Aggregate amount of unquoted investments | 248,714,465 | 405,481,847 |
| Aggregate provision for diminution in value of Investments | - | - |

14.1 Details of Current Investments (Short Term Investments) transferred to AMTL pursuant to the Scheme of Arrangement
a) Current Portion of Long Term Investments in Mutual Funds - Quoted, fully paid up

| | |
|---|-------------|
| 4,366,259 Units of Face Value of ₹10/- each of HDFC Monthly Income Plan - Long Term - Growth | 100,000,000 |
| 4,420,600 Units of Face Value of ₹10/- each of Reliance Fixed Horizon Fund- XVII Series - Growth Plan | 44,206,000 |

b) Investments in Mutual Funds - Quoted, fully paid up

| | |
|--|-------------|
| 12,063,235 Units of Face Value of ₹ 10/- each of State Bank of India Magnum Income Fund FR Saving + Bond Plan Growth | 200,000,000 |
| 10,000,000 Units of Face Value of ₹ 10/- each of State Bank of India Debt Fund Series-367 Days-11-Growth | 100,000,000 |
| 10,089,068 Units of Face Value of ₹ 10/- each of State Bank of India Debt Fund Series-367 Days-14-Growth | 100,890,680 |
| 3,826,374 Units of Face Value of ₹ 10/- each of State Bank of India Dynamic Bond Fund-Growth | 50,000,000 |
| 5,000,000 Units of Face Value of ₹ 10/- each of Kotak FMP Series 66 - Growth | 50,000,000 |
| 2,525,508 Units of Face Value of ₹ 10/- each of BNP Paribas Short Term Income Fund - Institutional Growth | 30,000,000 |

c) Investments in Mutual Funds - Unquoted, fully paid up

| | |
|---|-------------|
| 6,099 Units of Face Value of ₹ 1000/- each of State Bank of India-Premier Liquid Fund-Regular Plan-Growth | 10,221,473 |
| 12,779,325 Units of Face Value of ₹ 10/- each of Kotak Flexi Debt Scheme Institutional - Growth | 163,221,371 |
| 1,934,284 Units of Face Value of ₹ 10/- each of BNP Paribas Money Plus - Institutional Growth | 30,352,778 |

TOTAL
878,892,302

Notes on Financial Statements for the year ended 31st March, 2013

| 15 INVENTORIES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|------------------|-------------------------|-------------------------|
| Raw Material | 22,228,277 | 35,483,871 |
| Work-in-Progress | 15,236,235 | 8,530,273 |
| Finished Goods | 170,840,730 | 71,481,085 |
| Stock-in-Trade | 133,554,934 | 15,747,641 |
| TOTAL | 341,860,176 | 131,242,870 |

15.1 Inventories are valued as under :-

| | | |
|------------------|---|---|
| Raw Material | : | At lower of cost determined on FIFO basis and net realisable value. |
| Work-in-Progress | : | At lower of cost and net realisable value. |
| Finished Goods | : | At lower of cost including excise duty and net realisable value. |
| Stock-in-Trade | : | At cost |

| 16 TRADE RECEIVABLES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Outstanding for a period exceeding six months | | |
| Unsecured, considered good | 56,641,984 | 41,800,402 |
| Unsecured, considered doubtful | - | - |
| Sub-Total | 56,641,984 | 41,800,402 |
| Others | | |
| Unsecured, considered good | 343,183,052 | 157,690,366 |
| Unsecured, considered doubtful | - | - |
| Sub-Total | 343,183,052 | 157,690,366 |
| TOTAL | 399,825,036 | 199,490,768 |

16.1 Trade Receivables stated above include debts due by Joint Venture Companies:

| Name of the Company | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Saudi National Lamps and Electricals Limited (Transferred to AMTL pursuant to Scheme of Arrangement) | - | 21,366,235 |
| TOTAL | - | 21,366,235 |

| 17 CASH AND BANK BALANCES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| a) Balances with Banks | | |
| On Current Accounts | 36,943,680 | 94,765,397 |
| Fixed Deposits with maturity of upto 12 months | 100,000 | - |
| On Unpaid Dividend Account | 3,436,700 | 3,463,200 |
| Margin Money Deposits with maturity of upto 12 months | 63,534,952 | 57,588,146 |
| b) Cheques/Drafts on hand | 25,066,102 | 17,415,359 |
| c) Cash on hand | 650,519 | 748,059 |
| Other Bank Balances | | |
| a) Fixed Deposits with maturity of over 12 months | 200,000 | - |
| b) Margin Money Deposits with maturity of over 12 months | 1,000,000 | 360,000 |
| TOTAL | 130,931,953 | 174,340,161 |

17.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.

Notes on Financial Statements for the year ended 31st March, 2013

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| 18 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good) | | |
| Advances to Suppliers for goods and services | 28,668,092 | 12,991,233 |
| Loans and advances to employees | 1,655,535 | 3,245,636 |
| Due from IAFL Cables Limited, a subsidiary company | - | 202,250 |
| Balance with Customs, Central Excise and VAT Authorities | 6,494,212 | 4,533,576 |
| Prepaid Expenses | 1,786,412 | 1,858,417 |
| TOTAL | 38,604,251 | 22,831,112 |
| 19 OTHER CURRENT ASSETS | | |
| Interest Receivable on Fixed Deposits with Banks | 909,950 | 721,897 |
| Interest accrued on Investments | 4,666,912 | 689,843 |
| Others | - | 1,500,000 |
| TOTAL | 5,576,862 | 2,911,740 |
| 20 REVENUE FROM OPERATIONS | | |
| Sale of Products | | |
| - Finished Goods | 1,145,270,805 | 488,754,956 |
| - Traded Goods | 416,090,210 | 72,737,635 |
| TOTAL | 1,561,361,015 | 561,492,591 |
| 20.1 PARTICULARS OF SALE OF PRODUCTS | | |
| <u>Finished Goods</u> | | |
| Wires | 1,100,348,643 | 466,556,331 |
| Lighting Products | - | 22,106,803 |
| Others | 44,922,162 | 91,822 |
| | 1,145,270,805 | 488,754,956 |
| <u>Traded Goods</u> | | |
| Wires | 15,007,529 | 47,983,494 |
| Lighting Products | 152,597,674 | 11,385,393 |
| Others | 248,485,007 | 13,368,748 |
| | 416,090,210 | 72,737,635 |
| TOTAL | 1,561,361,015 | 561,492,591 |

