



**ANNUAL REPORT**  
2017 - 2018

## MESSAGE FROM THE CHAIRMAN'S DESK

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



*Dear Shareholders*

Warm greetings....!!!

We are pleased to inform you that your company EON Electric Ltd. has established its credentials effectively as one of the leading players in the LED based Lighting and Luminaires, energy efficient Fans, Wires and Cables, and other Electrical Products in India.

With 60 years of rich legacy, we continue to be guided by our Core Values to achieve consistent growth and higher standards of customer delight and satisfaction and are committed towards making the best quality products at affordable and competitive prices without compromising on their quality and performance through continuous Innovation, modernisation, and adoption of best practices conforming to global standards.

In line with the Nation's Vision to ensure "Electricity for All" by promoting the use of energy efficient products for Lighting, we are committed to produce and deliver these LED Lighting products across the country for Street Lights, as also for residential, commercial and industrial Lighting. Given our Government's thrust on energy efficiency, energy savings and its Make in India program, the manufacture, supply and installation of LED based Solar Street Lighting system were identified as the key areas. We have successfully installed over 4 lacs LED Street Lights by replacing the conventional Sodium / Mercury Vapour and other lighting systems with state-of-the-art LED Lighting systems under our Nation's program promoted by Energy Efficiency Services Ltd. (EESL), the prime Government of India organisation, incorporated for this purpose.

In spite of the challenging business environment during 2017-18 on account of the after impacts of de-monetisation and uncertainty due to the implementation of GST, we are poised for our continued growth in the coming years. We are intensely working on augmenting our distribution network for consumer products like LED based lighting, luminaries, fans, water heaters and wires and cables under our brand name Eon so as to provide energy efficient electrical solutions to the households and institutional consumers across the country and thereby enhance the value for our stakeholders.

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

I take this opportunity to thank all our stakeholders for their attachment and trust and confidence reposed in us.

Thank you all for your consistent support which I heartily appreciate and cherish.

With kind and cordial regards,

V.P. Mahendru  
Chairman - Managing Director

## CORPORATE INFORMATION

### Chairman & Managing Director

Mr. Ved Prakash Mahendru

### Joint Managing 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. Bansal & Co. LLP

Chartered Accountants

### Bankers

State Bank of India

RBL Bank Limited

### 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 29th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2018.

### FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2018 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
<b>Revenue from Operation</b>	<b>158.68</b>	<b>185.79</b>	<b>158.68</b>	<b>185.79</b>
<b>Other Income</b>	<b>5.14</b>	<b>7.17</b>	<b>5.14</b>	<b>7.17</b>
Operating Profit (EBITDA)	14.31	14.57	14.31	14.57
Finance Costs	11.37	9.29	11.37	9.29
Depreciation and Amortisation Expense	2.16	2.11	2.16	2.11
Profit before Exceptional items and Tax	0.88	3.17	0.88	3.17
Exceptional Items	-	-	-	-
<b>Profit before Tax</b>	<b>0.88</b>	<b>3.17</b>	<b>0.88</b>	<b>3.17</b>
Less: Tax Expense	0.44	(0.40)	0.44	(0.17)
Profit after Tax	0.44	3.57	0.44	3.57
<b>Profit for the year</b>	<b>0.44</b>	<b>3.57</b>	<b>0.44</b>	<b>3.57</b>
Other Comprehensive Income	0.09	0.11	0.09	0.11
<b>Total Comprehensive Income</b>	<b>0.53</b>	<b>3.68</b>	<b>0.53</b>	<b>3.68</b>
<b>Earnings per Share</b> (Face Value of Rs.5/- per Equity Share)	<b>0.27</b>	<b>2.22</b>	<b>0.27</b>	<b>2.22</b>

### FINANCIAL HIGHLIGHTS

During the financial year under review, your Company has achieved Sales and Other Income of Rs.163.82 Crores as against Rs.192.96 Crores in the previous financial year 2016-17.

The EBITDA for the year ended March 31, 2018 stood at Rs. 14.31 Crores as against Rs. 14.58 Crores during the previous year.

The Profit before Tax for the financial year ended March 31, 2018 stood at Rs.0.88 Crore as against a profit of Rs.3.17 Crores earned during the previous financial year ended March 31, 2017. The Profit after Tax for the current year stood at Rs. 0.44 Crore against a profit after Tax Rs. 3.57 Crores earned during the previous year ended 31st March, 2017.

The business in all sectors was very challenging due to the slow growth in construction activity and uncertainty prevalent in the business during the initial few months of implementation of the GST during the year resulting in reduced sales volume as well as profitability of the Company. While there has been a decline in the sales of the Company during 2017-18, there has been a significant improvement in the Operating Profit (EBITDA) of the Company during 2017-18 on account of improved contribution margins from the sale of its products. The Profit before Tax for the year under review remained under pressure due to higher fixed costs on account of Employee Benefits Expense and Finance Costs owing to increased working capital utilisation during the year.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2017-18, have been prepared in compliance with the applicable provisions of the Companies Act, 2013, Indian 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 2017-18.

## 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. Vivek Mahendru, Joint Managing 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.

Shri Ved Prakash Mahendru, Chairman and Managing Director, Shri Vivek Mahendru, Joint Managing Director, and Shri Vinay Mahendru, Joint Managing Director were re-appointed for a period of 3 (Three) years w.e.f. 1st October, 2017 in the Annual General Meeting held on 27th September 2017 during the Financial Year 2017-18

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, Joint Managing 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

During the period under review, Mr. Shiv Kumar Jha was appointed as Company Secretary and Compliance Officer on 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 of the performance of the Board, its 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

Five meetings of the Board of Directors were held during the Financial Year 2017-18. 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 09, 2018 for the Financial Year 2017-18.

## DECLARATION BY INDEPENDENT DIRECTORS

All the independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provision of Companies Act, 2013 and the relevant regulations.

## 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/investor10.php>

## **AUDIT COMMITTEE**

As at 31st March, 2018, the Audit Committee of the Board of Directors of the Company comprised of 3 members namely Shri Ramesh Chander Bansal, Independent Director, Shri Ajoy Kumar Ghosh, Independent Director and Shri Vivek Mahendru, Joint Managing Director. Shri Ramesh Chander Bansal is Chairman of the Audit Committee.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

## **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, had completed their tenure as the Company's Statutory Auditors at the 28th AGM of the Company held on 27th September 2017.

On recommendation of the Audit Committee, the Board, in its meeting held on August 31, 2017 and approval of the shareholders in the Annual General Meeting held on 27th September 2017, M/s Bansal and Co LLP., Chartered Accountants, (Firm Registration Number 001113N/N500079), have been appointed as the Statutory Auditors of the Company for a term of five consecutive years i.e. from conclusion of the 28th AGM till the conclusion of 33rd AGM to be convened in the year 2022, subject to ratification by the members at every AGM.

The Audit Committee and the Board of Directors recommend the ratification of appointment of M/s Bansal & Co LLP, Chartered Accountants, as Statutory Auditors of the Company from conclusion of this Annual General Meeting to the conclusion of 33rd Annual General Meeting.

### **STATUTORY AUDITORS' REPORT**

The Board has duly examined the Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 by M/s Bansal and Co. LLP, Chartered Accountants, 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, 2018.

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 2018-19. 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 29th 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, 2018. 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 2017-18 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 2018-19.

### **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. 43 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, 2018 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, 2018.

## 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. Bansal & Co. LLP Chartered Accountants, (FRN: 001113N/N500079), 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 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.

## 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 2017-18, the provisions of Section 186 of the Companies Act, 2013 were not applicable on the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 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 during the Financial year ended on 31st March, 2018.

**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, 2018, 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, 2018 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. Bansal & Co. LLP, Chartered Accountants, (FRN: 001113N/N500079), 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 2017-18.

### **Transfer to Investor Education and Protection Fund**

Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, read with the Investor Education and protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ('IEPF Rules') all unclaimed and/ unpaid dividend, application money, debentures interest and interest on deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Accordingly, all unclaimed and unpaid dividend for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company has sent notice to all the Members whose dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF as per applicable regulations. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

### **Listing of Shares**

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

The Company has paid annual Listing fee for the Financial Year 2018-19 to the BSE Limited and the 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 14, 2018**

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

**Secretarial Audit Report****[For the Financial Year ended on 31<sup>st</sup> March, 2018]***[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 **31<sup>st</sup> March 2018** 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 **31<sup>st</sup> March 2018** 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 thereunder;
- (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, Independent Directors and Women Director. 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: 12th June, 2018**

[Note: This report is to be read with our letter of eventdate 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: 12th June, 2018**

**ANNEXURE - B**

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2018**

[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: <a href="mailto:corporate@eonelectric.com">corporate@eonelectric.com</a> Website: <a href="http://www.eonelectric.com">www.eonelectric.com</a>
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: <a href="mailto:info@alankit.com">info@alankit.com</a>

**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	66.22%
2.	Cables & Wires	3130	19.53%
3.	Electrical Consumer Durables	2930	11.72%

**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-2017]				[As on 31-March-2018]				
	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	13.79	(0.72)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	72,61,433	-	72,61,433	45.23	81,06,433	-	81,06,433	47.96	2.73
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>1,04,37,123</b>	<b>-</b>	<b>1,04,37,123</b>	<b>61.75</b>	<b>2.01</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>1,04,37,123</b>	<b>-</b>	<b>1,04,37,123</b>	<b>61.75</b>	<b>2.01</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	7,72,179	800	7,72,979	4.81	7,05,732	800	7,06,532	4.18	(0.63)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	38,20,371	6,71,882	44,92,253	27.98	39,14,309	6,50,829	45,65,138	27.01	(0.97)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9,68,449	-	9,68,449	6.03	9,44,142	-	9,44,142	5.59	(0.44)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	237	-	237	-	-
Foreign Individuals or NRI	2,31,162	500	2,31,662	1.44	2,48,794	500	2,49,294	1.47	0.03
<b>Sub - Total (B)(2):-</b>	<b>57,92,161</b>	<b>6,73,182</b>	<b>64,65,343</b>	<b>40.26</b>	<b>58,13,214</b>	<b>6,52,129</b>	<b>64,65,343</b>	<b>38.25</b>	<b>(2.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>57,92,161</b>	<b>6,73,182</b>	<b>64,65,343</b>	<b>40.26</b>	<b>58,13,214</b>	<b>6,52,129</b>	<b>64,65,343</b>	<b>38.25</b>	<b>(2.01)</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>1,62,50,337</b>	<b>6,52,129</b>	<b>1,69,02,466</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	47.80	58,62,177	34.68	40.91	3.43
2	M/s VPM Industrial Services Corporation LLP	22,44,256	13.98	35.65	22,44,256	13.29	75.75	(0.69)
3	Mr. Ved Prakash Mahendru	9,09,413	5.66	-	9,09,413	5.38	-	(0.28)
4	Mr. Vivek Mahendru	5,90,660	3.68	-	5,90,660	3.50	-	(0.18)
5	Mr. Vinay Mahendru	5,76,707	3.59	-	5,76,707	3.41	-	(0.18)
6	Mrs. Ratna Mahendru	1,33,932	0.83	-	1,33,932	0.79	-	(0.04)
7	Mrs. Bela Mahendru	1,19,978	0.75	-	1,19,978	0.71	-	(0.04)
	<b>Total</b>	<b>95,92,123</b>	<b>59.74</b>	<b>33.34</b>	<b>1,04,37,123</b>	<b>61.75</b>	<b>39.26</b>	<b>2.01</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			8,45,000	
	At the end of the year			<b>58,62,177</b>	<b>34.68</b>
<b>2</b>	<b>M/s VPM Industrial Services Corporation LLP</b>				
	At the beginning of the year	22,44,256	13.29		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			<b>22,44,256</b>	<b>13.28</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>5.38</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>3.50</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>3.41</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>0.79</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>0.71</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>Rakesh Ramesh Jain</b>				
	At the beginning of the year	130767	0.81	130767	0.81
	Sold on 22/12/2017	-33400		97367	0.58
	At the end of the year 31/03/2018			97367	0.58
<b>2</b>	<b>Rajasthan Global Securities Pvt. Ltd.</b>				
	At the beginning of the year	106815	0.67	106815	0.67
	Purchased on 07/04/2017	74569	0.44	181384	1.07
	Purchased on 14/04/2017	884	0.01	182268	1.08
	Purchased on 08/09/2017	14565	0.09	196833	1.16
	Sold on 29/09/2017	-14565	0.09	182268	1.08
	Sold on 29/12/2017	-2044	0.01	180224	1.07
	Sold on 05/01/2018	-5584	0.03	174640	1.03
	Sold on 12/01/2018	-10000	0.06	164640	0.97
	Sold on 19/01/2018	-67	0.00	164573	0.97
	Sold on 26/01/2018	-18026	0.11	146547	0.87
	Sold on 02/02/2018	-8353	0.05	138194	0.82
	Sold on 09/02/2018	-10000	0.06	128194	0.76
	At the end of the year 31/03/2018			128194	0.76
<b>3</b>	<b>My Money Securities Limited</b>				
	At the beginning of the year	115751	0.69	115751	0.69
	Purchased on 07/04/2017	25161	0.15	140912	0.83
	Sold on 14/04/2017	-26499	0.16	114413	0.68
	Sold on 21/04/2017	-26501	0.16	87912	0.52
	Sold on 28/04/2017	-4500	0.03	83412	0.49
	Purchased on 12/05/2017	4060	0.02	87472	0.52
	Purchased on 19/05/2017	17848	0.11	105320	0.62
	Purchased on 26/05/2017	18363	0.11	123683	0.73
	Purchased on 02/06/2017	2000	0.01	125683	0.74
	Sold on 16/06/2017	-10000	0.06	115683	0.68
	Sold on 23/06/2017	-27300	0.16	88383	0.52
	Purchased on 30/06/2017	3000	0.02	91383	0.54
	Purchased on 07/07/2017	3000	0.02	94383	0.56
	Sold on 14/07/2017	-1931	0.01	92452	0.55
	Purchased on 21/07/2017	3450	0.02	95902	0.57
	Purchased on 28/07/2017	4657	0.03	100559	0.59
	Purchased on 04/08/2017	4959	0.03	105518	0.62
	Purchased on 11/08/2017	9881	0.06	115399	0.68
	Purchased on 18/08/2017	6754	0.04	122153	0.72
	Purchased on 25/08/2017	1000	0.01	123153	0.73
	Sold on 01/09/2017	-3000	0.02	120153	0.71
	Sold on 20/09/2017	-17099	0.10	103054	0.61
	Sold on 22/09/2017	-26000	0.15	77054	0.46
	Sold on 06/10/2017	-308	0.00	76746	0.45
	Sold on 13/10/2017	-29420	0.17	47326	0.28
	Sold on 20/10/2017	-40832	0.24	6494	0.04
	Sold on 27/10/2017	-2076	0.01	<b>4418</b>	<b>0.03</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
	Sold on 10/11/2017	-180	0.00	4238	0.03
	Sold on 17/11/2017	-500	0.00	3738	0.02
	Sold on 01/12/2017	-2500	0.01	1238	0.01
	Sold on 09/02/2018	-1238	0.01	<b>0</b>	<b>0.00</b>
	At the end of the year 31/03/2018			<b>0</b>	<b>0.00</b>
<b>4</b>	<b>Isha Securities Limited</b>				
	At the beginning of the year	96527	0.60	96527	0.60
	At the end of the year 31/03/2018			<b>96527</b>	<b>0.57</b>
<b>5</b>	<b>Nitin Kapil Tandon</b>				
	At the beginning of the year	96000	0.56	96000	0.56
	Sold on 27/10/2017	-27000	0.16	<b>69000</b>	<b>0.40</b>
	At the end of the year 31/03/2018			<b>69000</b>	<b>0.40</b>
<b>6</b>	<b>Chatura M Rao</b>				
	At the beginning of the year	95000	0.59	95000	0.59
	Sold on 08/09/2017	-44286	0.26	50714	0.59
	Sold on 09/09/2017	-50713	0.30	1	0.60
	Sold on 06/10/2017	-1	0.00	<b>0</b>	<b>0.00</b>
	At the end of the year 31/03/2018			<b>0</b>	<b>0.00</b>
<b>7</b>	<b>Varsha Bhavesh Shah</b>				
	At the beginning of the year	93707	0.58	93707	0.55
	At the end of the year 31/03/2018			<b>93707</b>	<b>0.55</b>
<b>8</b>	<b>Sangita Balwant Jain</b>				
	At the beginning of the year	67384	0.42	67384	0.40
	At the end of the year 31/03/2018			<b>67384</b>	<b>0.42</b>
<b>9</b>	<b>Divyesh Ambalal Shah</b>				
	At the beginning of the year	64542	0.40	64542	0.40
	Purchased on 14/04/2017	20000	0.12	84542	0.50
	Purchased on 02/06/2017	2910	0.02	<b>87452</b>	<b>0.52</b>
	Purchased on 23/06/2017	4000	0.02	91452	0.54
	Purchased on 30/06/2017	308	0.00	91760	0.54
	Purchased on 07/07/2017	4835	0.03	96595	0.57
	At the end of the year 31/03/2018			96595	0.57
<b>10</b>	<b>Digish Ramesh Pandit</b>				
	At the beginning of the year	50000	0.31	50000	0.29
	At the end of the year 31/03/2018			<b>50000</b>	<b>0.29</b>
<b>11.</b>	<b>Shirish Goyal</b>				
	At the beginning of the year	50000	0.31	50000	0.30
	At the end of the year 31/03/2018			<b>50000</b>	<b>0.30</b>
<b>12</b>	<b>Smita Divyesh Shah</b>	39508		39508	0.23
	Purchased on 28/04/2017	7853	0.05	47361	0.28
	Purchased on 02/06/2017	40799	0.24	88160	0.52
	Purchased on 09/06/2017	2894	0.02	91054	0.54
	Purchased on 16/06/2017	16423	0.10	107477	0.64
	Purchased on 23/06/2017	2821	0.02	110298	0.65
	Purchased on 30/06/2017	17486	0.10	127784	0.76
	Purchased on 29/09/2017	2660	0.02	130444	0.77
	At the end of year 31/03/2018			<b>130444</b>	<b>0.77</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>13</b>	<b>Amir Ali P</b>				
	At the beginning of the year	9555	0.06	9555	0.06
	Purchased on 07/04/2017	1200	0.01	10755	0.06
	Purchased on 14/04/2017	1800	0.01	12555	0.07
	Purchased on 21/04/2017	669	0.00	13224	0.08
	Purchased on 05/05/2017	1466	0.01	14690	0.09
	Purchased on 12/05/2017	600	0.00	15290	0.09
	Purchased on 19/05/2017	1600	0.01	16890	0.10
	Purchased on 26/05/2017	750	0.00	17640	0.10
	Purchased on 02/06/2017	2384	0.01	20024	0.12
	Purchased on 09/06/2017	800	0.01	20824	0.12
	Sold on 16/06/2017	-1600	0.01	19224	0.11
	Purchased on 07/07/2017	2000	0.01	21224	0.13
	Purchased on 14/07/2017	2707	0.02	23931	0.14
	Purchased on 21/07/2017	1474	0.01	25405	0.15
	Purchased on 28/07/2017	3651	0.02	29056	0.17
	Purchased on 04/08/2017	2179	0.01	31235	0.19
	Purchased on 11/08/2017	6073	0.04	37308	0.22
	Purchased on 18/08/2017	6837	0.04	44145	0.26
	Purchased on 25/08/2017	3262	0.02	47407	0.28
	Purchased on 08/09/2017	1600	0.01	49007	0.29
	Sold on 09/09/2017	-247	0.00	48760	0.29
	Sold on 20/09/2017	-1000	0.01	47760	0.28
	Sold on 13/10/2017	-1760	0.01	46000	0.27
	Sold on 20/10/2017	-1000	0.01	45000	0.27
	Purchased on 31/10/2017	1000	0.01	46000	0.27
	Purchased on 10/11/2017	435	0.00	46435	0.28
	Purchased on 17/11/2017	800	0.01	47235	0.28
	Purchased on 24/11/2017	800	0.01	48035	0.28
	Purchased on 15/12/2017	2000	0.01	50035	0.30
	Purchased on 09/02/2018	600	0.00	50635	0.30
	Purchased on 16/02/2018	5500	0.03	56135	0.33
	Purchased on 23/02/2018	1967	0.01	58102	0.34
	Purchased on 02/03/2018	297	0.00	58399	0.35
	Purchased on 09/03/2018	650	0.00	59049	0.35
	Purchased on 16/03/2018	6093	0.04	65142	0.39
	Purchased on 30/03/2018	510	0.00	65652	0.39
	At the end of the year 31/03/2018			<b>65652</b>	<b>0.39</b>
<b>14</b>	<b>Dheeraj Kumar Lohia</b>				
	At the beginning of the year	18596	0.24	18596	0.24
	Purchased on 07/04/2017	18995	0.11	37591	0.22
	Purchased on 14/04/2017	8747	0.05	46338	0.27
	Purchased on 21/04/2017	9358	0.06	55696	0.33
	Purchased on 25/08/2017	1000	0.01	56696	0.34
	Sold on 20/10/2017	-1000	0.01	55696	0.33
	At the end of the year 31/03/2018			<b>55696</b>	<b>0.33</b>

