



# LIGHTING

THE WAY AHEAD

**ANNUAL REPORT**  
2016 - 17

# FROM THE CHAIRMAN'S DESK



*Dear Shareholders*

Warm Greetings...!!!

We are pleased to inform you that your Company has established itself as one of the pioneers in innovation in the manufacture and marketing of LED based Lighting and Luminaires, world-class Fans, Wires and Cables, Lithium-ion Batteries and other electrical items.

We have always been committed in delivering the best quality products at affordable prices through technological innovation, modernization, adoption of best practices and global bench marking. Our constant efforts in enriching quality of life by ensuring safe, efficient and convenient use of electricity has been a driving force for further development of new and better products. Staying true to our philosophy of consistent growth, we continue to invest in development of products and technology which focus primarily on bringing joy to our customers through new innovative products, quality performance and cost effectiveness.

The major activity that we would want to focus on is the management of the solar street lighting system for EESL. Under this, 40,000 solar street light systems will be installed in about 25 to 30 large cities and village constituencies in Uttar Pradesh and Jharkhand. Already having installed more than 5,000 such systems, we are poised to further ramp up the project in the coming months. The company's flagship products include LED Lighting for street lights and Lithium - ion batteries. We are really excited about this project and truly believe that it will pave way for more developments in the near future.

We have been spearheading the evolution of both LED as well as Lithium Ion batteries extensively all over India in the last 5-6 years. Our goal is to use our competencies to make notable contribution in making India reach the national goal of "Power for All".

We are excited about the opportunities in FY 2017-18 and beyond. We concluded FY 2016-17 on a stronger note delivering our strategic priorities and generating positive momentum across the board. We continue to be guided by our Core Values and believe that we are poised and prepared for a new phase of growth.

I take this opportunity to thank all our shareholders for their attachment and loyalty to the Company's vision and growth.

I am very optimistic about Eon's growth in the future and committed to all our stakeholders and to the communities we work in for sustainable, profitable growth, with continual community engagement.

Thank you all for your continued support which I gently appreciate and cherish.

With kind and cordial regards,

**V.P. Mahendru**

Chairman and Managing Director

## CORPORATE INFORMATION

### Chairman & Managing Director

Mr. Ved Prakash Mahendru

### Whole-Time Directors

Mr. Vivek Mahendru

Mr. Vinay Mahendru

### Independent Directors

Mr. Ramesh Chander Bansal

Mr. Ajoy Kumar Ghosh

Mr. Ranjan Sarkar

Dr. Rashmi Vij

### Chief Financial Officer

Mr. K.B. Satija

### Company Secretary & Compliance Officer

Mr. Shiv Kumar Jha

### Statutory Auditors

M/s. J. C. Bhalla & Co.,  
Chartered Accountants

### Bankers

State Bank of India

RBL Bank Limited

Standard Chartered Bank

### Registrar and Transfer Agent

M/s Alankit Assignments Limited

Alankit Heights, 1E/13, Jhandewalan Extn.

New Delhi-110055, India

### Registered Office

1048, Sector-14,

Sonepat, Haryana - 131001

### Corporate Office

B-88, Sector - 83

Noida - 201305, (U.P)

### Head Office

208, Hemkunt Tower

98, Nehru Place, New Delhi - 110019

### Plant Locations

#### 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

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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2017.

### FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2017 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
<b>Sales &amp; Other Income</b>	<b>196.45</b>	<b>182.43</b>	<b>196.45</b>	<b>182.43</b>
Operating Profit (EBITDA)	15.23	6.88	15.23	6.88
Finance Costs	9.29	9.19	9.29	9.19
Depreciation and Amortisation Expense	2.11	2.14	2.11	2.14
Profit/(Loss) before Exceptional items and Tax	3.83	(4.45)	3.83	(4.45)
Exceptional Items	-	0.30	-	0.30
<b>Profit/(Loss) before Tax</b>	<b>3.83</b>	<b>(4.15)</b>	<b>3.83</b>	<b>(4.15)</b>
Less: Tax Expense	(0.17)	(0.13)	(0.17)	(0.13)
Profit/(Loss) after Tax	4.00	(4.02)	4.00	(4.02)
<b>Profit/(Loss) for the year</b>	<b>4.00</b>	<b>(4.02)</b>	<b>4.00</b>	<b>(4.02)</b>
Add: Balance brought forward from previous year	(35.96)	(31.94)	(36.96)	(32.94)
<b>Balance carried over to Balance sheet</b>	<b>(31.96)</b>	<b>(35.96)</b>	<b>(32.96)</b>	<b>(36.96)</b>
<b>Earnings per Share</b> (Face Value of Rs.5/- per Equity Share)	2.49	(2.50)	2.49	(2.50)

### FINANCIAL HIGHLIGHTS

There has been a significant improvement in the operating results of the Company during the financial year ended March 31, 2017.

During the financial year under review, your Company has achieved Sales and Other Income of Rs.196.45 crores as against Rs.182.43 crores in the previous financial year 2015-16, thereby recording a growth of 7.69% over the previous financial year 2015-16.

While there has been a marginal growth in the turnover, there has been substantial improvement in the operating results of the Company as is evidenced by an impressive growth in EBITDA, PBT and PAT.

The EBITDA for the year ended March 31, 2017 increased to Rs. 15.23 Crore thereby recording a growth of around 121% over the previous year's EBITDA of Rs. 6.88 Crore.

The Profit before Tax for the financial year ended March 31, 2017 stood at Rs.3.83 crores as against a loss of Rs.4.15 crores incurred during the previous financial year ended March 31, 2016. The Profit after Tax for the current year stood at Rs. 4.00 crore against a Loss after Tax Rs. 4.02 crore incurred during the previous year ended 31st March, 2016.

Given the state of the economy, the results are indicative of the more powerful and underlying progress your Company has made since the last year, the overall performance during the year has been quite impressive and the management endeavours to continuously enhance the cash generating ability of the Company which will play the catalytic role in the Company's growth.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2016-17, have been prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## DIVIDEND AND RESERVES

Constrained by planned financial investments and conservation of internal accruals for faster growth of the Company, your Directors do not recommend any Dividend for the year under review.

The Company has not transferred any amount to General Reserve during the financial year 2016-17.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointments

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Vinay Mahendru, Whole-time Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Board also recommends the re-appointment of Shri Ved Prakash Mahendru, as Chairman and Managing Director, Shri Vivek Mahendru as Whole Time Director and re-designate him as Joint Managing Director, and Shri Vinay Mahendru as Whole Time Director and re-designate him as Joint Managing Director for a period of 3 (Three) years w.e.f. 1st October, 2017 since their current tenure shall end on 30th September 2017 and in terms of provision of Section 196 of the Companies Act, 2013, re-appointment of Managing Director/Whole Time Directors can be made one year before the expiry of current tenure.

The details of Directors being recommended for re-appointment as required under Secretarial Standard 2 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Notice convening the ensuing Annual General Meeting of the Company. Appropriate resolutions seeking your approval to the re-appointment of Directors are also included in the Notice.

### Key Managerial Personnel

Mr. Ved Prakash Mahendru, Chairman & Managing Director, Mr. Vivek Mahendru and Mr. Vinay Mahendru, Whole-time Directors, Mr. K B Satija, Chief Financial Officer and Mr. Shiv Kumar Jha, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Appointments & Resignation

During the period under review, Mr. Vinay Aggarwal was appointed as Company Secretary and Compliance Officer on May 23, 2016. He resigned from the services of the Company w.e.f. January 13, 2017. Mr. Shiv Kumar Jha has been appointed as Company Secretary w.e.f. May 15, 2017 and designated as Company Secretary & Compliance Officer of the Company w.e.f. May 24, 2017.

## BOARD EVALUATION

The Companies Act, 2013 mandates formal annual evaluation by the Board of its own performance and that of Committees and individual Directors. Schedule IV to the Companies Act, 2013 provides that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of performance of Directors individually, Committees of the Board and the Board as a Whole.

The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

## MEETINGS OF THE BOARD AND COMMITTEES

Seven meetings of the Board of Directors were held during the Financial Year 2016-17. The details of number of Meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report. Besides in term of requirements of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on March 20, 2017 for the Financial Year 2016-17.

## REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Nomination and Remuneration of Directors, KMPs and Senior Management of your Company is uploaded on the website of the Company: <http://www.eonelectric.com/investors/corporate-policys.html>.

## AUDITORS AND AUDITORS' REPORT

### STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. M/s J.C. Bhalla & Co., Chartered Accountants, shall be completing their tenure as the Company's Statutory Auditors and shall hold office till the conclusion of ensuing 28th AGM.

On recommendation of the Audit Committee, the Board, in its meeting held on August 31, 2017 subject to the approval of the shareholders has recommended the appointment of M/s Bansal and Co., Chartered Accountants, (Firm Registration Number 001113N) as the Statutory Auditors of the Company. M/s Bansal and Co. will hold office for a term of five consecutive years i.e. from conclusion of ensuing 28th AGM till the conclusion of 33rd AGM to be convened in the year 2022, subject to ratification by the members at every AGM. Accordingly, the appointment of M/s Bansal and Co. the Company's Statutory Auditors, is placed for approval of the members. The Company has received a certificate from M/s Bansal and Co. to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

### STATUTORY AUDITORS' REPORT

The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 by M/s J. C. Bhalla and Co., which is self explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Further, no fraud has been reported by the Statutory Auditors' in terms of Section 143(12) of the Companies Act, 2013 during the year.

### COST AUDITORS

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made there under, Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724), 365, Sector – 15, Faridabad – 121 007 Haryana, was appointed as the Cost Auditor of the Company for the financial year ended March 31, 2017.

Your Board, on the recommendation of the Audit Committee, has re-appointed Mr. Krishan Singh Berk, Cost Accountant, for auditing the cost records of the Company for the financial year 2017-18. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolution seeking your ratification of the remuneration of Mr. Krishan Singh Berk, Cost Accountant, is included in the Notice convening the 28th AGM of the Company.

### SECRETARIAL AUDITORS & THEIR REPORT

The Company had appointed M/s Navneet K Arora & Co LLP, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2017. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for FY 2016-17 is annexed as **Annexure A** to this report.

The Board has re-appointed M/s Navneet K Arora & Co. LLP Company Secretaries, New Delhi as Secretarial Auditors of the Company for Financial Year 2017-18.

### EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT – 9 as stipulated under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed herewith as **'Annexure-B'**, to this Report.

## RELATED PARTY TRANSACTIONS

In terms of Section 134(3)(h), there is no information to be provided regarding the particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, except the transactions as stated in Note No. 39 of the Financial Statements. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

All related party transactions that were entered into during the year under review were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year on March 31, 2017 to which these Financial Statements relate and the date of this Report.

## CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2017.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure – C' to this Report.

## RISK MANAGEMENT

Pursuant to the provisions of Section 134(3)(n) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Risk Management Policy and established a risk management framework to identify, mitigate and control the risks, which may threaten the existence of the Company.

## INTERNAL FINANCIAL CONTROLS

The Company has a comprehensive Internal Financial Controls system with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

The report on the Internal Financial Control issued by the M/s. J. C. Bhalla & Co. Chartered Accountants, (FRN: 001111N), the Statutory Auditors of the Company, forms part of the Annual Report. In the opinion of the Board, the existing Internal Financial Control framework is adequate and commensurate with the size and nature of the business of the Company.

## WHISTLE BLOWER AND VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) amended Rules, 2016 are provided in the 'Annexure D' to this Report.

Pursuant to the provisions of Section 197(12) of Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) amended Rules, 2016, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules is also given in 'Annexure D'.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014, the statement containing salient features of the Financial Statements of the Company's Joint Ventures / Associates (in form AOC-1) is attached to this Report as 'Annexure E'.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the Financial Year 2016-17, the provisions of Section 186 of the Companies Act, 2013 were not applicable on the Company.

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

The provisions of 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

#### **DEPOSITS**

The Company has not accepted/received any deposits during the year under report falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) that in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards and Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

#### **OTHER INFORMATION**

##### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as 'Annexure F' to this Report.



### **Certificate on Corporate Governance**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report and annexed herewith as '**Annexure G**' to this Report.

The requisite certificate from M/s. J. C. Bhalla & Co. Chartered Accountants, (FRN: 001111N), Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed herewith to this Report.

### **Prevention of Sexual Harassment at Workplace**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted Internal Committees at all its locations, known as the Prevention of Sexual Harassment (POSH) Committees, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

### **Listing of Shares**

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

The Company has paid annual listing fee for the Financial Year 2017-18 to the BSE Limited and National Stock Exchange of India Limited.

### **Acknowledgements**

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth. The Directors wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, various State Governments, the Banks and other stakeholders such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

**ANNEXURE "A"****FORM NO. MR - 3  
Secretarial Audit Report****[For the Financial Year ended on 31st March, 2017]***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Eon Electric Limited**  
Regd. Office: House no. 1048,  
Sector - 14, Sonapat,  
Haryana - 131001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by the **Eon Electric Limited (CIN NO L31200HR1989PLC035580)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on **31st March 2017** according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. No Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. ;
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company was not engaged in the activities relating to Registrar to an issue and also not acting as Share Transfer Agent hence the said regulations were not applicable to the Company during the audit period;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

[No such Transaction was held during the financial year hence the Regulations stated at (v) e) to h) above were not applicable on the Company during the audit period].

- (vi) Other labour, environment and specific applicable Acts / Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon the documents provided to us and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the Company has complied with the following Acts / Laws applicable to the Company during the audit period;
- (a) Factories Act, 1948;
  - (b) The Industries (Development and Regulation) Act, 1951;
  - (c) The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;
  - (d) The Contract Labour (Regulations and Abolition) Act 1970;
  - (e) Maternity Benefit Act 1961;
  - (f) Minimum Wages Act, 1948;
  - (g) Payment of Bonus Act, 1965;
  - (h) Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 and other Environment Laws;
  - (i) Indian Stamp Act 1899; and
  - (j) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of listing of shares with BSE Ltd and National Stock Exchange of India Limited.

We have not examined the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above

We further report that:

- 1) The Company has complied with Companies Act, 2013. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the Directors subsequently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of shorter notice, the Company has complied with the applicable provisions of Section 173 of the Companies Act 2013 read with clause 1.3.7 of the Secretarial Standard -1 of ICSI.
- 3) All the decisions were carried unanimously as evident from the minutes of the meeting of the board and other committees recorded and duly signed by the chairman, there were no dissenting members' views during the audit period and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.
- 4) The Company has obtained requisite approval, permission, confirmation from the Registrar of Companies, NCT of Delhi & Haryana, Securities & Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, and other regulated bodies in respect of private placement on Preferential basis of Convertible Equity Warrants and has duly complied with the applicable provisions of the laws, rules and guidelines.
- 5) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

**We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there were no instances of:

- a) Public / Sweat Equity.
- b) Buy-back of Securities.
- c) Merger / Amalgamation / Reconstruction etc. and
- d) Foreign Technical Collaborations.

**For Navneet K Arora & Co LLP  
Company Secretaries**

**CS Navneet Arora  
Managing Partner  
CS: 3214, COP: 3005**

**Place: New Delhi  
Date: 1st August, 2017**

[Note: This report is to be read with our letter of even date which is annexed as “**Annexure-A**” and forms an integral part of this report].

To,  
The Members,  
**Eon Electric Limited,**  
Regd. Office: House no. 1048,  
Sector - 14, Sonapat,  
Haryana - 131001

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**For Navneet K Arora & Co LLP**  
**Company Secretaries**

**CS Navneet Arora**  
**Managing Partner**  
**FCS: 3214, COP: 3005**

**Place: New Delhi**  
**Date: 1st August, 2017**

**ANNEXURE "B"**

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2017**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management & Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS**

i)	CIN	L31200HR1989PLC035580
ii)	Registration Date	November 06, 1989
iii)	Name of the Company	<b>Eon Electric Limited</b>
iv)	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office & Contact details	House No. 1048, Sector 14, Sonepat – 131001, Haryana Tel: 0120-3096724 Fax: 0120-3096800 Email: corporate@eonelectric.com Website: www.eonelectric.com
vi)	Whether Listed Company Yes / No	Yes
vii)	Name, Address & Contact details of the Registrar & Transfer Agent, if any	<b>M/s Alankit Assignments Limited</b> Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi-110 055 Tel: 011-4254 1234, 011-23541234 Fax: 011-2355 2001 Email: info@alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Lighting	3150	59.44%
2.	Cables & Wires	3130	20.31%
3.	Electrical Consumer Durables	2930	14.72%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holdings/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	[As on 01-April-2016]				[As on 31-March-2017]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	23,30,690	-	23,30,690	14.51	23,30,690	-	23,30,690	14.51	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	72,61,433	-	72,61,433	45.23	72,61,433	-	72,61,433	45.23	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - Total (A)(1):-</b>	<b>95,92,123</b>	<b>-</b>	<b>95,92,123</b>	<b>59.74</b>	<b>95,92,123</b>	<b>-</b>	<b>95,92,123</b>	<b>59.74</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>95,92,123</b>	<b>-</b>	<b>95,92,123</b>	<b>59.74</b>	<b>95,92,123</b>	<b>-</b>	<b>95,92,123</b>	<b>59.74</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub - Total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	11,39,716	900	11,40,616	7.10	7,72,179	800	7,72,979	4.81	-2.28
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	36,08,265	6,86,382	42,94,647	26.75	38,20,371	6,71,882	44,92,253	27.98	1.23
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	7,32,117	-	7,32,117	4.56	9,68,449	-	9,68,449	6.03	1.47
c) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Individuals or NRI	2,97,463	500	2,97,963	1.86	2,31,162	500	2,31,662	1.44	-0.41
<b>Sub - Total (B)(2):-</b>	<b>57,77,561</b>	<b>6,87,782</b>	<b>64,65,343</b>	<b>40.26</b>	<b>57,92,161</b>	<b>6,73,182</b>	<b>64,65,343</b>	<b>40.26</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>57,77,561</b>	<b>6,87,782</b>	<b>64,65,343</b>	<b>40.26</b>	<b>57,92,161</b>	<b>6,73,182</b>	<b>64,65,343</b>	<b>40.26</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1,53,69,684</b>	<b>7,07,677</b>	<b>1,60,57,466</b>	<b>100.0</b>	<b>1,53,84,284</b>	<b>6,87,782</b>	<b>1,60,57,466</b>	<b>100.00</b>	<b>-</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s VPM Electricals Pvt. Ltd.	50,17,177	31.25	-	50,17,177	31.25	47.80	-
2	M/s VPM Industrial Services Corporation LLP	22,44,256	13.98	-	22,44,256	13.98	35.65	-
3	Mr. Ved Prakash Mahendru	9,09,413	5.66	-	9,09,413	5.66	-	-
4	Mr. Vivek Mahendru	5,90,660	3.68	-	5,90,660	3.68	-	-
5	Mr. Vinay Mahendru	5,76,707	3.59	-	5,76,707	3.59	-	-
6	Mrs. Ratna Mahendru	1,33,932	0.83	-	1,33,932	0.83	-	-
7	Mrs. Bela Mahendru	1,19,978	0.75	-	1,19,978	0.75	-	-
	<b>Total</b>	<b>95,92,123</b>	<b>59.74</b>	<b>-</b>	<b>95,92,123</b>	<b>59.74</b>	<b>33.34</b>	

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>M/s VPM Electricals Pvt. Ltd.</b>				
	At the beginning of the year	50,17,177	31.25	50,17,177	31.25
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>50,17,177</b>	<b>31.25</b>
<b>2</b>	<b>M/s VPM Industrial Services Corporation LLP</b>				
	At the beginning of the year	22,44,256	13.98		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>22,44,256</b>	<b>13.98</b>
<b>3</b>	<b>Mr. Ved Prakash Mahendru</b>				
	At the beginning of the year	9,09,413	5.66		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>9,09,413</b>	<b>5.66</b>
<b>4</b>	<b>Mr. Vivek Mahendru</b>				
	At the beginning of the year	5,90,660	3.68		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>5,90,660</b>	<b>3.68</b>
<b>5</b>	<b>Mr. Vinay Mahendru</b>				
	At the beginning of the year	5,76,707	3.59		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>5,76,707</b>	<b>3.59</b>
<b>6</b>	<b>Mrs. Ratna Mahendru</b>				
	At the beginning of the year	1,33,932	0.83		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>1,33,932</b>	<b>0.83</b>
<b>7</b>	<b>Mrs. Bela Mahendru</b>				
	At the beginning of the year	1,19,978	0.75		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>1,19,978</b>	<b>0.75</b>



iv) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>1</b>	<b>My Money Securities Limited</b>				
	At the beginning of the year	180647	1.13	180647	1.13
	Sold on 04/04/2016	-24454	0.15	156193	0.97
	Sold on 18/04/2016	-841	0.01	155352	0.97
	Sold on 29/04/2016	-2112	0.01	153240	0.95
	Sold on 06/05/2016	-35200	0.22	118040	0.74
	Purchased on 20/05/2016	13420	0.08	131460	0.82
	Purchased on 27/05/2016	8047	0.05	139507	0.87
	Purchased on 03/06/2016	17358	0.11	156865	0.98
	Sold on 10/06/2016	-1000	-0.01	155865	0.97
	Sold on 17/06/2016	-6000	-0.04	149865	0.93
	Purchased on 30/06/2016	3613	-0.02	153478	0.96
	Purchased on 15/07/2016	2792	0.02	156270	0.97
	Purchased on 22/07/2016	8470	0.05	164740	1.03
	Purchased on 29/07/2016	920	0.01	165660	1.03
	Purchased on 05/08/2016	2000	0.01	167660	1.04
	Purchased on 12/08/2016	5029	0.03	172689	1.08
	Purchased on 26/08/2016	13515	0.08	186204	1.16
	Sold on 02/09/2016	-3050	0.02	183154	1.57
	Sold on 16/09/2016	-9878	0.06	173276	1.08
	Purchased on 23/09/2016	14000	0.09	187276	1.17
	Purchased on 30/09/2016	5464	0.03	192740	1.20
	Purchased on 07/10/2016	9594	0.06	202334	1.26
	Sold on 14/10/2016	-38633	0.24	163701	1.02
	Sold on 21/10/2016	-29790	0.19	133911	0.83
	Sold on 28/10/2016	-8785	0.05	125126	0.78
	Purchased on 04/11/2016	14676	0.09	139802	0.87
	Purchased on 11/11/2016	34885	0.22	174687	1.09
	Purchased on 17/11/2016	12363	0.08	187050	1.16
	Purchased on 25/11/2016	20580	0.13	207630	1.29
	Sold on 02/12/2016	-7236	0.05	200394	1.25
	Sold on 23/12/2016	-10000	0.06	190394	1.19
	Sold on 06/01/2017	-6000	0.04	184394	1.15
	Sold on 13/01/2017	-4000	0.02	180394	1.12
	Sold on 20/01/2017	-5000	0.03	175394	1.09
	Sold on 27/01/2017	-24000	0.15	151394	0.94
	Purchased on 03/02/2017	4747	0.03	156141	0.97
	Purchased on 10/02/2017	3677	0.02	159818	1.00
	Purchased on 17/02/2017	9224	0.06	169042	1.05
	Sold on 24/02/2017	-1500	0.01	167542	1.04
	Sold on 01/03/2017	-11876	0.07	155666	0.97
	Purchased on 10/03/2017	2600	0.02	158266	0.99
	Purchased on 17/03/2017	6940	0.04	165206	1.03
	Sold on 24/03/2017	-796	0.01	164410	1.02
	Sold on 31/03/2017	-48659	0.30	115751	0.72
	At the end of the year 31/03/2017			<b>115751</b>	<b>0.72</b>