Notes on Financial Statements for the year ended 31st March, 2013

| 21 OTHER INCOME | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---------------------------------------|-------------------------|-------------------------|
| Interest Income | 15,378,055 | 25,731,201 |
| Dividend Income | 1,149 | 25,709,590 |
| Net Gain on Sale of Investments | 61,552,026 | 50,769,649 |
| Profit on Sale of Fixed Assets (Net) | 65,157 | 5,292,685 |
| Rental Income | 2,800,000 | 2,800,000 |
| Miscellaneous Income | 2,087,637 | 618,034 |
| Sundry Balances Written Back | 2,385,874 | 5,785,422 |
| Gain on Foreign Currency Transactions | 520,672 | 26,176 |
| TOTAL | 84,790,570 | 116,732,757 |

| 22 COST OF MATERIALS CONSUMED | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Inventory at the beginning of the year | 22,372,733 | 25,810,281 |
| Add : Purchases | 1,023,780,697 | 447,078,880 |
| | 1,046,153,430 | 472,889,161 |
| Less : Inventory at the end of the year | 22,228,277 | 22,372,733 |
| TOTAL | 1,023,925,153 | 450,516,428 |

22.1 PARTICULARS OF MATERIALS CONSUMED

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Copper | 885,474,561 | 387,683,842 |
| Poly Vinyl Chloride (PVC) | 86,709,656 | 38,038,791 |
| Others (including Semi-Finished Components) | 51,740,936 | 24,793,795 |
| TOTAL | 1,023,925,153 | 450,516,428 |

22.2 PERCENTAGE OF CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS

| | 31-Mar-13 Amount (₹) | %age | 31-Mar-12 Amount (₹) | %age |
|-------------------------|-------------------------|----------------|-------------------------|----------------|
| Indigenous | 996,665,660 | 97.34% | 446,141,592 | 99.03% |
| Imported (C.I.F. Value) | 27,259,493 | 2.66% | 4,374,836 | 0.97% |
| TOTAL | 1,023,925,153 | 100.00% | 450,516,428 | 100.00% |

23 PURCHASE OF STOCK-IN-TRADE

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|-------------------|-------------------------|-------------------------|
| Wires | 16,966,207 | 41,125,721 |
| Lighting Products | 163,970,748 | 4,834,428 |
| Others | 296,847,911 | 26,553,744 |
| TOTAL | 477,784,866 | 72,513,893 |

Notes on Financial Statements for the year ended 31st March, 2013

| 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Inventories (at close) | | |
| Finished goods | 170,840,730 | 67,251,110 |
| Stock-in-Trade | 133,554,934 | 15,747,641 |
| Work-in-Progress | 15,236,235 | 8,530,273 |
| | <u>319,631,899</u> | <u>91,529,024</u> |
| Inventories (at commencement) | | |
| Finished goods | 67,251,110 | 67,540,519 |
| Stock-in-Trade | 15,747,641 | 16,059,677 |
| Work-in-Progress | 8,530,273 | 5,990,183 |
| | <u>91,529,024</u> | <u>89,590,379</u> |
| (INCREASE) / DECREASE | <u>(228,102,875)</u> | <u>(1,938,645)</u> |

| 25 EMPLOYEE BENEFITS EXPENSE | 31-Mar-12 Amount (₹) | 31-Mar-11 Amount (₹) |
|---|-------------------------|-------------------------|
| Salaries, Wages and Bonus | 169,374,226 | 95,551,419 |
| Contribution to Provident and other Funds | 7,801,104 | 4,753,321 |
| Gratuity | 1,373,501 | 1,004,809 |
| Leave Encashment | 3,163,577 | 834,803 |
| Staff Welfare expenses | 8,770,173 | 4,725,545 |
| TOTAL | <u>190,482,581</u> | <u>106,869,897</u> |

25.1. Disclosure under Accounting Standard 15 (Revised)

As per Accounting Standard (AS-15) (Revised 2005) "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Contribution Plans

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Employer's Contribution to Provident Fund * | 7,453,713 | 4,290,301 |
| Employer's Contribution to ESI * | 347,391 | 463,020 |

(*) Included in Contribution to Provident and Other Funds

(b) Defined Benefit Plans
(Amount ₹)

| | Non – Funded | | | |
|--|------------------|-----------|----------------------|-----------|
| | Gratuity | | Compensated Absences | |
| | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 |
| Current service cost | 14,43,479 | 868,031 | 14,71,152 | 599,966 |
| Interest cost | 665,728 | 512,583 | 149,743 | 108,535 |
| Expected Return on Plan Assets | - | - | - | - |
| Actuarial (gain) / loss | (2,272,032) | (375,805) | 1,279,946 | 126,302 |
| Past service cost | - | - | - | - |
| Curtailement and Settlement Cost / (credit) | - | - | - | - |
| Net Cost | (162,825) | 1,004,809 | 2,900,841 | 834,803 |
| Transferred to Resulting Company pursuant to Scheme of Arrangement | 1,536,326 | - | 262,736 | - |
| Total Cost | 1,373,501 | 1,004,809 | 3,163,577 | 834,803 |

Notes on Financial Statements for the year ended 31st March, 2013

(c) Actuarial Assumptions

(Amount ₹)

| | Gratuity | | Compensated Absences | |
|---|-----------|-----------|----------------------|-----------|
| | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 |
| Discount Rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected Rate of increase in Compensation Levels | 6.00% | 6.00% | 6.00% | 6.00% |
| Expected Rate of Return on Plan Assets | N.A. | N.A. | N.A. | N.A. |
| Expected Average remaining working lives of employees (years) | 23.22 | 23.86 | 23.02 | 23.97 |

(d) Reconciliation of opening and closing balances of benefit obligations and plan assets.