\* Note: List of Top 10 shareholders were taken cumulatively as on 1st April, 2017 and as on 31st March, 2018. 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>5.38</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	3.68		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>5,76,707</b>	<b>3.50</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			-	-
<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	<b>05</b>	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			<b>05</b>	-
<b>9</b>	<b>Mr. Shiv Kumar Jha, 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 15, 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	75,27,39,438	30,74,529	-	75,58,13,967
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	12,038	-	12,038
<b>Total (i+ii+iii)</b>		<b>75,27,39,438</b>	<b>30,86,567</b>	<b>-</b>	<b>75,58,26,005</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition		21,43,05,969	55,90,628		21,98,96,597
* Reduction		17,67,725	8,36,250		2,60,39,75
<b>Net Change</b>		<b>21,25,38,244</b>	<b>47,54,378</b>		<b>21,72,92,622</b>
<b>Indebtedness at the end of the financial year</b>					
(i)	Principal Amount	96,52,77,682	78,40,945	-	97,31,18,627
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	28,261	-	28,261
<b>Total (i+ii+iii)</b>		<b>96,52,77,682</b>	<b>78,69,206</b>	<b>-</b>	<b>97,31,46,888</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Mr. Ved Prakash Mahendru, CMD	Mr. Vivek Mahendru, JMD	Mr. Vinay Mahendru, JMD	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,20,000	72,45,000	72,45,000	<b>2,00,10,000</b>
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,94,600	8,29,600	8,29,600	<b>25,53,800</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>64,14,600</b>	<b>80,74,600</b>	<b>80,74,600</b>	<b>2,25,63,800</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 27, 2017.			

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

S. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Ramesh Chander Bansal	Mr. Ajoy Kumar Ghosh	Mr. Ranjan Sarkar	Dr. Rashmi Vij	
1.	Independent Directors					
	Fee for attending Board / Committee meetings	1,40,000	1,10,000	60,000	50,000	<b>3,60,000</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	<b>1,40,000</b>	<b>1,10,000</b>	<b>60,000</b>	<b>50,000</b>	<b>3,60,000</b>
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>1,40,000</b>	<b>1,10,000</b>	<b>60,000</b>	<b>50,000</b>	<b>3,60,000</b>
	<b>Total Managerial Remuneration (A) + (B)</b>					<b>2,29,23,800</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 27, 2017.</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 Rs.)**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shiv Kumar Jha, 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	2,63,709	44,61,622	47,25,331
(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>2,63,709</b>	<b>44,61,622</b>	<b>47,25,331</b>

\* Remuneration details of Mr. Shiv Kumar Jha, Company Secretary and Compliance Officer include remuneration paid during May 15, 2017 to March 31, 2018.

## 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: 14<sup>th</sup> August, 2018

**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**

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**A. CONSERVATION OF ENERGY**

Energy conservation has been always a matter of primary focus with Eon. The Company has aligned its goal with the Indian government's National plan on Energy conservation. The Company has taken several steps for conserving energy through various initiatives and is continuously working to improve energy conservation and utilization.

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
- Reduction in processing time
- Increase in productivity
- Increase in overall efficiency

**B. TECHNOLOGY ABSORPTION**

The Company is continuously working towards absorption of new technologies by doing latest developments in products, processes and advance materials to ensure quality of products for customers.

**Efforts made toward the Technology absorption**

Company is continuously spending money In R&D department to meet the above challenges. Eon continuously works towards following activities for achieving the short term & long term business goals.

- 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 & materials for enhancing the quality of products, safety to persons concerned & environment.
- Special focus on development of in-house products which are compatible to new technology specially interface with computers.



**The benefits derived like product improvement, cost reduction, product development or import substitution**

- To keep a competitive edge in market place
- To keep a continuous check on costs & quality this leads to customer satisfaction.
- To enhance the brand Eon
- Continuous Introduction of New products.

**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: N.A.
- Has technology been fully absorbed?:
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:
  - 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.

(Rs. in Lacs)

S. No.	Particulars	2017-18	2016-17
1	Earnings in Foreign Currency	-	-
2	Expenditure in Foreign Currency	52.94	38.28
3	CIF Value of Imports	1002.98	1335.94

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

Place: New Delhi  
Date: August 14, 2018

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

**ANNEXURE - D**

**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 2017-18, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Directors and Company Secretary during the Financial Year 2017-18:

S. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2017-18 (INR in Lakhs)	% increase in Remuneration in Financial Year 2017-18	Ratio of Remuneration of Director to Median Remuneration of employees
1.	Mr. Ved Prakash Mahendru, Chairman & Managing Director	91.50	5.95%	26.80:1
2.	Mr. Vivek Mahendru, Whole-time Director	86.29	5.10%	24.09:1
3.	Mr. Vinay Mahendru, Whole-time Director	86.29	5.10%	24.09:1
4.	Mr. K B Satija, Chief Financial Officer	46.40	6.00%	12.67:1
5.	Mr. Vinay Aggarwal# Company Secretary and Compliance Officer	2.74	-	-

# Mr. Shiv Kumar Jha was appointed as Company Secretary and Compliance Officer w.e.f. May 15, 2017

- (ii) The number of permanent employees on the rolls of the Company as on March 31, 2018 was 293 and the median remuneration was Rs.30,784/- only.
- (iii) Average of remuneration of employees excluding above Directors and KMPs has increased by 6.44%. 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 2017-18 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 14, 2018

**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, 2018
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
	Extent 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	Nil
6	Profit/Loss of the year	
	i. Considered in consolidation	Nil
	ii. Not considered in consolidation	N.A.

For and on behalf of the Board of Directors

Place: New Delhi  
Dated: August 14, 2018

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

**MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company for the financial year (FY) 2017-18, financial statements of which have been prepared in compliance with requirements of the provisions of the Companies Act, 2013 ("Act") read with applicable rules, guidelines issued by the Securities and Exchange Board of India and the Indian Accounting Standards. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state-of-affairs, profits and cash flows for the year.

**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, Wires & Cables, Lithium ion batteries, Mobile Phone accessories 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 stakeholders.

The company recorded steady performance in FY 2017-18 despite some challenges faced due to demonetisation effect, fall in demand of CFLs and adjustment as per Ind AS. The year under review continued to be bogged down by challenging business environment led by confusion caused by GST implementation.

**ECONOMIC OUTLOOK**

The year 2017 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of 2017, seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports). We believe that India's economic outlook which remained promising for FY 2017-18 is expected to strengthen further in FY 2018-19.

The impact of GST seems to be fading and growth momentum is slowly catching up. With trade stabilising post GST transition, the sweeping rationalisation on GST rates to 18% (from 28%) is expected to trigger positive sentiments. We are encouraged and enthused with GST and its transformational impact on formalisation of 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.

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**

LED lamps and luminaries continue to show promising growth reflective of the change in consumer preference towards energy-efficient and smart lighting. Consequently, the traditional lighting products have been on decline and LED now

constitutes a substantial part of the Lighting business. GST rate rationalisation will help the organised players. In consumer lighting, focus will be to get primary and secondary reach while in professional lighting, focus will be on product innovation and use latest technology for customer delight. B2B & B2G customers will be the growth driver for professional lighting.

The government is laying strong thrust on new energy efficiency measures to meet the unprecedented demand for electricity and to ensure energy security for sustainable economic growth. The World Bank has pegged India's energy efficiency market at Rs. 1.6 trillion by considering end-use energy efficiency opportunities, against the backdrop of the success of the Government's UJALA scheme and street light national programme. Since its inception in January 2015, more than 28 crore LED bulbs have been sold across the country resulting in energy savings of 36,545 million units (MUs) and avoiding peak demand of 7,317 MW.

The government's push promoting investments in energy efficient lighting technologies have expanded the applications of LED lights across various industrial, commercial and residential sectors. According to IMARC Group, the Indian LED Lighting market was worth US\$ 1.5 billion in 2017, achieving a growth of 5% CAGR during 2010–2017. Due to their numerous advantages over conventional lighting technology, they have swiftly gained prominence in the Indian lighting market.

A rapidly growing automotive industry, increasing infrastructural investments, rapid growth of street lighting systems, decline in average prices of LEDs and various government and upcoming smart building projects are expected to drive the demand of LED lights in India.

### **CABLES AND WIRE INDUSTRY**

The demand for wires and cables is directly reliant on the expansion of the industrial sector and infrastructure development in the power generation and transmission, telecommunication, and residential and commercial sectors. Rapid urbanization and rising global population have increased the demand in these areas, thereby offering multiple opportunities to the global wire and cable market.

The wires and cables business has been impacted by the rising commodity prices and the high GST rate during significant part of the year. After the GST rate rationalisation we feel that the implementation of GST and RERA will give impetus to the organised sector. Infrastructure spend by the Government and focus on digitisation to push demand for specialised communication cable.

The industry which has been growing at the rate of around 15% currently will start growing at the CAGR of over 20% over the next five years. The wires and cables industry in India has come a long way, growing from being a small industry to a very large one, over the past decade. The increasing demand for power, light and communication has kept demand high for wire and cable. This trend will continue as demand for reliable, efficient energy and data communication will strengthen the wires and cables industry in the future as well.

The emphasis of Government on non-conventional source of energy like solar is also a positive step for wire and cable industry. The target set by the Jawaharlal Nehru National Solar Mission to generate more than 1,00,000 MW of solar power by the end of year 2022, will boost the demand for electrical wires and cables.

### **ELECTRICAL CONSUMER DURABLES INDUSTRY**

According to Indian Fan Market Overview, the sales of fans 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. Fans which is still the major sub category will be able to further strengthen its market position in the decorative segment. Growth Driver for this category are:

- Design aesthetics
- Innovation
- Alternate Channels (Ecommerce, MFR)

### **LITHIUM ION BATTERIES**

The India lithium-ion battery market is expected to grow at a robust CAGR of 29.26% during the forecast period, 2018-2023.

Lithium-ion batteries have become the most important application of lithium and storage technology in the areas of portable and mobile applications (e.g. laptop, cell phones, smart phones, tablets, power tools, medical devices, electric bicycles and electric car)

The global lithium market is expected to grow in future due to decreasing lithium-ion battery costs, growth in energy storage system, growth in electric vehicle market, increasing demand for traditional market, strong growth in lithium-ion batteries and favourable lithium pricing. Key trends in this market include government support, new lithium projects and technological advancement in lithium-ion batteries. However, there are some factors which can hinder the growth of lithium market which includes ageing, charging time and safety issues.

## FINANCIAL PERFORMANCE

Financial performance of the Company for the financial year 2017-18 as compared to the previous financial year 2016-17 is furnished in detail in the Directors' Report.

## SEGMENT- WISE PERFORMANCE

### Lighting

The Lighting Segment achieved a turnover of Rs.105.76 Crores for the financial year ended 31st March 2018 as against Rs.108.87 Crores for the financial year ended 31st March, 2017. 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) and has executed large contracts for Design, Manufacture, Supply, Testing, Installation, Commissioning and Warranty of LED Streetlights and other related works in the State of Rajasthan, Himachal Pradesh, Uttar Pradesh, Jharkhand and other states.

### Cables & Wires

Our Cables & Wires segment recorded a turnover of Rs.30.64 Crores for the financial year ended 31st March, 2018 as against Rs.39.94 Crores for the financial year ended 31st March, 2017. The operations of the cables and wires segment remained under pressure during the financial year 2017-18 due to volatility in the commodity prices, higher GST rates during significant part of the year and weaker sentiment prevalent in the construction industry for quite sometime.

### Electrical Consumer Durables

The Electrical Consumer Durables achieved a turnover of Rs.18.33 Crores for the financial year ended 31st March, 2018 as against Rs.26.76 Crores for the financial year ended 31st March, 2017. Significant reduction in the turnover of consumer durables was due to ambiguity in GST.

### Others

Other products i.e. Mobile Phone accessories contributed a turnover of Rs.3.95 Crores for the financial year ended 31st March, 2018 as against Rs.10.23 Crores for the financial year ended 31st March, 2017. The lower volume of sales in this segment has been mainly as account of the fall in the replacement demand for mobile phone batteries as most of the mobile phones are now coming with in-built non-replaceable batteries.

## OPPORTUNITIES

1. **Favourable Macro Economic Levers:** With focus of Government on electrification and commitment to improve infrastructure and housing and implementation of GST, electrical space is self-assured of growth in time to come.
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. **Product portfolio:** Having wide product portfolio, Eon has access to both Consumer and Professional customer category giving superior opportunity to succeed.
5. **Boost for infrastructure development:** The Government is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. Government's focus on smart city development and replacement of conventional systems with more energy savings options offers tremendous opportunities for the Company.
6. **Push for industrial growth:** Under its Make in India initiative, the government has been encouraging investment by both foreign and domestic manufacturers to set up bases in India. Recovery in capex cycle will create substantial demand for Lighting solutions. These factors will propel growth for the Company's Lighting Division basis its strong business relationship with some India's leading business houses.

## 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 segment revenue growth.
2. **Increase in Competition:** In view of the growth potential in the electrical industry, and low entry barriers the space has seen increased number of players entering the segment. Increased competition could put pressure on existing players.
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

**Slower than expected economic recovery:** Company's performance is significantly linked to the overall performance of Indian economy. Any unforeseen slack may affect growth prospects of the Company negatively. The Company endeavours to mitigate this risk by creating higher brand recall and making constant improvements in the product offerings.