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>2</b>	<b>SAM Financial Services Pvt Ltd</b>				
	At the beginning of the year	101750	0.63	101750	0.63
	Sold on 17/06/2016	-76500	0.48	25250	0.16
	Sold on 24/06/2016	-5500	0.03	19750	0.12
	Sold on 30/06/2016	-19750	0.12	-	-
	At the end of the year 31/03/2017			-	-
<b>3</b>	<b>Wallfort Financial Services Ltd</b>				
	At the beginning of the year	100000	0.62	100000	0.62
	Purchased on 08/04/2016	50000	0.31	150000	0.93
	Purchased on 06/05/2016	49995	0.31	199995	1.25
	Purchased on 13/05/2016	5	0.00	200000	1.25
	Sold on 19/08/2016	-24274	0.15	175726	1.09
	Sold on 26/08/2016	-25726	0.16	150000	0.93
	Sold on 02/09/2016	-40119	0.25	109881	0.68
	Sold on 09/09/2016	-9931	0.06	99950	0.62
	Sold on 23/09/2016	-93000	0.58	6950	0.04
	Sold on 30/09/2016	-6950	0.04	-	-
	At the end of the year 31/03/2017			-	-
<b>4</b>	<b>Isha Securities Limited</b>				
	At the beginning of the year	91139	0.57	91139	0.57
	Sold on 27/05/2016	-16000	0.10	75139	0.47
	Purchased on 20/01/2017	21387	0.13	96526	0.60
	At the end of the year 31/03/2017			<b>96526</b>	<b>0.60</b>
<b>5</b>	<b>B.P. Equities Pvt. Ltd.</b>				
	At the beginning of the year	82369	0.51	82369	0.51
	Sold on 08/04/2016	-82369	0.51	-	-
	At the end of the year 31/03/2017			-	-
<b>6</b>	<b>BP Equities Private Limited</b>				
	At the beginning of the year	72131	0.45	72131	0.45
	Purchased on 08/04/2016	79872	0.50	152003	0.95
	Purchased on 06/05/2016	13	0.00	152016	0.95
	Sold on 20/05/2016	-1500	0.01	150516	0.94
	Sold on 27/05/2016	-14426	0.09	136090	0.85
	Sold on 03/06/2016	-993	0.01	135097	0.84
	Sold on 10/06/2016	-4400	0.03	130697	0.81
	Purchased on 17/06/2016	13	0.00	130710	0.81
	Sold on 30/06/2016	-101539	0.63	29171	0.18
	Sold on 12/08/2016	-7143	0.04	22028	0.14
	Purchased on 02/09/2016	3	0.00	22031	0.14
	Sold on 16/09/2016	-6	0.00	22025	0.14
	Purchased on 30/09/2016	3578	0.02	25603	0.16
	Sold on 14/10/2016	-1500	0.01	24103	0.15
	Purchased on 21/10/2016	1000	0.01	25103	0.16
	Sold on 28/10/2016	-2000	0.01	23103	0.15
	Sold on 24/03/2017	-10476	0.07	12627	0.08
	At the end of the year 31/03/2017			<b>12627</b>	<b>0.08</b>

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>7</b>	<b>Nitin Kapil Tandon</b>				
	At the beginning of the year	69000	0.43	69000	0.43
	At the end of the year 31/03/2017			<b>69000</b>	<b>0.43</b>
<b>8</b>	<b>Sangita Balwant Jain</b>				
	At the beginning of the year	67602	0.42	67602	0.42
	Sold on 21/10/2016	-218		67384	0.42
	At the end of the year 31/03/2017			<b>67384</b>	<b>0.42</b>
<b>9</b>	<b>Divyam Tie up Private Limited</b>				
	At the beginning of the year	66829	0.42	66829	0.42
	Sold on 27/05/2016	-21000	0.13	45829	0.29
	Sold on 17/06/2016	-45829	0.29	-	-
	At the end of the year 31/03/2017			-	-
<b>10</b>	<b>Varsha Bhavesh Shah</b>				
	At the beginning of the year	90850	0.57	90850	0.57
	Sold on 06/05/2016	-3451	0.02	87399	0.55
	Purchase on 02/12/2016	6308	0.04	93707	0.58
	At the end of the year 31/03/2017			<b>93707</b>	<b>0.58</b>
<b>11.</b>	<b>Rakesh Ramesh Jain</b>				
	At the beginning of the year	24000	0.21	24000	0.21
	Purchased on 30/06/2016	98148	0.61	122148	0.76
	Sold on 12/08/2016	-1857	0.01	120291	0.75
	Purchased on 24/03/2017	10476	0.07	130767	0.81
	At the end of the year 31/03/2017			<b>130767</b>	<b>0.81</b>
<b>12</b>	<b>Rajasthan Global Securities Pvt. Ltd.</b>				
	At the beginning of the year	-	-	-	-
	Purchased on 28/10/2016	36347	0.23	36347	0.23
	Purchased on 04/11/2016	2349	0.01	38696	0.24
	Purchased on 11/11/2016	2000	0.01	40696	0.25
	Purchased on 17/11/2016	95	0.00	40791	0.25
	Purchased on 02/12/2016	11729	0.10	52520	0.35
	Purchased on 13/01/2017	881	0.01	53401	0.36
	Purchased on 03/03/2017	24340	0.15	77741	0.48
	Purchased on 10/03/2017	10626	0.07	88367	0.55
	Purchased on 24/03/2017	12543	0.08	100910	0.63
	Purchased on 31/03/2017	5905	0.04	106815	0.67
	At the end of the year 31/03/2017			<b>106815</b>	<b>0.67</b>
<b>13</b>	<b>Chatura M Rao</b>				
	At the beginning of the year			-	-
	Purchased on 17/06/2016	98101	0.61	98101	0.61
	Sold on 10/02/2017	-2000	0.01	96101	0.60
	Sold on 10/03/2017	-1101	0.01	95000	0.59
	At the end of the year 31/03/2017			<b>95000</b>	<b>0.59</b>
<b>14</b>	<b>Divyesh Ambalal Shah</b>				
	At the beginning of the year	51253	0.32	51253	0.32
	Purchased on 25/11/2016	4000	0.02	55253	0.34
	Purchased on 30/12/2016	4786	0.03	60039	0.37
	Purchased on 17/02/2017	3503	0.02	63542	0.40
	Purchased on 24/02/2017	1000	0.01	64542	0.40
	At the end of the year 31/03/2017			<b>64542</b>	<b>0.40</b>

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>15</b>	<b>Digish Ramesh Pandit</b>				
	At the beginning of the year	50000	0.31	50000	0.31
	Purchased on 23/09/2016	5000	0.03	55000	0.34
	Sold on 07/10/2016	-5000	0.03	50000	0.31
	Purchased on 28/10/2016	10000	0.06	60000	0.37
	Sold on 04/11/2016	-5000	0.03	55000	0.34
	Sold on 17/11/2016	-5000	0.03	50000	0.31
	At the end of the year 31/03/2017			<b>50000</b>	<b>0.31</b>

\* Note: List of Top 10 shareholders were taken cumulatively as on 1st April, 2016 and as on 31st March, 2017. The increase / (decrease) in shareholding as stated above is based on details of beneficial ownership furnished by the depository.

**v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>Mr. Ved Prakash Mahendru, Chairman &amp; Managing Director</b>				
	At the beginning of the year	9,09,413	5.66		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>9,09,413</b>	<b>5.66</b>
<b>2</b>	<b>Mr. Vivek Mahendru, Whole-time Director</b>				
	At the beginning of the year	5,90,660	3.68		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>5,90,660</b>	<b>3.68</b>
<b>3</b>	<b>Mr. Vinay Mahendru, Whole-time Director</b>				
	At the beginning of the year	5,76,707	3.59		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>5,76,707</b>	<b>3.59</b>
<b>4</b>	<b>Mr. Ramesh Chander Bansal, Director</b>				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
<b>5</b>	<b>Mr. Ajoy Kumar Ghosh, Director</b>				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
<b>6</b>	<b>Mr. Ranjan Sarkar, Director</b>				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-

S. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>7</b>	<b>Dr. (Mrs.) Rashmi Vij, Director</b>				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
<b>8</b>	<b>Mr. K B Satija, CFO</b>				
	At the beginning of the year	05	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>05</b>	-
<b>9</b>	<b>Mr. Vinay Aggarwal, Company Secretary*</b>				
	At the beginning of the year			-	-
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year	-	-		

\*Joined as Company Secretary w.e.f. May 23, 2016 and resigned from the post of Company Secretary w.e.f. January 13, 2017.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
(i)	Principal Amount	66,89,87,253	78,97,500	-	67,68,84,753
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		<b>66,89,87,253</b>	<b>78,97,500</b>	<b>-</b>	<b>67,68,84,753</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition		50,04,25,921	24,97,374	-	50,29,23,295
* Reduction		(41,66,73,736)	(78,97,500)	-	(42,45,71,236)
<b>Net Change</b>		<b>8,37,52,185</b>	<b>(54,00,126)</b>	<b>-</b>	<b>7,83,52,059</b>
<b>Indebtedness at the end of the financial year</b>					
(i)	Principal Amount	7,52,739,438	24,97,374	-	75,52,36,812
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		<b>7,52,739,438</b>	<b>24,97,374</b>	<b>-</b>	<b>75,52,36,812</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**(Amount in INR)**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Ved Prakash Mahendru, CMD	Mr. Vivek Mahendru, WTD	Mr. Vinay Mahendru, WTD	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51,00,000	64,80,000	64,80,000	<b>1,80,60,000</b>
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7,74,600	7,44,600	7,44,600	<b>22,63,800</b>
(c)	Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>58,74,600</b>	<b>72,24,600</b>	<b>72,24,600</b>	<b>2,03,23,800</b>
	Ceiling as per the Act	Rs.84 lakhs per annum can be paid to each Director (Whole-time/ Managing Director) (Maximum Remuneration payable as per Part -A, Section II of Schedule V to the Companies Act, 2013). This limit shall be double if the resolution passed by the shareholders of the company is a special resolution. The remuneration paid above is within the said limits and was approved by the shareholders of the Company at their AGM held on September 29, 2014.			

**B. Remuneration to other Directors:****(Amount in INR)**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ramesh Chander Bansal	Mr. Ajoy Kumar Ghosh	Mr. Ranjan Sarkar	Dr. Rashmi Vij	
1.	Independent Directors					
	Fee for attending Board / Committee meetings	1,60,000	1,20,000	70,000	40,000	<b>3,90,000</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,60,000</b>	<b>1,20,000</b>	<b>70,000</b>	<b>40,000</b>	<b>3,90,000</b>
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,60,000</b>	<b>1,20,000</b>	<b>70,000</b>	<b>40,000</b>	<b>3,90,000</b>
	<b>Total Managerial Remuneration (A) + (B)</b>					<b>2,07,13,800</b>
	Overall Ceiling as per the Act	<p>Rs.84 lakhs per annum can be paid to each Director (Whole-time/ Managing Director) (Maximum Remuneration payable as per Part -A, Section II of Schedule V to the Companies Act, 2013). This limit shall be double if the resolution passed by the shareholders of the company is a special resolution. The remuneration paid above is within the said limits and was approved by the shareholders of the Company at their AGM held on September 29, 2014.</p> <p>Maximum amount of Rs.1 Lakh for each Director as sitting fee for attending each meeting of the Board or its Committee is allowed under the Act and the remuneration paid above is within this said limit.</p>				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD****(Amount in INR)**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vinay Aggarwal, Company Secretary*	Mr. K B Satija, CFO	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,23,328	41,75,831	44,99,159
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>3,23,328</b>	<b>41,75,831</b>	<b>44,99,159</b>

\*Mr. Vinay Aggarwal had resigned as Company Secretary and Compliance Officer w.e.f. January 13, 2017. Remuneration details of Mr. Vinay Aggarwal, Company Secretary and Compliance Officer include remuneration paid during May 23, 2016 to January 13, 2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338



## ANNEXURE “C”

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

### A. CONSERVATION OF ENERGY

The Company has implemented energy conservation measures at its works as well as its entire offices across the country. The Company consciously understands the need for energy conservation and has taken several proactive steps towards this initiative besides sustaining the initiative taken during the earlier years.

The steps taken by the Company to conserve the energy include, inter-alia, the following:

- Management of energy efficient resources
- Energy Audit
- Light optimization through lux mapping and replacement of conventional light fittings with energy efficient LED based lighting solutions across the country.
- Replacement of conventional Lead Acid Batteries with Lithium-Ion Batteries
- Replacement of all outdoor light fittings at its plants and offices with Solar Lighting Systems
- Replacement of old DG sets, pumps and motors and production equipments with energy efficient equipments in a phased manner

The above initiatives undertaken by the Company have resulted in

- Optimising the energy consumption
- Savings in cost of production
- Reduction in carbon emission
- Increase in overall efficiency

### B. TECHNOLOGY ABSORPTION

The following efforts are being made towards technology absorption:

#### Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company: The Company makes continuous efforts for the integration of R&D activities with its business needs so as to offer better value added products and services to its customers. The Company continues to pursue innovation and applied research as means to sustain its global leadership in a competitive environment.

Following are the areas in which the R&D has been carried out during the Financial Year 2016-17:

- Continuous development of new products & process for improvement in business efficiency by reduction in cost, cycle time which leads to energy conservation also.
  - Development of Import substitution for products & material.
  - Value engineering in products & process to reduce wastages.
  - Continuously absorb new technologies to improve the testing procedures for products, process and materials for enhancing the quality of products, safety to persons concerned and environment
  - Special focus on development of in-house products which are compatible to new technology specially interface with computers.
2. Benefits derived as a result of the above R&D: Multifold benefits have been accrued as a result of R&D activities. Apart from strengthening of technical base, benefits have also been reflected in terms of:
    - i. Cost reduction, import substitution and strategic resource management.
    - ii. Quality evaluation of finished products and raw materials.
    - iii. Ensuring product quality.
    - iv. Entering new market segments.
    - v. Greater customer satisfaction.

3. Future plan of action: Your Company's creative & innovation team will continue to work on energy efficient process like:
- Reducing wastage volume.
  - Roll out of new range of differentiated products of international quality.
  - Improvement of process and resource use efficiencies.
  - All the efforts are being continued in the directions of product/process development as mentioned above.
4. Expenditure incurred on Research & Development (R&D):

a)	Capital	The development work is carried on by the concerned departments on an ongoing basis.
b)	Recurring	
c)	Total	
d)	Total R & D expenditure as a percentage of Total Turnover	The expenses and the costs of assets are grouped under the respective heads.

**Technology Absorption, Adaptation and Innovation:**

- a) Efforts, in brief, made towards technology absorption, adaptation and innovation:
- ✓ Technologies were successfully absorbed, resulting in a high production and new product development to meet existing and new customer requirements.
  - ✓ Technology innovations were successfully implemented to increase production and reduce the consumption of raw material, energy and utilities.
- b) Benefits derived as a result of the above efforts, e.g.,
- product improvement,
  - cost reduction,
  - product development,
  - import substitution, etc.:
- c) In case of imported technology (imported during the last 3 years reckoned the beginning of the financial year), following information may be furnished:
- Technology imported:
  - Year of import:
  - Has technology been fully absorbed?:
  - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:

**- NOT APPLICABLE- (The Company has not imported any Technology)**

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

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 focusing on development of products as per requirement of foreign markets and appointment of channel partners for export sale. The Company has successfully exported its products to Nepal during 2016-17.
- 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.

**(INR in Lakhs)**

S. No.	Particulars	2016-17	2015-16
1	Earnings in Foreign Currency	Nil	Nil
2	Expenditure in Foreign Currency	38.28	10.96
3	CIF Value of Imports	1335.94	1849.01

**For and on behalf of the Board of Directors**

**Ved Prakash Mahendru**

Chairman & Managing Director

DIN: 00005338

Place: New Delhi  
 Date: August 31, 2017

## ANNEXURE “D”

**(A) Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

- (i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Directors and Company Secretary during the Financial Year 2016-17:

S. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2016-17 (INR in Lakhs)	% increase in Remuneration in Financial Year 2016-17*	Ratio of Remuneration of Director to Median Remuneration of employees
1.	Mr. Ved Prakash Mahendru, Chairman & Managing Director	84.00	---	24.26 : 1
2.	Mr. Vivek Mahendru, Whole-time Director	77.18	---	20.80 : 1
3.	Mr. Vinay Mahendru, Whole-time Director	77.18	---	20.80 : 1
4.	Mr. K B Satija, Chief Financial Officer	43.60	10.00	12.10 : 1
5.	Mr. Vinay Aggarwal# Company Secretary and Compliance Officer	3.49	NA	---

# Mr. Vinay Aggarwal was appointed as Company Secretary and Compliance Officer w.e.f. May 23, 2016 and resigned w.e.f. January 13, 2017. Remuneration details of Mr. Vinay Aggarwal, Company Secretary and Compliance Officer include remuneration paid during May 23, 2016 to January 13, 2017.

\* Disclosures with respect to percentage increase in remuneration have not been made due to following reasons: There is no increase in the remuneration of Mr. Ved Prakash Mahendru, Chairman & Managing Director, Mr. Vivek Mahendru and Mr. Vinay Mahendru, Whole-time Directors of the Company, during the Financial Year 2016-17.

- (ii) The number of permanent employees on the rolls of the Company as on March 31, 2017 was 306 and the median remuneration was Rs.28,849/- only.
- (iii) Average of remuneration of employees excluding above Directors and KMPs has increased by 9.90%. The increase in remuneration is in line with the market trends and performance of the Company.
- (iv) The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company provided under the section “Corporate Governance Report” which forms part of the Board Report.
- (v) No employee’s remuneration for the year 2016-17 exceeded the remuneration of any of the Directors.
- (vi) Company’s performance has been provided in the Board Report which forms part of the Annual Report.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

**(B) Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

(i) The Names of the Top Ten Employees of the Company, in terms of Remuneration drawn during the Financial Year 2016-17:-

S. No.	Employee Name	Designation	Remuneration Received (Amount Rs.)	Nature of Employment	Qualification	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last Employment held	%age of Equity Shares held	Whether related to any Director/ Manager
1	KB Satija	CHIEF FINANCIAL OFFICER	4,175,831	Permanent	B.COM(H), FCA	28	June 12, 1989	52	INDO ASIAN MARKETING LIMITED	-	No
2	Anil Mijoo	VICE PRESIDENT	3,797,923	Permanent	B.E (ELECTRONICS)	19	September 3, 2014	45	NOVATEUR ELECTRICAL & DIGITAL SYSTEMS PVT LTD	-	No
3	Sandeep Sharma	VICE PRESIDENT	3,685,716	Permanent	DIPLOMA IN BUSINESS MANAGEMENT	23	June 1, 2011	46	BONTON CABLES (INDIA) PRIVATE LTD	-	No
4	Ravi L Mohite*	ASSISTANT VICE PRESIDENT	1,493,838	Permanent	DIPLOMA IN ELECTRICALS	24	October 3, 2016	53	ANCHOR ELECTRICALS (PVT) LTD	-	No
5	Sanjeev Mittal*	GENERAL MANAGER	2,721,045	Permanent	MBA	31	January 12, 2012	54	GROZ ENGINEERING TOOLS PRIVATE LIMITED	-	No
6	Pallavi Verma*	HEAD - HR & COMMUNICATION	931,500	Permanent	MBA	12	October 1, 2016	38	NOKIA INDIA PVT LTD	-	No
7	Rajiv Ranjan	GENERAL MANAGER	1,652,218	Permanent	MBA	17	September 5, 2012	44	MIKC ELECTRONICS	-	No
8	Chander Gupt Puri	DEPUTY GENERAL MANAGER	1,629,648	Permanent	CA (INTER)	34	May 25, 2013	57	NOVATEUR ELECTRICAL & DIGITAL SYSTEMS PVT LTD	-	No
9	Philemon Baby Oommen	Regional Manager	1,437,698	Permanent	B.COM	28	July 14, 2015	52	NOVATEUR ELECTRICAL & DIGITAL SYSTEMS PVT LTD	-	No
10	Manesh Kumar Vinod Chandra Dani	Regional Manager	1,400,796	Permanent	DIPLOMA IN MECHANICAL ENGINEERING	30	October 10, 2014	53	Green Electricals Pvt. Ltd	-	No

\*Employed for part of the financial year 2016-17.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

## ANNEXURE "E"

## Form AOC -1

Pursuant to first proviso to sub section(3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

## Statement containing salient features of the Financial Statement of Subsidiaries/Associates/Joint Ventures

<b>Part "A" Subsidiaries</b>		
(Information in respect of each of subsidiary to be presented with amount in INR)		
<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N.A
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of relevant financial year in case of foreign subsidiaries	N.A
4	Share Capital	N.A
5	Reserves & Surplus	N.A
6	Total assets	N.A
7	Total liabilities	N.A
8	Investments	N.A
9	Turnover	N.A
10	Profit before Tax	N.A
11	Provision for taxation	N.A
12	Profit after Tax	N.A
13	Proposed Dividend	N.A
14	% of shareholding	N.A
<b>Part "B" Associates and Joint Ventures</b>		
<b>Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures</b>		
<b>S. No.</b>	<b>Name of Joint Venture</b>	<b>Luxtra Lighting Private Limited</b>
1	Latest Audited Balance Sheet Date	March 31, 2017
2	Share of Joint Venture held by the Company on the year end	Equity Shares
	No. of Equity Shares	969203
	Amount of Investment in Associates/Joint Venture	Rs.9692030
	Extend of holding %	49.00%
3	Description of how there is significant influence	Due to %age of Share Capital held
4	Reason why the joint venture is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(-)Rs. 3,10,221/-
6	Profit/Loss of the year	
	i. Considered in consolidation	(-)Rs. 1,311/-
	ii. Not considered in consolidation	N.A.

For and on behalf of the Board of Directors

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **COMPANY OVERVIEW**

Eon Electric Limited (hereinafter “the Company”) is engaged in the business of manufacturing and marketing of energy efficient lighting & other electrical and electronic products such as LED Lights, Lighting products, Energy Efficient Fans, Water Heaters, Lithium ion batteries, Mobile Phone accessories, Wires & Cables and other allied products.

The Company continues to be committed towards making the best of quality products at affordable prices through technological innovation and upgradation, 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.

### **ECONOMIC OUTLOOK**

While the world economy remains in a low growth difficult times, India continues to post a strong growth. Consumption was supported by lower energy costs, public sector salary increases, and favourable monsoon rains, which boosted urban and rural incomes. While the unexpected ‘demonetisation’ weighed on growth in the third Quarter of FY 2016-17, the recent elections outcome have risen hopes for a stable political and regulatory platform.

One of the major tax reforms, The Goods and Services Tax (GST) Amendment Bill passed during the year, aims at streamlining the country’s complex tax system, reduce fragmentation in markets, lower business costs, and widen the tax base. Robust implementation of this legislative change will be the key to boost prospects of the organised market. This has created new level of optimism about the prospects of Indian economy.

The recent Union Budget reflected the government’s conviction that the power sector is crucial for economic growth. The fund allocation for the key power sector programs has been raised to around Rs. 79,000 crore. The Government has eased the norms of FDI, doing of business and taxation, and trying all the ways to attract FDI in this sector. The Central Government is targeting universal and affordable electricity access by 2019.

We believe the government’s prudent policies will pave the path for a successful future of Indian power sector and thereby will change our economy radically.

On a careful perusal of the various growth indicators prevalent in the country these days, India is likely to retain its status of world’s fastest growing major economy even in FY 2017-18. As per the IMF’s estimates, Indian economy is likely to grow at 7.2% in 2017 and 7.7% in 2018. On the other hand the Economic Survey 2016-17 expects real GDP growth in the range of 6.75% to 7.50% in FY 2017-18

The Indian Electrical market has grown at a single digit over the last few years. Slowdown in construction activity has been one of the major factors for a sluggish growth. The Central Government’s ‘Housing for All by 2022’ (20 million houses for urban poor and 30 million houses for the rural poor) and Smart Cities (development of 100 cities) missions promise to trigger fast-paced rollout of new homes. This should usher in multi-year growth for electrical products and appliances.

Besides, increasing consumer focus on aesthetics and energy efficiency, has also resulted in notable shift towards branded products. The ability to offer competitive pricing, superior product range & quality, upgraded technology and innovations, more safety features, and increased brand awareness, Eon is well placed to offer an enriching consumer experience.

### **LIGHTING INDUSTRY**

The emphasis on the power sector and its phenomenal growth and distribution laid the foundation for the lighting industry in India. Under the present energy crisis, both industrial and domestic sectors of the market expect better lighting systems to optimize the use of energy. Hence, over conventional lamp, energy saving lamp is preferred now a days by industry. Apart from the energy efficiency, improved illumination, advanced lumen techniques and enhanced aesthetics are the features considered by the industry.

Growing thrust on energy conservation and increasing power tariffs are encouraging use of energy-efficient light sources and systems such as LEDs by all consumer segments.

**LEDs-** the Light of the future: Today, India deals with challenges of energy deficiency, sustainability, and electrification of remote rural regions. Of the entire energy consumption in India, lighting accounts for 20 percent. A very effective solution to India’s lighting challenges that has emerged is Light Emitting Diode (LED). Awareness initiatives and government

programs involving support to green technologies and provision for preferential excise rates has encouraged the LED lighting penetration in India.

Street lighting, industrial, and commercial applications are currently driving the LED market growth in India. The National Electronics Policy is bearing fruit, with India expected to witness establishment of LED Fabs and LED products manufacturing in the short term. With technological advancements, reliable product performance, increased competition, and reducing LED pricing, increased market adoption is expected across both indoor and outdoor LED lighting markets. Still, the LED market in India has its share of challenges such as relatively higher pricing, reliance on imports, and limited indigenous manufacturing.

LED Lighting, which accounts for 19% share in the current overall lighting market, is anticipated to reach 62% by the year 2021. India's LED Lighting market is expected to grow at a CAGR of 32.15% in the next 6 years. India's lighting market has been growing with a CAGR of 16.83% for the last 5 years and is projected to grow even in the future due to excellent growth in the LED lighting industry.