(Amount ₹)

| | Non – Funded | | | |
|---|--------------------|--------------------|----------------------|--------------------|
| | Gratuity | | Compensated Absences | |
| | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 |
| Change in Projected Benefit Obligation (PBO) | | | | |
| Projected benefit obligation at beginning of year | 8,321,598 | 6,653,837 | 1,871,785 | 1,467,290 |
| Current service cost | 1,443,479 | 1,210,067 | 1,471,252 | 704,949 |
| Interest cost | 665,728 | 532,307 | 149,743 | 117,383 |
| Benefits paid | (751,844) | (972,146) | (741,271) | (684,292) |
| Curtailment and Settlement cost | - | - | - | - |
| Contribution by plan participants | - | - | - | - |
| Past services cost | - | - | - | - |
| Actuarial (gain) / loss | (2,272,032) | 897,533 | 1,279,946 | 266,455 |
| Projected benefit obligation at year end | 7,406,929 | 8,321,598 | 4,031,355 | 1,871,785 |
| Change in plan assets : | | | | |
| Fair value of plan assets at beginning of year | - | - | - | - |
| Expected return on plan assets | - | - | - | - |
| Actuarial (gain) / loss | - | - | - | - |
| Employer contribution | - | - | - | - |
| Contribution by plan participants | - | - | - | - |
| Settlement cost | - | - | - | - |
| Benefits paid | - | - | - | - |
| Fair value of plan assets at year end | - | - | - | - |
| Net funded status of the plan | (7,406,929) | (8,321,598) | (4,031,355) | (1,871,785) |
| Net amount recognized | (7,406,929) | (8,321,598) | (4,031,355) | (1,871,785) |

26 FINANCE COSTS

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|-----------------------|-------------------------|-------------------------|
| Interest Expenses | 21,758,796 | 4,433,561 |
| Other Borrowing Costs | 1,685,400 | - |
| Bank Charges | 1,739,966 | 1,473,438 |
| TOTAL | 25,184,162 | 5,906,999 |

27 DEPRECIATION AND AMORTISATION EXPENSE

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Depreciation and Amortisation | 25,375,249 | 32,339,412 |
| Less : Transferred from Merger Adjustment Account | 772,323 | 858,136 |
| TOTAL | 24,602,926 | 31,481,276 |

Notes on Financial Statements for the year ended 31st March, 2013

| 28 OTHER EXPENSES | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|---------------------------------|---------------------------------|
| Manufacturing Expenses | | |
| Power and Fuel | 12,321,290 | 6,395,295 |
| Labour Work Charges | 532,020 | 71,623 |
| Rent for Machinery | 1,377,600 | - |
| Testing Charges | 361,524 | 899,527 |
| Building Repairs | 488,195 | 545,488 |
| Machinery Repairs | 5,454,238 | 2,686,052 |
| | <u>20,534,867</u> | <u>10,597,985</u> |
| Administration Expenses | | |
| Rent | 16,157,643 | 11,565,977 |
| Rates and Taxes | 3,284,837 | 1,309,589 |
| Travelling and Conveyance | 42,964,739 | 18,302,553 |
| Printing and Stationery | 4,955,879 | 2,313,354 |
| Postage, Telegram & Telephone | 8,151,061 | 4,414,326 |
| Insurance | 2,030,189 | 1,649,084 |
| Other Repairs | 3,542,192 | 3,993,818 |
| Bad Debts written off | 19,191,820 | 12,956,339 |
| Directors Sitting fees | 194,589 | 228,000 |
| Vehicle Maintenance | 1,979,553 | 1,281,821 |
| Legal & Professional Charges | 21,309,197 | 28,054,178 |
| Payment to Auditors | | |
| - As Auditor | 1,560,000 | 1,780,000 |
| - For other services | 393,375 | 398,427 |
| - Service Tax | 246,073 | 248,558 |
| Miscellaneous Expenses | 8,955,884 | 5,922,640 |
| Loss on Foreign Currency Transactions | 330,578 | 648,135 |
| | <u>135,247,609</u> | <u>95,066,799</u> |
| Selling and Distribution Expenses | | |
| Freight and Cartage Outwards | 45,888,410 | 10,939,618 |
| Advertisement | 31,190,305 | 5,705,815 |
| Selling Commission | 32,061,675 | 12,587,648 |
| Sales Discount | 35,199,934 | 16,052,048 |
| Business Promotion | 19,987,735 | 4,940,918 |
| Samples | 1,056,587 | 173,588 |
| Sales Tax Assessed | 2,402,755 | 1,265,170 |
| | <u>167,787,401</u> | <u>51,664,805</u> |
| TOTAL | <u><u>323,569,877</u></u> | <u><u>157,329,589</u></u> |

Notes on Financial Statements for the year ended 31st March, 2013

29. Discontinuing Operations

Pursuant to the Scheme of Arrangement ("Scheme") u/s 391 to 394 of the Companies Act, 1956 between Eon Electric Limited ("Eon") and Advance Metering Technology Limited ("AMTL") and their respective shareholders and creditors for demerger of the Metering Division and Power Generation Business of the company' duly sanctioned by the Hon'ble High Court for the States of Punjab & Haryana at Chandigarh vide its order dated 27th March, 2012, the Metering Division and Power Generation Business of Eon stands demerged and transferred to and vested in AMTL with effect from 1st April, 2011 (Appointed Date) on a going concern basis.

The Scheme became effective on 8th April, 2012 (Effective Date) on filing of the Certified True Copy of the said Order of the Hon'ble High Court with the Registrar of Companies, NCT of Delhi & Haryana.

Upon the coming into effect of Scheme and in terms of the Scheme :

- The business and operations of the De-merged Undertaking is deemed to be de-merged from the Company with retrospective effect from 1st April, 2011.
- The related assets and liabilities of the De-merged Undertaking at the opening of business on 1st April, 2011 are deemed to have been transferred from the Company to AMTL with effect from that date at their respective book values.
- The business of the De-merged Undertaking is deemed to have been carried out by the Company, in trust for and on behalf of AMTL from the Appointed date till the Effective date.

The Demerger of the Metering Division and Power Generation Business with effect from 1st April, 2011 constitutes "Discontinued Operations" within the meaning of Accounting Standard (AS) 24 on "Discontinuing Operations."