**Change in the government's policy stance:** Any unanticipated change in the government policy-making can severely affect the prospects of centrally funded schemes. The Company has adequately diversified its business to shield itself from such uncertainties. The Company is improving its presence in the B2C business which is relatively immune to the policy risks.

**Volatility in Commodity Prices:** Fluctuations of unanticipated magnitude in the raw material prices can negatively affect the profit margin. The Company enjoys a leadership position in some of the key business areas and thus has a better price bargaining power with its customers. This helps negate the adverse impact of commodity price fluctuations.

**Imports:** India's LED lighting market was dominated by global manufacturers due to lack of domestic capacities until recently. However, with the increasing focus of the present government on promoting energy-efficient lighting solutions, the domestic players have begun to catch up fast. Company's thrust on R&D enables it to offer benefits of high-end technologies at a reasonable price. Backward integration is likely to help the Company successfully tackle the competition even in future.

## INTERNAL CONTROLS FRAMEWORK

The Company has put into effect sound and robust internal control systems to ascertain that all its assets are protected. To achieve this objective, the Company follows Standardised Operating Procedures, policies and guidelines, including regular monitoring procedures and carries out self-assessment exercises.

The Company has instituted the Code of Conduct that establishes the fundamental standards which its employees need to follow in their regular working. The Company observes highest standards of the ethical code and encourages its employees to actively report activities which they believe are unethical and conflict with any business interest of the Company. The Company has also established a robust process of self-monitoring mechanism. It has laid down adequate systems and procedures to ensure that Company's operations remain efficient, effective and free of fraudulent activities.

Internal Auditors and Corporate Audit Department of the Company make sure that Company's internal control systems are followed meticulously and also ensure the competitiveness and accuracy of accounting methods. Internal Control function helps the Company abide itself by laws and statutory requirements. It also ensures all compliance-related requirements are fulfilled in due course.

## HUMAN RESOURCE

We consider our employees as our most important assets. The competency development of our employees is a key focus area for us. This ensures to garner leadership competencies like business acumen, strategic thinking, and customer connect and flawless execution. The Company encourages its employees to upgrade their skills and achieve a higher level of efficiencies. For making this happen, it regularly arranges training programmes for them. The Company has employed a trained team of qualified engineers to drive the innovation and lay the foundation for future growth. The Company encourages its people to strike a good work-life balance. It also insists them to participate in recreation activities as well.

## 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 14, 2018

**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 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, 2018, 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	<ol style="list-style-type: none"> <li>1. Mr. Ved Prakash Mahendru, Chairman &amp; Managing Director</li> <li>2. Mr. Vivek Mahendru, Joint Managing Director</li> <li>3. Mr. Vinay Mahendru, Joint Managing Director</li> </ol>
Non Executive & Independent Directors	<ol style="list-style-type: none"> <li>4. Mr. Ramesh Chander Bansal</li> <li>5. Mr. Ajoy Kumar Ghosh</li> <li>6. Mr. Ranjan Sarkar</li> <li>7. Dr. Rashmi Vij</li> </ol>

### 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://eonelectric.com/investor/corporate%20Policy/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. Dr. 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://eonelectric.com/investor/corporate%20Policy/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

## Board Evaluation

Board Evaluation for the Financial Year ended 2017-18 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 2017-18, the Independent Directors met once on March 09, 2018 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 2017-18, the Board of Directors met 5 (five) times: 24th May, 2017, 31st August, 2017, 27th October, 2017, 02nd December, 2017 and 14th February, 2018.

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 2017-18, 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 2017-18		Number of Directorships in other Companies as on March 31, 2018		Committee Membership and Chairmanship in other Companies* as on March 31, 2018		Shareholding in the Company as on March 31, 2018
			Board Meetings	AGM	Private	Public	Chairmanship	Membership	
1.	Mr. Ved Prakash Mahendru Chairman & Managing Director (00005338)	Promoter and Executive	5/5	Yes	2	-	-	-	9,09,413
2.	Mr. Vivek Mahendru Joint Managing Director (00006014)	Promoter and Executive	4/5	Yes	5	-	-	-	5,90,660
3.	Mr. Vinay Mahendru Joint Managing Director (00005371)	Promoter and Executive	4/5	Yes	5	-	-	-	5,76,707
4.	Mr. Ramesh Chander Bansal Director (00005387)	Non -Executive and Independent	5/5	Yes	1	3	-	-	-
5.	Mr. Ajoy Kumar Ghosh Director (00005404)	Non -Executive and Independent	5/5	No	2	5	-	1	-
6.	Mr. Ranjan Sarkar Director (00289322)	Non -Executive and Independent	5/5	Yes	1	-	-	-	-
7.	Dr. Rashmi Vij Director (01103219)	Non -Executive and Independent	4/5	No	-	-	-	-	-

**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://eonelectric.com/investor/investor%20S/Investors\\_service.pdf](http://eonelectric.com/investor/investor%20S/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, 2018, 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 2017-18, 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 24, 2017	Yes	4/4	100
		August 31, 2017	Yes		
		December 02, 2017	Yes		
		February 14, 2018	Yes		
Mr. Ajoy Kumar Ghosh	Member – Non-Executive & Independent Director	May 24, 2017	Yes	4/4	100
		August 31, 2017	Yes		
		December 02, 2017	Yes		
		February 14, 2018	Yes		
Mr. Vivek Mahendru	Member – Executive Director	May 24, 2017	No	3/4	75
		August 31, 2017	Yes		
		December 02, 2017	Yes		
		February 14, 2018	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 27, 2017 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, 2018 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 2017-18, the Nomination and Remuneration Committee met 2 (two) times as stated below. The quorum for a meeting of the NRC is 2 (two) members.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	May 24, 2017 August 31, 2017	Yes Yes	2/2	100
Mr. Ajoy Kumar Ghosh	Member – Non-Executive & Independent Director	May 24, 2017 August 31, 2017	Yes Yes	2/2	100
Mr. Ranjan Sarkar	Member – Non-Executive & Independent Director	May 24, 2017 August 31, 2017	No Yes	1/2	50

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 27, 2017 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://eonelectric.com/investor/corporate%20Policy/Nomination%20&%20Remuneration%20Policy.pdf>

#### 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://eonelectric.com/investor/corporate%20Policy/Nomination%20&%20Remuneration%20Policy.pdf>

### Directors' Remuneration for the Financial Year 2017-18

Details of remuneration paid to the Directors of the Company for the Financial Year ended on March 31, 2018 are as follows:

(Amount in Rs.)

S. No.	Name	Sitting Fees	Salary & Perquisites	Total	Stock Option / ESPS
1.	Mr. Ved Prakash Mahendru	-	91,50,000	<b>91,50,000</b>	-
2.	Mr. Vivek Mahendru	-	86,29,600	<b>86,29,600</b>	-
3.	Mr. Vinay Mahendru	-	86,29,600	<b>86,29,600</b>	-
4.	Mr. Ramesh Chander Bansal	1,40,000	-	<b>1,40,000</b>	-
5.	Mr. Ajoy Kumar Ghosh	1,10,000	-	<b>1,10,000</b>	-
6.	Mr. Ranjan Sarkar	60,000	-	<b>60,000</b>	-
7.	Dr. Rashmi Vij	50,000	-	<b>50,000</b>	-
	<b>Total</b>	<b>3,60,000</b>	<b>2,64,09,200</b>	<b>2,67,69,200</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 (1.10.2017 – 30.09.2020)	01.10.2017	Nil
Mr. Vivek Mahendru	Joint Managing Director	3 years (1.10.2017 – 30.09.2020)	01.10.2017	Nil
Mr. Vinay Mahendru	Joint Managing Director	3 years (1.10.2017 – 30.09.2020)	01.10.2017	Nil

- Mr. Ved Prakash Mahendru has been re-appointed as Chairman & Managing Director w.e.f. October 1, 2017 for a period of 3 years by the shareholders of the Company at their AGM held on September 27, 2017.
- Mr. Vivek Mahendru and Mr. Vinay Mahendru have been re-appointed as Joint Managing Directors w.e.f. October 1, 2017 for a period of 3 years by the shareholders of the Company at their AGM held on September 27, 2017.
- Appointments of Managing 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 2017-18, 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.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

### 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### Composition, Meetings & Attendance

As on March 31, 2018, the Stakeholders' Relationship Committee comprises of 2 (two) Members as stated below.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	May 24, 2017	Yes	3/3	100
		August 16, 2017	Yes		
		December 02, 2017	Yes		
Mr. Vinay Mahendru	Member – Executive Director	May 24, 2017	Yes	3/3	100
		August 16, 2017	Yes		
		December 02, 2017	Yes		

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.

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 27, 2017 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, 2017	Received during 2017-18	Resolved during 2017-18	Pending as on March 31, 2018
Non-Receipt of Annual Reports	-	-	-	-
Non-Receipt of Dividend	-	-	-	-
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>	-	-	-	-

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
28th	2016-17	September 27, 2017 Wednesday, 9 AM	1. Re-appointment of Shri Ved Prakash Mahendru as Chairman & Managing Director 2. Re-appointment of Shri Vivek Mahendru as Joint Managing Director 3. Re-appointment of Shri Vinay Mahendru as Joint Managing Director
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.

#### 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, 2018. 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: Friday

Date: September 28, 2018

Time: 9:00 AM

Venue: Kanak Garden Resort, 55 Milestone, 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 2018-19

First Quarter Results	:	Up to August 14, 2018
Second Quarter Results	:	Up to November 14, 2018
Third Quarter Results	:	Up to February 14, 2019
Audited Annual Results FY 2018-19	:	On or before May 30, 2019

### D) Dividend and its Payment

No Dividend has been recommended by Board of Directors for the Financial Year 2017-18.

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

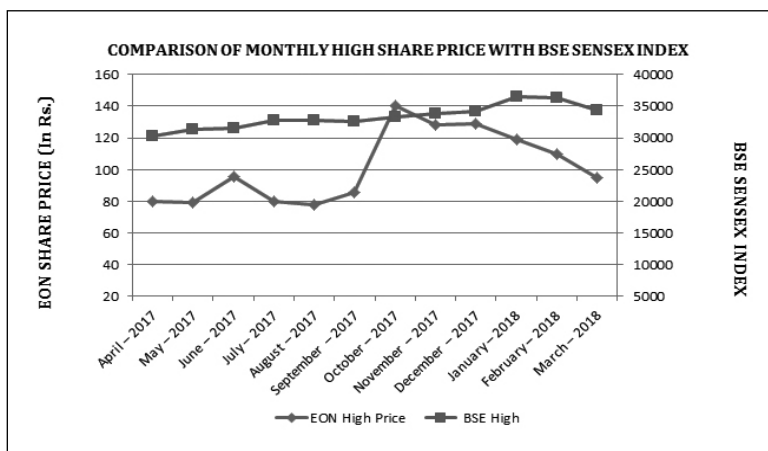
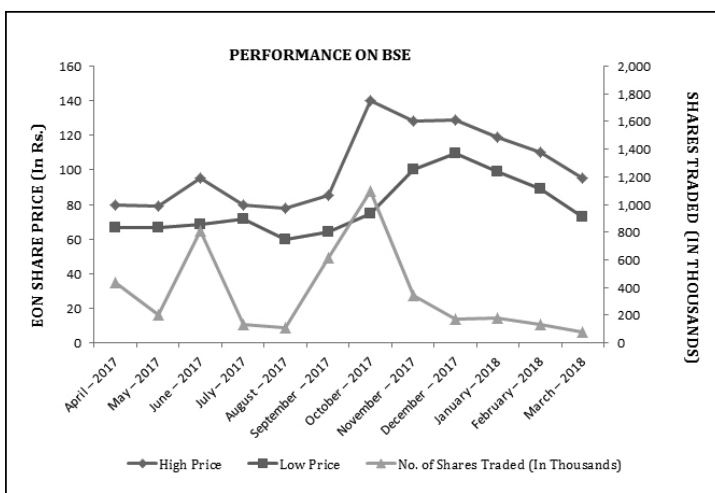
S. No.	Name and Address of the Stock Exchange	Security Code
1.	The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	<b>532658</b>
2.	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051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

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 2017-18 & 2018-19 has been paid to BSE and NSE.

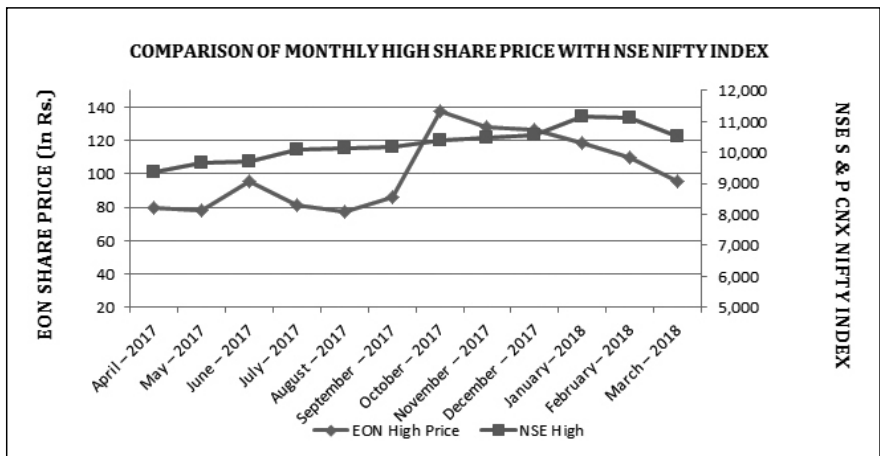
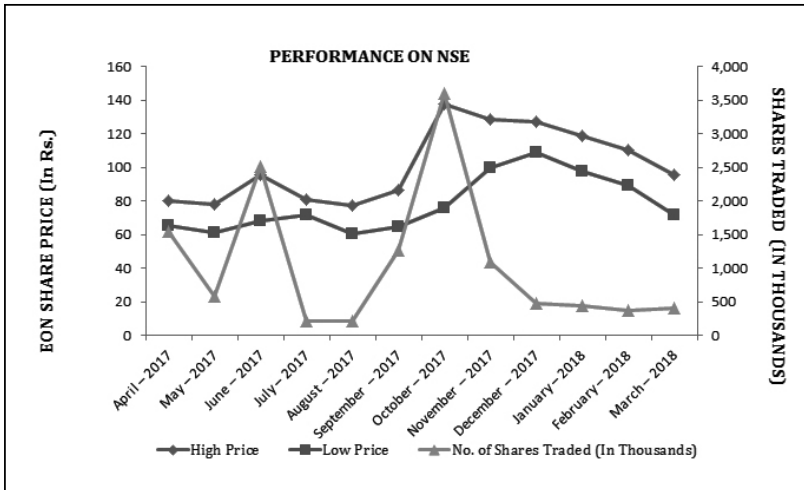
F) Market Price Data – BSE

Month	S&P BSE SENSEX		EON Share Price (In Rs.)		No. of Shares Traded
	High	Low	High Price	Low Price	
April 2017	30184.22	29241.48	79.80	66.50	439405
May 2017	31255.28	29804.12	79.35	66.65	204209
June 2017	31522.87	30680.66	95.30	68.55	812210
July 2017	32672.66	31017.11	79.70	71.55	129993
August 2017	32686.48	31128.02	77.75	60.15	106527
September 2017	32524.11	31081.83	85.40	64.20	617275
October 2017	33340.17	31440.48	140.40	74.60	1094245
November 2017	33865.95	32683.59	128.00	100.00	344329
December 2017	34137.97	32565.16	128.95	109.50	175052
January 2018	36443.98	33703.37	118.95	99.00	182872
February 2018	36256.83	33482.81	110.00	89.25	132877
March 2018	34278.63	32483.84	95.00	72.60	82707



## G) Market Price Data – NSE:

Month	S&P CNX Nifty		EON Share Price (In Rs.)		No. of Shares Traded
	High	Low	High Price	Low Price	
April 2017	9367.15	9075.15	80.00	65.40	15,45,219
May 2017	9649.60	9269.90	78.00	61.25	5,84,052
June 2017	9709.30	9448.75	95.30	68.30	25,08,128
July 2017	10114.85	9543.55	81.00	72.00	2,09,323
August 2017	10137.85	9685.55	77.50	60.15	2,18,435
September 2017	10178.95	9687.55	86.15	64.90	12,69,301
October 2017	10384.50	9831.05	137.50	76.00	36,02,821
November 2017	10490.45	10094.00	128.40	99.65	10,87,948
December 2017	10552.40	10033.35	126.90	108.90	4,69,962
January 2018	11171.55	10404.65	118.95	98.00	4,51,211
February 2018	11117.35	10276.30	110.00	89.35	3,72,149
March 2018	10525.50	9951.90	95.70	72.00	4,00,586