**Lighting and Energy Efficiency Sector** – Energy efficiency is one of the key focus areas of the present government. Along with saving energy, it is committed to reducing the carbon emission as well. Combining these two objectives, it has been pushing smart lighting initiatives with a thrust on renewables.

According to Ministry of Power, the size of India's energy efficiency market is USD 12 billion. Various initiatives such as Street Lighting National Programme (SLNP) are expected to help the country cut the energy consumption by 20%. The Indian lighting industry caters to the residential, industrial, commercial and infrastructure-related demand as per the estimates of IMARC, Indian LED-light market is worth USD 3.7 billion.

Key initiatives like electricity for all, housing for all, affordable housing and smart cities mission are likely to boost the demand for smart lighting solutions. Moreover, growing industrialisation and thrust of business houses on rationalisation of cost will offer thriving opportunities to the Indian lighting industry.

## **CABLES AND WIRE INDUSTRY**

The outlook of wires and power cables continues to remain positive on the back of demand expected to be generated as per estimation in various sectors like power, real estate etc. The increased investment in generation, transmission and distribution as planned under XII plan, increase in government spending on the infrastructure and restructuring of SEBs would provide boost to cable consumption. Along with power sector, real estate sector and industrial demand would also provide an upswing to the cable and wires industry in the near future. With growing quality consciousness and awareness for safety, there is a good potential for growth and demand for branded wires and cables in the industry.

The building wiring cables segment comprises the wires and cables required for residential, commercial, hotels, shops and offices. This segment shows growth due to momentum in housing sector. The residential segment contributes a major portion of the demand, followed by shops and offices. The size of building wires and cables is estimated at approx Rs. 6000 crore, with a large segment being local and unorganized.

The emphasis of Government on non-conventional source of energy like solar is also positive step for wire and cable industry. There are lots of DC based products that come into the market to specifically serve these particular segment. The market is growing at a CAGR 15% as a result of growth in the power and infrastructure segments. As the Government is focusing on 'Make in India' the industry can grow at a similar rate of next five years.

## **ELECTRICAL CONSUMER DURABLES INDUSTRY**

According to India Fan Market Overview, sales of fan have been growing with a CAGR of 9.13% over last five years. With the housing sector growing at a rapid rate and the disposable incomes at a high rate, the demand for electric fans and other electrical consumer durables is expected to grow at a higher rate. Further, the emphasis of the Government on 'Housing for All' would spurt the demand for electrical consumer durables, in the coming years.

## **LITHIUM ION BATTERIES**

India is one of the fastest growing markets for mobile phones and has approximately 300 million handsets being used by mobile subscribers currently. If one assumes the average life span of mobile batteries as 2 years, the size of replacement mobile battery market could be as big as 150 million units a year.

The Global Lithium-Ion Battery Market size is expected reach \$46.21 billion by 2022, with a CAGR of 10.8% during the forecast period (2016-2022). Lithium-ion (Li-ion) batteries are rechargeable batteries with high energy density and are mainly used in portable equipment. The market for these batteries is expected to witness a significant growth owing to their increasing use in smartphones, tablets/PCs, digital cameras, and power tools.

**FINANCIAL PERFORMANCE**

Financial performance of the Company for the financial year 2016-17 as compared to the previous financial year 2015-16 is furnished in detail in the Directors' Report.

**SEGMENT- WISE PERFORMANCE****Lighting**

The Lighting Segment achieved a turnover of Rs.109.66 Crores for the financial year ended 31st March 2017 as against Rs.95.78 Crores for the financial year ended 31st March, 2016. The Company is working on new innovative strategic plans and pursuing new creative opportunities in the areas of advance LED based energy efficient and eco-friendly lighting systems which will further augment the growth of this segment during the coming years.

The Company has got itself empanelled with the Bureau of Indian Standards (BIS) and Energy Efficiency Services Limited (EESL). During the year under review the Company has been awarded contracts worth over Rs. 58 Crores for Design, Manufacture, Supply, Testing, Installation, Commissioning and Warranty of LED Street Lights and other related works in the States of Rajasthan, Himachal Pradesh, Uttar Pradesh, Jharkhand and other states. The Company has installed over 1.10 lac LED street lights against these tenders during 2016-17.

**Cables & Wires**

Our Cables & Wires segment recorded a turnover of Rs.37.47 Crores for the financial year ended 31st March, 2017 as against Rs.47.50 Crores for the financial year ended 31st March, 2016. The operations of the cables and wires segment remained under pressure during the financial year 2016-17 due to volatility in the commodity prices.

**Electrical Consumer Durables**

The Electrical Consumer Durables achieved a turnover of Rs.27.15 Crores for the financial year ended 31st March, 2017 as against Rs.21.41 Crores for the financial year ended 31st March, 2016. Our focussed efforts in brand building, awareness creation for acceptance of products and market penetration through a fast growing network of channel partners would help us in improving the sales of this segment during the current year.

**Others**

Other products i.e. Lithium-ion Batteries and Mobile Phone accessories contributed a turnover of Rs.10.22 Crores for the financial year ended 31st March, 2017 as against Rs.9.96 Crores for the financial year ended 31st March, 2016.

**OPPORTUNITIES****1. Growth in the Housing Segment**

India is a rapidly transforming society. The country's demographic advantage and enhanced investments in infrastructure, manufacturing, education and socio-economic well-being are expected to create new opportunities for growth. It is estimated that by 2022, over 110 million homes will require to be built in urban as well as rural areas to house India's rapidly growing population. The Government is bullish on real estate and has passed numerous policy reforms in the sector. All these measures will have a positive impact on growth in the housing sector and as a result, boost the demand for the Company's products.

**2. Demography**

Emerging middle-class people aspiring for better and improved standard of living, Company expects an impressive growth in future.

**3. Distribution**

Having pan-India dealer network, Eon is in an advantageous position for better growth. On such a wider base of distribution, Company can leverage it to introduce more new products and enter new geographies.

**4. Goods and Service Tax**

With the implementation of GST, Company hopes to leverage its brand positioning and distribution network to reap potential benefits of GST.

**THREATS****1. Slowdown in Construction Activities**

Given that the Company's Wires and Cables segment are dependent on industrial and infrastructure capital expenditure, any delay would affect segmental revenue growth.



## 2. Increase in Competition:

In view of the growth potential in the electrical industry, the space has seen increased number of players entering the segment. Competition, whether domestic or international, is always a challenge and transforming challenges into opportunities has been a practice at Eon.

## 3. Non-availability of Regular and Quality Power

Non-availability of regular and quality electricity supply is an issue as it may impact overall demand for electrical products.

## 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.

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.

## 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.

## 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.*

For and on behalf of the Board of Directors

Place: New Delhi  
Date: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

## **CORPORATE GOVERNANCE REPORT**

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business processes.

At Eon, it is imperative that the Company's affairs are managed in a fair and transparent manner. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

### **Best Corporate Governance practices**

Eon maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices. Some of the best implemented Global Governance norms include the following:

- ✓ All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of the Board of Directors.
- ✓ The Company also undergoes Secretarial Audit conducted by an independent Company Secretaries Firm. The Secretarial Audit Report is placed before the Board and is included in the Annual Report.
- ✓ Internal Audit is conducted regularly and report on findings of Internal Auditor is submitted to the Audit Committee on quarterly basis.
- ✓ Observance and adherence of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

### **Ethics/Governance Policies**

At Eon, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these Codes and Policies are:

- ✓ Code of Conduct for the Board of Directors and the Senior Management Personnel
- ✓ Code of Conduct for Prevention of Insider Trading
- ✓ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- ✓ Policy on Related Party Transactions
- ✓ Remuneration Policy for Directors, Key Managerial Personnel and Senior Management
- ✓ Policy on Familiarization of Independent Directors
- ✓ Whistle Blower Policy
- ✓ Policy on Board Diversity
- ✓ Policy on Document Retention & Archival
- ✓ Policy for Determining Material Event/ Information

### **BOARD OF DIRECTORS**

As on March 31, 2017, the Company has 07 Directors on the Board. Out of the 07 Directors, 03 are Promoter and Executive Directors and 04 are Non-Executive & Independent Directors including a Woman Director. The composition of the Board is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) read with Section 149 of the Companies Act, 2013.

All the Directors have made the requisite disclosures regarding their Directorships and Committee positions occupied by them in other Companies, and had complied with Regulation 25 and Regulation 26 of the SEBI Listing Regulations, 2015.

#### Size and Composition of the Board of Directors

Category	Name of Directors	
Promoter & Executive Directors	1.	Mr. Ved Prakash Mahendru, Chairman & Managing Director
	2.	Mr. Vivek Mahendru, Whole-time Director
	3.	Mr. Vinay Mahendru, Whole-time Director
Non Executive & Independent Directors	4.	Mr. Ramesh Chander Bansal
	5.	Mr. Ajoy Kumar Ghosh
	6.	Mr. Ranjan Sarkar
	7.	Dr. Rashmi Vij

#### Inter-se Relationship among Directors

Mr. Vivek Mahendru and Mr. Vinay Mahendru, both are sons of Mr. Ved Prakash Mahendru. None of the other Directors are related to any other Director on the Board.

#### Terms and Conditions of Appointment of Independent Directors

Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on the website of the Company and can be accessed through the following link:

[http://www.eonelectric.com/joomlanew/images/investors\\_pdf/Investor/Appointment%20Letter%20of%20Independent%20Director.pdf](http://www.eonelectric.com/joomlanew/images/investors_pdf/Investor/Appointment%20Letter%20of%20Independent%20Director.pdf)

#### Maximum Tenure of Independent Directors

In accordance with Section 149(11) of the Companies Act, 2013, Mr. Ramesh Chander Bansal, Mr. Ajoy Kumar Ghosh and Mr. Ranjan Sarkar had been appointed as Independent Directors of the Company w.e.f. September 30, 2014 for one term of 5 years up to September 29, 2019. Mrs. Rashmi Vij had been appointed as Additional Director w.e.f. April 24, 2015 and was appointed as Independent Director w.e.f. April 24, 2015 for one term of 5 years up to April 23, 2020, by the shareholders of the Company at their AGM held on September 29, 2015.

The maximum tenure of the Independent Directors is in compliance with the provisions of the Companies Act, 2013.

#### Declaration of Independence

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

A statement, in connection with fulfilling the criteria of Independence and directorships as per the requirement of the provisions of the Companies Act, 2013 ("the Act") and the Regulation 25 of SEBI Listing Regulations, 2015, received from each of Independent Directors, is disclosed in the Board's Report.

#### Directors' Induction and Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Management of the Company is responsible for ensuring such induction and training programmes are provided to Directors. The Management provides such information and training either at the meeting of Board of Directors or otherwise. The details of such familiarization programmes for Independent Directors are posted on the website and can be accessed from below link:

[http://www.eonelectric.com/joomlanew/images/investors\\_pdf/Investor/Familiarisation%20Programme%20for%20Independent%20Directors.pdf](http://www.eonelectric.com/joomlanew/images/investors_pdf/Investor/Familiarisation%20Programme%20for%20Independent%20Directors.pdf)

## **Board Evaluation**

Board Evaluation for the Financial Year ended 2016-17 has been completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

The results of the Evaluation were shared with the Board and based on the outcome of the Evaluation, the Board has agreed on the action plan to improve on the identified parameters.

## **Separate Meeting of Independent Directors**

In terms of the provisions of Schedule IV of the Act read with Regulation 25 of SEBI Listing Regulations, 2015, the Independent Directors are required to meet at least once in a year without the presence of Executive Directors and Management representatives.

During the Financial Year 2016-17, the Independent Directors met once on March 20, 2017 and inter-alia discussed:

- The performance of Non-Independent Directors and the Board as a whole
- The performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES**

The Board has constituted 03 (Three) Committees, namely:

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders' Relationship Committee.

The Board is authorized to constitute additional functional Committees, from time to time, depending upon business needs.

## **Board Meetings**

The Board meets at regular intervals to discuss and decide on Company / business policies and strategy apart from other regular business matters. Minimum 04 (four) Board meetings are held every year. Board meets at least once in a quarter to review the quarterly results, performance of the Company and other items of the agenda. Additional meetings are held to address specific needs of the Company. However, in case of any exigency/ emergency, resolutions are passed by circulation, for the matters permitted by law, which is noted and confirmed in the subsequent meeting.

The agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The agenda is circulated a week prior to the date of the meetings and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision.

During the Financial Year 2016-17, the Board of Directors met 7 (seven) times: 23rd May, 2016, 13th August, 2016, 1st October, 2016, 13th October, 2016, 14th November, 2016, 11th February, 2017 and 24th March, 2017.

The maximum gap between any two meetings was less than 120 Days (One Hundred and Twenty Days), as stipulated under Regulation 17 of the SEBI Listing Regulations, 2015 and the Secretarial Standard-1.

During the year 2016-17, information as mentioned in Part A of Schedule II to the SEBI Listing Regulations, 2015, has been placed before the Board for its consideration.

**Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees and Shareholdings of each Director in the Company:**

S. No.	Name, Designation & DIN	Category	Attendance in Financial Year 2016-17		Number of Directorships in other Companies as on March 31, 2017		Committee Membership and Chairmanship in other Companies* as on March 31, 2017		Shareholding in the Company as on March 31, 2017
			Board Meetings	AGM	Private	Public	Chairmanship	Membership	
1.	Mr. Ved Prakash Mahendru Chairman & Managing Director (00005338)	Promoter and Executive	7/7	Yes	2	-	-	-	9,09,413
2.	Mr. Vivek Mahendru Whole-time Director (00006014)	Promoter and Executive	7/7	Yes	6	-	-	-	5,90,660
3.	Mr. Vinay Mahendru Whole-time Director (00005371)	Promoter and Executive	6/7	Yes	6	-	-	-	5,76,707
4.	Mr. Ramesh Chander Bansal Director (00005387)	Non -Executive and Independent	7/7	Yes	1	3	-	-	-
5.	Mr. Ajoy Kumar Ghosh Director (00005404)	Non -Executive and Independent	7/7	No	2	5	-	1	-
6.	Mr. Ranjan Sarkar Director (00289322)	Non -Executive and Independent	6/7	Yes	1	-	-	-	-
7.	Dr. Rashmi Vij Director (01103219)	Non -Executive and Independent	3/7	Yes	-	-	-	-	-

**Note:-**

\*Includes only Audit Committee and Shareholders' / Investors' Grievance Committee in all Public Limited Companies (whether listed or not) and excludes Private Limited Companies, Foreign Companies and Section 8 Companies.

**COMMITTEES OF THE BOARD**

The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the proceedings of the meetings of all Committees are placed before the Board for review.

The composition of various Committees of the Board of Directors is available on the website of the Company and web link for the same is

[http://www.eonelectric.com/joomlanew/images/investors\\_pdf/Shareholding\\_Pattern/Investors\\_service.pdf](http://www.eonelectric.com/joomlanew/images/investors_pdf/Shareholding_Pattern/Investors_service.pdf)

**Procedure at Committee Meetings**

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the members and placed before the Board meetings for taking a note thereof.

**1. AUDIT COMMITTEE**

**Composition, Meetings & Attendance**

As on March 31, 2017, the Audit Committee comprises of 3 (three) Members as stated below. The composition of the Committee is in conformity with the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015. During the Financial Year 2016-17, the Audit Committee met 4 (four) times as stated below. The time gap between any two meetings was less than 120 days.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	May 23, 2016	Yes	4/4	100
		August 13, 2016	Yes		
		November 14, 2016	Yes		
		February 11, 2017	Yes		
Mr. Ajoy Kumar Ghosh	Member – Non-Executive & Independent Director	May 23, 2016	Yes	4/4	100
		August 13, 2016	Yes		
		November 14, 2016	Yes		
		February 11, 2017	Yes		
Mr. Vivek Mahendru	Member – Executive Director	May 23, 2016	Yes	4/4	100
		August 13, 2016	Yes		
		November 14, 2016	Yes		
		February 11, 2017	Yes		

The Audit Committee invites such executives, as it considers appropriate to attend the meetings. The Chief Financial Officer (CFO) responsible for the finance function, the representative of the Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the Audit Committee.

The quorum for a meeting of Audit Committee is 2 (two) members. The Company Secretary & Compliance Officer is Secretary to the Committee.

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on September 30, 2016 to answer the shareholders' queries.

#### Terms of Reference

The Terms of Reference of the Audit Committee are in accordance with Regulation 18, Part C of Schedule II to the SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditor, the Statutory Auditor, the Cost Auditor and the Secretarial Auditor and notes the processes and safeguards employed by each of them. All recommendations made by the Audit Committee during the year were accepted by the Board.

## 2. NOMINATION AND REMUNERATION COMMITTEE

#### Composition, Meetings & Attendance

As on March 31, 2017 the Nomination and Remuneration Committee comprises of 3 (three) Members as stated below. The composition of the Committee is in conformity with the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015, with all the Directors being Non-Executive and Independent Directors.

During the financial year 2016-17, meeting of Nomination & Remuneration Committee was not held. The quorum for a meeting of the NRC is 2 (two) members.

Name of Member	Position & Category
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director
Mr. Ajoy Kumar Ghosh	Member – Non-Executive & Independent Director
Mr. Ranjan Sarkar	Member – Non-Executive & Independent Director

The Chairman and Managing Director and Head of Human Resources are invitees to the Committee meetings. The Company Secretary & Compliance Officer is Secretary to the Committee.

The Chairman of the Committee attended the AGM held on September 30, 2016 to answer the shareholders' queries.

### Terms of Reference

The Terms of Reference of the NRC and its role are in accordance with Regulation 19 and part D of Schedule II to the SEBI Listing Regulations, 2015, sub-section (2), (3) and (4) of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

The primary objective of the Nomination and Remuneration Committee is to review the candidates qualified for the position of Executive Directors, Non-Executive Directors and Independent Directors, consistent with the criteria approved for their appointment and recommend suitable candidates to the Board for their approval.

The Nomination and Remuneration Committee reviews and recommends to the Board –

- (i) Remuneration package of persons proposed to be appointed as Directors, Key managerial Personnel and in the Senior Management and
- (ii) Revisions of remunerations package of persons appointed as Directors and in the Senior Management.

The Nomination and Remuneration Committee evaluates the performance of Executive Directors, Non-Executive Directors and Independent Directors on an annual basis and submits its report to the Board through Chairman.

The NRC has formulated the following policies in accordance with the aforesaid provisions:

- i) Directors' Appointment and Remuneration Policy;
- ii) Policy on Orderly Succession for Appointments to the Board and Senior Management.

The aforesaid policies have been annexed with the Directors' Report and are also available on the Company's website <http://www.eonelectric.com/corporate-policys.html>.

### Remuneration Policy

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. The policy of the Company is uploaded on website of the Company: <http://www.eonelectric.com/corporate-policys.html>.

### Directors' Remuneration for the Financial Year 2016-17

Details of remuneration paid to the Directors of the Company for the Financial Year ended on March 31, 2017 are as follows:

(Amount in INR)

S. No.	Name	Sitting Fees	Salary & Perquisites	Total	Stock Option / ESPS
1.	Mr. Ved Prakash Mahendru	-	84,00,000	<b>84,00,000</b>	NIL
2.	Mr. Vivek Mahendru	-	77,18,400	<b>77,18,400</b>	NIL
3.	Mr. Vinay Mahendru	-	77,18,400	<b>77,18,400</b>	NIL
4.	Mr. Ramesh Chander Bansal	1,60,000	-	<b>1,60,000</b>	NIL
5.	Mr. Ajoy Kumar Ghosh	1,20,000	-	<b>1,20,000</b>	NIL
6.	Mr. Ranjan Sarkar	70,000	-	<b>70,000</b>	NIL
7.	Dr. Rashmi Vij	40,000	-	<b>40,000</b>	NIL
	<b>Total</b>	<b>3,90,000</b>	<b>2,38,36,800</b>	<b>2,42,26,800</b>	

Notes:

1. Non-Executive & Independent Directors of the Company have not been paid any remuneration other than sitting fees.
2. Salary & perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits including employer's provident fund contribution and perquisite value.

**Tenure of Service of Executive Directors**

Name	Designation	Tenure / Period	Date of Appointment in Current Term	Notice Period
Mr. Ved Prakash Mahendru	Chairman & Managing Director	3 years (1.10.2014 – 30.09.2017)	October 1, 2014	Nil
Mr. Vivek Mahendru	Whole-time Director	3 years (1.10.2014 – 30.09.2017)	October 1, 2014	Nil
Mr. Vinay Mahendru	Whole-time Director	3 years (1.10.2014 – 30.09.2017)	October 1, 2014	Nil

- Mr. Ved Prakash Mahendru had been re-appointed as Chairman & Managing Director w.e.f. October 1, 2014 for a period of 3 years by the shareholders of the Company at their AGM held on September 29, 2014.
- Mr. Vivek Mahendru and Mr. Vinay Mahendru had been re-appointed as Whole-time Directors w.e.f. October 1, 2014 for a period of 3 years by the shareholders of the Company at their AGM held on September 29, 2014.
- Appointments of Managing / Whole-time Directors are governed by the Resolutions passed by the Board of Directors and the Shareholders of the Company, which cover the terms and conditions of such appointments. There is no separate provision for payment of severance fee under the Resolutions governing their appointment.
- During the Financial Year 2016-17, the Company did not advance any loan to any of its Directors.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.
- Fees and compensation, if any, paid to any Non-Executive Director, including Independent Director, is fixed by the Board of Directors and is previously approved by the shareholders at the General Body Meeting. Further, the Non-Executive Directors and Independent Directors are not entitled to any stock options.

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**
**Composition, Meetings & Attendance**

As on March 31, 2017, the Stakeholders' Relationship Committee comprises of 2 (two) Members as stated below. The composition of the Committee is in conformity with the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015, with Chairman being Non-Executive and Independent Director.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	% Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	May 23, 2016	Yes	4/4	100
		August 13, 2016	Yes		
		November 14, 2016	Yes		
		February 11, 2017	Yes		
Mr. Vinay Mahendru	Member – Executive Director	May 23, 2016	Yes	4/4	100
		August 13, 2016	Yes		
		November 14, 2016	Yes		
		February 11, 2017	Yes		

The quorum for a meeting of Stakeholders' Relationship Committee is 2 (two) members. The Company Secretary & Compliance Officer is Secretary to the Committee.

The Chairman of the Committee attended the AGM held on September 30, 2016 to answer the shareholders' queries.



### Terms of Reference

The Terms of Reference of the SRC are in accordance with Regulation 20 and Part D of Schedule II to the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints.

The Committee performs the following functions:

- Transfer/ Transmission, Split Up/ Sub-Division and Consolidation of Shares.
- Dematerialization/ Rematerialization of shares.
- Issue of New and Duplicate Share Certificates.
- Registration of Power of Attorneys, probate, letters of transmission or similar other documents.
- To open/close bank account(s) of the Company for depositing share applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- To look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared Dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

### Investor Grievances/ Complaints Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Nature / Type of Complaints	Number of Complaints			
	Pending as on March 31, 2016	Received during 2016-17	Resolved during 2016-17	Pending as on March 31, 2017
Non-Receipt of Annual Reports	-	-	-	-
Non-Receipt of Dividend	5	-	5	-
Non-Receipt of Share Certificates lodged for Transfer/ Transmission, Issue of Duplicate Shares	-	-	-	-
Other General (POA/Change of Signatures/Bank Details/ Address/Contact etc.)	-	-	-	-
<b>TOTAL</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>-</b>

The Committee also reviewed the status of investors' grievances on quarterly basis.

### Compliance Officer

Mr. Shiv Kumar Jha, Company Secretary is designated as Compliance Officer of the Company w.e.f. May 24, 2017 for complying with the requirements of Securities Laws and Listing Agreement with Stock Exchanges.

#### Mr. Shiv Kumar Jha

Company Secretary & Compliance Officer  
 Eon Electric Limited  
 Secretarial & Legal Department  
 B-88, Sector-83, Noida – 201305 UP  
 Tel: 0120-3096724 Fax: 0120-3096800  
 Email: shiv.jha@eonelectric.com, investors@eonelectric.com  
 Website: www.eonelectric.com

## GENERAL BODY MEETINGS

### Annual General Meeting

The Annual General Meetings of the Company during the preceding 3 (three) years were held at Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana, on the following dates and times, wherein the following Special Resolutions were passed:

AGM	Financial Year	Date, Day & Time	Brief Description of Special Resolution	
27th	2015-16	September 30, 2016, Friday, 9 AM	Issue of 8,45,000 Convertible Equity Warrants to the promoter(s)/promoter Group of the Company on Preferential Basis.	
26th	2014-15	September 29, 2015, Tuesday, 9 AM	No Special Resolution was passed in the Annual General Meeting.	
25th	2013-14	September 29, 2014 Monday, 9 AM	1.	Adoption of new Articles of Association of the Company
			2.	Re-appointment of Shri Ved Prakash Mahendru as Chairman & Managing Director
			3.	Re-appointment of Shri Vivek Mahendru as Executive Director
			4.	Re-appointment of Shri Vinay Mahendru as Executive Director
			5.	Approval of Borrowing Limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013
			6.	Approval of Creation of Charge pursuant to Section 180(1)(a) of the Companies Act, 2013

### Extraordinary General Meeting

No Extra-Ordinary General Meeting was held during the preceding 3 (three) years.