The following statement shows the revenue and expenses of Discontinuing Operations :

| Particulars | 31-Mar-12 (Amount ₹) |
|---|-------------------------|
| Net Sales/Income from Operations | 9,919,870 |
| Operating Expenses | 102,704,513 |
| Pre-tax Profit/(Loss) from Operating activities | (92,784,643) |
| Other Income | 106,154,063 |
| Profit/(Loss) before Finance Costs | 13,369,420 |
| Finance Costs | 2,17,705 |
| Profit / (Loss) before Tax | 13,151,715 |
| Tax Expense | 36,137,827 |
| Profit / (Loss) after Tax | (22,986,112) |

The broad details of the assets and liabilities of the Metering Division and Power Generation Business transferred from the Company and vested with AMTL at the closing date are as under :

| Particulars | (Amount ₹) | |
|-----------------------------|-------------|----------------------|
| Assets | | |
| Non Current Assets | | |
| Tangible Assets | 383,053,386 | |
| Intangible Assets | 165,539 | |
| Capital Work-in- Progress | 14,070,007 | |
| Non Current Investments | 332,132,351 | |
| Long Term Loans & Advances | 24,092,785 | 753,514,068 |
| Current Assets | | |
| Current Investments | 878,892,302 | |
| Inventories | 17,341,113 | |
| Trade Receivables | 30,086,070 | |
| Cash & Bank Balances | 416,193 | |
| Short Term Loans & Advances | 4,840,714 | |
| Other Current Assets | 1,500,000 | 933,076,392 |
| Total Assets | | 1,686,590,460 |

Notes on Financial Statements for the year ended 31st March, 2013

(Amount ₹)

Liabilities
Non Current Liabilities

| | | |
|--------------------------|------------|------------|
| Deferred Tax Liabilities | 35,984,030 | |
| Long Term Provisions | 1,748,993 | 37,733,023 |

Current Liabilities

| | | |
|---------------------------|------------|------------|
| Trade Payables | 3,588,305 | |
| Other Current Liabilities | 17,628,425 | |
| Short Term Provisions | 669,052 | 21,885,782 |

Total Liabilities
59,618,805
Excess of Assets over Liabilities
1,626,971,655
Reduced from :

| | |
|---------------------------|---------------|
| Equity Share Capital | 80,287,330 |
| Merger Adjustment Account | 23,489,566 |
| General Reserve | 1,546,180,871 |
| Surplus | (22,986,112) |
| Net Worth | 1,626,971,655 |

Necessary effects in respect of the aforesaid Scheme of Arrangement have been given in the books of accounts of the Company in these financial statements.

30. Earnings Per Share (EPS)
Basic and Diluted Earnings Per Share

| | Unit | 31-Mar-13 | 31-Mar-12 |
|--|------|---------------|---------------|
| Net Profit attributable to Equity Shareholders | ₹ | (197,950,225) | (169,256,547) |
| Weighted Average number of Equity Shares outstanding during the year | Nos. | 16,057,466 | 16,868,428 |
| Face Value | ₹ | 5 | 10 |
| Basic Earnings Per Share | ₹ | (12.33) | (10.03) |
| Diluted Earnings Per Share | ₹ | (12.33) | (10.03) |

31. Contingent Liabilities and Commitments:-
a. Contingent Liabilities

- i) Bank Guarantees ₹ 49,714,695/- (Previous year ₹ 52,387,744/-).
- ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty ₹ 30,000,000/- (Previous year ₹ 30,000,000/-)
- iii) Excise duty demands against which the company has preferred appeals ₹ 52,314,146/- (Previous year ₹ 52,314,146/-). The Company has already deposited a sum of ₹ 3,015,000/- (Previous year ₹ 3,015,000/-) against the aforesaid demand.
- iv) Central Excise and Service Tax Appeals filed by the Department ₹ 2,065,676/- (Previous year ₹ 1,703,840/-) for excise duty and ₹ 119,921/- (Previous year ₹ 119,921/-) for service tax.
- v) Sales Tax / Value Added Tax Demands against which the company has preferred appeals ₹ 11,593,533/- (Previous year Nil) the company has already deposited a sum of ₹ 4,086,662/- (Previous year Nil) against the aforesaid demand.

b. Commitments

- i) Capital commitments (net of advance) ₹ 86,952,823/- (Previous year ₹ 70,736,161/-).
- ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund ₹ 7,754,015/- (Previous Year Nil)

32. Provision for income tax has been made without considering some taxes and amounts which will be paid before filing of Income Tax Return as provided under Section 43-B of the Income Tax Act, 1961.

Notes on Financial Statements for the year ended 31st March, 2013

33. In the opinion of Board, the current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
34. The Statement of Profit and Loss Account includes previous year debit adjustments amounting to ₹ 253,029/- (Previous year ₹ 330,990/-) on account of following :-

| Particulars | 31-Mar-13 (Amount ₹) | 31-Mar-12 (Amount ₹) |
|------------------------------|-------------------------|-------------------------|
| Machinery Repairs | 35,296 | - |
| Legal & Professional Charges | - | 330,990 |
| Interest | 217,733 | - |
| Total | 253,029 | 330,990 |

35. The balances of Debtors, Advances and Creditors are subject to confirmation.
36. The company has paid annual listing fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited where its equity shares are listed.
37. **Information on Segment Reporting of the Company for the year ended 31st March 2013**

Business Segments

In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Company's operations have been categorized into the following Business segments :-

Cable and Wires includes Wires and Cables etc.

Lighting includes Compact Fluorescent Lamps, Fluorescent Tube Lights, LEDs and Luminaires etc.

Others includes Modular Switches, Wiring Accessories, Home Automation, Fans, Lithium Ion Batteries, Mobile Phone Accessories etc.

Metering and Power Generation includes Energy Meters and Power Generation,

The Metering and Power Generation business has been demerged and vested with Advance Metering Technology Limited w.e.f. 1st April, 2011.

Segment Revenue relating to each of the above business segments includes Other Income, where applicable.

The above business segments have been identified considering :

- the nature of products and services
- the differing risks and returns
- the organization structure, and
- the internal financial reporting systems.