**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**

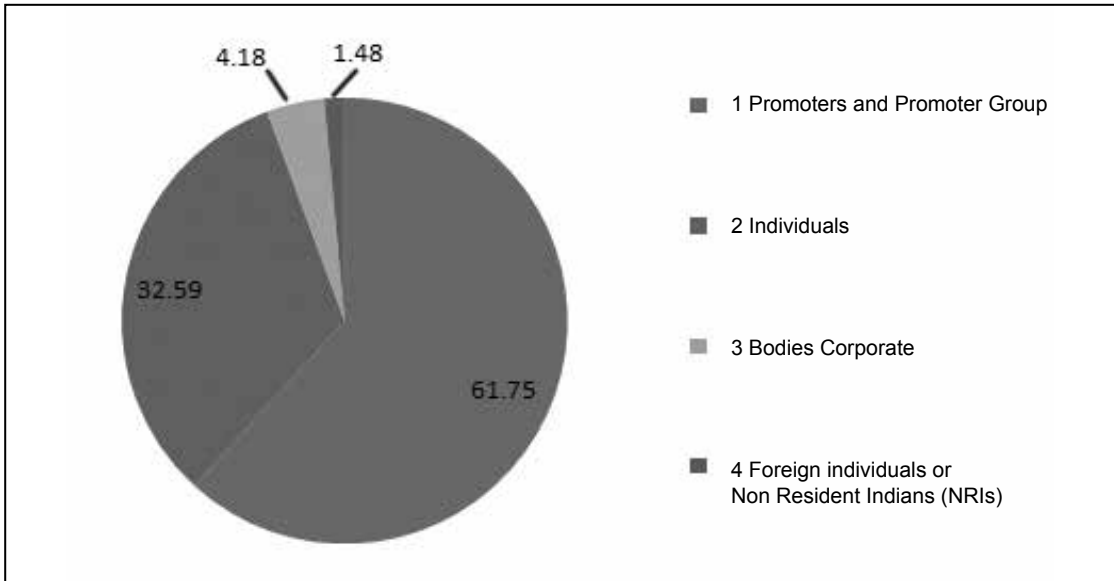
Details of distribution of Shareholding of the Equity Shares of the Company by Size and by Ownership Class on March 31, 2018 along with the Top 10 Shareholders of the Company are given below:

**Shareholding Pattern by Size as on March 31, 2018**

No. of Shareholders	% of Total Shareholders	Shareholding of Nominal Value of Rs 5/-	Paid-Up Capital Amount (In Rs.)	% of Total Paid-Up Capital
16768	95.905	01 to 5000	1,50,11,830	17.763
389	2.225	5001 to 10000	29,94,535	3.543
162	0.927	10001 to 20000	2,357,910	2.79
68	0.389	20001 to 30000	16,51,785	1.954
19	0.109	30001 to 40000	6,71,640	0.795
18	0.103	40001 to 50000	8,30,385	0.983
30	0.172	50001 to 100000	22,04,955	2.609
30	0.172	100001 & Above	5,87,89,290	69.563
<b>17484</b>	<b>100.00</b>	<b>TOTAL</b>	<b>8,45,12,330</b>	<b>100.00</b>

**Shareholding Pattern by Ownership as on March 31, 2018**

S. No.	Particulars	Total No. of Equity Shares Held	% Age of Holding
1.	Promoters and Promoter Group	1,04,37,123	61.75
2.	Individuals	55,09,280	32.59
3.	Bodies Corporate	7,06,769	4.18
4.	Foreign Individuals or Non Resident Indians (NRIs)	2,49,294	1.48
	<b>Total</b>	<b>1,69,02,466</b>	<b>100.00</b>


**Top 10 Shareholders as on March 31, 2018**

S. No.	Name of Shareholder	No. of Shares Held	% age of Shareholding
1.	M/s VPM Electricals Pvt. Ltd.	58,62,177	34.68
2.	M/s VPM Industrial Services Corporation LLP	22,44,256	13.28
3.	Mr. Ved Prakash Mahendru	9,09,413	5.38
4.	Mr. Vivek Mahendru	5,90,660	3.50
5.	Mr. Vinay Mahendru	5,76,707	3.41
6.	Mrs. Ratna Mahendru	1,33,932	0.79
7.	Mrs. Smita Divyesh Shah jty. with Mr. Ambalal Shah	130443	0.77
8.	M/s Rajasthan Global Securities Pvt. Ltd.	1,28,194	0.76
9.	Mrs. Bela Mahendru	1,19,978	0.71
10.	Mr. Rakesh Ramesh Jain	97,367	0.57

**K) Dematerialization of Shares and Liquidity**

As on March 31, 2018, the number of equity shares held in dematerialized form was 1,62,50,337 (96.14%) and in physical form was 6,52,129 (3.86%) 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, 2018.

**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, SIDCUL, Haridwar, Uttarakhand - 249403

## 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](mailto:investors@eonelectric.com) for investors/ shareholders to send their grievances/ complaints.

## DISCLOSURES

1. During the Financial Year 2017-18, the Company had no materially significant Related Party Transaction, which is considered to have potential conflict with the interests of the Company at large.
2. 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, 2018.
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. 43 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://eonelectric.com/investor/corporate%20Policy/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://eonelectric.com/investor/corporate%20Policy/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 does not have any subsidiary company during the financial year 2017-18.

## Compliances under Listing Regulations

The Company is regularly complying with the Listing Regulations as stipulated under SEBI (Listing Obligations and Disclosure Requirements) 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 Indian Accounting Standards (Ind AS) as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of the Annual Accounts for the Financial Year 2017-18.

**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 has transferred an amount of Rs. 34,07,350/- to the unpaid/ unclaimed Dividend account to the Investor Education and Protection Fund (IEPF).

**Update your correspondence Address/ Bank Mandate/PAN/Email Id**

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/PAN/email id instantly by written request under signatures of sole/ first joint holder.

Shareholder(s) holding shares in Dematerialized form are requested to notify change in bank details/address/ email Id directly with their respective DPs

**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://eonelectric.com/investor/coc/EON\\_Code\\_of\\_conduct\\_for\\_prevention\\_of\\_Insider\\_Trading.pdf](http://eonelectric.com/investor/coc/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 29th 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 2017-18 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://eonelectric.com/investor/coc/Code\\_of\\_Conduct\\_for\\_the\\_Board\\_of\\_Directors\\_and\\_the\\_Senior\\_Management\\_Personnel.pdf](http://eonelectric.com/investor/coc/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, 2018

**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).

Pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time, all the members of the Board and senior management personnel have affirmed compliance with the code for the year ended 31st March, 2018."

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

Place: New Delhi  
Dated: 30th May, 2018

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

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**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 14, 2018

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

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members  
**Eon Electric Limited**

### INDEPENDENT AUDITOR'S 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 2018, 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, 2018.
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.

**(S.K. Bansal)**  
Partner  
M. No. 014301

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2018

For and on behalf of  
**Bansal & Co. LLP**  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079

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, 2018 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: 30th May, 2018

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

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

# Financial Statements for the Financial Year 2017-18

## Standalone

### LED LIGHTING



### FANS



### WIRES & CABLES



### WATER HEATERS



### MOBILE ACCESSORIES



## Independent Auditors' Report

To The Members of Eon Electric Ltd.

### Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of Eon Electric Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone the Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity 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 of the aforesaid standalone financial statement;
  - (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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
  - (e) on the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2018 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 Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 40 to the Ind AS 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 has been no delay in transferring the amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

Place: New Delhi  
Dated: 30th May, 2018

**SK Bansal**  
Partner  
M. No. 014301  
For and on behalf of  
**Bansal & Co LLP**  
Chartered Accountants  
Firm Regn. No: 001113N/N500079

## 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 Ind AS financial statements for the year ended on March 31, 2018 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. 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, Goods and Services 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, 2018 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.11,297,131/- as at March 31, 2018 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
Bihar Value Added Tax including interest	5,922,214	2,304,526	2012-13, 2013-14 & 2014-15	Commercial Taxes Tribunal Bihar, Patna
<b>Total</b>	<b>11,297,131</b>	<b>3,111,228</b>		

**Appeals filed by Central Excise Department as at March 31, 2018**

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>21,85,597</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 Act where applicable and details of such transactions have been disclosed in the standalone Ind AS 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 shares 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.

**SK Bansal**  
Partner

M. No. 014301

For and on behalf of

**Bansal & Co LLP**

Chartered Accountants

Firm Regn. No: 001113N/N500079

Place: New Delhi

Dated: 30th May, 2018

## **Annexure II to the Independent Auditors' Report of even date on the Standalone Ind AS 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, 2018 in conjunction with our audit of the standalone Ind AS 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.

#### **Auditors' 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") issued by The Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 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, 2018, 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.

**SK Bansal**

Partner

M. No. 014301

For and on behalf of

**Bansal & Co LLP**

Chartered Accountants

Firm Regn. No: 001113N/N500079

Place: New Delhi

Dated: 30th May, 2018

## EON ELECTRIC LIMITED

### Balance Sheet as at 31st March, 2018

Particulars	Note No.	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	3	373,840,570	387,623,022	397,792,119
Capital Work-in-Progress	3	138,450	-	-
Intangible Assets	3	-	-	6,317
Investment in Joint Venture	4	9,692,030	9,692,030	9,692,030
<b>Financial Assets</b>				
Investments	5	110,104,433	108,993,404	106,818,344
Loans	6	2,260,000	2,143,909	1,998,983
Other Financial Assets	7	110,491,687	128,915,071	71,719,852
Other Non-Current Assets	8	17,457,574	16,763,273	16,336,863
<b>Total Non-current Assets</b>		<b>623,984,744</b>	<b>654,130,709</b>	<b>604,364,508</b>
<b>Current Assets</b>				
Inventories	9	420,869,702	325,392,209	378,557,466
<b>Financial Assets</b>				
Investments	10	415,157,590	382,979,610	492,325,919
Trade Receivables	11	1,105,105,202	922,500,504	643,084,395
Cash and Cash equivalents	12	47,599,132	71,694,744	57,114,752
Other Bank Balances	13	38,773,410	27,045,734	22,676,032
Other Financial Assets	14	4,666,912	4,670,111	4,677,803
Current Tax Assets (Net)	15	6,384,491	6,602,069	5,406,012
Other Current Assets	16	67,177,065	54,325,897	61,954,121
<b>Total Current assets</b>		<b>2,105,733,504</b>	<b>1,795,210,878</b>	<b>1,665,796,500</b>
<b>Total Assets</b>		<b>2,729,718,248</b>	<b>2,449,341,587</b>	<b>2,270,161,008</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity Share Capital	17	84,512,330	80,287,330	80,287,330
Other Equity	18	1,163,015,694	1,119,836,467	1,068,950,543
<b>Total Equity</b>		<b>1,247,528,024</b>	<b>1,200,123,797</b>	<b>1,149,237,873</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	6,246,953	2,497,374	-
Other Financial Liabilities	20	13,730,332	5,580,291	9,001,229
Provisions	21	19,285,039	16,396,410	14,269,426
Deferred Tax Liabilities (Net)	22	27,801,043	25,949,763	29,468,349
Other Non - Current Liabilities	23	23,769,602	17,230,924	16,521,102
<b>Total Non-current liabilities</b>		<b>90,832,969</b>	<b>67,654,762</b>	<b>69,260,106</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	24	965,277,682	752,739,438	668,987,253
Trade Payables	25	367,106,228	345,465,953	279,333,259
Other Financial Liabilities	26	43,400,143	42,024,792	39,595,012
Other Current Liabilities	27	12,598,540	38,836,639	62,386,463
Provisions	28	2,974,662	2,496,206	1,361,042
<b>Total Current Liabilities</b>		<b>1,391,357,255</b>	<b>1,181,563,028</b>	<b>1,051,663,029</b>
<b>Total Liabilities</b>		<b>1,482,190,224</b>	<b>1,249,217,790</b>	<b>1,120,923,135</b>
<b>Total Equity and Liabilities</b>		<b>2,729,718,248</b>	<b>2,449,341,587</b>	<b>2,270,161,008</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 50

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 30th May, 2018

## EON ELECTRIC LIMITED

### Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>INCOME</b>			
Revenue from Operations	29	1,586,848,519	1,857,969,846
Other Income	30	51,430,063	71,680,742
<b>Total Revenue</b>		<b>1,638,278,582</b>	<b>1,929,650,588</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	31	719,570,280	849,998,892
Excise Duty		7,737,402	47,895,280
Purchases of Stock-in-Trade	32	394,839,475	329,915,535
Changes in Inventories of Finished Goods, Stock-in-Trade & Work-in- Progress	33	(131,585,424)	42,310,186
Employee Benefits Expense	34	224,658,130	211,903,966
Finance Costs	35	113,714,746	92,945,866
Depreciation and Amortization Expense	36	21,599,410	21,135,665
Other Expenses	37	278,942,527	301,854,144
<b>Total Expenses</b>		<b>1,629,476,546</b>	<b>1,897,959,534</b>
<b>Profit before exceptional items and tax</b>		<b>8,802,036</b>	<b>31,691,054</b>
<b>Exceptional Items</b>		-	
<b>Profit before tax</b>		<b>8,802,036</b>	<b>31,691,054</b>
<b>Tax Expense</b>			
Current Tax	38	2,462,892	-
Deferred Tax		1,976,373	(4,010,552)
<b>Profit after tax</b>		<b>4,362,771</b>	<b>35,701,606</b>
<b>Other Comprehensive Income :</b>			
A Items that will not be reclassified to Profit or Loss			
i) Remeasurement benefit of Defined Benefit Plans		1,379,237	(760,027)
ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B Items that will be reclassified to Profit or Loss			
i) Net fair value gain on Investments in Debt Instruments through OCI		(607,249)	2,388,186
ii) Income tax relating to items that will not be reclassified to Profit or Loss		(125,093)	491,966
<b>Total Comprehensive Income for the year</b>		<b>5,259,852</b>	<b>36,837,799</b>
<b>Earnings per Equity Share (Face Value of ₹ 5/- each)</b>	39		
- Basic		0.27	2.22
- Diluted		0.27	2.22
Significant Accounting Policies			
Notes on Financial Statements	1 to 50		

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

Place: New Delhi  
Dated: 30th May, 2018

**60 Statement of Changes in Equity for the year ended 31st March, 2018**

	No.	Amount
<b>EQUITY SHARE CAPITAL</b>		
<b>As at 1st April 2016</b>	<b>16,057,466</b>	<b>80,287,330</b>
Add: Shares issued during the year	-	-
<b>As at 31st March, 2017</b>	<b>16,057,466</b>	<b>80,287,330</b>
Add: Shares issued on conversion of Warrants	845,000	4,225,000
<b>As at 31st March, 2018</b>	<b>16,902,466</b>	<b>84,512,330</b>

OTHER EQUITY	Reserves and Surplus					Debt Instruments through Other Share Income	Money Received against Warrants	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
<b>Re-stated Balances as at 1st April, 2016</b>	<b>36,891,000</b>	<b>17,841,620</b>	<b>307,090,220</b>	<b>1,045,129,775</b>	<b>(344,818,217)</b>	<b>6,816,145</b>	<b>-</b>	<b>1,068,950,543</b>
Net Profit for the year	-	-	-	-	35,701,606	-	-	35,701,606
Other Comprehensive Income for the year	-	-	-	-	(760,027)	1,896,220	-	1,136,193
Money received against Share Warrants issued during the year	-	-	-	-	-	-	14,048,125	14,048,125
<b>As at 31st March, 2017</b>	<b>36,891,000</b>	<b>17,841,620</b>	<b>307,090,220</b>	<b>1,045,129,775</b>	<b>(309,876,638)</b>	<b>8,712,365</b>	<b>14,048,125</b>	<b>1,119,836,467</b>
Net Profit for the year	-	-	-	-	4,362,771	-	-	4,362,771
Other Comprehensive Income for the year	-	-	-	-	1,379,237	(482,156)	-	897,081
Money received against Share Warrants	-	-	-	-	-	-	42,144,375	42,144,375
Shares issued on conversion of Warrants	-	-	-	-	-	-	(4,225,000)	(4,225,000)
Premium on conversion of Warrants to Equity Shares during the year	-	-	51,967,500	-	-	-	(51,967,500)	-
<b>As at 31st March, 2018</b>	<b>36,891,000</b>	<b>17,841,620</b>	<b>389,057,720</b>	<b>1,045,129,775</b>	<b>(304,134,630)</b>	<b>8,230,209</b>	<b>-</b>	<b>1,163,015,694</b>

As per our report of even date annexed.