### Postal Ballot

The Company has not conducted Postal ballot during the Financial Year ended March 31, 2017. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 or any other applicable laws.

### MEANS OF COMMUNICATION

- Information like Quarterly / Half Yearly / Annual Financial Results and Press Releases on significant developments in the Company that have been made available from time to time, to the press and presentations made to Institutional Investors or to the Analysts are hosted on the Company's website at [www.eonelectric.com](http://www.eonelectric.com) and have also been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members.
- The Quarterly / Half-Yearly / Annual Financial Results are published in English and Hindi language newspapers. The Company regularly intimates Un-Audited and Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board.  
[Scrip Codes: BSE – 532658 / NSE – EON]
- The Company is electronically filing all reports / information including Quarterly / Annual Results, Shareholding Pattern and Corporate Governance Report and Announcements etc., on the BSE website [www.listing.bseindia.com](http://www.listing.bseindia.com) and NSE website [www.connect2nse.com/LISTING](http://www.connect2nse.com/LISTING).
- The Company also processes investors complaints, if any received by it through SEBI Complaint Redress Systems 'SCORES', [SCORES ID - I00096]. The investors can view on line action taken on the complaint and its current status.
- The Annual Report containing, inter-alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Corporate Governance Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

Moreover, a report on Management Discussion and Analysis has been given elsewhere in this report.

## GENERAL SHAREHOLDERS INFORMATION

### A) ANNUAL GENERAL MEETING

Day: Wednesday  
 Date: September 27, 2017  
 Time: 9:00 AM  
 Venue: Kanak Garden Resort, 55 Mile-stone, G. T. Karnal Road,  
 Murthal, Distt. Sonapat – 131027, Haryana

### B) FINANCIAL YEAR

The Financial Year of the Company starts from April 1 and ends on March 31 every year.

### C) FINANCIAL CALENDAR 2016-17

First Quarter Results : Up to September 14, 2017  
 Second Quarter Results : Up to December 14, 2017  
 Third Quarter Results : Up to February 14, 2018  
 Audited Annual Results FY 2017-18 : On or before May 30, 2018

### D) Dividend and its Payment

No Dividend has been recommended by Board of Directors for the Financial Year 2016-17.

### E) Listing of Shares on Stock Exchanges and Stock Code

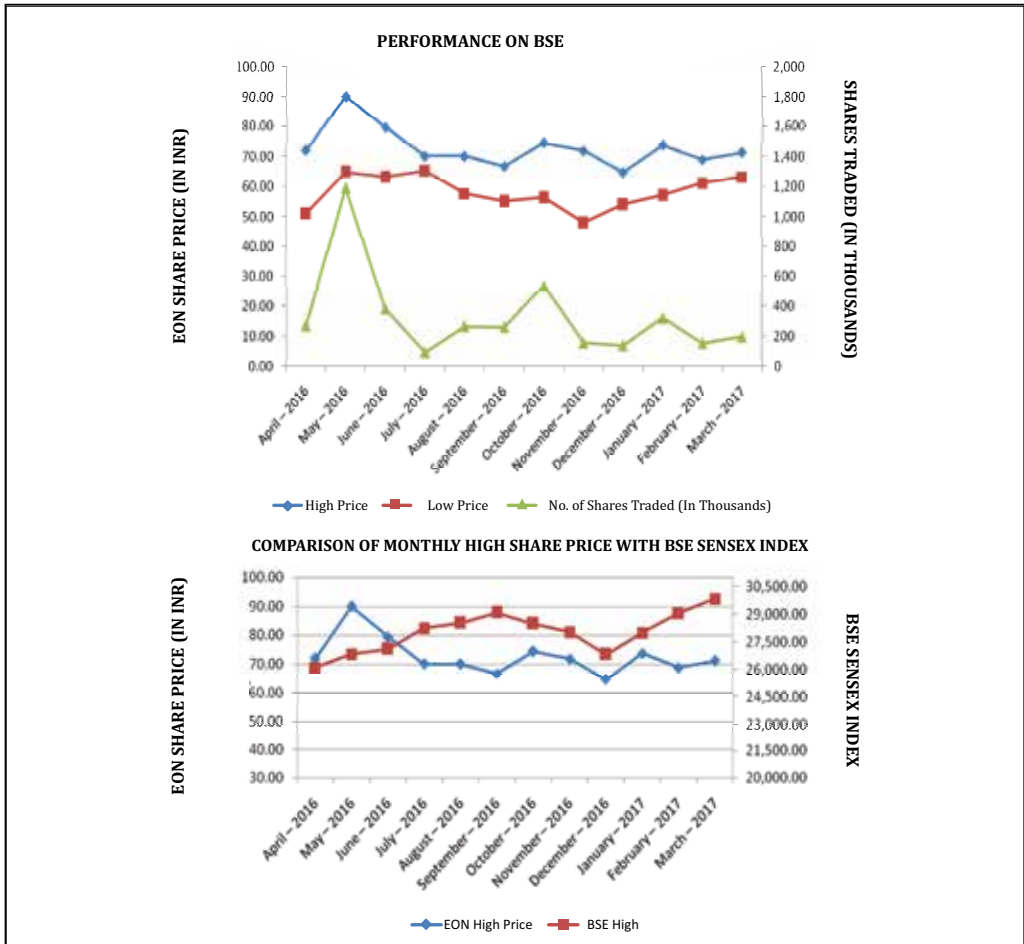
S. No.	Name and Address of the Stock Exchange	Security Code
1.	The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	532658
2.	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	EON

The International Securities Identification Number (ISIN) allotted to the shares of Eon Electric Limited under Depository System, for both NSDL and CDSL is **INE076H01025**.

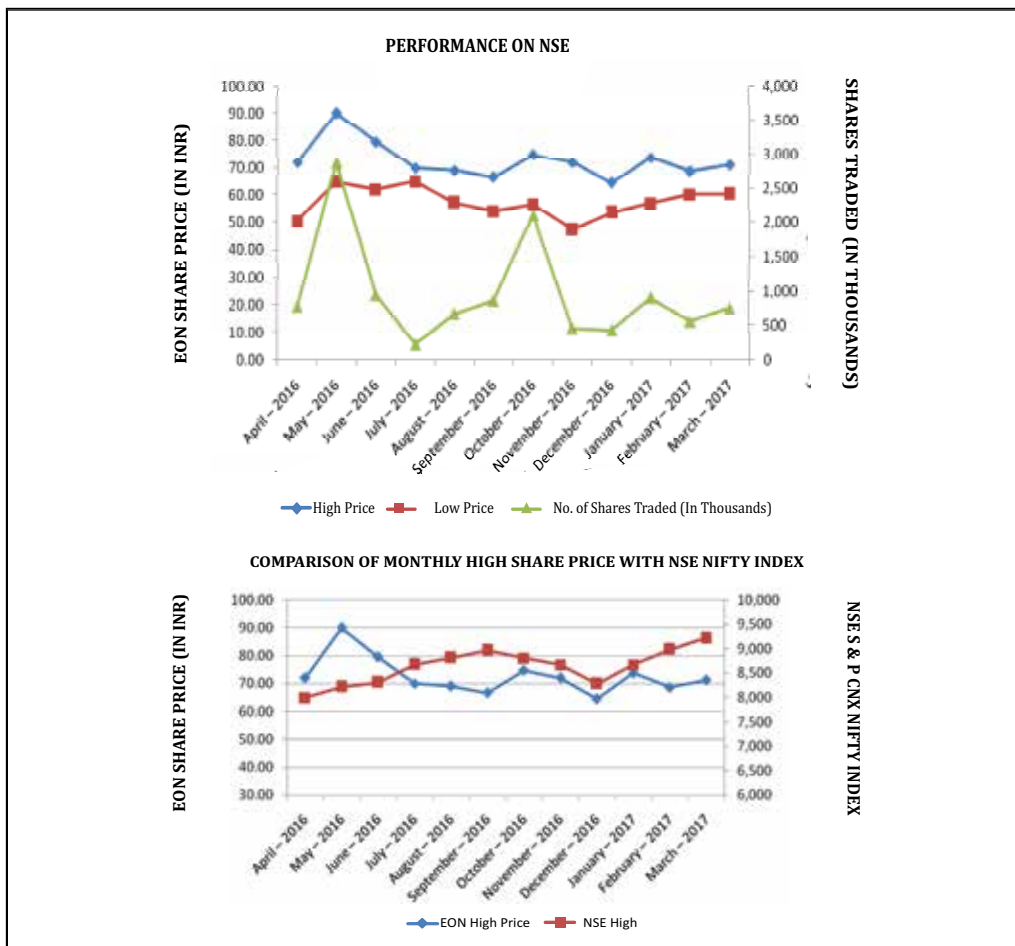
**Annual Listing Fee** for the Financial Years 2016-17 & 2017-18 has been paid to BSE and NSE

### F) Market Price Data – BSE

Month	S&P BSE SENSEX		EON Share Price (In INR)		No. of Shares Traded
	High	Low	High Price	Low Price	
April – 2016	26,100.54	24,523.20	71.90	51.00	2,69,015
May – 2016	26,837.20	25,057.93	90.00	64.70	11,88,334
June – 2016	27,105.41	25,911.33	79.50	63.00	3,80,272
July – 2016	28,240.20	27,034.14	70.00	65.00	93,560
August – 2016	28,532.25	27,627.97	70.00	57.60	2,64,393
September – 2016	29,077.28	27,716.78	66.60	55.00	2,59,708
October – 2016	28,477.65	27,488.30	74.45	56.25	5,36,660
November – 2016	28,029.80	25,717.93	71.80	48.00	1,56,858
December – 2016	26,803.76	25,753.74	64.60	54.00	1,38,259
January – 2017	27,980.39	26,447.06	73.70	57.00	3,19,873
February – 2017	29,065.31	27,590.10	68.80	61.05	1,53,793
March – 2017	29,824.62	28,716.21	71.15	63.05	1,96,360


**G) Market Price Data – NSE:**

Month	S&P CNX Nifty		EON Share Price (In INR)		No. of Shares Traded
	High	Low	High Price	Low Price	
April – 2016	7,992.00	7,516.75	72.00	50.60	7,74,854
May – 2016	8,213.60	7,678.35	90.00	64.85	28,76,529
June – 2016	8,308.15	7,927.05	79.60	62.00	9,44,240
July – 2016	8,674.70	8,287.55	70.00	65.00	2,25,482
August – 2016	8,619.20	8,518.15	69.05	57.20	6,65,670
September – 2016	8,968.70	8,555.20	66.60	54.10	8,63,167
October – 2016	8,806.95	8,506.15	74.75	56.40	21,07,510
November – 2016	8,669.60	7,916.40	72.00	47.30	4,57,883
December – 2016	8,274.95	7,893.80	64.50	53.70	4,31,233
January – 2017	8,672.70	8,133.80	73.75	57.05	9,00,816
February – 2017	8,982.15	8,537.50	68.70	60.30	5,57,831
March – 2017	9,218.40	8,860.10	71.15	60.40	7,58,661



## H) Registrar and Transfer Agents

### M/s Alankit Assignments Limited

Alankit Heights, 1E/13  
 Jhandewalan Extension,  
 New Delhi – 110 055  
 Tel: 011-4254 1234, 011-23541234  
 Fax: 011-2355 2001  
 Email: info@alankit.com

## I) Share Transfer System

With regard to transfer of Equity Shares in Physical Form, the Share transfer instruments, received in physical form, are processed by our R&T Agents, M/s Alankit Assignments Limited and the share certificates are dispatched within a period of 15 days from the date of receipt thereafter subject to the documents being complete and valid in all respects.

The Company obtains a half-yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of the SEBI Listing Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

**J) Distribution of Shareholding**

Details of distribution of Shareholding of the Equity Shares of the Company by Size and by Ownership Class on March 31, 2017 along with the Top 10 Shareholders of the Company are given below:

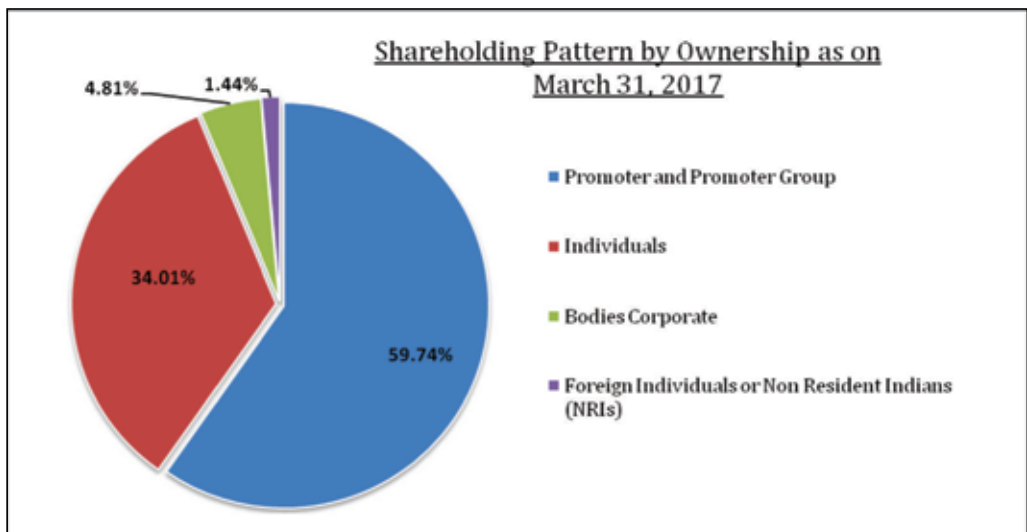
**Shareholding Pattern by Size as on March 31, 2017**

(Nominal Value Rs.5 per share)

No. of Shareholders	% of Total Shareholders	Shareholding of Nominal Value of Rs 5/-	Paid-Up Capital Amount (In INR)	% of Total Paid-Up Capital
14371	95.22	01 to 5000	1,35,47,825	16.87
361	2.39	5001 to 10000	27,38,045	03.41
170	1.13	10001 to 20000	24,71,195	03.08
73	0.48	20001 to 30000	17,90,205	02.23
28	0.19	30001 to 40000	9,88,490	01.23
23	0.15	40001 to 50000	10,76,045	01.34
33	0.22	50001 to 100000	23,31,780	02.91
34	0.22	100001 & Above	5,53,43,745	68.93
<b>15,093</b>	<b>100.00</b>	<b>TOTAL</b>	<b>8,02,87,330</b>	<b>100.00</b>

**Shareholding Pattern by Ownership as on March 31, 2017**

S. No.	Particulars	Total No. of Equity Shares Held	% Age of Holding
1.	Promoter and Promoter Group	95,92,123	59.74
2.	Individuals	54,60,702	34.01
3.	Bodies Corporate	7,72,979	04.81
4.	Foreign Individuals or Non Resident Indians (NRIs)	2,31,662	01.44
	<b>Total</b>	<b>1,60,57,466</b>	<b>100.00</b>



**Top 10 Shareholders as on March 31, 2017**

S. No.	Name of Shareholder	No. of Shares Held	% age of Shareholding
1.	M/s VPM Electricals Pvt. Ltd.	50,17,177	31.25
2.	M/s VPM Industrial Services Corporation LLP	22,44,256	13.98
3.	Mr. Ved Prakash Mahendru	9,09,413	5.66
4.	Mr. Vivek Mahendru	5,90,660	3.68
5.	Mr. Vinay Mahendru	5,76,707	3.59
6.	Mrs. Ratna Mahendru	1,33,932	0.83
7.	Mr. Rakesh Kumar Jain	1,30,767	0.81
8.	Mrs. Bela Mahendru	1,19,978	0.75
9.	M/s My Money Securities Limited.	1,15,751	0.72
10.	M/s Rajasthan Global Securities Pvt. Ltd.	1,06,815	0.67

**K) Dematerialization of Shares and Liquidity**

As on March 31, 2017, the number of equity shares held in dematerialized form was 1,53,84,284 (95.81%) and in physical form was 6,73,182 (4.19%) of the total paid-up equity share capital of the Company.

The Company does not have any GDR's and ADR's. During the year ended March 31, 2017, the Company has made preferential allotment of 8,45,000 convertible equity warrants to the promoters, each warrant convertible into one equity share of Rs. 5/- each at a price of Rs. 66/50 per equity share at any time within 18 months from the date of allotment of warrants as per Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**L) Commodity Price Risk or Foreign Exchange Risk and Hedging Risk**

The details for the same have been provided under the Management Discussion and Analysis Report.

**M) Plant locations:**

UNIT – I Plot No. 10, Sector – 4, Integrated Industrial Estate, SIDCUL, Ranipur, Haridwar – 249403, Uttarakhand

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

UNIT – III Plot No. 1C, Sector – 7, Integrated Industrial Estate, SIDCUL, Haridwar – 249403, Uttarakhand

**N) Investor Correspondence****Mr. Shiv Kumar Jha**

Company Secretary & Compliance Officer

Eon Electric Limited

Secretarial & Legal Department

B-88, Sector-83, Noida – 201305 UP

Tel: 0120-3096724 Fax: 0120-3096800

Email: shiv.jha@eonelectric.com

Website: www.eonelectric.com

The Company has set up a dedicated e-mail id - investors@eonelectric.com for investors/ shareholders to send their grievances/ complaints.

**DISCLOSURES**

- During the Financial Year 2016-17, the Company had no materially significant Related Party Transaction, which is considered to have potential conflict with the interests of the Company at large.
- The Company has complied with all the applicable requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to Capital Markets. However, the Company had paid a penalty of Rs. 1000/- to NSE for delay in filing Shareholding Pattern for the 4th Quarter of Financial year 2015-16 by 1 day. No other penalty or fine was imposed during the year ended March 31, 2017.

3. The Company has complied with all the mandatory requirements of Corporate Governance as prescribed under Clause 49 of the erstwhile Listing Agreements with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. Transactions with Related Parties are disclosed in Note No. 39 to the Final Accounts. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is also available on the website of the Company at [http://www.eonelectric.com/images/investors\\_pdf/PolicyOnRelatedPartyTransaction.pdf](http://www.eonelectric.com/images/investors_pdf/PolicyOnRelatedPartyTransaction.pdf).

#### **Whistle-Blower Policy / Vigil Mechanism**

The Company promotes ethical behavior in all its business activities and in line with the best Governance practices, the Company has established a system through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's Code of Conduct without fear of reprisal.

The Company has adopted a Whistle-Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations, 2015, under which all Directors, employees/business associates have direct access to the Chairman of the Audit Committee.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website at [http://www.eonelectric.com/images/investors\\_pdf/WhistleBlowerPolicy.pdf](http://www.eonelectric.com/images/investors_pdf/WhistleBlowerPolicy.pdf).

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in exceptional cases. During the year under review, the Company did not receive any complaint.

#### **SUBSIDIARY COMPANIES**

The Company doesn't have any subsidiary company during the financial year 2016-17.

#### **Compliances under Listing Regulations**

The Company is regularly complying with the Listing Regulations as stipulated under SEBI Listing Regulations, 2015 and erstwhile Listing Agreement. Information, certificates and returns as required under the provisions of Listing Agreement and SEBI Listing Regulations, 2015 are sent to the stock exchanges within the prescribed time.

#### **CEO and CFO Certification**

In terms of Regulation 17(8) of the SEBI Listing Regulations, 2015, the Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II to the said regulations.

In terms of Regulation 33(2)(a) of the SEBI Listing Regulations, 2015, the Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) certified the Quarterly Financial Results while placing the same before the Board.

#### **Information on Deviation from Accounting Standards, if any**

There has been no deviation from the Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of the Annual Accounts for the Financial Year 2016-17.

#### **Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice to reconcile the total admitted capital with the National Securities Depository Limited and the Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories) and that the requests for dematerialization of shares are processed by the R&T Agents within stipulated period of 21 days and uploaded with the concerned depositories.

#### **Transfer of Unpaid/Unclaimed Amounts to Investor Education and Protection Fund**

During the year under review, the Company was not required to transfer any amount lying in the unpaid/ unclaimed Dividend account to the Investor Education and Protection Fund (IEPF). Transfer of unpaid/ unclaimed Dividend to Investor Education and Protection Fund (IEPF) is due in December, 2017.



### Code for Prevention of Insider-Trading Practices

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (The 'Insider Trading Policy') in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy is available on our web-site at

[http://www.eonelectric.com/images/investors\\_pdf/EON\\_Code\\_of\\_conduct\\_for\\_prevention\\_of\\_Insider\\_Trading.pdf](http://www.eonelectric.com/images/investors_pdf/EON_Code_of_conduct_for_prevention_of_Insider_Trading.pdf).

The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, Designated Employees, Staff and other Connected Persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of Eon and cautioning them of the consequences of violations.

The Company Secretary has been appointed as the Compliance Officer to ensure the same.

### The status of adoption of the Discretionary Requirements as specified in Sub-regulation 1 of Regulation 27 of the SEBI Listing Regulations, 2015 are as follows:

#### a) The Board:

The Chairman of the Company is Executive Chairman;

#### b) Shareholders' Rights:

Half-yearly and other Quarterly Financial Performance, including summary of the significant events in last six-months, if any, are published in newspapers, uploaded on Company's website [www.eonelectric.com](http://www.eonelectric.com) and submitted to the Stock Exchanges (BSE & NSE);

#### c) Modified opinion(s) in audit report:

The Company already has a regime of Unqualified Financial Statements. Auditors have raised no qualification on the Financial Statements;

#### d) Separate posts of Chairperson and MD/CEO:

Mr. Ved Prakash Mahendru is the Chairman and Managing Director of the Company;

#### e) Reporting of Internal Auditor:

The Internal Auditor of the Company has direct access to the Audit Committee.

### Additional Information to the Shareholders

#### Company Registration Details

The Company is registered in the State of Haryana, India, under the jurisdiction of the Registrar of Companies (ROC), NCT of Delhi & Haryana. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is L31200HR1989PLC035580.

### Information regarding Re-appointment as per Regulation 36(3) of the Listing Regulations

Information pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 pertaining to particulars of Director to be re-appointed at the forthcoming Annual General Meeting is enclosed as an annexure to the Notice convening the 28th Annual General Meeting.

### Dividend declared during past 10 years:-

S. No.	Financial Year	Declaration Date	Dividend Rate
1.	2010-11 – Special Interim Dividend	October 11, 2010	100% [i.e. Rs.10/- per equity share on Equity Shares of Rs.10/- each in Indo Asian Fusegear Limited (Eon Electric Limited)]

**Green Initiative**

Pursuant to Section 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, Financial Statements and other communication in electronic forms. Your Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Financial Statements, Directors' Report along with their annexures, etc. for the Financial Year 2016-17 in the electronic mode to the shareholders who have registered their E-mail IDs with the Company and/or their respective Depository Participants (DPs).

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

**CODE OF CONDUCT**

A Code of Conduct for the Directors and the Senior Management of the Company has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and the Senior Managerial Personnel of the Company.

This Code is also available on the website of the Company viz.

[http://www.eonelectric.com/images/investors\\_pdf/Investor/Code\\_of\\_Conduct\\_for\\_the\\_Board\\_of\\_Directors\\_and\\_the\\_Senior\\_Management\\_Personnel.pdf](http://www.eonelectric.com/images/investors_pdf/Investor/Code_of_Conduct_for_the_Board_of_Directors_and_the_Senior_Management_Personnel.pdf).

In Compliance of Regulation 26(3) of the SEBI Listing Regulations, 2015, all the Directors and the Senior Management of the Company have affirmed compliance of Code of Conduct as on March 31, 2017

**Declaration of Compliance of the Code of Conduct in terms of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:**

"The Board of Directors of Eon Electric Limited has, pursuant to Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, laid down the Code of Conduct for all Board Members and Senior Managerial Personnel of the Company which has also been posted on the website of the Company viz. [www.eonelectric.com](http://www.eonelectric.com).

In terms of Schedule V to the said regulations and as per 'Affirmation of Compliance' letters received from the Directors and the Members of Senior Managerial Personnel of the Company, I hereby declare that the Directors and the Members of Senior Management of the Company have complied with the Code of Conduct during the Financial Year 2016-17."