There are no geographical segments as the operations of the company's existing Business Segments take place indigenously.

Notes:-

- Segment results represent Profit/(loss) before Interest and Tax.
- Capital Expenditure pertains to gross additions made to fixed assets during the year including capital work in progress.
- Segment Assets include Fixed Assets, Current Assets & Loans and Advances directly attributable to respective business segments.
- Segment Liabilities include Current Liabilities and Provisions directly attributable to respective business segments.
- The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements.

Notes on Financial Statements for the year ended 31st March, 2013

Information about Business Segments

| | (Amount ₹) | | | | | | | | | | | |
|--|-----------------------|--------------|--------------|--------------|--------------------------|-------------|-----------------------------|---------------|------------------|---------------|------------------|---------------|
| | Continuing Operations | | | | Discontinuing Operations | | | | Total | | | |
| | Cable & Wires | | Lighting | | Others | | Metering & Power Generation | | Total Operations | | Total Operations | |
| 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 |
| 1. Segment Revenue | | | | | | | | | | | | |
| a) External Revenue | 1,115,356,172 | 514,533,778 | 152,597,674 | 28,165,807 | 293,407,169 | 13,460,570 | 556,160,155 | 10,679,361 | 1,561,361,015 | 566,839,516 | 1,561,361,015 | 566,839,516 |
| b) Inter Segment Revenue | - | 6,047 | - | 5,326,389 | - | - | 5,332,436 | - | - | 5,332,436 | - | 5,332,436 |
| Total Revenue | 1,115,356,172 | 514,539,825 | 152,597,674 | 33,492,196 | 293,407,169 | 13,460,570 | 561,492,591 | 10,679,361 | 1,561,361,015 | 572,171,952 | 1,561,361,015 | 572,171,952 |
| Less: Inter Segment Revenue | - | 6,047 | - | 5,326,389 | - | - | 5,332,436 | - | - | 5,332,436 | - | 5,332,436 |
| Revenue from Operations (Gross) | 1,115,356,172 | 514,533,778 | 152,597,674 | 28,165,807 | 293,407,169 | 13,460,570 | 556,160,155 | 10,679,361 | 1,561,361,015 | 566,839,516 | 1,561,361,015 | 566,839,516 |
| Less : Excise Duty | - | - | - | - | - | - | - | 759,491 | - | - | - | 759,491 |
| Revenue from Operations (Net) | 1,115,356,172 | 514,533,778 | 152,597,674 | 28,165,807 | 293,407,169 | 13,460,570 | 556,160,155 | 9,919,870 | 1,561,361,015 | 566,080,025 | 1,561,361,015 | 566,080,025 |
| 2. Segment Results (Profit / Loss) | (136,714,769) | (96,771,936) | (15,088,207) | (70,437,053) | (22,298,116) | (6,461,281) | (172,670,270) | - | (174,101,092) | (159,300,850) | (174,101,092) | (159,300,850) |
| Finance Costs | | | | | | | | | | | | 6,124,704 |
| Unallocated Corporate Expenses/(Income) | | | | | | | | | | | | (7,990,149) |
| Profit/(Loss) before Tax | | | | | | | | | | | | (191,295,105) |
| Tax Expense | | | | | | | | | | | | 6,655,173 |
| Profit/(Loss) after Tax | | | | | | | | | | | | (197,950,225) |
| 3. Other Information | | | | | | | | | | | | |
| Segment Assets | 564,646,166 | 372,865,311 | 143,259,606 | 35,150,937 | 261,834,438 | 38,112,344 | 446,128,592 | 1,686,590,460 | 969,740,210 | 2,132,719,052 | 969,740,210 | 2,132,719,052 |
| Unallocated Corporate Assets | | | | | | | | | | | | 1,202,193,219 |
| Total Assets | 564,646,166 | 372,865,311 | 143,259,606 | 35,150,937 | 261,834,438 | 38,112,344 | 446,128,592 | 1,686,590,460 | 969,740,210 | 2,132,719,052 | 969,740,210 | 2,132,719,052 |
| Segment Liabilities | 109,214,138 | 59,664,440 | 37,179,225 | 10,081,404 | 42,280,099 | 11,244,509 | 80,990,363 | - | 188,673,462 | 96,927,350 | 188,673,462 | 96,927,350 |
| Unallocated Corporate Liabilities | | | | | | | | | | | | 60,759,237 |
| Total Liabilities | 109,214,138 | 59,664,440 | 37,179,225 | 10,081,404 | 42,280,099 | 11,244,509 | 80,990,363 | - | 188,673,462 | 157,686,587 | 188,673,462 | 157,686,587 |
| Capital Expenditure (Including Capital Work in Progress) | 24,151,909 | 2,388,937 | 607,179 | 46,792 | 101,302,658 | 3,852,189 | 6,267,918 | - | 126,061,346 | 294,253,030 | 126,061,346 | 294,253,030 |
| Depreciation & Amortization expense (Net of transfer to Merger Adjustment Account) | 13,876,518 | 9,971,338 | 1,365,985 | 11,046,759 | 9,360,423 | 10,463,179 | 31,481,276 | - | 24,602,926 | 19,651,976 | 24,602,926 | 19,651,976 |
| Other Non-cash expenses | 1,606,684 | 364,001 | 16,238,399 | 12,084,086 | 1,346,737 | 508,252 | 12,956,339 | - | 19,191,820 | 12,218 | 19,191,820 | 12,218 |

Notes on Financial Statements for the year ended 31st March, 2013

38. Related Party Disclosure

Disclosures as required by Accounting Standard (AS-18) "Related Party Disclosures" are given below:

i) Related Party

A. Subsidiary Company

IAFL Cables Ltd.