S.K. Bansal  
Partner  
Membership No. 014301  
for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113NIN500079  
Place: New Delhi  
Dated: 30th May, 2018

For and on behalf of Board of Directors

Vinay Mahendru  
Joint Managing Director  
DIN : 00005371  
  
Shiv Kumar Jha  
Company Secretary

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

K.B. Sattija  
Chief Financial Officer

**EON ELECTRIC LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2018**

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	<b>8,802,036</b>	31,691,054
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	<b>21,599,410</b>	21,135,665
Impairment Allowance for Trade Receivables	-	9,220,310
Interest Income	<b>(18,274,192)</b>	(16,738,870)
Finance Cost	<b>104,012,000</b>	84,664,869
Actuarial Gains/( Loss) on measurement of Employee Benefits	<b>1,379,237</b>	(760,027)
Loss/(Profit) on Sale of Property, plant and Equipment(Net)	-	(142,797)
Loss/(Profit) on Sale of Investments	<b>(2,546,640)</b>	(22,178,859)
Fair Value Loss/(Gain) on Financial Assets	<b>(25,815,903)</b>	(21,968,763)
Impairment Allowance for Trade Receivables written back	<b>(15,771)</b>	-
<b>Operating Profit before Working Capital Changes</b>	<b>89,140,177</b>	84,922,582
<b>Movements in Working Capital :</b>		
Increase in Loans	<b>(116,091)</b>	(144,926)
(Increase) / Decrease in Other Non Current Financial Assets	<b>18,423,384</b>	(57,195,219)
(Increase) / Decrease in Other Non Current Assets	<b>(694,301)</b>	(426,410)
(Increase) / Decrease in Inventories	<b>(95,477,493)</b>	53,165,257
(Increase) / Decrease in Trade Receivables	<b>(182,588,927)</b>	(288,636,419)
(Increase) / Decrease in Other Bank Balances	<b>(11,727,676)</b>	(4,369,702)
(Increase) / Decrease in Other Current Assets	<b>(12,851,168)</b>	7,628,224
Increase /(Decrease) in Other Non Current Financial Liabilities	<b>8,150,041</b>	(3,420,938)
Increase /(Decrease) in Long Term Provisions	<b>2,888,629</b>	2,126,984
Increase /(Decrease) in Other Non Current Liabilities	<b>6,538,678</b>	709,822
Increase /(Decrease) in Trade Payables	<b>21,640,275</b>	66,132,694
Increase /(Decrease) in Other Financial Liabilities	<b>1,375,351</b>	2,429,780
Increase /(Decrease) in Other Current Liabilities	<b>(26,238,099)</b>	(23,549,824)
Increase /(Decrease) in Short Term Provisions	<b>478,456</b>	1,135,164
<b>Cash generated from / (used in) Operations</b>	<b>(181,058,764)</b>	(159,492,931)
Direct Taxes Paid	<b>2,245,314</b>	1,196,057
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(183,304,078)</b>	(160,688,988)

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Property, Plant and Equipment including Capital Work-in-progress	<b>(7,955,408)</b>	(11,312,454)
Proceeds from sale of Property, Plant and Equipment	-	495,000
Purchase of Current Investments	<b>(113,196,240)</b>	(277,700,000)
Purchase of Non - Current Investments	<b>(1,582,611)</b>	(856,462)
Proceeds from sale of Current Investments	<b>109,245,136</b>	431,193,931
Proceeds from sale of Non - Current Investments	-	1,069,588
Interest Received	<b>18,277,391</b>	16,746,562
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>4,788,268</b>	159,636,165

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issuance of Share Capital/ ShareWarrants	<b>42,144,375</b>	14,048,125
Proceeds from Long Term Borrowings	<b>3,749,579</b>	2,497,374
Proceeds from Short Term Borrowings	<b>214,305,969</b>	500,425,921
Repayment of Short Term Borrowings	<b>(1,767,725)</b>	(416,673,736)
Interest Paid	<b>(104,012,000)</b>	(84,664,869)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>154,420,198</b>	15,632,815
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(24,095,612)</b>	14,579,992
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>71,694,744</b>	57,114,752
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>47,599,132</b>	71,694,744

As per our report of even date annexed.

S.K. Bansal  
Partner  
Membership No. 014301

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Shiv Kumar Jha  
Company Secretary

For and on behalf of Board of Directors

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

K.B.Satija  
Chief Financial Officer

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



## Significant Accounting Policies

### 1. Corporate Information :

Eon Electric Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Registered Office of the company is situated at House No. 1048, Sector 14, Sonapat, Haryana. The shares of the company 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. The financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on 30th May, 2018.

### 2. Significant Accounting Policies

#### 2.1 Statement of Compliance

These Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

#### 2.2 Basis of preparation

These financial statements are covered by Ind AS 101: First time adoption of Indian Accounting Standards (Ind AS) being first Ind AS Annual Financial Statements for the year ended 31st March 2018 and are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Ind AS accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently over all the periods presented in these financial statements.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition was carried out from the accounting principles generally accepted in India (Indian GAAP) which is considered as previous GAAP, as defined in Ind AS 101.

An explanation of how the transition to Ind AS has impacted the Company's equity and profits is provided in Note No 48.

The financial statements have been prepared on accrual and going concern basis and the historical cost convention, except for the certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under relevant Ind AS.

#### 2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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## Significant Accounting Policies

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All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.4 Property, Plant and Equipment

#### Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

#### Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

#### Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### 2.5 Intangible Assets

#### Measurement at recognition:

Intangible Assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognized at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Costs relating to development of Computer Software are capitalized. Software expenses, other than development costs, are expensed off in the year they are incurred.

## Significant Accounting Policies

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Computer Software is amortised over a period of five years.

### Amortisation:

The amortisation expense on intangible asset is recognized in the Statement of Profit and Loss .

### Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

### Research and Development:

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

## 2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense. After impairment , depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **A) Financial Assets**

The Company classifies its financial assets in the following measurement categories:

- i. Financial assets to be measured subsequently at fair value (either through other comprehensive income , or through profit or loss)
- ii. Financial assets measured at amortized cost

#### **a) Initial Recognition and Measurement**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

#### **b) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

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## Significant Accounting Policies

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- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income) For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

### c) Debt instruments at amortized cost:

A Debt instrument is measured at the amortized cost if both the following conditions are met:

- i) **Business Model Test:** The objective is to hold the debt instrument to collect contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes)
- ii) **Cash flow characteristic Test:** The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category applies to cash and bank balances, fixed deposits, trade receivables, loans and other financial assets of the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in profit or loss. The losses arising from impairment are recognised in the profit or loss.

### d) Debt instruments at FVTOCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- i) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- ii) **Cash flow characteristics Test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

### e) Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

### f) Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an

## Significant Accounting Policies

irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

### g) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (i) the Company has transferred the rights to receive cash flows from the financial assets or
  - (ii) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### h) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its financial assets measured at amortised cost and at fair value through other comprehensive income (FVTOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

## B) Financial Liabilities

### a) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services, sales incentives and other payables etc.

### b) Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding

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## Significant Accounting Policies

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effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

### c) Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

## 2.8 Investment in Subsidiary and Associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

## 2.9 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 and net realizable value.
- iv) Stock-in-Trade - At cost.
- v) Material in Transit - At cost.

## 2.10 Taxes

Tax expense for the year comprises of current tax and deferred tax.

### a) Current tax:

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date. It is the amount of income tax payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

### b) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

## Significant Accounting Policies

### c) Presentation of Current and Deferred tax:

Current and Deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### 2.11 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### a) Sale of products:

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

#### b) Rendering of services:

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

#### c) Interest Income:

Interest income is recognised as it accrues in Statement of Profit and Loss, using the Effective Interest Rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### d) Dividend Income:

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 2.12 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.

## Significant Accounting Policies

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 plans

**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.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability are recognized in the Statement of Profit and Loss. Re-measurements comprising of actuarial gains and losses are recognized immediately in the Balance Sheet with a corresponding debit or credit through Other Comprehensive Income in the period in which they occur. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liabilities as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary

### 2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

A Leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental Income from operating lease is recognized on a straight-line basis over the term of the relevant lease.

Contingent rents are recognized as revenue in the period in which they are earned.

### 2.14 Operating Segments:-

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.



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## Significant Accounting Policies

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### 2.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

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.

### 2.16 Borrowing costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to the Statement of Profit and Loss. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are recognized as an expense in the period in which they occur.

### 2.17 Cash and Cash Equivalents

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

### 2.18 Foreign Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

a) Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

b) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise .

### 2.19 Provisions , Contingent Assets and Contingent Liabilities :

Provisions:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Assets:

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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## Significant Accounting Policies

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### 2.20 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.21 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 whereby Ind AS 115 relating to Revenue from Contracts with Customers has been made applicable from 1st April, 2018. The MCA has also issued Appendix B of Ind AS 21, Foreign Currency Translation and Advance Consideration which shall be applicable from 1st April, 2018.

The company will adopt these Standards and amendments from the effective date.

### 2.22 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## Significant Accounting Policies

### a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

#### i) Operating lease commitments — Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### ii) Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

### b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### i) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

#### ii) Impairment of Financial assets

The company makes allowance for doubtful trade receivables using simplified approach. Significant judgement is used to estimate doubtful accounts. In estimating doubtful accounts historical and anticipated customer performance are considered. Changes in the economy, industry, or specific customer conditions may require adjustments to the allowance for doubtful accounts recorded in the financial statements. This is done on the basis of Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### iii) Warranty provision

The company generally offers 1 to 2 year warranties for its consumer products. Management estimates the related provision for future warranty claims based on historical warranty claim information and the back to back warranty arrangements which the Company has with its suppliers. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Such assumptions and judgements may change in the future thereby causing a material adjustment to such expense in profit and loss account and carrying value of warranty provision in the balance sheet.

**Notes on Financial Statements for the year ended 31st March, 2018**
**3. PROPERTY, PLANT & EQUIPMENT**

Description	Gross Block				Depreciation/Amortisation				Net Block				
	As at 01-Apr-16	Additions Sale / Adjustments	As at 01-Apr-17	Sale / Adjustments	As at 01-Apr-16	Additions Sale / Adjustments	As at 01-Apr-17	For the Year	Adjustments	Up to 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
<b>TANGIBLE ASSETS</b>													
Land - Free Hold	84,240,000	-	84,240,000	-	-	-	-	-	-	-	84,240,000	84,240,000	84,240,000
Land - Lease Hold	81,222,689	-	81,222,689	-	1,018,288	1,018,288	1,018,288	1,018,288	-	2,036,576	79,186,113	80,204,401	81,222,689
Buildings	100,142,005	1,266,146	101,408,151	-	4,235,469	4,235,469	4,235,469	4,235,867	-	8,492,336	92,915,815	97,172,682	100,142,005
Buildings (Road)	1,760,163	-	1,760,163	-	204,280	204,280	204,280	204,280	-	408,560	1,351,603	1,555,883	1,760,163
Plant and Equipment	106,952,027	2,483,061	109,435,088	354,094	10,338,563	10,338,563	10,419,152	10,419,152	-	20,757,715	89,031,467	99,096,525	106,952,027
Furniture and Fixtures	8,856,174	1,314,277	10,170,451	244,201	1,687,175	1,687,175	1,511,797	1,511,797	-	3,198,972	7,215,680	8,483,276	8,856,174
Vehicles	5,950,207	3,864,793	9,815,000	6,244,382	1,897,677	1,897,677	2,314,496	2,314,496	-	4,212,173	11,847,209	7,917,323	5,950,207
Office equipment	959,119	304,154	1,263,273	120,383	302,954	302,954	278,572	278,572	-	581,526	802,130	960,319	959,119
Fans, Coolers and A.C.	3,756,762	325,714	4,082,476	249,192	427,471	427,471	440,599	440,599	-	868,070	3,463,598	3,655,005	3,756,762
Computers	939,630	1,118,159	2,057,789	578,229	453,692	453,692	623,206	623,206	-	1,076,898	1,559,120	1,604,097	939,630
Electrical Fittings	3,013,343	283,947	3,297,290	26,477	563,779	563,779	532,153	532,153	-	1,095,932	2,227,835	2,733,511	3,013,343
Lease Hold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	397,792,119	10,960,251	408,752,370	7,816,958	-	21,129,348	21,129,348	21,599,410	-	42,728,758	373,840,570	387,623,022	397,792,119
<b>INTANGIBLE ASSETS</b>													
Computer Software	6,317	-	6,317	-	-	-	6,317	-	-	6,317	-	-	6,317
<b>Total (B)</b>	6,317	-	6,317	-	-	-	6,317	-	-	6,317	-	-	6,317
<b>Total (A+B)</b>	397,798,436	*10,960,251	408,758,687	7,816,958	-	21,135,665	21,135,665	21,599,410	-	42,735,075	373,840,570	387,623,022	397,798,436
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	138,450	-	-

"Land-Lease Hold" represents Land obtained on long term lease from State Industrial & Infrastructure Development Corporation of Ultrakhand Limited

\* Additions during 2016-17 amounting to ₹ 11,312,454/- have been netted off against sale of ₹ 3,351,854/- and accumulated depreciation of ₹ 2,999,651/- in respect of assets sold during the said year.

**Notes on Financial Statements for the year ended 31st March, 2018**

4. INVESTMENT IN JOINT VENTURE	31-Mar-18		31-Mar-17		01-Apr-16	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Investments measured at Cost</b>						
<b>In Equity Shares of Joint Venture Company</b>						
<b>Unquoted, fully paid up</b>						
Luxtra Lighting Private Limited (Face Value of ₹10/- each)	969,203	9,692,030	969,203	9,692,030	969,203	9,692,030
<b>Total Investments in Joint Venture (I)</b>		<u>9,692,030</u>		<u>9,692,030</u>		<u>9,692,030</u>
<b>5. NON CURRENT INVESTMENTS</b>						
<b>Investments measured at Fair Value through Other Comprehensive Income</b>						
<b>In Bonds - Quoted, fully paid up</b>						
Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India	29,669	32,944,458	29,669	33,347,956	29,669	32,932,590
Tax Free Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	14,239	15,695,080	14,239	15,947,822	14,239	15,591,705
Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited	48,991	54,624,965	48,991	54,575,974	48,991	52,959,271
<b>Total Investments measured at Fair Value through Other Comprehensive Income (II)</b>		<u>103,264,503</u>		<u>103,871,752</u>		<u>101,483,566</u>
<b>Investments measured at Fair Value through Profit and Loss</b>						
<b>In Others</b>						
<b>Unquoted</b>						
Zephyr Peacock India III Fund		6,839,930		5,121,652		5,334,778
<b>Total Investments measured at Fair Value through Profit and Loss (III)</b>		<u>6,839,930</u>		<u>5,121,652</u>		<u>5,334,778</u>
<b>Total Non Current - Investments (I+II+III)</b>		<u>110,104,433</u>		<u>108,993,404</u>		<u>106,818,344</u>
<b>Aggregate amount of quoted investments</b>		-		-		-
<b>Market Value of quoted investments</b>		103,264,503		103,871,752		101,483,566
<b>Aggregate amount of unquoted investments</b>		6,839,930		5,121,652		5,334,778

**Notes on Financial Statements for the year ended 31st March, 2018**

5.1. Category-wise Non Current Investments	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Financial assets measured at Fair Value through Profit & Loss	6,839,930	5,121,652	5,334,778
Financial assets measured at Fair Value through Other Comprehensive Income	103,264,503	103,871,752	101,483,566
<b>Total Non - Current Investments</b>	<b>110,104,433</b>	<b>108,993,404</b>	<b>106,818,344</b>
<b>6. LOANS</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Security Deposits (Valued at Amortised Cost)	2,260,000	2,143,909	1,998,983
<b>Total Loans</b>	<b>2,260,000</b>	<b>2,143,909</b>	<b>1,998,983</b>
<b>7. OTHER FINANCIAL ASSETS</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Margin Money Deposits with Banks having maturity period of over 12 months	110,491,687	128,643,437	71,595,550
Fixed Deposits with maturity of over 12 months	-	271,634	124,302
<b>Total Other Financial Assets</b>	<b>110,491,687</b>	<b>128,915,071</b>	<b>71,719,852</b>
7.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.			
<b>8 OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Capital Advances	8,750,000	8,750,000	10,000,000
Security Deposits	5,595,901	4,898,749	3,350,234
Balance with Statutory/Government Authorities	2,907,349	2,783,465	2,500,000
Prepaid Expenses	204,324	331,059	486,629
<b>Total Non- Current Assets</b>	<b>17,457,574</b>	<b>16,763,273</b>	<b>16,336,863</b>
<b>9 INVENTORIES</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Raw Material	96,007,071	132,115,002	142,970,073
Work-in-Progress	41,426,104	14,231,630	15,253,111
Finished Goods	156,532,432	83,164,776	108,010,226
Stock-in-Trade	126,904,095	95,880,801	112,324,056
<b>Total Inventories</b>	<b>420,869,702</b>	<b>325,392,209</b>	<b>378,557,466</b>

**9.1 Inventories are valued as under :-**

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

**Notes on Financial Statements for the year ended 31st March, 2018**

10 CURRENT INVESTMENTS	31-Mar-18		31-Mar-17		01-Apr-16	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Investments measured at Fair Value through Profit and Loss</b>						
<b>In Mutual Funds - Unquoted, fully paid up</b>						
State Bank of India-Premier Liquid Fund-Direct Plan-Growth	-	-	-	-	15,378.368	36,615,243
Axis Income Fund-Growth (IFGPG)	1,921,230.412	32,543,146	1,921,230.412	30,250,926	2,494,987.412	35,493,441
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	-	-	-	-	2,466,807.398	64,977,680
IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan	-	-	-	-	1,013,341.363	37,250,226
IDFC Super Saver Income Fund-Investment Plan-Growth-Regular Plan	-	-	-	-	1,887,594.076	67,667,416
Kotak Bond Scheme Plan A-Growth (Regular Plan)	-	-	-	-	1,563,329.344	65,733,465
UTI Short Term Income Fund-Institutional Option-Growth	-	-	1,442,696.932	28,765,213	2,512,215.649	45,638,668
Birla Sun Life Medium Term Plan - Growth - Regular Plan	-	-	-	-	2,540,547.139	47,362,404
DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	810,301.921	23,170,664	810,301.921	21,779,133	410,795.711	10,054,964
HDFC Short Term Plan - Regular Plan - Growth	1,010,232.955	34,786,261	1,010,232.955	33,058,863	679,564.807	20,108,323
ICICI Prudential Short Term - Growth Option	-	-	-	-	1,010,005.788	31,263,517
Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan - Growth Option	2,351,893.535	59,573,698	2,386,510.041	56,064,371	1,420,992.800	30,160,572
DSP Black Rock Income Opportunities Fund - Direct Plan - Growth	1,433,312.549	42,231,981	391,947.824	10,790,951	-	-
Franklin India Low Duration Fund - Direct Plan - Growth	3,454,566.525	70,118,373	3,454,566.525	64,581,739	-	-
Franklin India Low Duration Fund - Retail Plan - Growth	582,411.182	11,634,013	582,411.182	10,752,999	-	-
HDFC Short Term Plan - Direct Plan - Growth	326,858.271	11,518,420	326,858.271	10,880,295	-	-
Reliance Corporate Bond Fund - Direct Growth Plan - Growth Option	4,732,775.946	68,528,229	4,678,469.210	63,016,641	-	-