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

**CERTIFICATE ON CORPORATE GOVERNANCE**

The Certificate on Compliance of Conditions of Corporate Governance as required under Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is published as an Annexure to the this Report.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: August 31, 2017

**Ved Prakash Mahendru**  
Chairman & Managing Director  
DIN: 00005338

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

**Eon Electric Limited**

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Eon Electric Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**(Rajesh Sethi)**

Partner

M. No. 085669

For and on behalf of

**JC Bhalla & Co.**

Chartered Accountants

Firm Regn. No: 001111N

Place : New Delhi

Dated: August 31, 2017

To  
The Board of Directors  
Eon Electric Limited  
B - 88, Sector - 83,  
NOIDA – 201305 UP

**Sub: Compliance Certificate in respect of Financial Statements for the Financial Year ended 31st March, 2017 under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on the 31st March 2017 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi**  
**Date: May 24, 2017**

**VED PRAKASH MAHENDRU**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN : 00005338**

**K B SATIJA**  
**CHIEF FINANCIAL OFFICER**

# Financial Statements for the Financial Year 2016-17

## Standalone & Consolidated

### LED LIGHTING



### FANS



### WIRES & CABLES



### WATER HEATERS



### MOBILE ACCESSORIES



## Independent Auditors' Report

To The Members of Eon Electric Ltd.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Eon Electric Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure I**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure II**; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32(a) to the financial statements.
  - (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) there were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
  - (iv) the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 43 to the standalone financial statements.

Place: New Delhi  
Dated: May 24, 2017

**Rajesh Sethi**  
Partner  
M. No. 085669  
For and on behalf of  
**JC Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No: 001111N

## Annexure I to Independent Auditor's Report

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the financial statements for the year ended on March 31, 2017 of Eon Electric Ltd.)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventories lying with the third parties, these have been substantially confirmed by them. In our opinion frequency of verification is reasonable. 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) According to the information and explanations given to us and in our opinion, the Company has not granted any loans, secured or unsecured to companies, firms, limited Liability partnerships or other parties covered in register maintained under section 189 of the Companies Act, 2013. Accordingly, clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iv) According to the information and explanations given to us and in our opinion, the Company has not advanced any loan, investment, guarantee or security to any person as specified under sections 185 and 186 of the Companies Act, 2013. Accordingly, clause (iv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) 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 148(1) of the Companies Act, 2013 have been maintained by the Company. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and there are no undisputed amounts payable in respect of the aforesaid dues outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of disputed dues of duty of excise and sales tax aggregating to Rs.53,568,841/- and Rs. 5,374,917/- as at March 31, 2017 which have not been deposited on account of disputed matters are as follows:

Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
<b>Excise Duty Cases</b>				
Excise Duty including penalty	1,810,652	515,000	August 1998 to December 1998	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Excise Duty including penalty	10,450,866	2,500,000	2007-2008	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Excise Duty including penalty	39,484,604	-	May-04	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Penalty	1,822,719	182,272	July 2008 to September 2008	Central Excise and Service Tax Appellant Tribunal, Allahabad (CESTAT)
<b>Total</b>	<b>53,568,841</b>	<b>3,197,272</b>		



Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
<b>Sales Tax / Vat Cases</b>				
Tamil Nadu Value Added Tax including penalty	5,374,917	806,702	2006-07, 2007-08, 2008-09, 2009-10 & 2010-11	Appellate Deputy Commissioner of Commercial Taxes, Chennai
<b>Total</b>	<b>5,374,917</b>	<b>806,702</b>		

**Appeals filed by Central Excise Department as at March 31, 2017**

Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
Excise Duty including penalty	2,065,676	-	December 2007 to September 2008	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Service Tax including education cess	119,921	-	July 2004 to March, 2007	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
<b>Total</b>	<b>2,185,597</b>	<b>-</b>		

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government. The Company has no outstanding dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised term loans during the year and were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of convertible equity warrants during the year. The requirements of Section 42 of the Companies Act, 2013 have been complied with and the amounts raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Dated: May 24, 2017

**Rajesh Sethi**  
Partner  
M. No. 085669  
For and on behalf of  
**JC Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No: 001111N

## **Annexure II to the Independent Auditor's Report of even date on the Standalone Financial Statements of Eon Electric Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Eon Electric Ltd. ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Dated: May 24, 2017

**Rajesh Sethi**  
Partner  
M. No. 085669  
For and on behalf of  
**JC Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No: 001111N

**EON ELECTRIC LIMITED**  
**Balance Sheet as at 31st March, 2017**

Particulars	Note No.	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	80,287,330	80,287,330
Reserves and Surplus	2	1,087,357,039	1,047,311,714
Money received against Share Warrants	3	14,048,125	-
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	2,497,374	-
Deferred Tax Liabilities (Net)	5	19,337,899	21,071,550
Other Long Term Liabilities	6	22,230,924	21,521,102
Long-term Provisions	7	16,396,410	14,269,426
<b>Current Liabilities</b>			
Short-term Borrowings	8	752,739,438	668,987,253
Trade Payables	9	345,465,953	279,333,259
Other Current Liabilities	10	81,429,684	105,982,704
Short-term Provisions	11	2,496,206	1,361,042
<b>TOTAL</b>		<b><u>2,424,286,382</u></b>	<b><u>2,240,125,380</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	12	387,623,022	397,792,119
- Intangible Assets	12	-	6,317
Non - Current Investments	13	107,712,682	107,925,808
Long-term Loans and Advances	14	18,907,182	18,335,846
<b>Current Assets</b>			
Current Investments	15	355,605,820	464,756,170
Inventories	16	325,392,209	378,557,466
Trade Receivables	17	935,791,841	649,203,082
Cash and Bank Balances	18	219,696,659	148,881,595
Short-term Loans and Advances	19	60,927,966	67,360,133
Other Current Assets	20	12,629,001	7,306,844
<b>TOTAL</b>		<b><u>2,424,286,382</u></b>	<b><u>2,240,125,380</u></b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 48		

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

**EON ELECTRIC LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars	Note No.	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>INCOME</b>			
Revenue from Operations (Gross)	21	1,892,834,679	1,746,671,602
Less : Excise Duty		47,895,280	-
Revenue from Operations (Net)		1,844,939,399	1,746,671,602
Other Income	22	71,731,775	77,585,462
<b>Total Revenue</b>		<b>1,916,671,174</b>	<b>1,824,257,064</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	23	849,998,892	808,622,274
Purchases of Stock-in-Trade	24	329,915,535	407,454,466
Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade	25	42,310,186	18,772,841
Employee Benefits Expense	26	212,663,993	199,993,827
Finance Costs	27	92,933,828	91,941,681
Depreciation and Amortization Expense	28	21,135,665	21,416,053
Other Expenses	29	329,401,401	320,552,764
<b>Total Expenses</b>		<b>1,878,359,500</b>	<b>1,868,753,906</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>38,311,674</b>	<b>(44,496,842)</b>
<b>Exceptional Items (Net)</b>	30	-	3,024,883
<b>Profit/(Loss) before tax</b>		<b>38,311,674</b>	<b>(41,471,959)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(1,733,651)	(1,281,893)
<b>Profit/(Loss) for the year</b>		<b>40,045,325</b>	<b>(40,190,066)</b>
<b>Earnings per Equity Share (Face Value of ₹ 5/- each)</b>	31		
- Basic		2.49	(2.50)
- Diluted		2.49	(2.50)
Significant Accounting Policies			
Notes on Financial Statements	1 to 48		

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

**EON ELECTRIC LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2017**

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before Tax</b>	<b>38,311,674</b>	(41,471,959)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	21,135,665	21,416,053
Provision for Doubtful Debts	2,047,660	4,387,343
Interest Income	(16,593,944)	(14,664,946)
Interest Expenses	84,652,831	82,671,747
Loss/(Profit) on Sale of Fixed Assets	(142,797)	(128,600)
Loss/(Profit) on Sale of Investments	(44,343,581)	(51,452,609)
Exceptional Items	-	(3,024,883)
<b>Operating Profit before Working Capital Changes</b>	<b>85,067,508</b>	(2,267,854)
<b>Movements in Working Capital :</b>		
(Increase) / Decrease in Trade Receivables	(288,636,419)	(214,072,814)
(Increase) / Decrease in Inventories	53,165,257	(34,951,018)
(Increase) / Decrease in Long Term Loans and Advances	(571,336)	8,539,876
(Increase) / Decrease in Short Term Loans and Advances	7,628,224	1,472,075
Increase /(Decrease) in Trade Payables	66,132,694	82,364,103
Increase /(Decrease) in Other Current Liabilities	(25,130,175)	21,343,430
Increase /(Decrease) in Long Term Provisions	2,126,984	998,680
Increase /(Decrease) in Short Term Provisions	1,135,164	60,119
Increase /(Decrease) in Other Long Term Liabilities	709,822	(2,866,713)
<b>Cash generated from / (used in) Operations</b>	<b>(98,372,277)</b>	(139,380,116)
Direct Taxes Paid	1,196,057	1,859,540
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(99,568,334)</b>	(141,239,656)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from issuance of Share Warrants	14,048,125	-
Purchase of Fixed Assets including Capital Work-in-progress	(11,312,454)	(10,551,152)
Proceeds from sale of Fixed Assets	495,000	195,000
Purchase of Current Investments	(277,700,000)	(331,113,285)
Purchase of Non - Current Investments	(856,462)	(377,461)
Proceeds from sale of Non-Current Investments in Joint Venture	-	34,868,963
Proceeds from sale of Current Investments	431,193,931	486,636,201
Proceeds from sale of Non - Current Investments	1,069,588	3,168,048
Interest Received	11,271,787	13,012,988
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>168,209,515</b>	195,839,302

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Long Term Borrowings	<b>3,345,000</b>	-
Repayment of Long Term Borrowings	<b>(270,471)</b>	(7,897,500)
Proceeds from Short Term Borrowings	<b>500,425,921</b>	40,168,739
Repayment of Short Term Borrowings	<b>(416,673,736)</b>	-
Interest Paid	<b>(84,652,831)</b>	(82,671,747)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>2,173,883</b>	(50,400,508)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>70,815,064</b>	4,199,138
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>148,881,595</b>	144,682,457
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>219,696,659</b>	148,881,595

**Notes :**

- Cash and cash equivalents include ₹ 144,456,308/- (Previous Year ₹ 88,345,893/-) 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.
- Figures in paranthesis represent Cash Outflows.

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

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## Significant Accounting Policies

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### Company Overview :

Eon Electric Limited is a public limited 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 LED Based Lighting, Wiring accessories, Fans, Geysers, Lithium-ion Batteries, Mobile phone accessories and other electrical products. The Company's manufacturing facilities are located at Haridwar in Uttarakhand.

### Significant Accounting Policies :-

#### 1. Basis of preparation of Financial Statements:-

The financial statements are prepared under the historical cost convention as a going concern on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards notified under The Companies (Accounts) Rules, 2014 to the extent applicable and the provisions of the Companies Act, 2013 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 on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except in respect of Premium on Leasehold Land and Leasehold Improvements which are amortized over the period of lease term.

Computer Software is amortised over a period of five years.

#### 5. Investments :-

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Non-current Investments.(Long Term Investments).

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and market/fair value determined on an individual investment basis. Non-current Investments (Long Term Investments) are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.



## Significant Accounting Policies

### 6. 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.

### 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. 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.

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## **Significant Accounting Policies**

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### **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.

### **10. Segment Reporting :-**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided with each segment representing in strategic business unit that offers different products and serves different markets.

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".

The Company provides its segment information in conformity within the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### **11. Earnings Per Share :-**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

### **12. 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.

### **13. 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).

### **14. Leases :-**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **15. 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.

### **16. 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

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## Significant Accounting Policies

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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.

### 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, 2017**
**1. SHARE CAPITAL**

	31-Mar-17		31-Mar-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 5/- each (Previous year ₹ 5/- each)	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each (Previous year ₹ 5/- each)	6,000,000	30,000,000	6,000,000	30,000,000
	<b>25,000,000</b>	<b>125,000,000</b>	<b>25,000,000</b>	<b>125,000,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 5/- each fully paid up (Previous year ₹ 5/- each)	16,057,466	80,287,330	16,057,466	80,287,330
	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

**1.1 Aggregate Number of Shares bought back during the preceeding 5 years**

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) in the year 2011-12.

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

Equity Shares	31-Mar-17		31-Mar-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,057,466	80,287,330	16,057,466	80,287,330
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

Name of Shareholder	31-Mar-17		31-Mar-16	
	Nos.	%age holding	Nos.	%age holding
<b>Equity Shares of ₹5/- each</b>				
VPM Electricals Private Limited	5,017,177	31.25%	5,017,177	31.25%
VPM Industrial Services Corpn. LLP	2,244,256	13.98%	2,244,256	13.98%
Shri V.P. Mahendru	909,413	5.66%	909,413	5.66%

**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. 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.

**Notes on Financial Statements for the year ended 31st March, 2017**

2	RESERVES AND SURPLUS	31-Mar-17		31-Mar-16	
		Amount (₹)		Amount (₹)	
	<b>Capital Reserve</b>				
	As per last Balance Sheet		<b>36,891,000</b>		36,891,000
	<b>Capital Redemption Reserve</b>				
	As per last Balance Sheet		<b>17,841,620</b>		17,841,620
	<b>Securities Premium Reserve</b>				
	As per last Balance Sheet		<b>307,090,220</b>		307,090,220
	<b>General Reserve</b>				
	As per last Balance Sheet		<b>1,045,129,775</b>		1,045,129,775
	<b>Surplus</b>				
	As per last Balance Sheet		<b>(359,640,901)</b>		(319,450,835)
	Net Loss After Tax transferred from Statement of Profit & Loss		<b>40,045,325</b>		(40,190,066)
			<b>(319,595,576)</b>		(359,640,901)
	<b>TOTAL</b>		<b>1,087,357,039</b>		<b>1,047,311,714</b>
3	<b>MONEY RECEIVED AGAINST SHARE WARRANTS</b>	31-Mar-17		31-Mar-16	
		Nos.	Amount (₹)	Nos.	Amount (₹)
	Convertible Equity Warrants to Promoters	<b>845,000</b>	<b>14,048,125</b>	-	-
	<b>TOTAL</b>	<b>845,000</b>	<b>14,048,125</b>	-	-

- 3.1 Pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 30th September, 2016, the company has made preferential allotment of 845,000 Convertible Equity Warrants to the Promoters, each warrant convertible into one equity share of ₹ 5/- each at a price of ₹ 66.50 per equity share at any time within 18 months from the date of allotment of Warrants on preferential basis by private placement to the promoters of the Company as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 3.2 During the year the company has received 25% of the consideration against the said warrants on the date of allotment of warrants.

**Notes on Financial Statements for the year ended 31st March, 2017**

4 LONG TERM BORROWINGS	31-Mar-17		31-Mar-16	
	Amount (₹)		Amount (₹)	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
<b>Vehicle Loans</b>				
- Banks	1,065,038	262,371	-	-
- Others	1,432,336	314,784	-	-
<b>Unsecured</b>				
- Deferred payment liability	-	-	-	7,897,500
<b>TOTAL</b>	<b>2,497,374</b>	<b>577,155</b>	<b>-</b>	<b>7,897,500</b>

**Notes :**

- 4.1 Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans.
- 4.2 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.

5 DEFERRED TAX LIABILITIES (Net)	31-Mar-17	31-Mar-16
	Amount (₹)	Amount (₹)
<b>Deferred Tax Liabilities</b>		
Differences in Depreciation & Amortisation for Accounting and Income Tax purposes	27,967,883	28,121,762
	<b>27,967,883</b>	<b>28,121,762</b>
<b>Deferred Tax Assets</b>		
Provision for Gratuity	3,550,550	2,888,912
Provision for Compensated Absences	2,226,311	1,940,903
Provision for Doubtful Trade Receivables	2,853,123	2,220,397
	<b>8,629,984</b>	<b>7,050,212</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>19,337,899</b>	<b>21,071,550</b>
<b>6 OTHER LONG TERM LIABILITIES</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Security Deposits	22,230,924	21,521,102
<b>TOTAL</b>	<b>22,230,924</b>	<b>21,521,102</b>
<b>7 LONG TERM PROVISIONS</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	10,598,548	9,043,828
Provision for Compensated Absences	5,797,862	5,225,598
<b>TOTAL</b>	<b>16,396,410</b>	<b>14,269,426</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

8	SHORT TERM BORROWINGS	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	<b>Secured</b>		
	<b>Banks</b>		
	<b>Cash Credit</b>		
	- State Bank of Patiala	252,313,517	270,306,399
	- RBL Bank Limited	99,960,027	-
	<b>Overdraft</b>		
	- Standard Chartered Bank	150,267,606	-
	- RBL Bank Limited	250,198,288	-
	- Deutsche Bank A.G.	-	398,680,854
	<b>TOTAL</b>	<b>752,739,438</b>	<b>668,987,253</b>

**Notes :**

- 8.1 Cash Credit Facility from State Bank of Patiala is secured primarily by 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 first charge on Plant and Machinery situated thereon and personally guaranteed by three directors of the company.
- 8.2 Cash Credit Facility from RBL Bank Limited is secured by subservient charge by way of hypothecation on entire current assets and movable fixed assets of the company both present and future, pledge of 800,000 shares of the company held by the promoters and collaterally by way of exclusive charge on Land and Building located at Plot No. 1C, Sector 7, IIE, SIDCUL, Haridwar and personally guaranteed by three directors of the company.
- 8.3 Overdraft from Standard Chartered Bank is secured by pledge of first fixed charge on Investments in Mutual Funds and Bonds liened in favour of the Bank.
- 8.4 Overdraft from RBL Bank Limited is secured by pledge of Debt Mutual Funds and Bonds held in the name of the company.
- 8.5 Overdraft from Deutsche Bank A.G. since settled in full during the year was secured against pledge of approved Investments in Mutual Funds and Bonds held in the name of the company.

9	TRADE PAYABLES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	Micro, Small and Medium Enterprises	-	-
	Others	345,465,953	279,333,259
	<b>TOTAL</b>	<b>345,465,953</b>	<b>279,333,259</b>

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

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 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	-	-

**10 OTHER CURRENT LIABILITIES**

Current maturities of Long Term Borrowings (Refer Note No. 4)
Unpaid Dividend
Other Payables
- Advances from Customers
- TDS Payable
- CST / VAT / Service Tax Payable
- Other Liabilities

31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>577,155</b>	7,897,500
<b>3,407,350</b>	3,420,950
<b>11,898,467</b>	4,179,635
<b>3,191,570</b>	3,918,212
<b>14,504,564</b>	24,504,504
<b>47,850,578</b>	62,061,903
<b>81,429,684</b>	<b>105,982,704</b>

**TOTAL**
**11 SHORT TERM PROVISIONS**
**Provision for Employee Benefits**

Provision for Gratuity
Provision for Compensated Absences

**Others**

Provision for Excise Duty on Finished Goods
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31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>891,904</b>	305,401
<b>1,407,028</b>	1,055,641
<b>197,274</b>	-
<b>2,496,206</b>	<b>1,361,042</b>

**TOTAL**



## Notes on Financial Statements for the year ended 31st March, 2017

### 12. FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation			Net Block				
	As at 01-Apr-16	Additions	Sale / Adjustments	As at 31-Mar-17	As at 01-Apr-16	For the year	Sale / Adjustments	Upto 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	
<b>TANGIBLE ASSETS</b>											
Land - Free Hold	84,240,000	-	-	84,240,000	-	-	-	-	-	84,240,000	84,240,000
Land - Lease Hold	85,142,270	-	-	85,142,270	3,919,581	1,018,288	-	4,937,869	4,937,869	80,204,401	81,222,689
Buildings	122,229,404	1,266,146	-	123,495,550	22,087,399	4,235,469	-	26,322,868	26,322,868	97,172,682	100,142,005
Buildings (Road)	2,042,797	-	-	2,042,797	282,634	204,280	-	486,914	486,914	1,555,883	1,760,163
Plant and Equipment	161,822,426	2,483,061	-	164,305,487	54,870,399	10,338,563	-	65,208,962	65,208,962	99,096,525	106,952,027
Furniture and Fixtures	19,207,937	1,411,909	-	20,501,113	10,351,763	1,687,175	21,101	12,017,837	12,017,837	8,483,276	8,856,174
Vehicles	21,409,174	4,020,625	3,116,641	22,313,158	15,458,967	1,897,677	2,960,809	14,395,835	14,395,835	7,917,323	5,950,207
Office equipment	3,494,034	350,010	59,280	3,784,764	2,534,915	302,954	13,424	2,824,445	2,824,445	960,319	959,119
Fans, Coolers and A. C.	6,420,046	378,597	57,200	6,741,443	2,663,284	427,471	4,317	3,086,438	3,086,438	3,655,005	3,756,762
Computers	8,724,784	1,118,159	-	9,842,943	7,785,154	453,692	-	8,238,846	8,238,846	1,604,097	939,630
Electrical Fittings	6,822,721	283,947	-	7,106,668	3,809,378	563,779	-	4,373,157	4,373,157	2,733,511	3,013,343
Lease Hold Improvements	9,301,242	-	-	9,301,242	9,301,242	-	-	9,301,242	9,301,242	-	-
<b>Total (A)</b>	530,856,835	11,312,454	3,351,854	538,817,435	133,064,716	21,129,348	2,999,651	151,194,413	151,194,413	387,623,022	397,792,119
<b>INTANGIBLE ASSETS</b>											
Computer Software	603,500	-	-	603,500	597,183	6,317	-	603,500	603,500	-	6,317
<b>Total (B)</b>	603,500	-	-	603,500	597,183	6,317	-	603,500	603,500	-	6,317
<b>Total (A+B)</b>	531,460,335	11,312,454	3,351,854	539,420,935	133,661,899	21,135,665	2,999,651	151,797,913	151,797,913	387,623,022	397,798,436
<b>Previous Year</b>	520,070,473	12,717,862	1,328,000	531,460,335	113,507,446	21,416,053	1,261,600	133,661,899	133,661,899	397,798,436	-

**Notes on Financial Statements for the year ended 31st March, 2017**

<b>13 NON CURRENT INVESTMENTS</b> <i>(Long Term Investments)</i>	<b>31-Mar-17</b> <b>Amount (₹)</b>	<b>31-Mar-16</b> <b>Amount (₹)</b>
<b>OTHER INVESTMENTS (valued at cost unless stated otherwise)</b>		
<b>Investment in Joint Ventures - Unquoted, fully paid up</b>		
969,203 (Previous Year 969,203) Equity Shares of ₹10/- each of Luxtra Lighting Private Limited	<b>9,692,030</b>	9,692,030
<b>Investments in Bonds - Quoted, fully paid up</b>		
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	<b>29,669,000</b>	29,669,000
14,239 (Previous Year 14,239) Nos. of Tax Free Bonds Tranche-1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	<b>14,239,000</b>	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	<b>48,991,000</b>	48,991,000
<b>Investments in Others - Unquoted</b>		
Zephyr Peacock India III Fund	<b>5,121,652</b>	5,334,778
<b>TOTAL</b>	<b>107,712,682</b>	<b>107,925,808</b>
<b>Particulars</b>	<b>31-Mar-17</b> <b>Amount (₹)</b>	<b>31-Mar-16</b> <b>Amount (₹)</b>
Aggregate amount of quoted investments	<b>92,899,000</b>	92,899,000
Market Value of quoted investments	<b>103,871,752</b>	101,483,566
Aggregate amount of unquoted investments	<b>14,813,682</b>	15,026,808
Aggregate provision for diminution in value of Investments	-	-
<b>14 LONG TERM LOANS AND ADVANCES</b> <i>(Unsecured and Considered Good)</i>	<b>31-Mar-17</b> <b>Amount (₹)</b>	<b>31-Mar-16</b> <b>Amount (₹)</b>
Capital Advances	<b>8,750,000</b>	10,000,000
Security Deposits	<b>7,158,749</b>	5,610,234
Balance with Statutory/Government Authorities	<b>2,783,465</b>	2,500,000
Prepaid Expenses	<b>214,968</b>	225,612
<b>TOTAL</b>	<b>18,907,182</b>	<b>18,335,846</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