(Ceased to be a subsidiary w.e.f. 1st April, 2011 pursuant to Scheme of Arrangement)

B. Investing Parties with whom the Company is a Joint Venture Partner

1. Indo Simon Electric Pvt. Ltd.
2. Saudi National Lamps and Electricals Company Limited
(Ceased to be a Joint Venture w.e.f. 1st April, 2011 pursuant to Scheme of Arrangement)
3. Luxtra Lighting Private Limited

C. Directors, Key Management Personnel

1. Mr. V.P.Mahendru
2. Mr. P.K.Ranade (Resigned w.e.f. 23 rd March, 2013)
3. Mr. Vinay Mahendru
4. Mr. Vivek Mahendru

D. Relatives of Directors, Key Management Personnel

1. Mr.Vimal Mahendru
 2. Mr. Vikram Ranade(*)
 3. Mr. Prashant Ranade(*)
- (*) (Transferred to Resulting company pursuant to Scheme of Arrangement)

E. Group Company

1. IAFL Power Distribution & Infrastructure Pvt. Ltd.

F. LLP firms in which relatives of Directors are partners

1. VPM Industrial Services Corporation LLP

ii) Related Party Transactions

| Nature of Transaction | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| 1 Interest Received | | |
| a. Indo Simon Electric Private Limited | 34,205 | 5,213,185 |
| Total | 34,205 | 5,213,185 |
| 2 Purchases | | |
| a. Indo Simon Electric Private Limited | 96,544,273 | 15,583,882 |
| b. Luxtra Lighting Private Limited | 1,005,937 | - |
| Total | 96,544,273 | 15,583,882 |
| 3 Remuneration paid | | |
| a. Mr. V.P.Mahendru | 6,203,546 | 4,729,763 |
| b. Mr. P.K.Ranade | - | 4,152,027 |
| c. Mr. Vinay Mahendru | 5,314,942 | 4,081,062 |
| d. Mr. Vivek Mahendru | 5,319,474 | 4,055,282 |
| e. Mr. Vimal Mahendru | - | 1,487,947 |
| f. Mr. Vikram Ranade | - | 2,731,038 |
| g. Mr. Prashant Ranade | - | 2,331,761 |
| Total | 16,837,962 | 23,568,880 |

Notes on Financial Statements for the year ended 31st March, 2013

| Nature of Transaction | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| 4 Rent paid | | |
| a. Mr. V.P.Mahendru | 561,600 | 561,600 |
| Total | 561,600 | 561,600 |
| 5 Loans Given | | |
| a. Indo Simon Electric Private Limited | 5,200,000 | 34,700,000 |
| b. IAFL Cables Limited | - | 202,250 |
| Total | 5,200,000 | 34,902,250 |
| 6 Loans Received Back | | |
| a. Indo Simon Electric Private Limited | 5,200,000 | 67,799,996 |
| Total | 5,200,000 | 67,799,996 |
| 7 Allotment of Equity Share Capital | | |
| a. Mr. V.P.Mahendru | - | 31,150,000 |
| b. Mr. Vikram Ranade | - | 15,575,000 |
| c. Mr. Prashant Ranade | - | 15,575,000 |
| Total | - | 62,300,000 |
| 8 Share Application Money given | | |
| a. Luxtra Lighting Private Limited | 1,870,000 | 4,500,000 |
| b. Indo Simon Electric Private Limited | 20,198,920 | 77,500,000 |
| Total | 22,068,920 | 82,000,000 |
| 9 Conversion of Share Application Money to Share Capital | | |
| a. Luxtra Lighting Private Limited | 6,370,000 | - |
| b. Indo Simon Electric Private Limited | 97,698,920 | - |
| Total | 104,068,920 | - |
| 10 Balance outstanding at the year end Payable | | |
| a. Mr. V.P.Mahendru | 23,181 | 5,753 |
| b. Mr. P.K.Ranade | - | 909,313 |
| c. Mr. Vinay Mahendru | 23,740 | 5,312 |
| d. Mr. Vivek Mahendru | 195,165 | 12,015 |
| e. Mr. Vimal Mahendru | - | - |
| f. Mr. Vikram Ranade | - | 135,222 |
| g. Mr. Prashant Ranade | - | 126,094 |
| h. Indo Simon Electric Private Limited | 670,731 | 5,175,985 |
| i. Luxtra Lighting Private Limited | 154,854 | - |
| Total | 1,067,671 | 6,369,694 |
| 11 Receivables | | |
| a. Saudi National Lamps & Electricals Company Ltd | - | 21,366,235 |
| b. IAFL Cables Limited | - | 202,250 |
| Total | - | 21,568,485 |
| 12 Loan Outstanding | | |
| a. Saudi National Lamps & Electricals Company Ltd | - | 13,420,000 |
| Total | - | 13,420,000 |

Notes on Financial Statements for the year ended 31st March, 2013

39. Lease Payments under an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Accordingly ₹16,157,643/- has been charged to Statement of Profit and Loss during the year (Previous year ₹ 11,565,977/-).

The total of future minimum lease rent payable under operating lease for each of the following periods is as under

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| Not later than one year | 13,257,662 | 10,280,111 |
| Later than one year and not later than five years | 39,121,514 | 3,616,995 |
| Later than five years | - | - |

40. Financial Reporting of Interest in Joint Ventures

Investments include ₹ 210,049,420/- (previous year ₹ 1,317,12,851/-) representing Company's interest in the following jointly controlled entities as at 31.03.2013

| Name of the Company | Contribution towards Equity (₹) | Country of Residence | %age Holding of Eon |
|---|-------------------------------------|-------------------------|------------------------|
| Saudi National Lamps and Electricals Company Limited | - (25,732,351) | Saudi Arabia | - (20%) |
| Luxtra Lighting Private Limited | 6,370,000 - | India | 49% - |
| Indo Simon Electric Private Limited | 203,679,420 (105,980,500) | India | 50% (50%) |
| Total | 210,049,420 (131,712,851) | | |

The financial data in respect of Indo Simon Electric Pvt. Ltd. for the year 31st March, 2013 and Luxtra Lighting Private Limited for year ended 31st March, 2013 is based on their Provisional Accounts whereas the figures for the previous year are based on their Audited Accounts.

Pursuant to the Scheme of Arrangement, the Company's Investment of 20% shareholding to Saudi National Lamps & Electricals Company Limited (SANLEC), Saudi Arabia amounting to ₹ 25,732,351/- and all assets and liabilities relating thereto stand transferred and vested in Advance Metering Technology Limited with effect from the Appointed Date i.e. 1st April, 2011. Accordingly SANLEC ceased to be a Joint Venture of the company.