**Notes on Financial Statements for the year ended 31st March, 2018**

State Bank of India-Premier Liquid Fund-Direct Plan-Growth	4,677,572	12,743,550	4,677,572	11,938,649	-	-
UTI Income Opportunities Fund-Direct Plan-Growth	2,624,191,845	44,306,855	2,624,191,845	41,099,830	-	-
State Bank of India-Dual Advantage Fund Series XXV	400,000,000	4,002,400	-	-	-	-
<b>Total Investments measured at Fair Value through Profit and Loss</b>		<b>415,157,590</b>		<b>382,979,610</b>		<b>492,325,919</b>
<b>Total Current - Investments</b>		<b>415,157,590</b>		<b>382,979,610</b>		<b>492,325,919</b>
Aggregate amount of quoted investments	-	-	-	-	-	-
Market Value of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	415,157,590		382,979,610		492,325,919	

**10.1 Category-wise Current Investments**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Financial assets measured at cost	-	-	-
Financial assets measured at Fair Value through Profit and Loss	415,157,590	382,979,610	492,325,919
<b>Total Current Investments</b>	<b>415,200,780</b>	<b>383,022,435</b>	<b>492,368,380</b>

**11 TRADE RECEIVABLES**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Unsecured - Considered Good	1,117,879,296	931,789,523	649,203,082
Less : Impairment Allowance for Trade Receivables	12,774,094	9,289,019	6,118,687
Unsecured - Considered Doubtful	9,734,882	13,235,728	7,185,750
Less : Impairment Allowance for Trade Receivables	9,734,882	13,235,728	7,185,750
<b>Total Trade Receivables</b>	<b>1,105,105,202</b>	<b>922,500,504</b>	<b>643,084,395</b>

**12 CASH AND CASH EQUIVALENTS**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Balances with Banks			
On Current Accounts	3,064,195	14,418,365	7,541,619
Cheques/Drafts on hand	44,346,132	57,208,562	49,409,116
Cash on hand	188,805	67,817	164,017
<b>Total Cash and Cash Equivalents</b>	<b>47,599,132</b>	<b>71,694,744</b>	<b>57,114,752</b>



**Notes on Financial Statements for the year ended 31st March, 2018**

13 OTHER BANK BALANCES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Fixed Deposits with maturity of upto 12 months	288,999	138,425	259,551
Margin Money Deposits with maturity of upto 12 months	38,484,411	23,499,959	18,995,531
Unpaid Dividend Account	-	3,407,350	3,420,950
<b>Total Other Bank Balances</b>	<b>38,773,410</b>	<b>27,045,734</b>	<b>22,676,032</b>
<b>13.1</b> Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.			
14 OTHER FINANCIAL ASSETS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Interest accrued on Investments in Bonds	4,666,912	4,670,111	4,677,803
<b>Total Other Financial Assets</b>	<b>4,666,912</b>	<b>4,670,111</b>	<b>4,677,803</b>
15 CURRENT TAX ASSETS (Net)	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
TDS Recoverable	6,384,491	6,602,069	5,406,012
<b>Total Current Tax Assets (Net)</b>	<b>6,384,491</b>	<b>6,602,069</b>	<b>5,406,012</b>
16 OTHER CURRENT ASSETS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Advances to Suppliers for goods and services	32,316,422	32,330,789	40,568,299
Loans and advances to employees	7,462,401	3,024,216	5,155,225
Balance with Customs, Central Excise and VAT Authorities	23,750,246	14,563,860	13,885,448
Prepaid Expenses	3,647,996	4,407,032	2,345,149
<b>Total Other Current Assets</b>	<b>67,177,065</b>	<b>54,325,897</b>	<b>61,954,121</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

17 SHARE CAPITAL	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Authorised Share Capital</b>						
Equity Shares of ₹ 5/- each	19,000,000	95,000,000	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	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>25,000,000</b>	<b>125,000,000</b>
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of ₹ 5/- each fully paid up	16,902,466	84,512,330	16,057,466	80,287,330	16,057,466	80,287,330
<b>Total Share Capital</b>	<b>16,902,466</b>	<b>84,512,330</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

Equity Shares	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,057,466	80,287,330	16,057,466	80,287,330	16,057,466	80,287,330
Shares issued during the year	845,000	4,225,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,902,466</b>	<b>84,512,330</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

During the year ended March 31, 2018 the Company has converted 8,45,000 Zero Coupon Equity Warrants issued by it on preferential basis by private placement to the promoters of the Company into 8,45,000 fully paid Equity Shares of the face value of ₹ 5/- each at a price of ₹ 66.50 per share. The difference between the conversion price and the face value of equity shares has been credited to Securities Premium Reserve.

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

Name of Shareholder	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	%age holding	Nos.	%age holding	Nos.	%age holding
<b>Equity Shares of ₹5/- each</b>						
VPM Industrial Services Corpn. LLP	2,244,256	13.28%	2,244,256	13.98%	2,244,256	13.98%
VPM Electricals Private Limited	5,862,177	34.68%	5,017,177	31.25%	5,017,177	31.25%
Shri V.P. Mahendru	909,413	5.38%	909,413	5.66%	909,413	5.66%

**17.3 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, 2018**

18 OTHER EQUITY	31-Mar-18		31-Mar-17		01-Apr-16	
	Amount (₹)		Amount (₹)		Amount (₹)	
Capital Reserve		36,891,000		36,891,000		36,891,000
Capital Redemption Reserve		17,841,620		17,841,620		17,841,620
Money Received against Share Warrants		-		14,048,125		-
Securities Premium Reserve						
Opening Balance	307,090,220		307,090,220		307,090,220	
Addition during the year	51,967,500	359,057,720	-	307,090,220	-	307,090,220
General Reserve		1,045,129,775		1,045,129,775		1,045,129,775
Retained Earnings						
Opening Balance	(309,876,638)		(344,818,217)		(359,640,901)	
Impact of Transition to IndAS	-		-		14,822,684	
Net Profit After Tax transferred from Statement of Profit & Loss	4,362,771		35,701,606		-	
Items of Other Comprehensive Income recognised directly in Retained Earnings						
Remeasurement of Post Employment Benefit Obligation, net of tax (Item of OCI)						
		1,379,237		(760,027)		-
Amount available for Appropriation		(304,134,630)		(309,876,638)		(344,818,217)
Other Comprehensive Income						
Opening Balance	8,712,365		6,816,145		-	
Impact of Transition to IndAS	-		-		6,816,145	
Add : Movement in OCI (Net) during the year	(482,156)	8,230,209	1,896,220	8,712,365	-	6,816,145
Total Other Equity		1,163,015,694		1,119,836,467		1,068,950,543
19. NON-CURRENT BORROWINGS	31-Mar-18		31-Mar-17		01-Apr-16	
	Amount (₹)		Amount (₹)		Amount (₹)	
<u>Vehicle Loans</u>	<u>Current</u>		<u>Current</u>		<u>Current</u>	
<b>Secured</b>						
- Banks	5,159,956	1,272,975	1,065,038	269,512	-	-
- Others	1,086,997	349,278	1,432,336	319,681	-	-
<b>Unsecured</b>						
- Deferred payment liability	-	-	-	-	-	7,897,500
Total Non-Current Borrowings	6,246,953	1,622,253	2,497,374	589,193	-	7,897,500

**Notes:**

- 19.1 Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans.
- 19.2 Vehicle Loans are repayable in 60 Equated Monthly Instalments commencing from the date of sanction of the Loan.
- 19.3 Deferred payment liability was 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.

**Notes on Financial Statements for the year ended 31st March, 2018**

20 OTHER NON-CURRENT FINANCIAL LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Security Deposits	13,730,332	5,580,291	5,580,279
Unpaid Dividend	-	-	3,420,950
<b>Total Other Non-Current Financial Liabilities</b>	<b>13,730,332</b>	<b>5,580,291</b>	<b>9,001,229</b>
21 NON-CURRENT PROVISIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Provision for Gratuity	11,635,250	10,598,548	9,043,828
Provision for Compensated Absences	7,649,789	5,797,862	5,225,598
<b>Total Non-Current Provisions</b>	<b>19,285,039</b>	<b>16,396,410</b>	<b>14,269,426</b>
22 DEFERRED TAX LIABILITIES (Net)	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Accelerated Depreciation for Tax purposes	27,038,400	27,967,883	28,121,762
Change in Fair Value of Financial Assets recognised through FVTPL	12,460,870	8,458,501	8,519,052
Change in Fair Value of Financial Assets recognised through OCI	2,135,294	2,260,387	1,768,421
Expenses allowable on payment basis	(6,878,247)	(5,776,861)	(4,829,815)
Expected Credit Loss on Trade Receivables	(6,955,274)	(6,960,147)	(4,111,071)
<b>Total Deferred Tax Liabilities (Net)</b>	<b>27,801,043</b>	<b>25,949,763</b>	<b>29,468,349</b>
23 OTHER NON-CURRENT LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Security Deposits	23,769,602	17,230,924	16,521,102
<b>Total Other Non - Current Liabilities</b>	<b>23,769,602</b>	<b>17,230,924</b>	<b>16,521,102</b>
24 CURRENT BORROWINGS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>Secured</b>			
<b>Banks</b>			
<b>Cash Credit</b>			
- State Bank of India / Patiala	302,809,350	252,313,517	270,306,399
- RBL Bank Limited	98,192,302	99,960,027	-
<b>Overdraft</b>			
- Standard Chartered Bank	201,573,007	150,267,606	-
- RBL Bank Limited	362,703,023	250,198,288	-
- Deutsche Bank A.G.	-	-	398,680,854
<b>Total Current Borrowings</b>	<b>965,277,682</b>	<b>752,739,438</b>	<b>668,987,253</b>

- 24.1** Cash Credit Facility from State Bank of India / 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. The said facility is re-payable on demand.

## Notes on Financial Statements for the year ended 31st March, 2018

- 24.2** 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. The said facility is re-payable on demand.
- 24.3** 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. The said loan is valid for one day or repayable on demand.
- 24.4** Overdraft from RBL Bank Limited is secured by pledge of Debt Mutual Funds and Bonds held in the name of the company and 900,000 shares of the company held by the promoters. The said loan is repayable on demand.
- 24.5** Overdraft from Deutsche Bank A.G. since settled in full during the year 2016-17 was secured against pledge of approved Investments in Mutual Funds and Bonds held in the name of the company.

<b>25 TRADE PAYABLES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Micro, Small and Medium Enterprises	-	-	-
Others	<b>367,106,228</b>	345,465,953	279,333,259
<b>Total Trade Payables</b>	<b>367,106,228</b>	<b>345,465,953</b>	<b>279,333,259</b>

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

<b>PARTICULARS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
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	-	-	-
<b>Amount of further interest remaining due and payable in succeeding years</b>	-	-	-

<b>26 OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Current maturities of Long Term Borrowings (Refer Note No. 19)	<b>1,622,253</b>	589,193	7,897,500
Unpaid Dividend	-	3,407,350	-
Other Payables	<b>41,777,890</b>	38,028,249	31,697,512
<b>Total Other Current Financial Liabilities</b>	<b>43,400,143</b>	<b>42,024,792</b>	<b>39,595,012</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

27 OTHER CURRENT LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Advances from Customers	5,985,450	11,898,467	4,179,635
GST / CST / VAT / Service Tax Payable	2,591,043	14,504,564	24,504,504
TDS Payable	2,954,271	3,191,570	3,918,212
Other Liabilities	1,067,776	9,242,038	29,784,112
<b>Total Other Current Liabilities</b>	<b>12,598,540</b>	<b>38,836,639</b>	<b>62,386,463</b>
28 CURRENT PROVISIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	736,725	891,904	305,401
Provision for Compensated Absences	2,237,937	1,407,028	1,055,641
<b>Provision for Others</b>			
Provision for Taxation	-	-	-
Provision for Excise Duty	-	197,274	-
<b>Total Current Provisions</b>	<b>2,974,662</b>	<b>2,496,206</b>	<b>1,361,042</b>
29 REVENUE FROM OPERATIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Sale of Products	1,564,250,074	1,833,664,642	
Other Operating Income	22,598,445	24,305,204	
<b>Total Revenue from Operations</b>	<b>1,586,848,519</b>	<b>1,857,969,846</b>	
29.1 PARTICULARS OF SALE OF PRODUCTS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Wires	305,508,691	399,354,710	
Lighting Products	1,035,862,337	1,064,427,122	
Electrical Consumer Durables	183,332,712	267,601,441	
Others	39,546,334	102,281,369	
<b>Total Sale of Products</b>	<b>1,564,250,074</b>	<b>1,833,664,642</b>	
30 OTHER INCOME	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Interest Income	18,274,192	16,738,870	
Net Gain on Sale of Investments	2,546,640	22,178,859	
Profit on Sale of Fixed Assets	-	234,168	
Fair Value Gain on Financial Assets	25,815,903	21,968,763	
Rental Income	2,942,166	6,655,620	
Miscellaneous Income	793,578	2,553,029	
Sundry Balances Written Back	232,843	117,161	
Provisions no longer required written back	435,699	-	
Impairment Allowance for Trade Receivables written back	15,771	-	
Gain on Foreign Currency Transactions (Net)	373,271	1,234,272	
<b>Total Other Income</b>	<b>51,430,063</b>	<b>71,680,742</b>	

**Notes on Financial Statements for the year ended 31st March, 2018**

31 COST OF MATERIALS CONSUMED	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Inventory at the beginning of the year	132,115,002	142,970,073
Add : Purchases	683,462,349	839,143,821
	815,577,351	982,113,894
Less : Inventory at the end of the year	96,007,071	132,115,002
<b>Total Cost of Materials Consumed</b>	<b>719,570,280</b>	<b>849,998,892</b>
<b>31.1 PARTICULARS OF MATERIALS CONSUMED</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Copper	226,250,849	226,648,996
Poly Vinyl Chloride (PVC)	19,633,498	29,103,858
Others (including Semi-Finished Components)	473,685,933	594,246,038
<b>Total Materials Consumed</b>	<b>719,570,280</b>	<b>849,998,892</b>
<b>32 PURCHASE OF STOCK-IN-TRADE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Wires	286,428	1,426,980
Lighting Products	337,308,791	243,278,758
Electrical Consumer Durables	59,150,984	82,719,311
Others	(1,906,728)	2,490,486
<b>Total Purchase of Stock-in-Trade</b>	<b>394,839,475</b>	<b>329,915,535</b>
<b>33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
<b>Inventories (at close)</b>		
Finished goods	156,532,432	83,164,776
Stock-in-Trade	126,904,095	95,880,801
Work-in-Progress	41,426,104	14,231,630
	324,862,631	193,277,207
<b>Inventories (at commencement)</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
	193,277,207	235,587,393
<b>(INCREASE) / DECREASE</b>	<b>(131,585,424)</b>	<b>42,310,186</b>
<b>34 EMPLOYEE BENEFITS EXPENSE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Salaries, Wages and Bonus	200,112,875	191,497,346
Contribution to Provident and other Funds	9,079,879	8,266,862
Gratuity	2,758,878	1,786,246
Leave Encashment	4,054,117	2,813,138
Staff Welfare expenses	8,652,381	7,540,374
<b>Total Employee Benefits Expense</b>	<b>224,658,130</b>	<b>211,903,966</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

**34.1** Disclosures pursuant to Ind AS-19 “Employee Benefits”(specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2015 are given below :-

**Contribution to Defined Contribution Plan, recognised as expense for the year is as under :**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Employer's Contribution towards Provident fund (PF)	8,232,514	7,744,231
Employer's Contribution towards Employee State Insurance (ESI)	847,365	522,631

**(a) Reconciliation of opening and closing balances of Defined Benefit Obligation (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present value of Defined Benefit Obligation at the beginning of the year	11,490,452	9,349,229	7,204,890	6,281,239
Interest Expense	808,256	672,210	468,734	451,621
Current Service Cost	1,950,622	1,114,036	1,408,720	1,650,625
Benefits paid	(498,118)	(405,050)	(1,371,281)	(1,889,487)
Remeasurement of (Gain) / Loss recognised in Other Comprehensive Income	(1,379,237)	760,027	-	-
Remeasurement of (Gain) / Loss recognised in Statement of Profit and Loss	-	-	2,176,663	710,892
<b>Defined Benefit obligation at year end</b>	<b>12,371,975</b>	<b>11,490,452</b>	<b>9,887,726</b>	<b>7,204,890</b>