15 CURRENT INVESTMENTS	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Current Investments (valued at cost)</b>		
<b>Investments in Mutual Funds - Unquoted, fully paid up</b>		
Nil (Previous Year 2,466,807.398) Units of Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	-	60,709,610
Nil (Previous Year 1,013,341.363) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan	-	35,000,000
Nil (Previous Year 1,887,594.076) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Regular Plan	-	62,200,000
Nil (Previous Year 1,563,329.344) Units of Kotak Bond Scheme Plan A-Growth (Regular Plan)	-	60,517,045
Nil (Previous Year 2,540,547.139) Units of Birla Sun Life Medium Term Plan - Growth - Regular Plan	-	46,194,515
Nil (Previous Year 1,010,005.788) Units of ICICI Prudential Short Term - Growth Option	-	30,535,000
4,677.572 (Previous Year 15,378.368) Units of State Bank of India-Premier Liquid Fund-Direct Plan-Growth	<b>11,346,715</b>	36,500,000
1,921,230.412 (Previous Year 2,494,987.412) Units of Axis Income Fund-Growth (IFGPG)	<b>25,488,196</b>	33,100,000
1,442,696.932 (Previous Year 2,512,215.649) Units of UTI Short Term Income Fund-Institutional Option-Growth	<b>22,970,909</b>	40,000,000
810,301.921 (Previous Year 410,795.711) Units of DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	<b>20,000,000</b>	10,000,000
1,010,232.955 (Previous Year 679,564.807) Units of HDFC Short Term Plan - Regular Plan - Growth	<b>30,000,000</b>	20,000,000
2,386,510.041 (Previous Year 1,420,992.800) Units of Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan - Growth Option	<b>51,000,000</b>	30,000,000
391,947.824 (Previous Year Nil) Units of DSP Black Rock Income Opportunities Fund - Direct Plan - Growth	<b>10,000,000</b>	-
3,454,566.525 (Previous Year Nil) Units of Franklin India Low Duration Fund - Direct Plan - Growth	<b>62,800,000</b>	-
582,411.182 (Previous Year Nil) Units of Franklin India Low Duration Fund - Growth	<b>10,000,000</b>	-
326,858.271 (Previous Year Nil) Units of HDFC Short Term Plan - Direct Plan - Growth	<b>10,000,000</b>	-
4,678,469.210 (Previous Year Nil) Units of Reliance Corporate Bond Fund - Direct Growth Plan - Growth Option	<b>61,000,000</b>	-
2,624,191.845 (Previous Year Nil) Units of UTI Income Opportunities Fund-Direct Plan-Growth	<b>41,000,000</b>	-
<b>Total Current Investments</b>	<b>355,605,820</b>	<b>464,756,170</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	<b>355,605,820</b>	464,756,170
Aggregate provision for diminution in value of Investments	-	-
<b>16 INVENTORIES</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Raw Material	<b>132,115,002</b>	142,970,073
Work-in-Progress	<b>14,231,630</b>	15,253,111
Finished Goods	<b>83,164,776</b>	108,010,226
Stock-in-Trade	<b>95,880,801</b>	112,324,056
<b>TOTAL</b>	<b><u>325,392,209</u></b>	<b><u>378,557,466</u></b>
<b>16.1 Inventories are valued as under :-</b>		
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.
<b>17 TRADE RECEIVABLES</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
<b>Outstanding due for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	<b>159,010,545</b>	104,435,549
Unsecured, considered doubtful	<b>8,888,051</b>	7,185,750
	<b>167,898,596</b>	111,621,299
Less : Provision for doubtful receivables	<b>8,888,051</b>	7,185,750
<b>Sub-Total</b>	<b><u>159,010,545</u></b>	<b><u>104,435,549</u></b>
<b>Other receivables</b>		
Unsecured, considered good	<b>776,781,296</b>	544,767,533
Unsecured, considered doubtful	<b>345,359</b>	-
	<b>777,126,655</b>	544,767,533
Less : Provision for doubtful receivables	<b>345,359</b>	-
<b>Sub-Total</b>	<b><u>776,781,296</u></b>	<b><u>544,767,533</u></b>
<b>TOTAL</b>	<b><u>935,791,841</u></b>	<b><u>649,203,082</u></b>

**Notes on Financial Statements for the year ended 31st March, 2017**

18 CASH AND BANK BALANCES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Cash and cash equivalents</b>		
a) Balances with Banks		
On Current Accounts	14,418,365	7,541,619
Fixed Deposits with maturity of upto 12 months	138,257	246,233
On Unpaid Dividend Account	3,407,350	3,420,950
b) Cheques/Drafts on hand	57,208,562	49,409,116
c) Cash on hand	67,817	164,017
<b>Other Bank Balances</b>		
a) Fixed Deposits with maturity of over 12 months	261,685	124,177
b) Margin Money Deposits	144,194,623	87,975,483
<b>TOTAL</b>	<b>219,696,659</b>	<b>148,881,595</b>
18.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
<b>19 SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good)	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Advances to Suppliers for goods and services	32,330,789	40,568,299
Loans and advances to employees	3,024,216	5,155,225
TDS Recoverable	6,602,069	5,406,012
Balance with Customs, Central Excise and VAT Authorities	14,563,860	13,885,448
Prepaid Expenses	4,407,032	2,345,149
<b>TOTAL</b>	<b>60,927,966</b>	<b>67,360,133</b>
<b>20 OTHER CURRENT ASSETS</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Interest Receivable on Fixed Deposits with Banks	7,958,890	2,629,041
Interest accrued on Investments	4,670,111	4,677,803
<b>TOTAL</b>	<b>12,629,001</b>	<b>7,306,844</b>
<b>21 REVENUE FROM OPERATIONS</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
<b>Sale of Products</b>		
- Finished Goods	1,389,317,822	1,172,242,526
- Stock in Trade	479,211,653	553,700,009
Gross Revenue from Sale of Products	1,868,529,475	1,725,942,535
Other Operating Income	24,305,204	20,729,067
<b>TOTAL</b>	<b>1,892,834,679</b>	<b>1,746,671,602</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

<b>21.1 PARTICULARS OF SALE OF PRODUCTS</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
<b><u>Finished Goods</u></b>		
Wires	<b>405,224,470</b>	473,570,312
Lighting Products	<b>725,784,890</b>	483,981,822
Electrical Consumer Durables	<b>164,312,576</b>	124,167,440
Others	<b>93,995,886</b>	90,522,952
	<b>1,389,317,822</b>	1,172,242,526
<b><u>Stock in Trade</u></b>		
Wires	<b>1,201,676</b>	1,516,951
Lighting Products	<b>358,473,204</b>	453,099,152
Electrical Consumer Durables	<b>107,550,057</b>	89,954,213
Others	<b>11,986,716</b>	9,129,693
	<b>479,211,653</b>	553,700,009
<b>TOTAL</b>	<b>1,868,529,475</b>	1,725,942,535
<b>22 OTHER INCOME</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Interest Income	<b>16,593,944</b>	14,664,946
Net Gain on Sale of Investments	<b>44,343,581</b>	49,198,229
Profit on Sale of Fixed Assets	<b>234,168</b>	128,600
Rental Income	<b>6,655,620</b>	8,703,894
Miscellaneous Income	<b>2,553,029</b>	3,990,124
Sundry Balances Written Back	<b>117,161</b>	234,392
Provisions no longer required written back	-	117,060
Gain on Foreign Currency Transactions (Net)	<b>1,234,272</b>	548,217
<b>TOTAL</b>	<b>71,731,775</b>	77,585,462
<b>23 COST OF MATERIALS CONSUMED</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Inventory at the beginning of the year	<b>142,970,073</b>	89,246,214
Add : Purchases	<b>839,143,821</b>	862,346,133
	<b>982,113,894</b>	951,592,347
Less : Inventory at the end of the year	<b>132,115,002</b>	142,970,073
<b>TOTAL</b>	<b>849,998,892</b>	808,622,274
<b>23.1 PARTICULARS OF MATERIALS CONSUMED</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Copper	<b>226,648,996</b>	320,678,824
Poly Vinyl Chloride (PVC)	<b>29,103,858</b>	36,941,895
Others (including Semi-Finished Components)	<b>594,246,038</b>	451,001,555
<b>TOTAL</b>	<b>849,998,892</b>	808,622,274

**Notes on Financial Statements for the year ended 31st March, 2017**

23.2 PERCENTAGE OF CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS	31-Mar-17 Amount (₹)	%age	31-Mar-16 Amount (₹)	% age
Indigenous	654,980,612	77.06%	652,925,923	80.75%
Imported	195,018,280	22.94%	155,696,351	19.25%
<b>TOTAL</b>	<b>849,998,892</b>	<b>100.00%</b>	<b>808,622,274</b>	<b>100.00%</b>

24 PURCHASE OF STOCK-IN-TRADE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Wires	1,426,980	1,900,863
Lighting Products	243,278,758	352,371,585
Electrical Consumer Durables	82,719,311	46,432,267
Others	2,490,486	6,749,751
<b>TOTAL</b>	<b>329,915,535</b>	<b>407,454,466</b>

25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Inventories (at close)</b>		
Finished goods	83,164,776	108,010,226
Stock-in-Trade	95,880,801	112,324,056
Work-in-Progress	14,231,630	15,253,111
	<b>193,277,207</b>	<b>235,587,393</b>
<b>Inventories (at commencement)</b>		
Finished goods	108,010,226	108,225,854
Stock-in-Trade	112,324,056	138,729,009
Work-in-Progress	15,253,111	7,405,371
	<b>235,587,393</b>	<b>254,360,234</b>
<b>(INCREASE) / DECREASE</b>	<b>42,310,186</b>	<b>18,772,841</b>

26 EMPLOYEE BENEFITS EXPENSE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Salaries, Wages and Bonus	191,497,346	181,124,724
Contribution to Provident and other Funds	8,266,862	8,060,669
Gratuity	2,546,273	1,494,881
Leave Encashment	2,813,138	1,793,136
Staff Welfare expenses	7,540,374	7,520,417
<b>TOTAL</b>	<b>212,663,993</b>	<b>199,993,827</b>

**26.1 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-17 Amount (₹)	31-Mar-16 Amount (₹)
Employer's Contribution to Provident Fund *	7,744,231	7,640,066
Employer's Contribution to ESI *	522,631	420,603

(\* ) Included in Contribution to Provident and Other Funds

**Notes on Financial Statements for the year ended 31st March, 2017**
**(b) Defined Benefit Plans**
**(Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Current service cost	1,824,928	1,699,910	1,650,625	1,598,778
Interest cost	672,210	660,330	451,621	493,746
Expected Return on Plan Assets	-	-	-	-
<b>Actuarial (gain) / loss</b>	<b>49,135</b>	<b>(865,359)</b>	<b>710,892</b>	<b>(299,388)</b>
Past service cost	-	-	-	-
Curtailement and Settlement Cost / (credit)	-	-	-	-
<b>Total Cost</b>	<b>2,546,273</b>	<b>1,494,881</b>	<b>2,813,138</b>	<b>1,793,136</b>

**(c) Actuarial Assumptions**

	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount Rate	7.19%	7.92%	7.19%	7.92%
Expected Rate of increase in Compensation Levels	7.00%	7.00%	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	22.09	22.61	21.80	22.30

The estimates of future salary increases considered in the actuarial valuation taken into account inflation, seniority promotion and other relevant factors on long term basis.

**(d) Reconciliation of opening and closing balances of Projected Benefit Obligations.**
**(Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>Change in Projected Benefit Obligation (PBO)</b>				
Projected benefit obligation at beginning of year	9,349,229	8,337,502	6,281,239	6,234,167
Current service cost	1,824,928	1,699,910	1,650,625	1,598,778
Interest cost	672,210	660,330	451,621	493,746
Benefits paid	(405,050)	(483,154)	(1,889,487)	(1,746,064)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past services cost	-	-	-	-
Actuarial (gain) / loss	49,135	(865,359)	710,892	(299,388)
<b>Projected Benefit Obligation at year end</b>	<b>11,490,452</b>	<b>9,349,229</b>	<b>7,204,890</b>	<b>6,281,239</b>

**27 FINANCE COSTS**

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Interest Expenses	81,652,783	80,933,267
Other Borrowing Costs	3,000,048	1,738,480
Bank Charges	8,280,997	9,269,934
<b>TOTAL</b>	<b>92,933,828</b>	<b>91,941,681</b>

**28 DEPRECIATION AND AMORTISATION EXPENSE**

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Depreciation and Amortisation	21,135,665	21,416,053
<b>TOTAL</b>	<b>21,135,665</b>	<b>21,416,053</b>



**Notes on Financial Statements for the year ended 31st March, 2017**

29 OTHER EXPENSES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Manufacturing Expenses</b>		
Power and Fuel	9,344,257	8,812,334
Labour Work Charges	26,104,909	16,781,501
Testing Charges	1,199,818	1,226,848
Building Repairs	1,126,235	1,656,857
Machinery Repairs	4,710,526	5,199,222
Provision for Excise Duty on Finished Goods	197,274	-
	<b>42,683,019</b>	<b>33,676,762</b>
<b>Administration Expenses</b>		
Rent	13,252,869	13,280,942
Rates and Taxes	11,248,082	8,576,613
Travelling and Conveyance	39,219,216	37,108,149
Printing and Stationery	2,640,337	1,894,072
Postage, Telegram & Telephone	5,325,911	6,589,423
Insurance	2,446,226	2,009,054
Other Repairs	16,899,174	9,918,095
Provision for Doubtful Trade Receivables	2,047,660	4,387,343
Bad Debts written off	624,690	945,738
Net Loss on Sale of Fixed Assets	91,371	-
Directors Sitting fees	390,000	330,000
Vehicle Maintenance	2,375,526	2,197,891
Legal & Professional Charges	25,411,973	23,557,869
Payment to Auditors		
- As Auditor	2,169,000	1,852,500
- For other services	609,232	351,375
- Service Tax	415,193	314,394
Miscellaneous Expenses	12,478,597	9,726,294
	<b>137,645,057</b>	<b>123,039,752</b>
<b>Selling and Distribution Expenses</b>		
Freight and Cartage Outwards	48,549,576	41,598,154
Advertisement	25,854,617	20,215,059
Selling Commission	28,784,219	34,005,221
Sales Discount	34,864,833	50,927,632
Business Promotion	9,036,968	14,871,284
Samples	1,983,112	1,854,935
Tender Charges	-	13,965
Sales Tax Assessed	-	350,000
	<b>149,073,325</b>	<b>163,836,250</b>
<b>TOTAL</b>	<b>329,401,401</b>	<b>320,552,764</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

30	Exceptional Items		31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	Provision for Diminution in the value of Investments written back (Refer Note 42)		-	3,024,883
	<b>Total</b>		-	3,024,883

31	Earnings Per Share (EPS)	Unit	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	<b>Basic and Diluted Earnings Per Share</b>			
	Net Profit attributable to Equity Shareholders	₹	40,045,325	(40,190,066)
	Weighted Average number of Equity Shares outstanding during the year	Nos.	16,057,466	16,057,466
	Face Value	₹	5	5
	Basic Earnings Per Share	₹	2.49	(2.50)
	Diluted Earnings Per Share	₹	2.49	(2.50)

**32. Contingent Liabilities and Commitments:-**
**a. Contingent Liabilities**

- i) Bank Guarantees ₹ 207,895,754/- (Previous year ₹ 137,919,607/-).
- ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty ₹ 50,000,000/- (Previous year ₹ 72,500,000/-).
- iii) Excise duty demands against which the company has preferred appeals ₹ 53,568,841/- (Previous year ₹ 54,136,865/-). The Company has already deposited a sum of ₹ 3,197,272/- (Previous year ₹ 3,197,272/-) against the aforesaid demand.
- iv) Central Excise and Service Tax Appeals filed by the Department ₹ 2,065,676/- (Previous year ₹ 8,089,749/-) 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 ₹ 5,374,917/- (Previous year ₹ 5,374,917/-). The company has already deposited a sum of ₹ 806,702/- (Previous year ₹ 806,702/-) against the aforesaid demand.
- vi) Income Tax demands against which the company has preferred appeals Nil (Previous year ₹ 2,137,200/-).
- vii) Arrears for Statutory Bonus for 2014-15 not provided for ₹ 1,416,835/- as the retrospective amendment has been stayed by the Karnataka, Kerala & Uttrakhand High Courts.

**b. Commitments**

- i) Capital commitments (net of advance) ₹ 194,250/- (Previous year ₹ 3,173,810/-).
- ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund ₹ 5,395,092/- (Previous Year ₹ 6,251,554/-)

**33.** 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.

**34.** 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.

## Notes on Financial Statements for the year ended 31st March, 2017

35. The Statement of Profit and Loss includes previous year debit adjustments amounting to ₹ 886,179/- (Previous year ₹ 268,480/-) on account of following :-

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Freight & Cartage Outwards	106,663	-
Advertisement	165,600	-
Selling Commission	101,336	-
Business Promotion	512,580	-
Interest Expenses	-	268,480
<b>Total</b>	<b>886,179</b>	<b>268,480</b>

36. The balances of Trade Receivables, Advances and Trade Payables are subject to confirmation.
37. 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.

### 38. Information on Segment Reporting of the Company for the year ended 31st March 2017

#### 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.

**Electrical Consumer Durables** includes Fans, Water Heaters etc.

**Others** includes Lithium Ion Batteries, Mobile Phone Accessories etc.

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, 2017**
**Information About Business Segments**

	Cable & Wires						Lighting			Electrical Consumer Durables			Others			Total		
	31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16		31-Mar-17		31-Mar-16		31-Mar-17	
<b>1. Segment Revenue</b>																		
a) External Revenue	406,426,146	475,087,263	1,108,563,298	957,810,041	271,862,633	214,121,653	105,982,602	99,652,645	1,892,834,679	1,746,671,602								
b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from Operations (Gross)	406,426,146	475,087,263	1,108,563,298	957,810,041	271,862,633	214,121,653	105,982,602	99,652,645	1,892,834,679	1,746,671,602								
Less : Excise Duty	31,769,775	-	11,944,243	-	375,683	-	3,805,579	-	47,895,280	-								
Revenue from Operations ( Net)	374,656,371	475,087,263	1,096,619,055	957,810,041	271,486,950	214,121,653	102,177,023	99,652,645	1,844,939,399	1,746,671,602								
<b>2. Segment Results (Profit / Loss)</b>	(138,885,042)	(117,756,115)	296,016,282	190,580,095	1,474,721	(550,007)	(15,397,873)	(21,553,209)	143,208,088	50,720,764								
Finance Costs									92,933,828	91,941,681								
Unallocated Corporate Expenses/ (Income)									11,962,586	3,275,925								
<b>Profit/(Loss) before Exceptional Items and Tax</b>									38,311,674	(44,496,842)								
Exceptional Items (Net)									-	3,024,883								
Profit/(Loss) before Tax									38,311,674	(41,471,959)								
Tax Expense									(1,281,893)	(1,281,893)								
<b>Profit/(Loss) after Tax</b>									39,593,567	(40,190,066)								
<b>3. Other Information</b>																		
Segment Assets	472,860,761	471,850,457	816,092,578	609,700,340	269,346,392	241,802,274	109,424,071	119,505,657	1,667,723,802	1,442,858,728								
Unallocated Corporate Assets									756,562,580	797,266,652								
<b>Total Assets</b>	472,860,761	471,850,457	816,092,578	609,700,340	269,346,392	241,802,274	109,424,071	119,505,657	2,424,286,382	2,240,125,380								
Segment Liabilities	143,234,326	155,413,648	183,831,882	163,518,262	85,333,835	56,679,287	34,037,499	19,480,037	446,437,542	395,091,234								
Unallocated Corporate Liabilities									796,156,346	717,435,102								
<b>Total Liabilities</b>	143,234,326	155,413,648	183,831,882	163,518,262	85,333,835	56,679,287	34,037,499	19,480,037	1,242,593,888	1,112,526,336								
Capital Expenditure	2,570,685	911,587	1,607,434	6,547,277	2,689,046	2,365,820	4,445,289	726,468	11,312,454	10,551,152								
(including Capital Work in Progress)																		
Depreciation & Amortization expense	12,917,633	13,224,542	836,267	509,822	3,033,023	2,850,867	4,348,742	4,830,822	21,135,665	21,416,053								
Other Non-cash expenses	103,052	1,315,951	112,179	239,009	161,403	150,467	2,387,087	3,627,654	2,763,721	5,333,081								

## Notes on Financial Statements for the year ended 31st March, 2017

### 39. Related Party Disclosure

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

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

1. Luxtra Lighting Private Limited

#### B. Directors, Key Managerial Personnel

1. Mr. V.P. Mahendru
2. Mr. Vinay Mahendru
3. Mr. Vivek Mahendru

#### C. Key Managerial Personnel

1. Mr. K.B. Satija
2. Mr. Vinay Aggarwal (resigned w.e.f. 13th January, 2017)
3. Mr. Kumar Indramani (resigned w.e.f. 19th October, 2015)

#### D. Group Company

1. IAFL Switchgears Private Limited

#### E. LLP firms in which relatives of Directors are partners

1. VPM Industrial Services Corporation LLP

#### F. Company in which Directors are Directors

1. VPM Electricals Private Limited
2. Indo Asian Capital Finance Private Limited

S.No.	Nature of Transaction	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>1</b>	<b>Remuneration paid to Directors and their relatives</b>		
a.	Mr. V.P. Mahendru	8,400,000	8,400,000
b.	Mr. Vinay Mahendru	7,718,400	7,718,400
c.	Mr. Vivek Mahendru	7,718,400	7,718,400
	<b>Total</b>	<b>23,836,800</b>	<b>23,836,800</b>
<b>2</b>	<b>Remuneration paid to Key Managerial Personnel</b>		
a.	Mr. K.B. Satija	4,360,521	3,964,215
b.	Mr. Vinay Aggarwal	349,838	-
c.	Mr. Kumar Indramani	-	1,024,004
	<b>Total</b>	<b>4,710,359</b>	<b>4,988,219</b>
<b>3</b>	<b>Issue of Share Warrants</b>		
a.	VPM Electricals Pvt. Ltd.	14,048,125	-
	<b>Total</b>	<b>14,048,125</b>	<b>-</b>
<b>4</b>	<b>Balance outstanding at the year end Payable</b>		
a.	Mr. V.P. Mahendru	935,544	2,029,850
b.	Mr. Vinay Mahendru	72,207	2,645
c.	Mr. Vivek Mahendru	459,380	182,329
d.	Luxtra Lighting Private Limited	7,367	267,103
e.	IAFL Switchgears Private Limited	22,991	22,991
f.	VPM Electricals Private Limited	17,200	-
	<b>Total</b>	<b>1,514,689</b>	<b>2,504,918</b>

**Notes on Financial Statements for the year ended 31st March, 2017**

40. 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 ₹ 13,252,869/- has been charged to Statement of Profit and Loss during the year (Previous year ₹ 13,280,942/-).

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

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Not later than one year	8,988,389	13,012,561
Later than one year and not later than five years	53,065	8,670,869
Later than five years	-	-

(the above figures are inclusive of service tax wherever applicable.)

41. **Financial Reporting of Interest in Joint Ventures**

Investments include ₹ 9,692,030/- (Previous year ₹ 9,692,030/-) representing Company's interest in the following jointly controlled entities as at 31.03.2017

Name of the Company	Contribution towards Equity (₹)	Country of Residence	% age holding of Eon
Luxtra Lighting Private Limited	9,692,030 (9,692,030)	India	49% (49%)

The financial data in respect of Luxtra Lighting Private Limited for year ended 31st March, 2017 and 31st March, 2016 are based on its Audited Accounts.

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

**LUXTRA LIGHTING PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>EQUITY AND LIABILITIES</b>		
Shareholders' funds		
Share capital	9,692,030	9,692,030
Reserves and surplus	(10,002,251)	(9,990,940)
Current liabilities		
Other current liabilities	385,434	489,884
<b>TOTAL</b>	<b>75,213</b>	<b>190,974</b>
<b>ASSETS</b>		
Non-current assets		
Fixed assets		
Tangible assets	4,996	4,996
Long-term Loans and Advances	37,926	37,926
Current assets		
Trade receivables	3,609	130,879
Cash and Bank Balances	17,266	7,472
Other Current Assets	11,416	9,701
<b>TOTAL</b>	<b>75,213</b>	<b>190,974</b>

## Notes on Financial Statements for the year ended 31st March, 2017

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Other income	1,715	2,466
Total Revenue	1,715	2,466
<b>Expenses:</b>		
Finance costs	41	352
Depreciation and amortization expense	-	4,655
Other expenses	12,985	15,656
Total expenses	13,026	20,663
Profit / (Loss) before tax	(11,311)	(18,197)
Tax expense		
Current Tax	-	-
<b>Profit / (Loss) after tax</b>	<b>(11,311)</b>	<b>(18,197)</b>

42. The Company had terminated its Joint Venture Agreement with Simon Holding S.L., Spain on 8th September, 2014 and has accordingly agreed to transfer its entire share holding comprising of 22,849,462 Shares in the Joint Venture Company Indo Simon Electric Private Limited to M/s Simon Holding S.L., Spain.

During the previous year ended 31st March, 2016, the Company had transferred 3,884,408 shares of the Face Value of ₹10/- each held by it in Indo Simon Electric Private Limited for total consideration of ₹ 34,868,963/-. The loss of ₹ 3,024,883/- arising on the transfer of the said shares has been set off against provision for diminution in the value of the said investment made during the year ended 31st March, 2015.

43. Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is given below :-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	667,500	507,946	1,175,446
(+) Permitted receipts	-	1,270,435	1,270,435
(-) Permitted payments	-	1,176,855	1,176,855
(-) Amount deposited in Banks	667,500	-	667,500
<b>Closing cash in hand as on 30-12-2016</b>	<b>-</b>	<b>601,526</b>	<b>601,526</b>

#### 44. CIF Value of Imports :

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
1 Raw Material (including components stores & spares)	109,612,844	144,975,862
2 Stock-in-trade	23,981,518	39,925,505
<b>45. Expenditure in Foreign Currency (on accrual basis)</b>		
- Travelling	3,827,683	1,096,855

**Notes on Financial Statements for the year ended 31st March, 2017**

46. Year end foreign exchange exposures that have not been hedged by a derivative instrument or otherwise :

Foreign Currency	As on 31-Mar-17			As on 31-Mar-16		
	Payables	Advances (*)	Net (#)	Payables	Advances (*)	Net (#)
USD	368,826.79	67,437.88	301,388.91	263,687.85	133,346.61	130,341.24
(INR Equivalent)	(24,246,673)	(4,310,633)	(19,936,040)	(17,727,748)	(8,722,215)	(9,005,533)
Euro	-	-	-	17,628.34	-	17,628.34
(INR Equivalent)	-	-	-	(1,345,749)	-	(1,345,749)

(\*) Advances is Advance to Suppliers

(#) Negative figures in net column indicate open Advance to Suppliers.

47. The provision in regard to Section 135 of the Companies Act, 2013 in regard to Corporate Social Responsibility is not applicable to the Company.

48. Figures for the previous year have been reclassified / regrouped wherever necessary to make them comparable with the current year.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017



## Independent Auditors' Report

TO THE MEMBERS OF EON ELECTRIC LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Eon Electric Limited** (hereinafter referred to as "the Company") and its Joint Venture, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of Companies Act 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by this Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

- (a) We did not audit the financial statements of Joint Venture whose financial statements reflect total assets of Rs.75,212/- as at 31st March, 2017 as well as the total revenue of Rs. 1,715/- and net loss of Rs. 11,311/- for the year ended 31st March,2017, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c. the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with in this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements ;
  - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of written representations received from the directors of the company and its joint venture as on March 31, 2017 and taken on record by the Board of Directors of the company and its joint venture respectively, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure I**; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its joint venture. Refer note no. 32(a) of the consolidated financial statements;
    - ii) the company and its joint venture, which is incorporated in India did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company and its joint venture.
    - iv) the Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company- Refer note no. 41 to the consolidated financial statements.

**Rajesh Sethi**

Partner

M. No. 085669

For and on behalf of

**JC Bhalla & Co.**

Chartered Accountants

Firm Regn. No: 001111N

Place: New Delhi

Dated: May 24, 2017

## Annexure I to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Eon Electric Limited

(Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Eon Electric Limited ("the Company") and its joint venture which is incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company & its Joint Venture, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company and its Joint Venture, which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited joint venture company which is incorporated in India, is based on the corresponding report of the other auditor. Our opinion is not qualified in respect of this matter.

Place: New Delhi  
Dated: May 24, 2017

**Rajesh Sethi**  
Partner  
M. No. 085669  
For and on behalf of  
**JC Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No: 001111N

**EON ELECTRIC LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2017**

Particulars	Note No.	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	80,287,330	80,287,330
Reserves and Surplus	2	1,077,354,788	1,037,320,774
Money received against Share Warrants	3	14,048,125	-
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	2,497,374	-
Deferred Tax Liabilities (Net)	5	19,337,899	21,071,550
Other Long Term Liabilities	6	22,230,924	21,521,102
Long-term Provisions	7	16,396,410	14,269,426
<b>Current Liabilities</b>			
Short-term Borrowings	8	752,739,438	668,987,253
Trade Payables	9	345,462,344	279,202,380
Other Current Liabilities	10	81,815,118	106,472,588
Short-term Provisions	11	2,496,206	1,361,042
<b>TOTAL</b>		<b>2,414,665,956</b>	<b>2,230,493,445</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	12	387,628,018	397,797,115
- Intangible Assets	12	-	6,317
Non - Current Investments	13	98,020,652	98,233,778
Long-term Loans and Advances	14	18,945,108	18,373,772
<b>Current Assets</b>			
Current Investments	15	355,605,820	464,756,170
Inventories	16	325,392,209	378,557,466
Trade Receivables	17	935,791,841	649,203,082
Cash and Bank Balances	18	219,713,925	148,889,067
Short-term Loans and Advances	19	60,927,966	67,360,133
Other Current Assets	20	12,640,417	7,316,545
<b>TOTAL</b>		<b>2,414,665,956</b>	<b>2,230,493,445</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 46		

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

**EON ELECTRIC LIMITED**
**Statement of Consolidated Profit and Loss for the year ended 31st March, 2017**

Particulars	Note No.	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>INCOME</b>			
Revenue from Operations (Gross)	21	1,892,834,679	1,746,671,602
Less : Excise Duty		47,895,280	-
Revenue from Operations (Net)		1,844,939,399	1,746,671,602
Other Income	22	71,733,490	77,587,928
<b>Total Revenue</b>		<b>1,916,672,889</b>	<b>1,824,259,530</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	23	849,998,892	808,622,274
Purchases of Stock-in-Trade	24	329,915,535	407,454,466
Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade	25	42,310,186	18,772,841
Employee Benefits Expense	26	212,663,993	199,993,827
Finance Costs	27	92,933,869	91,942,033
Depreciation and Amortization Expense	28	21,135,665	21,420,708
Other Expenses	29	329,414,386	320,568,420
<b>Total Expenses</b>		<b>1,878,372,526</b>	<b>1,868,774,569</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>38,300,363</b>	<b>(44,515,039)</b>
<b>Exceptional Items (Net)</b>	30	-	3,024,883
<b>Profit/(Loss) before tax</b>		<b>38,300,363</b>	<b>(41,490,156)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(1,733,651)	(1,281,893)
<b>Profit/(Loss) for the year</b>		<b>40,034,014</b>	<b>(40,208,263)</b>
<b>Earnings per Equity Share (Face Value of ₹ 5/- each)</b>	31		
- Basic		2.49	(2.50)
- Diluted		2.49	(2.50)
Significant Accounting Policies			
Notes on Financial Statements	1 to 46		

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

## EON ELECTRIC LIMITED

### Consolidated Cash Flow Statement for the year ended 31st March, 2017

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	38,300,363	(41,490,156)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	21,135,665	21,420,708
Assets written off	-	-
Provision for Doubtful Debts	2,047,660	4,387,343
Interest Income	(16,595,659)	(14,667,412)
Interest Expenses	84,652,831	82,671,747
Loss/(Profit) on Sale of Fixed Assets	(142,797)	(128,600)
Loss/(Profit) on Sale of Investments	(44,343,581)	(51,452,609)
Exceptional Items	-	(3,024,883)
<b>Operating Profit before Working Capital Changes</b>	<b>85,054,482</b>	<b>(2,283,862)</b>
<b>Movements in Working Capital :</b>		
(Increase) / Decrease in Trade Receivables	(288,509,149)	(214,189,814)
(Increase) / Decrease in Inventories	53,165,257	(34,951,018)
(Increase) / Decrease in Long Term Loans and Advances	(571,336)	8,539,876
(Increase) / Decrease in Short Term Loans and Advances	7,628,224	1,472,075
(Increase) / Decrease in Other Non-Current Assets	(1,715)	(2,466)
Increase /(Decrease) in Trade Payables	66,132,694	82,364,103
Increase /(Decrease) in Other Current Liabilities	(25,234,625)	21,350,552
Increase /(Decrease) in Long Term Provisions	2,126,984	998,680
Increase /(Decrease) in Short Term Provisions	1,135,164	60,119
Increase /(Decrease) in Other Long Term Liabilities	709,822	(2,866,713)
<b>Cash generated from / (used in) Operations</b>	<b>(98,364,198)</b>	<b>(139,508,468)</b>
Direct Taxes Paid	1,196,057	1,859,540
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(99,560,255)</b>	<b>(141,368,008)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from issuance of Share Warrants	14,048,125	-
Purchase of Fixed Assets including Capital Work-in-progress	(11,312,454)	(10,551,152)
Proceeds from sale of Fixed Assets	495,000	195,000
Purchase of Current Investments	(277,700,000)	(331,113,285)
Purchase of Non - Current Investments	(856,462)	(377,461)
Proceeds from sale of Non-Current Investments in Joint Venture	-	34,868,963
Proceeds from sale of Current Investments	431,193,931	486,636,201
Proceeds from sale of Non - Current Investments	1,069,588	3,168,048
Interest Received	11,273,502	13,015,454
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>168,211,230</b>	<b>195,841,768</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Long Term Borrowings	<b>3,345,000</b>	-
Repayment of Long Term Borrowings	<b>(270,471)</b>	(7,897,500)
Proceeds from Short Term Borrowings	<b>500,425,921</b>	40,168,739
Repayment of Short Term Borrowings	<b>(416,673,736)</b>	-
Interest Paid	<b>(84,652,831)</b>	(82,671,747)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>2,173,883</b>	(50,400,508)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>70,824,858</b>	4,073,252
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>148,889,067</b>	144,815,815
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>219,713,925</b>	148,889,067

**Notes :**

- Cash and cash equivalents include ₹ 144,456,308/- (Previous Year ₹ 88,345,893/-) 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.
- Figures in paranthesis represent Cash Outflows.

As per our report of even date annexed.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place:New Delhi  
Dated: 24th May, 2017



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## Significant Accounting Policies on Consolidated Accounts

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### A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

### B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Eon Electric Limited ('the Company') and its Joint Venture i.e. Luxtra Lighting Private Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its Joint Venture are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions using the proportionate consolidation method in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
  - b) Interest in Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
  - c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- D. **Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of Eon Electric Limited.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**
**1. SHARE CAPITAL**

	31-Mar-17		31-Mar-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 5/- each (Previous year ₹ 5/- each)	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each (Previous year ₹ 5/- each)	6,000,000	30,000,000	6,000,000	30,000,000
	<b>25,000,000</b>	<b>125,000,000</b>	<b>25,000,000</b>	<b>125,000,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 5/- each fully paid up (Previous year ₹ 5/- each)	16,057,466	80,287,330	16,057,466	80,287,330
<b>TOTAL</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

**1.1 Aggregate Number of Shares bought back during the preceeding 5 years**

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) in the year 2011-12.

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

Equity Shares	31-Mar-17		31-Mar-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,057,466	80,287,330	16,057,466	80,287,330
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

Name of Shareholder	31-Mar-17		31-Mar-16	
	Nos.	%age holding	Nos.	%age holding
<b>Equity Shares of ₹5/- each</b>				
VPM Electricals Private Limited	5,017,177	31.25%	5,017,177	31.25%
VPM Industrial Services Corpn. LLP	2,244,256	13.98%	2,244,256	13.98%
Shri V.P. Mahendru	909,413	5.66%	909,413	5.66%

**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 . 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.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

2	RESERVES AND SURPLUS	31-Mar-17		31-Mar-16	
		Amount (₹)		Amount (₹)	
	<b>Capital Reserve</b>				
	As per last Balance Sheet		<b>36,891,000</b>		36,891,000
	<b>Capital Redemption Reserve</b>				
	As per last Balance Sheet		<b>17,841,620</b>		17,841,620
	<b>Securities Premium Reserve</b>				
	As per last Balance Sheet		<b>307,090,220</b>		307,090,220
	<b>General Reserve</b>				
	As per last Balance Sheet		<b>1,045,129,775</b>		1,045,129,775
	<b>Surplus</b>				
	As per last Balance Sheet		<b>(369,631,841)</b>		(329,423,578)
	Net Loss After Tax transferred from Statement of Profit & Loss		<b>40,034,014</b>		(40,208,263)
			<b>(329,597,827)</b>		(369,631,841)
	<b>TOTAL</b>		<b>1,077,354,788</b>		<b>1,037,320,774</b>
3	<b>MONEY RECEIVED AGAINST SHARE WARRANTS</b>	31-Mar-17		31-Mar-16	
		Nos.	Amount (₹)	Nos.	Amount (₹)
	Convertible Equity Warrants to Promoters	<b>845,000</b>	<b>14,048,125</b>	-	-
	<b>TOTAL</b>	<b>845,000</b>	<b>14,048,125</b>	-	-

- 3.1 Pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 30th September, 2016, the company has made preferential allotment of 845,000 Convertible Equity Warrants to the Promoters, each warrant convertible into one equity share of ₹ 5/- each at a price of ₹ 66.50 per equity share at any time within 18 months from the date of allotment of Warrants on preferential basis by private placement to the promoters of the Company as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 3.2 During the year the company has received 25% of the consideration against the said warrants on the date of allotment of warrants.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

4	LONG TERM BORROWINGS	31-Mar-17		31-Mar-16	
		Amount (₹)		Amount (₹)	
		Non Current	Current	Non Current	Current
	<b>Secured</b>				
	<b>Vehicle Loans</b>				
	- Banks	1,065,038	262,371	-	-
	- Others	1,432,336	314,784	-	-
	<b>Unsecured</b>				
	- Deferred payment liability	-	-	-	7,897,500
	<b>TOTAL</b>	<b>2,497,374</b>	<b>577,155</b>	<b>-</b>	<b>7,897,500</b>

**Notes :**

- 4.1 Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans.
- 4.2 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.

5	DEFERRED TAX LIABILITIES (Net)	31-Mar-17	31-Mar-16
		Amount (₹)	Amount (₹)
	<b>Deferred Tax Liabilities</b>		
	Differences in Depreciation & Amortisation for Accounting and Income Tax purposes	27,967,883	28,121,762
		<b>27,967,883</b>	<b>28,121,762</b>
	<b>Deferred Tax Assets</b>		
	Provision for Gratuity	3,550,550	2,888,912
	Provision for Compensated Absences	2,226,311	1,940,903
	Provision for Doubtful Trade Receivables	2,853,123	2,220,397
		<b>8,629,984</b>	<b>7,050,212</b>
	<b>Deferred Tax Liabilities (Net)</b>	<b>19,337,899</b>	<b>21,071,550</b>
6	<b>OTHER LONG TERM LIABILITIES</b>	31-Mar-17	31-Mar-16
		Amount (₹)	Amount (₹)
	Security Deposits	22,230,924	21,521,102
	<b>TOTAL</b>	<b>22,230,924</b>	<b>21,521,102</b>
7	<b>LONG TERM PROVISIONS</b>	31-Mar-17	31-Mar-16
		Amount (₹)	Amount (₹)
	<b>Provision for Employee Benefits</b>		
	Provision for Gratuity	10,598,548	9,043,828
	Provision for Compensated Absences	5,797,862	5,225,598
	<b>TOTAL</b>	<b>16,396,410</b>	<b>14,269,426</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

8	SHORT TERM BORROWINGS	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	<b>Secured</b>		
	<b>Banks</b>		
	<b>Cash Credit</b>		
	- State Bank of Patiala	252,313,517	270,306,399
	- RBL Bank Limited	99,960,027	-
	<b>Overdraft</b>		
	- Standard Chartered Bank	150,267,606	-
	- RBL Bank Limited	250,198,288	-
	- Deutsche Bank A.G.	-	398,680,854
	<b>TOTAL</b>	<b>752,739,438</b>	<b>668,987,253</b>

**Notes :**

- 8.1 Cash Credit Facility from State Bank of Patiala is secured primarily by 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 first charge on Plant and Machinery situated thereon and personally guaranteed by three directors of the company.
- 8.2 Cash Credit Facility from RBL Bank Limited is secured by subservient charge by way of hypothecation on entire current assets and movable fixed assets of the company both present and future, pledge of 800,000 shares of the company held by the promoters and collaterally by way of exclusive charge on Land and Building located at Plot No. 1C, Sector 7, IIE, SIDCUL, Haridwar and personally guaranteed by three directors of the company.
- 8.3 Overdraft from Standard Chartered Bank is secured by pledge of first fixed charge on Investments in Mutual Funds and Bonds liened in favour of the Bank.
- 8.4 Overdraft from RBL Bank Limited is secured by pledge of Debt Mutual Funds and Bonds held in the name of the company.
- 8.5 Overdraft from Deutsche Bank A.G. since settled in full during the year was secured against pledge of approved Investments in Mutual Funds and Bonds held in the name of the company.

9	TRADE PAYABLES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	Micro, Small and Medium Enterprises	-	-
	Others	345,462,344	279,202,380
	<b>TOTAL</b>	<b>345,462,344</b>	<b>279,202,380</b>

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

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 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	-	-

**10 OTHER CURRENT LIABILITIES**

Current maturities of Long Term Borrowings (Refer Note No. 4)
Unpaid Dividend
Other Payables
- Advances from Customers
- TDS Payable
- CST / VAT / Service Tax Payable
- Book Overdraft
- Other Liabilities

**TOTAL**

<b>31-Mar-17</b> <b>Amount (₹)</b>	<b>31-Mar-16</b> <b>Amount (₹)</b>
<b>577,155</b>	7,897,500
<b>3,407,350</b>	3,420,950
<b>11,898,467</b>	4,179,635
<b>3,191,570</b>	3,935,676
<b>14,504,564</b>	24,504,504
-	-
<b>48,236,012</b>	62,534,323
<b>81,815,118</b>	106,472,588

**11 SHORT TERM PROVISIONS**
**Provision for Employee Benefits**

Provision for Gratuity
Provision for Compensated Absences

**Others**

Provision for Excise Duty on Finished Goods
---

**TOTAL**

<b>31-Mar-17</b> <b>Amount (₹)</b>	<b>31-Mar-16</b> <b>Amount (₹)</b>
<b>891,904</b>	305,401
<b>1,407,028</b>	1,055,641
<b>197,274</b>	-
<b>2,496,206</b>	1,361,042

## Notes on Consolidated Financial Statements for the year ended 31st March, 2017

### 12. FIXED ASSETS

Description	Gross Block			Depreciation/Amortisation			Net Block		
	As at 01-Apr-16	Additions	Sale / Adjustments	As at 31-Mar-17	As at 01-Apr-16	For the year	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
<b>TANGIBLE ASSETS</b>									
Land - Free Hold	84,240,000	-	-	84,240,000	-	-	-	84,240,000	84,240,000
Land - Lease Hold	85,142,270	-	-	85,142,270	3,919,581	1,018,288	4,937,869	80,204,401	81,222,689
Buildings	122,229,404	1,266,146	-	123,495,550	22,087,399	4,235,469	26,322,868	97,172,682	100,142,005
Buildings (Road)	2,042,797	-	-	2,042,797	282,634	204,280	486,914	1,555,883	1,760,163
Plant and Equipment	161,822,426	2,483,061	-	164,305,487	54,870,399	10,338,563	65,208,962	99,096,525	106,952,027
Furniture and Fixtures	19,207,937	1,411,909	118,733	20,501,113	10,351,763	1,687,175	12,017,837	8,483,276	8,856,174
Vehicles	21,409,174	4,020,625	3,116,641	22,313,158	15,458,967	1,897,677	14,395,835	7,917,323	5,950,207
Office equipment	3,494,034	350,010	59,280	3,784,764	2,534,915	302,954	2,824,445	960,319	959,119
Fans, Coolers and A.C.	6,420,046	378,597	57,200	6,741,443	2,663,284	427,471	3,086,438	3,655,005	3,756,762
Computers	8,824,690	1,118,159	-	9,942,849	7,880,064	453,692	8,333,756	1,609,093	944,626
Electrical Fittings	6,822,721	283,947	-	7,106,668	3,809,378	563,779	4,373,157	2,733,511	3,013,343
Lease Hold Improvements	9,301,242	-	-	9,301,242	9,301,242	-	9,301,242	-	-
<b>Total (A)</b>	<b>530,956,741</b>	<b>11,312,454</b>	<b>3,351,854</b>	<b>538,917,341</b>	<b>133,159,626</b>	<b>21,129,348</b>	<b>151,289,323</b>	<b>387,628,018</b>	<b>397,797,115</b>
<b>INTANGIBLE ASSETS</b>									
Computer Software	603,500	-	-	603,500	597,183	6,317	603,500	-	6,317
<b>Total (B)</b>	<b>603,500</b>	<b>-</b>	<b>-</b>	<b>603,500</b>	<b>597,183</b>	<b>6,317</b>	<b>603,500</b>	<b>-</b>	<b>6,317</b>
<b>Total (A+B)</b>	<b>531,560,241</b>	<b>11,312,454</b>	<b>3,351,854</b>	<b>539,520,841</b>	<b>133,756,809</b>	<b>21,135,665</b>	<b>151,892,823</b>	<b>387,628,018</b>	<b>397,803,432</b>
<b>Previous Year</b>	<b>520,183,609</b>	<b>12,717,862</b>	<b>1,328,000</b>	<b>531,573,471</b>	<b>113,597,701</b>	<b>21,420,708</b>	<b>133,756,809</b>	<b>397,816,662</b>	<b>-</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

13 NON CURRENT INVESTMENTS (Long Term Investments)	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>OTHER INVESTMENTS (valued at cost unless stated otherwise)</b>		
<b>Investments in Bonds - Quoted, fully paid up</b>		
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	<b>29,669,000</b>	29,669,000
14,239 (Previous Year 14,239) Nos. of Tax Free Bonds Tranche-1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	<b>14,239,000</b>	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	<b>48,991,000</b>	48,991,000
<b>Investments in Others - Unquoted</b>		
Zephyr Peacock India III Fund	<b>5,121,652</b>	5,334,778
<b>TOTAL</b>	<b>98,020,652</b>	98,233,778
<b>Particulars</b>		
Aggregate amount of quoted investments	<b>92,899,000</b>	92,899,000
Market Value of quoted investments	<b>103,871,752</b>	101,483,566
Aggregate amount of unquoted investments	<b>5,121,652</b>	5,334,778
Aggregate provision for diminution in value of Investments	-	-
<b>14 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
Capital Advances	<b>8,750,000</b>	10,000,000
Security Deposits	<b>7,172,175</b>	5,623,660
Balance with Statutory/Government Authorities	<b>2,807,965</b>	2,524,500
Prepaid Expenses	<b>214,968</b>	225,612
<b>TOTAL</b>	<b>18,945,108</b>	18,373,772



**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

15 CURRENT INVESTMENTS	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Current Investments (valued at cost)</b>		
<b>Investments in Mutual Funds - Unquoted, fully paid up</b>		
Nil (Previous Year 2,466,807.398) Units of Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	-	60,709,610
Nil (Previous Year 1,013,341.363) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan	-	35,000,000
Nil (Previous Year 1,887,594.076) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Regular Plan	-	62,200,000
Nil (Previous Year 1,563,329.344) Units of Kotak Bond Scheme Plan A-Growth (Regular Plan)	-	60,517,045
Nil (Previous Year 2,540,547.139) Units of Birla Sun Life Medium Term Plan - Growth - Regular Plan	-	46,194,515
Nil (Previous Year 1,010,005.788) Units of ICICI Prudential Short Term - Growth Option	-	30,535,000
4,677.572 (Previous Year 15,378.368) Units of State Bank of India-Premier Liquid Fund-Direct Plan-Growth	<b>11,346,715</b>	36,500,000
1,921,230.412 (Previous Year 2,494,987.412) Units of Axis Income Fund-Growth (IFGPG)	<b>25,488,196</b>	33,100,000
1,442,696.932 (Previous Year 2,512,215.649) Units of UTI Short Term Income Fund-Institutional Option-Growth	<b>22,970,909</b>	40,000,000
810,301.921 (Previous Year 410,795.711) Units of DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	<b>20,000,000</b>	10,000,000
1,010,232.955 (Previous Year 679,564.807) Units of HDFC Short Term Plan - Regular Plan - Growth	<b>30,000,000</b>	20,000,000
2,386,510.041 (Previous Year 1,420,992.800) Units of Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan - Growth Option	<b>51,000,000</b>	30,000,000
391,947.824 (Previous Year Nil) Units of DSP Black Rock Income Opportunities Fund - Direct Plan - Growth	<b>10,000,000</b>	-
3,454,566.525 (Previous Year Nil) Units of Franklin India Low Duration Fund - Direct Plan - Growth	<b>62,800,000</b>	-
582,411.182 (Previous Year Nil) Units of Franklin India Low Duration Fund - Growth	<b>10,000,000</b>	-
326,858.271 (Previous Year Nil) Units of HDFC Short Term Plan - Direct Plan - Growth	<b>10,000,000</b>	-
4,678,469.210 (Previous Year Nil) Units of Reliance Corporate Bond Fund - Direct Growth Plan - Growth Option	<b>61,000,000</b>	-
2,624,191.845 (Previous Year Nil) Units of UTI Income Opportunities Fund-Direct Plan-Growth	<b>41,000,000</b>	-
<b>Total Current Investments</b>	<b>355,605,820</b>	<b>464,756,170</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	<b>355,605,820</b>	464,756,170
Aggregate provision for diminution in value of Investments	-	-
<b>16 INVENTORIES</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Raw Material	<b>132,115,002</b>	142,970,073
Work-in-Progress	<b>14,231,630</b>	15,253,111
Finished Goods	<b>134,413,570</b>	187,417,494
Stock-in-Trade	<b>44,632,007</b>	32,916,788
<b>TOTAL</b>	<b><u>325,392,209</u></b>	<b><u>378,557,466</u></b>
<b>16.1 Inventories are valued as under :-</b>		
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.
<b>17 TRADE RECEIVABLES</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
<b>Outstanding due for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	<b>159,010,545</b>	104,435,549
Unsecured, considered doubtful	<b>8,888,051</b>	7,185,750
	<b>167,898,596</b>	111,621,299
Less : Provision for doubtful receivables	<b>8,888,051</b>	7,185,750
<b>Sub-Total</b>	<b><u>159,010,545</u></b>	<b><u>104,435,549</u></b>
<b>Other receivables</b>		
Unsecured, considered good	<b>776,781,296</b>	544,767,533
Unsecured, considered doubtful	<b>345,359</b>	-
	<b>777,126,655</b>	544,767,533
Less : Provision for doubtful receivables	<b>345,359</b>	-
<b>Sub-Total</b>	<b><u>776,781,296</u></b>	<b><u>544,767,533</u></b>
<b>TOTAL</b>	<b><u>935,791,841</u></b>	<b><u>649,203,082</u></b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