The aggregate amount of each of the Assets, Liabilities, Income and Expenditure related to interest of the Company in the jointly controlled entities are as under :

INDO SIMON ELECTRIC PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| Share capital | 203,679,420 | 105,980,500 |
| Reserves and surplus | (147,174,119) | (120,337,516) |
| Share application money pending allotment | - | 76,681,431 |
| Deferred government grant | 985,730 | 1,151,228 |
| Non-current liabilities | | |
| Long term borrowings | 2,828,007 | 11,348,822 |

Notes on Financial Statements for the year ended 31st March, 2013

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|-------------------------------|-------------------------|-------------------------|
| Deferred tax liability (net) | 2,069,238 | 2,069,238 |
| Other long term liabilities | 305,000 | 315,000 |
| Long term provisions | 1,307,051 | 1,307,051 |
| Current liabilities | | |
| Short-term borrowings | 14,614,808 | 16,263,924 |
| Trade payables | 16,527,357 | 23,458,227 |
| Other current liabilities | 12,471,589 | 13,111,024 |
| Short term provisions | 136,542 | 136,542 |
| TOTAL | 107,750,623 | 131,485,471 |
| ASSETS | | |
| Non-current assets | | |
| Fixed assets | | |
| Tangible assets | 75,898,358 | 79,556,613 |
| Intangible assets | 5,515,601 | 7,514,801 |
| Long term loans and advances | - | 378,531 |
| Other non-current assets | 397,708 | 920,975 |
| Current assets | | |
| Inventories | 17,053,050 | 14,932,018 |
| Trade receivables | 4,550,826 | 22,639,128 |
| Cash and Bank Balances | 885,292 | 1,719,616 |
| Short term loans and advances | 3,449,788 | 3,823,789 |
| TOTAL | 107,750,623 | 131,485,471 |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|--|-------------------------|-------------------------|
| Revenue From Operations | 45,777,552 | 55,375,888 |
| Other income | 713,295 | 466,318 |
| Total Revenue | 46,490,847 | 55,842,206 |
| Expenses: | | |
| Cost of materials consumed | 30,807,719 | 31,757,752 |
| Purchase of stock in trade | - | 638,830 |
| Decrease/ (increase) in inventories | 7,539,806 | 1,429,712 |
| Employee benefits expense | 13,754,944 | 21,969,103 |
| Finance costs | 5,026,614 | 12,932,285 |
| Depreciation and amortization expense | 10,885,798 | 10,674,591 |
| Other expenses | 5,312,569 | 20,633,870 |
| Total expenses | 73,327,450 | 100,036,143 |
| Loss before tax and prior period adjustments | 26,836,603 | 44,193,937 |
| Prior period adjustments (net) | - | 18,618,276 |
| Loss before tax | 26,836,603 | 62,812,213 |
| Tax expense | | |
| Deferred Tax | - | 206,333 |
| Loss after tax | 26,836,603 | 62,605,880 |

Notes on Financial Statements for the year ended 31st March, 2013

LUXTRA LIGHTING PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| Share capital | 6,370,000 | 127,400 |
| Reserves and surplus | (7,746,110) | (2,408,876) |
| Share application money pending allotment | - | 2,205,000 |
| Current liabilities | | |
| Other current liabilities | 1,864,581 | 679,180 |
| TOTAL | 488,471 | 602,704 |
| ASSETS | | |
| Non-current assets | | |
| Fixed assets | | |
| Tangible assets | 94,475 | 55,098 |
| Other non-current assets | 40,260 | 25,548 |
| Current assets | | |
| Inventories | 143,009 | - |
| Trade receivables | 108,911 | - |
| Cash and Bank Balances | 80,847 | 317,251 |
| Short term loans and advances | 20,969 | 204,807 |
| TOTAL | 488,471 | 602,704 |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---------------------------------------|-------------------------|-------------------------|
| Revenue From Operations | 3,505,755 | - |
| Other income | 2,266 | 68 |
| Total Revenue | 3,508,021 | 68 |
| Expenses: | | |
| Purchase of stock in trade | 2,850,500 | - |
| Decrease/ (increase) in inventories | (143,009) | - |
| Employee benefits expense | 4,669,560 | 1,815,335 |
| Finance costs | 5,121 | 1,261 |
| Depreciation and amortization expense | 16,704 | 1,958 |
| Other expenses | 1,446,380 | 590,390 |
| Total expenses | 8,845,256 | 2,408,944 |
| Profit /(Loss) before tax | (5,337,235) | (2,408,876) |
| Tax expense | | |
| Current Tax | - | - |
| Profit /(Loss) after tax | (5,337,235) | (2,408,876) |

Notes on Financial Statements for the year ended 31st March, 2013

41. CIF Value of Imports :

| | 31-Mar-13 Amount (₹) | 31-Mar-12 Amount (₹) |
|---|---------------------------------|---------------------------------|
| 1 Raw Material (including components stores & spares) | 37,575,143 | 4,708,103 |
| 2 Stock-in-trade | 60,776,623 | - |
| 3 Capital Goods | 12,055,277 | 2,596,129 |

42. Expenditure in Foreign Currency (on accrual basis)

| | | |
|--------------|------------------|-----------|
| - Travelling | 2,475,855 | 8,296,505 |
| - Others | 582,896 | 328,751 |

43. Figures for the previous year have been re-arranged, re-grouped & re-classified where ever necessary to make them comparable with the current year.

As per our report of even date annexed.

Rajesh Sethi
 Partner
 Membership No. 85669

Kumar Indramani
 Sr. Manager(Legal) &
 Company Secretary

K. B. Satija
 Vice President
 Corporate Finance

Vinay Mahendru
 Executive
 Director

V. P. Mahendru
 Chairman - cum -
 Managing Director

for & on behalf of
 J. C. Bhalla & Co.
 Chartered Accountants
 Firm Regn. No. 001111N

Place : Noida
 Dated : 25th May, 2013

EON ELECTRIC LIMITED

Regd. Office: 1048, Sector-14, Sonapat, Haryana – 131 001

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERENCE OF THE MEETING HALL. Joint Shareholders may obtain additional slip at the venue of the meeting.

| | | | |
|---|--|------------------|--|
| DP Id.* | | Master Folio No. | |
| Client Id.* | | No. of Shares | |
| Name and Address of the Shareholder/Proxy : _____ | | | |
| | | | |

I hereby record my presence at the 24th Annual General Meeting of the Company held on Monday, 30th day of September, 2013, at 9:00 A.M. at Kanak Garden Resort, 55 Mile Stone, G.T. Karnal Road, Murthal, Distt. Sonapat, Haryana – 131 027.