**(b) Net Defined Benefit Liability /(Asset) recognised in the Balance Sheet (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Defined Benefit Obligation (DBO)	12,371,975	11,490,452	9,887,726	7,204,890
Fair Value of Plan Assets	-	-	-	-
Funded Status - (Surplus)/ Deficit	12,371,975	11,490,452	9,887,726	7,204,890
Effect of Asset Ceiling	-	-	-	-
<b>Net Defined Benefit Liability /(Asset)</b>	<b>12,371,975</b>	<b>11,490,452</b>	<b>9,887,726</b>	<b>7,204,890</b>

**(c) Net Defined Benefit Expense recognised in the Statement of Profit and Loss (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Service Cost	1,950,622	1,114,036	1,408,720	1,650,625
Net Interest Cost	808,256	672,210	468,734	451,621
Remeasurement of DBO	-	-	2,176,663	710,892
<b>Net Defined Benefit Expense debited to Statement of Profit and Loss</b>	<b>2,758,878</b>	<b>1,786,246</b>	<b>4,054,117</b>	<b>2,813,138</b>



**Notes on Financial Statements for the year ended 31st March, 2018**
**(d) Remeasurement (gain)/ loss recognised in Other Comprehensive Income (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Remeasurement of DBO	(1,379,237)	760,027	-	-
<b>Expense/(Income) recognised in Other Comprehensive Income</b>	<b>(1,379,237)</b>	<b>760,027</b>	<b>-</b>	<b>-</b>

**(e) Principal assumptions used in determining Defined Benefit Obligation (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Mortality Rates	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08
	IALM	IALM	IALM	IALM
Discount Rate	7.56%	7.19%	7.56%	7.19%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
- Upto 30 years	10.36%	10.36%	10.40%	10.40%
31-45 years	11.43%	11.43%	11.43%	11.43%
Above 45 years	2.68%	3.00%	2.68%	3.00%

**(f) Broad Category of Plan Assets as a percentage of total assets**

-	-	-	-
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**35 FINANCE COSTS**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Interest Expenses	99,835,578	81,664,821
Other Borrowing Costs	4,176,422	3,000,048
Bank Charges	9,702,746	8,280,997
<b>Total Finance Costs</b>	<b>113,714,746</b>	<b>92,945,866</b>

**36 DEPRECIATION AND AMORTISATION EXPENSE**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Depreciation and Amortisation	21,599,410	21,135,665
<b>Total Depreciation and Amortisation Expense</b>	<b>21,599,410</b>	<b>21,135,665</b>

**37 OTHER EXPENSES**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>Manufacturing Expenses</b>		
Power and Fuel	9,167,834	9,344,257
Labour Work Charges	25,213,358	26,104,909
Testing Charges	852,064	1,199,818
Building Repairs	608,292	1,126,235
Machinery Repairs	2,470,260	4,710,526
Excise Duty provided on Finished Goods	-	197,274
	<b>38,311,808</b>	<b>42,683,019</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>Administration Expenses</b>		
Rent	12,126,730	13,397,795
Rates and Taxes	4,051,035	11,248,082
Travelling and Conveyance	34,130,040	39,219,216
Printing and Stationery	2,129,390	2,640,337
Postage, Telegram & Telephone	6,108,527	5,325,911
Insurance	2,265,721	2,446,226
Other Repairs	28,696,375	16,899,174
Impairment Allowance for Trade Receivables	-	9,220,310
Bad Debts written off	4,416,492	624,690
Net Loss on Sale of Fixed Assets	-	91,371
Directors Sitting fees	360,000	390,000
Vehicle Maintenance	2,189,479	2,375,526
Legal & Professional Charges	21,836,078	25,411,973
<b>Payment to Auditors</b>		
- As Auditor	1,408,000	2,169,000
- For other services	-	609,232
- Service Tax	53,700	415,193
Miscellaneous Expenses	10,639,459	12,478,597
	<b>130,411,026</b>	<b>149,962,633</b>
<b>Selling and Distribution Expenses</b>		
Freight and Cartage Outwards	40,782,559	48,549,576
Advertisement	19,679,618	25,854,617
Logistics & Distribution Expenses	32,483,579	28,784,219
Business Promotion	16,214,987	9,036,968
Samples	657,313	1,983,112
Tender Charges	113,524	-
Sales Tax Assessed	288,113	-
	<b>110,219,693</b>	<b>114,208,492</b>
<b>Total Other Expenses</b>	<b>278,942,527</b>	<b>301,854,144</b>
<b>38 TAX EXPENSE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
<b>a) Current Tax</b>		
Current Tax on profit for the year	-	-
Adjustments for current tax of previous year paid under Section 115JB	2,462,892	-
Total Current Tax Expenses	2,462,892	-
<b>b) Deferred Tax</b>		
Decrease / (Increase) in Deferred Tax Assets	(1,096,513)	(3,796,122)
(Decrease) / Increase in Deferred Tax Liabilities	3,072,886	(214,430)
<b>Total Deferred Tax Expenses / (Income)</b>	<b>1,976,373</b>	<b>(4,010,552)</b>

## Notes on Financial Statements for the year ended 31st March, 2018

### 38.1 Reconciliation of Income tax expense and accounting profit multiplied by India's tax rate :

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Profit for the year (before income tax expenses)	8,802,036	31,691,054
Tax at Indian Tax rate of 30.90%	2,719,829	9,792,536
<b>Tax effects of amounts which are not deductible(taxable) in calculating taxable income :</b>		
Add :		
- Difference between Book Depreciation and Depreciation as per Income Tax Act, 1961	1,244,133	512,656
- Provision for Employee Benefits	1,101,387	947,046
- Impairment Allowance for Trade Receivables	-	2,849,076
- Short Term Capital gain on Sale of Investments	3,932,824	6,848,899
	8,998,173	20,950,213
Less :		
- Income not taxable		
- Interest on Tax Free Bonds	2,312,013	2,310,625
- Profit on Sale of Fixed Assets (Net)	-	44,124
- Increase in Fair Value of Investments	7,977,114	6,788,348
- Reversal of Provision for Impairment on Trade Receivables	4,873	-
- Unabsorbed Depreciation Loss brought forward for earlier years	-	12,659,718
<b>Total</b>	<b>(1,295,827)</b>	<b>(852,602)</b>
<b>Tax Expense</b>	<b>-</b>	<b>-</b>

39 Earnings per share	Unit	31-Mar-18	31-Mar-17
Net Profit attributable to Equity Shareholders	₹	4,362,771	35,701,606
Weighted Average number of Equity Shares outstanding during the year	Nos.	16,418,617	16,057,466
Face Value	₹	5	5
Basic Earnings Per Share	₹	0.27	2.22
Diluted Earnings Per Share	₹	0.27	2.22

**Notes on Financial Statements for the year ended 31st March, 2018**
**40 Contingent Liabilities & Commitments**

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>a Contingent Liabilities</b>			
i) Liability towards Banks against Guarantees obtained for them	274,360,883	207,895,754	137,919,607
ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty	50,000,000	50,000,000	72,500,000
iii) Excise duty demands against which the company has preferred appeals. The Company has already deposited a sum of ₹ 3,197,272/- (31-Mar-17 : ₹ 3,197,272/-) (1-Apr-16 : ₹ 3,197,272/-) against the aforesaid demand.	53,568,841	53,568,841	54,136,865
iv) Central Excise and Service Tax Appeals filed by the Department - Excise Duty - Service Tax	2,065,676 119,921	2,065,676 119,921	8,089,749 119,921
v) Sales Tax / Value Added Tax Demands against which the company has preferred appeals  The Company has already deposited a sum of ₹ 3,111,228/- (31-Mar-17 : ₹ 806,702/-) (1-Apr-16 : ₹ 806,702/-) against the aforesaid demand.	11,297,131	5,374,917	5,374,917
vi) Income Tax demands against which the company has preferred appeals	-	-	2,137,200
vii) Arrears for Statutory Bonus for 2014-15 not provided for as the retrospective amendment has been stayed by the Karnataka, Kerala & Uttrakhand High Courts.	1,416,835	1,416,835	1,416,835
<b>b Commitments</b>			
i) Capital commitments (net of advance).	-	194,250	3,173,810
ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund	2,839,046	5,395,092	6,251,554

**41 Leases**
**Company as a lessee**

The Company has taken various commercial premises under cancellable operating leases. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Lease rent for Commercial Premises	<b>12,126,730</b>	13,397,795	13,280,942
<b>Total</b>	<b>12,126,730</b>	<b>13,397,795</b>	<b>13,280,942</b>

## Notes on Financial Statements for the year ended 31st March, 2018

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

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Not later than one year	206,764	8,988,369	13,021,561
Later than one year and not later than five years	-	53,065	8,670,869
Later than five years	-	-	-
<b>Total</b>	<b>206,764</b>	<b>9,041,434</b>	<b>21,692,430</b>

### 42 Information on Operating Segments of the Company for the year ended 31st March 2018

#### Operating Segments

In accordance with the Ind AS-108 "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 the Company's operations have been categorized into the following Operating segments :-

**Cable and Wires** includes Wires and Cables etc.

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

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

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

No operating segments have been aggregated to form above reportable operating segments.

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, 2018

### Information About Business Segments

	Cable & Wires						Lighting		Electrical Consumer Durables		Others		Total	
	31-Mar-18		31-Mar-17		31-Mar-18		31-Mar-17		31-Mar-18		31-Mar-17		31-Mar-18	
<b>1. Segment Revenue</b>														
Revenue from Operations	306,384,544	399,354,710	1,057,584,929	1,088,732,326	183,332,712	267,601,441	39,546,334	102,281,369	1,586,848,519	1,857,969,846				
<b>Revenue from Operations</b>	<b>306,384,544</b>	<b>399,354,710</b>	<b>1,057,584,929</b>	<b>1,088,732,326</b>	<b>183,332,712</b>	<b>267,601,441</b>	<b>39,546,334</b>	<b>102,281,369</b>	<b>1,586,848,519</b>	<b>1,857,969,846</b>				
<b>2. Segment Results</b>														
(Profit / Loss)														
Finance Costs														
Unallocated Corporate Expenses/ (Income)	(62,646,224)	(78,398,305)	298,584,108	294,022,258	(10,267,718)	115,565	(17,720,358)	(14,943,469)	207,949,808	200,796,049				
<b>Profit before Exceptional Items and Tax</b>														
Exceptional Items (Net)														
<b>Profit before Tax</b>														
Tax Expense														
<b>Profit after Tax</b>														
<b>3. Other Information</b>														
Segment Assets	433,978,478	463,379,569	1,144,112,681	812,430,846	227,160,808	266,785,288	102,347,507	109,632,986	1,907,599,474	1,652,228,689				
Unallocated Corporate Assets									822,118,774	797,112,898				
<b>Total Assets</b>	<b>433,978,478</b>	<b>463,379,569</b>	<b>1,144,112,681</b>	<b>812,430,846</b>	<b>227,160,808</b>	<b>266,785,288</b>	<b>102,347,507</b>	<b>109,632,986</b>	<b>2,729,718,248</b>	<b>2,449,341,587</b>				
Segment Liabilities	150,445,195	134,743,615	241,746,059	183,831,882	41,838,129	85,333,835	18,987,517	34,037,499	453,016,900	437,946,831				
Unallocated Corporate Liabilities									1,029,173,324	811,270,959				
<b>Total Liabilities</b>	<b>150,445,195</b>	<b>134,743,615</b>	<b>241,746,059</b>	<b>183,831,882</b>	<b>41,838,129</b>	<b>85,333,835</b>	<b>18,987,517</b>	<b>34,037,499</b>	<b>1,482,190,224</b>	<b>1,249,217,790</b>				
Capital Expenditure	28,600	1,776,353	736,657	1,607,434	243,728	2,689,046	6,946,423	5,239,621	7,955,408	11,312,454				
(Including Capital Work in Progress)														
Depreciation & Amortization expense	12,428,635	12,738,374	1,919,987	836,267	1,993,846	3,033,023	5,256,942	4,528,001	21,599,410	21,135,665				
Other Non-cash expenses	15,654	4,360,369	307,843	2,031,389	1,062,112	1,520,559	3,030,883	1,932,683	4,416,492	9,845,000				

## Notes on Financial Statements for the year ended 31st March, 2018

### 43 Related Party Disclosure

Disclosures as required by Indian Accounting Standard (Ind AS-24) "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 - Chief Financial Officer
- 2 Mr. Shiv Kumar Jha (Joined on 15-May-2017) - Company Secretary
- 3 Mr. Vinay Aggarwal (resigned w.e.f. 13th January, 2017) - Company Secretary

#### 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

S.No.	Nature of Transaction	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
1	<b>Remuneration paid to Directors</b>		
	Mr. V.P.Mahendru	9,150,000	8,400,000
	Mr. Vinay Mahendru	8,629,600	7,718,400
	Mr. Vivek Mahendru	8,629,600	7,718,400
	<b>Total</b>	<b>26,409,200</b>	<b>23,836,800</b>
2	<b>Remuneration paid to Key Managerial Personnel</b>		
	Mr. K.B.Satija	4,639,748	4,360,521
	Mr. Shiv Kumar Jha	274,468	-
	Mr. Vinay Aggarwal	-	349,838
	<b>Total</b>	<b>4,914,216</b>	<b>4,710,359</b>
3	<b>Proceeds received against Issue of Share Warrants</b>		
	VPM Electricals Pvt. Ltd.	42,144,375	14,048,125
	<b>Total</b>	<b>42,144,375</b>	<b>14,048,125</b>
4	<b>Balance outstanding at the year end</b>		
	<b>Payable</b>		
	Mr. V.P.Mahendru	1,795,343	935,544
	Mr. Vinay Mahendru	25,143	72,207
	Mr. Vivek Mahendru	1,291,910	459,380
	Luxtra Lighting Private Limited	7,367	7,367
	IAFL Switchgears Private Limited	22,991	22,991
	VPM Electricals Private Limited	-	17,200
	<b>Total</b>	<b>3,142,754</b>	<b>1,514,689</b>

### 44 Investment in Joint Ventures

- These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements"
- The Company's investment in Joint Venture is as under :

Name of the Joint Venture	Country of incorporation	Contribution towards Equity (₹)	Portion of ownership interest as at 31-Mar-18	Portion of ownership interest as at 31-Mar-17	Portion of ownership interest as at 01-Apr-16	Method used to account for the investment
Luxtra Lighting Private Limited	India	9,692,030	49%	49%	49%	At cost

**Notes on Financial Statements for the year ended 31st March, 2018**
**45 Fair Value Measurement**
**Financial Instrument by category**

Particulars	As at 31-Mar, 2018			As at 31-Mar, 2017			As at 01-Apr-2016		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
<b>Financial Assets</b>									
<b>Non-current</b>									
- Investments in Bonds	-	-	103,264,503	-	-	103,871,752	-	-	101,483,566
- Investments in Others	-	6,839,930	-	-	5,121,652	-	-	5,334,778	-
- Loans	2,260,000	-	-	2,143,909	-	-	1,998,983	-	-
- Others	110,491,687	-	-	128,915,071	-	-	71,719,852	-	-
<b>Current</b>									
- Investments in Mutual Funds	-	415,157,590	-	-	382,979,610	-	-	492,325,919	-
- Trade Receivables	1,105,105,202	-	-	922,500,504	-	-	643,084,395	-	-
- Cash and Cash equivalents	47,599,132	-	-	71,694,744	-	-	57,114,752	-	-
- Other Bank Balances	38,773,410	-	-	27,045,734	-	-	22,676,032	-	-
- Others	4,666,912	-	-	4,670,111	-	-	4,677,803	-	-
<b>Total Financial Assets</b>	<b>1,308,896,343</b>	<b>421,997,520</b>	<b>103,264,503</b>	<b>1,156,970,073</b>	<b>388,101,262</b>	<b>103,871,752</b>	<b>801,271,817</b>	<b>497,660,697</b>	<b>101,483,566</b>
<b>Financial Liabilities</b>									
<b>Non-current</b>									
- Borrowings	6,246,953	-	-	2,497,374	-	-	-	-	-
- Others	13,730,332	-	-	5,580,291	-	-	9,001,229	-	-
<b>Current</b>									
- Borrowings	965,277,682	-	-	752,739,438	-	-	668,987,253	-	-
- Trade Payables	367,106,228	-	-	345,465,953	-	-	279,333,259	-	-
- Others	43,400,143	-	-	42,024,792	-	-	39,595,012	-	-
<b>Total Financial Liabilities</b>	<b>1,396,761,338</b>	-	-	<b>1,148,307,848</b>	-	-	<b>996,916,753</b>	-	-