18 CASH AND BANK BALANCES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Cash and cash equivalents</b>		
a) Balances with Banks		
On Current Accounts	14,435,618	7,549,078
Fixed Deposits with maturity of upto 12 months	138,257	246,233
On Unpaid Dividend Account	3,407,350	3,420,950
b) Cheques/Drafts on hand	57,208,562	49,409,116
c) Cash on hand	67,830	164,030
<b>Other Bank Balances</b>		
a) Fixed Deposits with maturity of over 12 months	261,685	124,177
b) Margin Money Deposits	144,194,623	87,975,483
<b>TOTAL</b>	<b>219,713,925</b>	<b>148,889,067</b>
18.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
<b>19 SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good)	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Advances to Suppliers for goods and services	32,330,789	40,568,299
Loans and advances to employees	3,024,216	5,155,225
TDS Recoverable	6,602,069	5,406,012
Balance with Customs, Central Excise and VAT Authorities	14,563,860	13,885,448
Prepaid Expenses	4,407,032	2,345,149
<b>TOTAL</b>	<b>60,927,966</b>	<b>67,360,133</b>
<b>20 OTHER CURRENT ASSETS</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Interest Receivable on Fixed Deposits with Banks	7,970,306	2,638,742
Interest accrued on Investments	4,670,111	4,677,803
<b>TOTAL</b>	<b>12,640,417</b>	<b>7,316,545</b>
<b>21 REVENUE FROM OPERATIONS</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
<b>Sale of Products</b>		
- Finished Goods	1,389,317,822	1,172,242,526
- Stock in Trade	479,211,653	553,700,009
Gross Revenue from Sale of Products	1,868,529,475	1,725,942,535
Other Operating Income	24,305,204	20,729,067
<b>TOTAL</b>	<b>1,892,834,679</b>	<b>1,746,671,602</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

21.1 PARTICULARS OF SALE OF PRODUCTS	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b><u>Finished Goods</u></b>		
Wires	405,224,470	473,570,312
Lighting Products	725,784,890	483,981,822
Electrical Consumer Durables	164,312,576	124,167,440
Others	93,995,886	90,522,952
	<b>1,389,317,822</b>	<b>1,172,242,526</b>
<b><u>Stock in Trade</u></b>		
Wires	1,201,676	1,516,951
Lighting Products	358,473,204	453,099,152
Electrical Consumer Durables	107,550,057	89,954,213
Others	11,986,716	9,129,693
	<b>479,211,653</b>	<b>553,700,009</b>
<b>TOTAL</b>	<b>1,868,529,475</b>	<b>1,725,942,535</b>
<b>22 OTHER INCOME</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Interest Income	16,595,659	14,667,412
Net Gain on Sale of Investments	44,343,581	49,198,229
Profit on Sale of Fixed Assets	234,168	128,600
Rental Income	6,655,620	8,703,894
Miscellaneous Income	2,553,029	3,990,124
Sundry Balances Written Back	117,161	234,392
Provisions no longer required written back	-	117,060
Gain on Foreign Currency Transactions (Net)	1,234,272	548,217
<b>TOTAL</b>	<b>71,733,490</b>	<b>77,587,928</b>
<b>23 COST OF MATERIALS CONSUMED</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Inventory at the beginning of the year	142,970,073	89,246,214
Add : Purchases	839,143,821	862,346,133
	<b>982,113,894</b>	<b>951,592,347</b>
Less : Inventory at the end of the year	132,115,002	142,970,073
<b>TOTAL</b>	<b>849,998,892</b>	<b>808,622,274</b>
<b>23.1 PARTICULARS OF MATERIALS CONSUMED</b>	<b>31-Mar-17 Amount (₹)</b>	<b>31-Mar-16 Amount (₹)</b>
Copper	226,648,996	320,678,824
Poly Vinyl Chloride (PVC)	29,103,858	36,941,895
Others (including Semi-Finished Components)	594,246,038	451,079,073
<b>TOTAL</b>	<b>849,998,892</b>	<b>808,699,792</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

23.2 PERCENTAGE OF CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS	31-Mar-17 Amount (₹)	%age	31-Mar-16 Amount (₹)	% age
Indigenous	654,980,612	77.06%	652,925,923	80.75%
Imported	195,018,280	22.94%	155,696,351	19.25%
<b>TOTAL</b>	<b>849,998,892</b>	<b>100.00%</b>	<b>808,622,274</b>	<b>100.00%</b>

24 PURCHASE OF STOCK-IN-TRADE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Wires	1,426,980	1,900,863
Lighting Products	243,278,758	352,371,585
Electrical Consumer Durables	82,719,311	46,432,267
Others	2,490,486	6,749,751
<b>TOTAL</b>	<b>329,915,535</b>	<b>407,454,466</b>

25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Inventories (at close)</b>		
Finished goods	134,413,570	187,417,494
Stock-in-Trade	44,632,007	32,916,788
Work-in-Progress	14,231,630	15,253,111
	<b>193,277,207</b>	<b>235,587,393</b>
<b>Inventories (at commencement)</b>		
Finished goods	108,010,226	108,225,854
Stock-in-Trade	112,324,056	138,729,009
Work-in-Progress	15,253,111	7,405,371
	<b>235,587,393</b>	<b>254,360,234</b>
<b>(INCREASE) / DECREASE</b>	<b>42,310,186</b>	<b>18,772,841</b>

26 EMPLOYEE BENEFITS EXPENSE	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Salaries, Wages and Bonus	191,497,346	181,124,724
Contribution to Provident and other Funds	8,266,862	8,060,669
Gratuity	2,546,273	1,494,881
Leave Encashment	2,813,138	1,793,136
Staff Welfare expenses	7,540,374	7,520,417
<b>TOTAL</b>	<b>212,663,993</b>	<b>199,993,827</b>

**26.1 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-17 Amount (₹)	31-Mar-16 Amount (₹)
Employer's Contribution to Provident Fund *	7,744,231	7,640,066
Employer's Contribution to ESI *	522,631	420,603

(\*) Included in Contribution to Provident and Other Funds

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**
**(b) Defined Benefit Plans**
**(Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Current service cost	1,824,928	1,699,910	1,650,625	1,598,778
Interest cost	672,210	660,330	451,621	493,746
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain) / loss	49,135	(865,359)	710,892	(299,388)
Past service cost	-	-	-	-
Curtailement and Settlement Cost / (credit)	-	-	-	-
<b>Total Cost</b>	<b>2,546,273</b>	<b>1,494,881</b>	<b>2,813,138</b>	<b>1,793,136</b>

**(c) Actuarial Assumptions**

	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount Rate	7.19%	7.92%	7.19%	7.92%
Expected Rate of increase in Compensation Levels	7.00%	7.00%	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	22.09	22.61	21.80	22.30

The estimates of future salary increases considered in the actuarial valuation taken into account inflation, seniority promotion and other relevant factors on long term basis.

**(d) Reconciliation of opening and closing balances of Projected Benefit Obligations.**
**(Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
<b>Change in Projected Benefit Obligation (PBO)</b>				
Projected benefit obligation at beginning of year	9,349,229	8,337,502	6,281,239	6,234,167
Current service cost	1,824,928	1,699,910	1,650,625	1,598,778
Interest cost	672,210	660,330	451,621	493,746
Benefits paid	(405,050)	(483,154)	(1,889,487)	(1,746,064)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past services cost	-	-	-	-
Actuarial (gain) / loss	49,135	(865,359)	710,892	(299,388)
<b>Projected Benefit Obligation at year end</b>	<b>11,490,452</b>	<b>9,349,229</b>	<b>7,204,890</b>	<b>6,281,239</b>

**27 FINANCE COSTS**

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Interest Expenses	81,652,783	80,933,267
Other Borrowing Costs	3,000,048	1,738,480
Bank Charges	8,281,038	9,270,286
<b>TOTAL</b>	<b>92,933,869</b>	<b>91,942,033</b>

**28 DEPRECIATION AND AMORTISATION EXPENSE**

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Depreciation and Amortisation	21,135,665	21,420,708
<b>TOTAL</b>	<b>21,135,665</b>	<b>21,420,708</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

29 OTHER EXPENSES	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>Manufacturing Expenses</b>		
Power and Fuel	9,344,257	8,812,334
Labour Work Charges	26,104,909	16,781,501
Testing Charges	1,199,818	1,226,848
Building Repairs	1,126,235	1,656,857
Machinery Repairs	4,710,526	5,199,222
Excise Duty provided on Finished Goods	197,274	-
	<b>42,683,019</b>	<b>33,676,762</b>
<b>Administration Expenses</b>		
Rent	13,252,869	13,280,942
Rates and Taxes	11,248,082	8,576,613
Travelling and Conveyance	39,219,216	37,108,149
Printing and Stationery	2,640,337	1,894,072
Postage, Telegram & Telephone	5,325,911	6,589,423
Insurance	2,446,226	2,009,054
Other Repairs	16,899,174	9,918,095
Provision for Doubtful Trade Receivables	2,047,660	4,387,343
Bad Debts written off	624,690	945,738
Net Loss on Sale of Fixed Assets	91,371	-
Directors Sitting fees	390,000	330,000
Vehicle Maintenance	2,375,526	2,197,891
Legal & Professional Charges	25,419,323	23,567,914
Payment to Auditors		
- As Auditor	2,173,900	1,857,400
- For other services	609,232	351,375
- Service Tax	415,928	315,105
Miscellaneous Expenses	12,478,597	9,726,294
	<b>137,658,042</b>	<b>123,055,408</b>
<b>Selling and Distribution Expenses</b>		
Freight and Cartage Outwards	48,549,576	41,598,154
Advertisement	25,854,617	20,215,059
Selling Commission	28,784,219	34,005,221
Sales Discount	34,864,833	50,927,632
Business Promotion	9,036,968	14,871,284
Samples	1,983,112	1,854,935
Tender Charges	-	13,965
Sales Tax Assessed	-	350,000
	<b>149,073,325</b>	<b>163,836,250</b>
<b>TOTAL</b>	<b>329,414,386</b>	<b>320,568,420</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

30	Exceptional Items		31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	Provision for Diminution in the value of Investments written back (Refer Note 40)		-	3,024,883
	<b>Total</b>		-	3,024,883

31	Earnings Per Share (EPS)	Unit	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
	<b>Basic and Diluted Earnings Per Share</b>			
	Net Profit attributable to Equity Shareholders	₹	40,034,014	(40,208,263)
	Weighted Average number of Equity Shares outstanding during the year	Nos.	16,057,466	16,057,466
	Face Value	₹	5	5
	Basic Earnings Per Share	₹	2.49	(2.50)
	Diluted Earnings Per Share	₹	2.49	(2.50)

**32. Contingent Liabilities and Commitments:-**
**a. Contingent Liabilities**

- i) Bank Guarantees ₹ 207,895,754/- (Previous year ₹ 137,919,607/-).
- ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty ₹ 50,000,000/- (Previous year ₹ 72,500,000/-).
- iii) Excise duty demands against which the company has preferred appeals ₹ 53,568,841/- (Previous year ₹ 54,136,865/-). The Company has already deposited a sum of ₹ 3,197,272/- (Previous year ₹ 3,197,272/-) against the aforesaid demand.
- iv) Central Excise and Service Tax Appeals filed by the Department ₹ 2,065,676/- (Previous year ₹ 8,089,749/-) 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 ₹ 5,374,917/- (Previous year ₹ 5,374,917/-). The company has already deposited a sum of ₹ 806,702/- (Previous year ₹ 806,702/-) against the aforesaid demand.
- vi) Income Tax demands against which the company has preferred appeals Nil (Previous year ₹ 2,137,200/-).
- vii) Arrears for Statutory Bonus for 2014-15 not provided for ₹ 1,416,835/- as the retrospective amendment has been stayed by the Karnataka, Kerala & Uttrakhand High Courts.

**b. Commitments**

- i) Capital commitments (net of advance) ₹ 194,250/- (Previous year ₹ 3,173,810/-).
- ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund ₹ 5,395,092/- (Previous Year ₹ 6,251,554/-)

**33.** 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.

**34.** 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.



## Notes on Consolidated Financial Statements for the year ended 31st March, 2017

35. The Statement of Profit and Loss includes previous year debit adjustments amounting to ₹ 886,179/- (Previous year ₹ 268,480/-) on account of following :-

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Freight & Cartage Outwards	106,663	-
Advertisement	165,600	-
Selling Commission	101,336	-
Business Promotion	512,580	-
Interest Expenses	-	268,480
<b>Total</b>	<b>886,179</b>	<b>268,480</b>

36. The balances of Trade Receivables, Advances and Trade Payables are subject to confirmation.
37. Information on Segment Reporting of the Company for the year ended 31st March 2017

### 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.

**Electrical Consumer Durables** includes Fans, Water Heaters etc.

**Others** includes Lithium Ion Batteries, Mobile Phone Accessories etc.

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 Consolidated Financial Statements for the year ended 31st March, 2017

### Information About Business Segments

	(in ₹)						Total			
	Cable & Wires		Lighting		Electrical Consumer Durables			Others		
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16	
<b>1. Segment Revenue</b>										
a) External Revenue	406,426,146	475,087,263	1,108,563,298	957,810,041	271,862,633	214,121,653	105,982,602	99,652,645	1,892,834,679	1,746,671,602
b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Revenue from Operations (Gross)	406,426,146	475,087,263	1,108,563,298	957,810,041	271,862,633	214,121,653	105,982,602	99,652,645	1,892,834,679	1,746,671,602
Less : Excise Duty	31,769,775	-	11,944,243	-	375,683	-	3,805,579	-	47,895,280	-
Revenue from Operations ( Net)	374,656,371	475,087,263	1,096,619,055	957,810,041	271,486,950	214,121,653	102,177,023	99,652,645	1,844,939,399	1,746,671,602
<b>2. Segment Results (Profit / Loss)</b>	(138,885,042)	(117,756,115)	296,005,012	190,562,250	1,474,721	(550,007)	(15,397,873)	(21,553,209)	143,196,818	50,702,919
Finance Costs									92,933,869	91,942,033
Unallocated Corporate Expenses/ (Income)									11,962,586	3,275,925
<b>Profit/(Loss) before Exceptional Items and Tax</b>									38,300,363	(44,515,039)
Exceptional Items (Net)									-	3,024,883
Profit/(Loss) before Tax									38,300,363	(41,490,156)
Tax Expense									(1,733,651)	(1,281,893)
<b>Profit/(Loss) after Tax</b>									40,034,014	(40,208,263)
<b>3. Other Information</b>										
Segment Assets	472,860,761	471,850,457	806,472,152	600,068,405	269,346,392	241,802,274	109,424,071	119,505,657	1,658,103,376	1,433,226,793
Unallocated Corporate Assets									756,562,580	797,266,652
<b>Total Assets</b>	472,860,761	471,850,457	806,472,152	600,068,405	269,346,392	241,802,274	109,424,071	119,505,657	2,414,665,956	2,230,493,445
Segment Liabilities	143,234,326	155,413,648	184,213,707	163,877,267	85,333,835	56,679,287	34,037,499	19,480,037	446,819,367	395,450,239
Unallocated Corporate Liabilities									796,156,346	717,435,102
<b>Total Liabilities</b>	143,234,326	155,413,648	184,213,707	163,877,267	85,333,835	56,679,287	34,037,499	19,480,037	1,242,975,713	1,112,885,341
Capital Expenditure	2,570,685	911,587	1,607,434	6,547,277	2,689,046	2,365,820	4,445,289	7,26,468	11,312,454	10,551,152
(including Capital Work in Progress)										
Depreciation & Amortization expense	12,917,633	13,224,542	836,267	514,477	3,033,023	2,850,867	4,348,742	4,830,822	21,135,665	21,420,708
Other Non-cash expenses	103,052	1,315,951	112,179	239,009	161,403	150,467	2,387,067	3,627,654	2,763,721	5,333,081

## Notes on Consolidated Financial Statements for the year ended 31st March, 2017

### 38. Related Party Disclosure

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

#### A. Directors, Key Managerial Personnel

1. Mr. V.P. Mahendru
2. Mr. Vinay Mahendru
3. Mr. Vivek Mahendru

#### B. Key Managerial Personnel

1. Mr. K.B. Satija
2. Mr. Vinay Aggarwal (resigned w.e.f. 13th January, 2017)
3. Mr. Kumar Indramani (resigned w.e.f. 19th October, 2015)

#### C. Group Company

1. IAFL Switchgears Private Limited

#### D. LLP firms in which relatives of Directors are partners

1. VPM Industrial Services Corporation LLP

#### E. Company in which Directors are Directors

1. VPM Electricals Private Limited
2. Indo Asian Capital Finance Private Limited

S.No.	Nature of Transaction	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
<b>1</b>	<b>Remuneration paid to Directors and their relatives</b>		
a.	Mr. V.P. Mahendru	8,400,000	8,400,000
b.	Mr. Vinay Mahendru	7,718,400	7,718,400
c.	Mr. Vivek Mahendru	7,718,400	7,718,400
	<b>Total</b>	<b>23,836,800</b>	<b>23,836,800</b>
<b>2</b>	<b>Remuneration paid to Key Managerial Personnel</b>		
a.	Mr. K.B. Satija	4,360,521	3,964,215
b.	Mr. Vinay Aggarwal	349,838	-
c.	Mr. Kumar Indramani	-	1,024,004
	<b>Total</b>	<b>4,710,359</b>	<b>4,988,219</b>
<b>3</b>	<b>Issue of Share Warrants</b>		
a.	VPM Electricals Pvt. Ltd.	14,048,125	-
	<b>Total</b>	<b>14,048,125</b>	<b>-</b>
<b>4</b>	<b>Balance outstanding at the year end Payable</b>		
a.	Mr. V.P. Mahendru	935,544	2,029,850
b.	Mr. Vinay Mahendru	72,207	2,645
c.	Mr. Vivek Mahendru	459,380	182,329
d.	IAFL Switchgears Private Limited	22,991	22,991
e.	VPM Electricals Private Limited	17,200	-
	<b>Total</b>	<b>1,507,322</b>	<b>2,237,815</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

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 ₹ 13,252,869/- has been charged to Statement of Profit and Loss during the year (Previous year ₹ 13,280,942/-).

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

Particulars	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
Not later than one year	8,988,389	13,012,561
Later than one year and not later than five years	53,065	8,670,869
Later than five years	-	-

(the above figures are inclusive of service tax wherever applicable.)

40. The Company had terminated its Joint Venture Agreement with Simon Holding S.L., Spain on 8th September, 2014 and has accordingly agreed to transfer its entire share holding comprising of 22,849,462 Shares in the Joint Venture Company Indo Simon Electric Private Limited to M/s Simon Holding S.L., Spain.

During the previous year ended 31st March, 2016, the Company had transferred 3,884,408 shares of the Face Value of ₹10/- each held by it in Indo Simon Electric Private Limited for total consideration of ₹ 34,868,963/-. The loss of ₹ 3,024,883/- arising on the transfer of the said shares has been set off against provision for diminution in the value of the said investment made during the year ended 31st March, 2015.

41. Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is given below :-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	667,500	507,959	1,175,459
(+) Permitted receipts	-	1,270,435	1,270,435
(-) Permitted payments	-	1,176,855	1,176,855
(-) Amount deposited in Banks	667,500	-	667,500
<b>Closing cash in hand as on 30-12-2016</b>	<b>-</b>	<b>601,539</b>	<b>601,539</b>

42. CIF Value of Imports :

	31-Mar-17 Amount (₹)	31-Mar-16 Amount (₹)
1 Raw Material (including components stores & spares)	109,612,844	144,975,862
2 Stock-in-trade	23,981,518	39,925,505

43. Expenditure in Foreign Currency (on accrual basis)

- Travelling	3,827,683	1,096,855
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44. Year end foreign exchange exposures that have not been hedged by a derivative instrument or otherwise :

Foreign Currency	As on 31-Mar-17			As on 31-Mar-16		
	Payables	Advances (*)	Net (#)	Payables	Advances (*)	Net (#)
USD (INR Equivalent)	368,826.79 (24,246,673)	67,437.88 (4,310,633)	301,388.91 (19,936,040)	263,687.85 (17,727,748)	133,346.61 (8,722,215)	130,341.24 (9,005,533)
Euro (INR Equivalent)	-	-	-	17,628.34 (1,345,749)	-	17,628.34 (1,345,749)

(\*) Advances is Advance to Suppliers

(#) Negative figures in net column indicate open Advance to Suppliers.

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**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

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45. The provision in regard to Section 135 of The Companies Act, 2013 in regard to Corporate Social Responsibility is not applicable to the Company.
46. Figures for the previous year have been reclassified / regrouped wherever necessary to make them comparable with the current year.

For and on behalf of Board of Directors

Rajesh Sethi  
Partner  
Membership No. 085669

Vinay Mahendru  
Executive Director  
DIN : 00005371

V. P. Mahendru  
Chairman and Managing Director  
DIN : 00005338

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

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 24th May, 2017

**Form AOC -1**

Pursuant to first proviso to sub section(3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

**Statement containing salient features of the Financial Statement of Subsidiaries/Associates/Joint Ventures**

<b>Part "A" Subsidiaries</b>		
(Information in respect of each of subsidiary to be presented with amount in INR)		
<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N.A
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of relevant financial year in case of foreign subsidiaries	N.A
4	Share Capital	N.A
5	Reserves & Surplus	N.A
6	Total assets	N.A
7	Total liabilities	N.A
8	Investments	N.A
9	Turnover	N.A
10	Profit before Tax	N.A
11	Provision for taxation	N.A
12	Profit after Tax	N.A
13	Proposed Dividend	N.A
14	% of shareholding	N.A
<b>Part "B" Associates and Joint Ventures</b>		
<b>Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures</b>		
<b>S. No.</b>	<b>Name of Joint Venture</b>	<b>Luxtra Lighting Private Limited</b>
1	Latest Audited Balance Sheet Date	March 31, 2017
2	Share of Joint Venture held by the Company on the year end	Equity Shares
	No. of Equity Shares	969203
	Amount of Investment in Associates/Joint Venture	Rs.9692030
	Extend of holding %	49.00%
3	Description of how there is significant influence	Due to %age of Share Capital held
4	Reason why the joint venture is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(-)Rs.3,10,221/-
6	Profit/Loss of the year	
	i. Considered in consolidation	(-)Rs. 11,311/-
	ii. Not considered in consolidation	N.A.

For and on behalf of Board of Directors

 Rajesh Sethi  
 Partner  
 Membership No. 085669

 Vinay Mahendru  
 Executive Director  
 DIN : 00005371

 V. P. Mahendru  
 Chairman and Managing Director  
 DIN : 00005338

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

 Shiv Kumar Jha  
 Company Secretary

 K.B.Satija  
 Chief Financial Officer

 Place: New Delhi  
 Dated: 24th May, 2017

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The advertisement features a collection of EON Electric products including a floor lamp, a table fan, a digital scale, a microwave, a ceiling fan, and various light bulbs, all displayed against a yellow background. The slogan 'IF IT'S ELECTRIC IT'S EON' is positioned on the left, and the EON Electric logo with the tagline 'energising smiles' is on the right.



# BOOK POST



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