* Applicable for Shareholders holding share in electronic form.

Signature of Shareholder / Proxy

PLEASE NOTE THAT NO GIFTS/GIFT COUPONS WILL BE DISTRIBUTED AT THE MEETING



EON ELECTRIC LIMITED

Regd. Office: 1048, Sector-14, Sonapat, Haryana – 131 001

PROXY FORM

| | | | |
|-------------|--|------------------|--|
| DP Id.* | | Master Folio No. | |
| Client Id.* | | No. of Shares | |

I/Weof.....being a member/ members of EON ELECTRIC LIMITED hereby appoint ofor failing himof as my/our proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Monday, 30th day of September, 2013, at 9:00 A.M. at any adjournment thereof.

Notes:- (1) The proxy, to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid meeting. (2) A Proxy need not be a member of the Company.



Signed this.....day of.....2013.

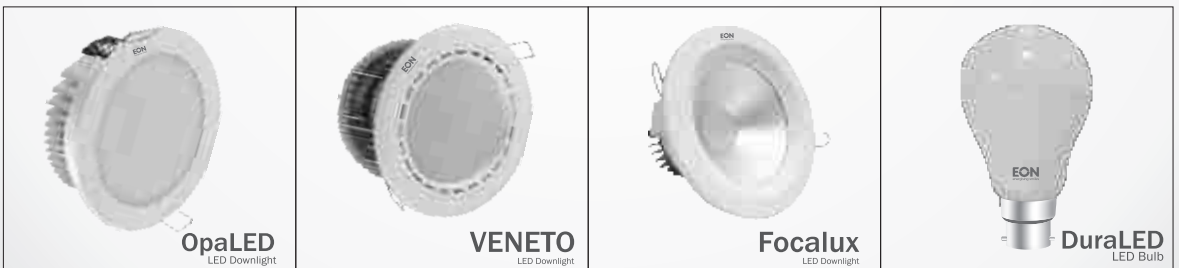
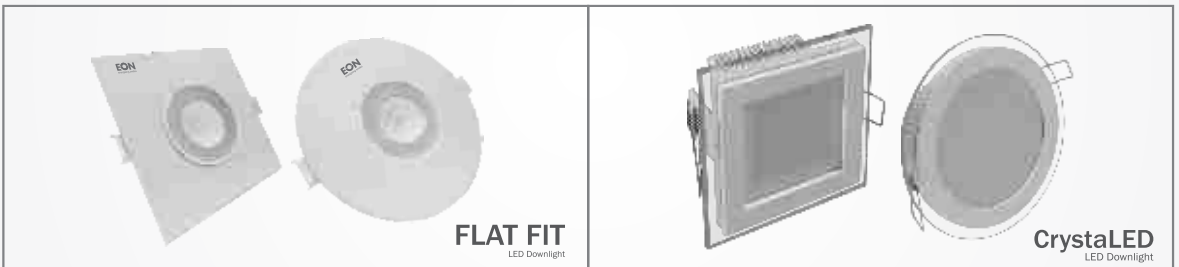
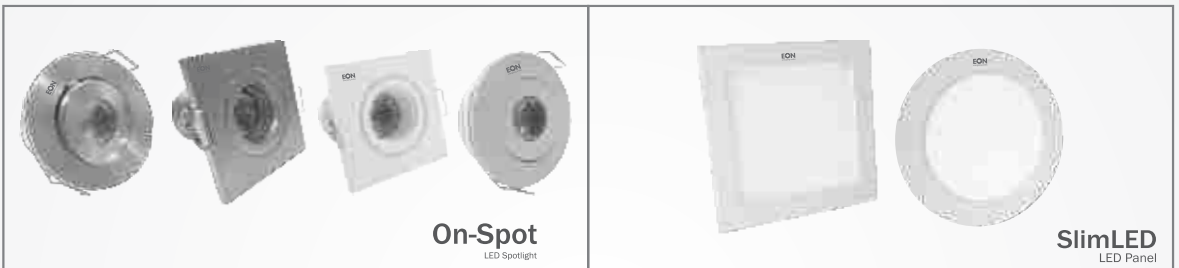
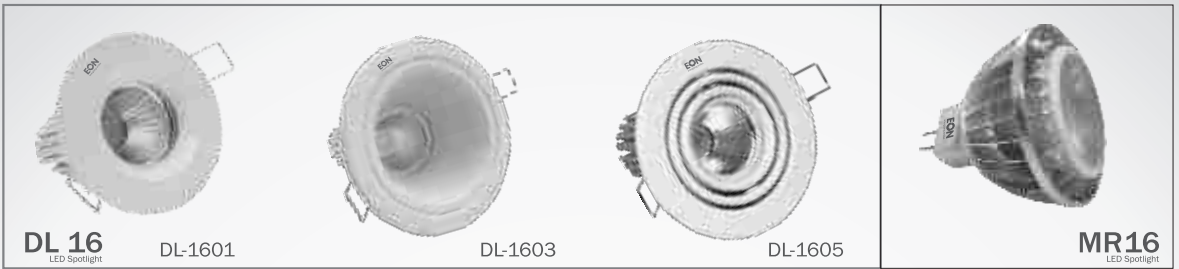
Signature

* Applicable for Shareholders holding shares in electronic form.

Affix a
Re 1/-
Revenue
Stamp



EON LED LIGHTING PRODUCTS



EON WATER HEATERS





Wires & Cables & Mobile Accessories Plant at Haridwar



Corporate Office Noida



Fans & LED Bulb Plant at Haridwar



Modular Switches Plant at Haridwar



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✉ corporate@eonelectric.com

www.eonelectric.com