\* FVTPL - Fair Value Through Profit and Loss

# FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



**Notes on Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 01-Apr-16	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	5,334,778	-	5,334,778	-
- Investments in Mutual Funds (Current)	492,325,919	492,325,919	-	-
<b>Total</b>	<b>497,660,697</b>	<b>492,325,919</b>	<b>5,334,778</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 01-Apr-16</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	1,998,983	-	-	1,998,983
- Others (Non-Current)	71,719,852	-	-	71,719,852
- Trade Receivables (Current)	643,084,395	-	-	643,084,395
- Cash and Cash equivalents (Current)	57,114,752	-	-	57,114,752
- Other Bank Balances (Current)	22,676,032	-	-	22,676,032
- Others (Current)	4,677,803	-	-	4,677,803
<b>Total</b>	<b>801,271,817</b>	<b>-</b>	<b>-</b>	<b>801,271,817</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	-	-	-	-
- Others (Non-Current)	9,001,229	-	-	9,001,229
- Borrowings (Current)	668,987,253	-	-	668,987,253
- Trade Payables (Current)	279,333,259	-	-	279,333,259
- Others (Current)	39,595,012	-	-	39,595,012
	<b>996,916,753</b>	<b>-</b>	<b>-</b>	<b>996,916,753</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	101,483,566	101,483,566	-	-
<b>Total</b>	<b>101,483,566</b>	<b>101,483,566</b>	<b>-</b>	<b>-</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 31-Mar-17	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	5,121,652	-	5,121,652	-
- Investments in Mutual Funds (Current)	382,979,610	382,979,610	-	-
<b>Total</b>	<b>388,101,262</b>	<b>382,979,610</b>	<b>5,121,652</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-17</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	2,143,909	-	-	2,143,909
- Others (Non-Current)	128,915,071	-	-	128,915,071
- Trade Receivables (Current)	922,500,504	-	-	922,500,504
- Cash and Cash equivalents (Current)	71,694,744	-	-	71,694,744
- Other Bank Balances (Current)	27,045,734	-	-	27,045,734
- Others (Current)	4,670,111	-	-	4,670,111
<b>Total</b>	<b>1,156,970,073</b>	<b>-</b>	<b>-</b>	<b>1,156,970,073</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	2,497,374	-	-	2,497,374
- Others (Non-Current)	5,580,291	-	-	5,580,291
- Borrowings (Current)	752,739,438	-	-	752,739,438
- Trade Payables (Current)	345,465,953	-	-	345,465,953
- Others (Current)	42,024,792	-	-	42,024,792
<b>Total</b>	<b>1,148,307,848</b>	<b>-</b>	<b>-</b>	<b>1,148,307,848</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	103,871,752	103,871,752	-	-
<b>Total</b>	<b>103,871,752</b>	<b>103,871,752</b>	<b>-</b>	<b>-</b>

**Notes on Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 31-Mar-18	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	6,839,930	-	6,839,930	-
- Investments in Mutual Funds (Current)	415,157,590	415,157,590	-	-
<b>Total</b>	<b>421,997,520</b>	<b>415,157,590</b>	<b>6,839,930</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-18</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	2,260,000	-	-	2,260,000
- Others (Non-Current)	110,491,687	-	-	110,491,687
- Trade Receivables (Current)	1,105,105,202	-	-	1,105,105,202
- Cash and Cash equivalents (Current)	47,599,132	-	-	47,599,132
- Other Bank Balances (Current)	38,773,410	-	-	38,773,410
- Others (Current)	4,666,912	-	-	4,666,912
<b>Total</b>	<b>1,308,896,343</b>	<b>-</b>	<b>-</b>	<b>1,308,896,343</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	6,246,953	-	-	6,246,953
- Others (Non-Current)	13,730,332	-	-	13,730,332
- Borrowings (Current)	965,277,682	-	-	965,277,682
- Trade Payables (Current)	367,106,228	-	-	367,106,228
- Others (Current)	43,400,143	-	-	43,400,143
<b>Total</b>	<b>1,395,761,338</b>	<b>-</b>	<b>-</b>	<b>1,395,761,338</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	103,264,503	103,264,503	-	-
<b>Total</b>	<b>103,264,503</b>	<b>103,264,503</b>	<b>-</b>	<b>-</b>

**(ii) Valuation techniques used to determine Fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation techniques used to value financial instrument includes:

- the use of quoted market prices or dealer quotes for similar financial instruments.
- the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature.

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**Notes on Financial Statements for the year ended 31st March, 2018**


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**46. Financial Risk Management – Objectives and Policies**

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, trade receivables, cash and cash equivalents, other bank balances and other financial assets.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors oversee the management of these financial risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below :

**1) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, trade receivables and trade payables.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Investments in Debt based Mutual Funds and Company's borrowings from Banks at floating interest rates. Any increase or decrease in the rate of interest would directly affect the return on these investments. Similarly any increase or decrease in the rate of interest on borrowings would have an adverse or favourable impact on the profitability of the Company.

**b) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's Unhedged foreign currency denominated monetary items are as follows:

Foreign Currency	Liabilities			Assets		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
USD	262,628.44	368,826.79	263,687.85	58,986.28	67,437.88	133,346.61
Euro	-	-	17,628.34	-	-	-

**c) Other Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

The Company is exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2018, the carrying value of such instruments recognised at FVTOCI amounts to ₹103,264,503/- (₹103,871,752/- as at 31st March, 2017 and ₹101,483,566/- as at 1st April, 2016). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note No. 5.

## Notes on Financial Statements for the year ended 31st March, 2018

### 2) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in mutual funds, deposits with banks and other financial instruments.

#### a) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an analysis of its credit worthiness and accordingly individual credit limits are defined / modified. Outstanding customer receivables are regularly monitored and any sales to new customers are generally covered by letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The concentration of credit risk is limited due to the fact that the customer base is large and located in several jurisdictions.

The following table summarizes the movement in expected credit loss allowance measured using the Life Time Expected Credit Loss model:

Particulars	As at 31-Mar-18	As at 31-Mar-17
At the beginning of the year	22,524,747	13,304,437
Provision during the year	-	9,289,019
Reversal of provision	(15,771)	-
<b>At the end of year</b>	<b>22,508,976</b>	<b>22,524,747</b>

#### b) Investments in Mutual Funds and Other Financial Assets

Credit risk arising from investment in mutual funds and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

### 3) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining funds in cash and cash equivalents. The Company also has credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

**Notes on Financial Statements for the year ended 31st March, 2018**

(In ₹)

As at 31-Mar-18	Less than 1 year	1 to 5 years	Total
<b><u>Non-Current</u></b>			
Borrowings	-	6,246,953	6,246,953
Other Financial Liabilities	13,730,332		13,730,332
<b><u>Current</u></b>			
Borrowings	965,277,682	-	965,277,682
Trade Payables	367,106,228	-	367,106,228
Other Financial Liabilities	43,400,143	-	43,400,143
As at 31-Mar-17	Less than 1 year	1 to 5 years	Total
<b><u>Non-Current</u></b>			
Borrowings	-	2,497,374	2,497,374
Other Financial Liabilities	5,580,291		5,580,291
<b><u>Current</u></b>			
Borrowings	752,739,438	-	752,739,438
Trade Payables	345,465,953	-	345,465,953
Other Financial Liabilities	42,024,792	-	42,024,792
As at 1-Apr-16	Less than 1 year	1 to 5 years	Total
<b><u>Non-Current</u></b>			
Borrowings	-	-	-
Other Financial Liabilities	9,001,229		9,001,229
<b><u>Current</u></b>			
Borrowings	668,987,253	-	668,987,253
Trade Payables	279,333,259	-	279,333,259
Other Financial Liabilities	39,595,012	-	39,595,012

**47. Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2018, the Company has only one class of equity shares. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**48. Disclosures as required by Indian Accounting Standard (Ind AS 101) First Time Adoption of Indian Accounting Standards**

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (The Company's date of transition).

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

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**Notes on Financial Statements for the year ended 31st March, 2018**

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This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

- a) Balance Sheet as at 1st April, 2016 (Transition date);
- b) Balance Sheet as at 31st March, 2017;
- c) Statement of Profit and Loss for the year ended 31st March, 2017; and
- d) Statement of Cash flows for the year ended 31st March, 2017.

**1) EXEMPTIONS AVAILED:**

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

**a) Business Combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company has availed the said exemption and elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Accordingly business combinations occurring prior to the transition date have not been restated.

**b) Deemed Cost**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of all its Property, Plant and Equipment and Intangible Assets as its deemed cost on the date of transition to Ind AS.

**c) Leases**

Appendix C to Ind AS 17- "Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind-AS except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

**d) Investments in Subsidiaries, Associates and Joint ventures**

Ind AS 101 permits the first time adopter to measure investment in Subsidiaries, Joint ventures and Associates in accordance with Ind AS 27 at one of the following:

- a) cost determined in accordance with Ind AS 27 or
- b) Deemed cost:
  - (i) fair value at date of transition
  - (ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries, Joint ventures and associates on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27- "Separate Financial Statements".

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**Notes on Financial Statements for the year ended 31st March, 2018**

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**2) Ind AS Mandatory Exceptions****a) Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**b) Derecognition of Financial Assets and Financial Liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**c) Classification of Financial Assets and Liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**d) Impairment of Financial Assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.



## Reconciliations of Balance Sheet as at 31st March, 2017 and 1st April, 2016

Amount (₹)

Particulars	Reference	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	GAAP Adjustments	As per Ind AS	Previous GAAP	GAAP Adjustments	As per Ind AS
<b>Assets</b>							
<b>Non-current Assets</b>							
Property, plant and equipment		387,623,022	-	387,623,022	397,792,119	-	397,792,119
Capital Work-in-Progress		-	-	-	-	-	-
Intangible Assets		-	-	-	6,317	-	6,317
Investment in Joint Venture		9,692,030	-	9,692,030	9,692,030	-	9,692,030
<b>Financial Assets</b>							
Investments	A1	98,020,652	10,972,752	108,993,404	98,233,778	8,584,566	106,818,344
Loans	A2	2,260,000	(116,091)	2,143,909	2,260,000	(261,017)	1,998,983
Other Financial Assets	A3	121,318,969	7,596,102	128,915,071	69,694,922	2,024,930	71,719,852
Other Non-Current Assets	A2	16,647,182	116,091	16,763,273	16,075,846	261,017	16,336,863
<b>Total Non-current Assets</b>		<b>635,561,855</b>	<b>18,568,854</b>	<b>654,130,709</b>	<b>593,755,012</b>	<b>10,609,496</b>	<b>604,364,508</b>
<b>Current Assets</b>							
Inventories		325,392,209	-	325,392,209	378,557,466	-	378,557,466
<b>Financial Assets</b>							
Investments	B1	355,605,820	27,373,790	382,979,610	464,756,170	27,569,749	492,325,919
Trade Receivables	B2	935,791,841	(13,291,337)	922,500,504	649,203,082	(6,118,687)	643,084,395
Cash and Cash equivalents		71,694,744	-	71,694,744	57,114,752	-	57,114,752
Other Bank Balances	B3	26,682,946	362,788	27,045,734	22,071,921	604,111	22,676,032
Other Financial Assets	A3,B3	12,629,001	(7,958,890)	4,670,111	7,306,844	(2,629,041)	4,677,803
Current Tax Assets (Net)		6,602,069	-	6,602,069	5,406,012	-	5,406,012
Other Current Assets		54,325,897	-	54,325,897	61,954,121	-	61,954,121
<b>Total Current assets</b>		<b>1,788,724,527</b>	<b>6,486,351</b>	<b>1,795,210,878</b>	<b>1,646,370,368</b>	<b>19,426,132</b>	<b>1,665,796,500</b>
<b>Total Assets</b>		<b>2,424,286,382</b>	<b>25,055,205</b>	<b>2,449,341,587</b>	<b>2,240,125,380</b>	<b>30,035,628</b>	<b>2,270,161,008</b>
<b>Equity and Liabilities</b>							
<b>Equity</b>							
Equity Share Capital		80,287,330	-	80,287,330	80,287,330	-	80,287,330
Other Equity	C	1,087,357,039	32,479,428	1,119,836,467	1,047,311,714	21,638,829	1,068,950,543
Money received against Share Warrants	C	14,048,125	(14,048,125)	-	-	-	-
<b>Total Equity</b>		<b>1,181,692,494</b>	<b>18,431,303</b>	<b>1,200,123,797</b>	<b>1,127,599,044</b>	<b>21,638,829</b>	<b>1,149,237,873</b>
<b>Liabilities</b>							
<b>Non-current Liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		2,497,374	-	2,497,374	-	-	-
Other Financial Liabilities	D	5,000,000	580,291	5,580,291	8,420,950	580,279	9,001,229
Provisions		16,396,410	-	16,396,410	14,269,426	-	14,269,426
Deferred Tax Liabilities (Net)	E	19,337,899	6,611,864	25,949,763	21,071,550	8,396,799	29,468,349
Other Non-Current Liabilities		17,230,924	-	17,230,924	16,521,102	-	16,521,102
<b>Total Non-current liabilities</b>		<b>60,462,607</b>	<b>7,192,155</b>	<b>67,654,762</b>	<b>60,283,028</b>	<b>8,977,078</b>	<b>69,260,106</b>
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		752,739,438	-	752,739,438	668,987,253	-	668,987,253
Trade Payables		345,465,953	-	345,465,953	279,333,259	-	279,333,259
Other Financial Liabilities	D	42,593,045	(568,253)	42,024,792	40,175,291	(580,279)	39,595,012
Other Current Liabilities		38,836,639	-	38,836,639	62,386,463	-	62,386,463
Provisions		2,496,206	-	2,496,206	1,361,042	-	1,361,042
<b>Total Current Liabilities</b>		<b>1,182,131,281</b>	<b>(568,253)</b>	<b>1,181,563,028</b>	<b>1,052,243,308</b>	<b>(580,279)</b>	<b>1,051,663,029</b>
<b>Total Liabilities</b>		<b>1,242,593,888</b>	<b>6,623,902</b>	<b>1,249,217,990</b>	<b>1,112,526,336</b>	<b>8,396,799</b>	<b>1,120,923,135</b>
<b>Total Equity and Liabilities</b>		<b>2,424,286,382</b>	<b>25,055,205</b>	<b>2,449,341,587</b>	<b>2,240,125,380</b>	<b>30,035,628</b>	<b>2,270,161,008</b>

**Reconciliations of Total Comprehensive Income for the year ended 31st March, 2017**
**Amount (₹)**

Particulars	Reference	Year ended 31st March, 2017		
		Previous GAAP	GAAP Adjustments	As per Ind AS
<b>INCOME</b>				
Revenue from Operations (Gross)	G	1,892,834,679	(34,864,833)	1,857,969,846
Less : Excise Duty	F	47,895,280	(47,895,280)	-
Revenue from Operations (Net)		1,844,939,399	13,030,447	1,857,969,846
Other Income	A2,B1	71,731,775	(51,033)	71,680,742
<b>Total Revenue</b>		<b>1,916,671,174</b>	<b>12,979,414</b>	<b>1,929,650,588</b>
<b>EXPENDITURE</b>				
Cost of Materials Consumed		849,998,892	-	849,998,892
Purchases of Stock-in-Trade		329,915,535	-	329,915,535
Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade		42,310,186	-	42,310,186
Excise Duty	F	-	47,895,280	47,895,280
Employee Benefits Expense	H	212,663,993	(760,027)	211,903,966
Finance Costs	D	92,933,828	12,038	92,945,866
Depreciation and Amortization Expense		21,135,665	-	21,135,665
Other Expenses	B2,G	329,401,401	(27,547,257)	301,854,144
<b>Total Expenses</b>		<b>1,878,359,500</b>	<b>19,600,034</b>	<b>1,897,959,534</b>
<b>Profit before exceptional items and tax</b>		<b>38,311,674</b>	<b>(6,620,620)</b>	<b>31,691,054</b>
<b>Exceptional Items</b>		-	-	-
<b>Profit before tax</b>		<b>38,311,674</b>	<b>(6,620,620)</b>	<b>31,691,054</b>
<b>Tax Expenses</b>				
Current Tax		-	-	-
<u>Deferred Tax</u>	E	(1,733,651)	(2,276,901)	(4,010,552)
<b>Profit for the year</b>		<b>40,045,325</b>	<b>(4,343,719)</b>	<b>35,701,606</b>
<b>Other Comprehensive Income :</b>				
i) Items that will not be reclassified to Statement of Profit and Loss	H	-	-	-
ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-	-
iii) Items that will be reclassified to Statement of Profit and Loss	A1		-	-
iv) Income tax relating to items that will be reclassified to Statement of Profit and Loss	E		491,966	491,966
<b>Total Comprehensive Income for the year</b>		<b>40,045,325</b>	<b>(4,835,685)</b>	<b>35,209,640</b>

## Notes on Financial Statements for the year ended 31st March, 2018

### Notes to the reconciliation of Balance Sheet as at 1st April, 2016 and 31st March, 2017 and the Total Comprehensive Income for the year ended 31st March, 2017

#### A Non-Current Assets

##### 1. Non-Current Investments:

In the financial statements prepared under the Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

- Investment in Joint Venture – At Cost
- Investment in Bonds - At fair value through other comprehensive income (FVTOCI)
- Investment in Others- - At fair value through profit and loss (FVTPL)

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of Joint Venture and associate companies).

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 85,84,566/- which has been recognised directly in retained earnings (Equity). Deferred tax liability amounting to Rs 17,68,421/- has been recognised on such fair valuation gain.

As at 31st March, 2017, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs. 10,972,752. The difference in the fair value of these investments as on 31st March 2017 and the transition date amounting to Rs 23,88,186/- has been recognised in OCI. Correspondingly, deferred tax expense amounting to Rs 4,91,965/- on this has been recognised in OCI.

The above transition has resulted in increase in equity by Rs 85,84,566/- as at date of transition to Ind AS and by Rs 109,72,752/- as at 31st March, 2017. Also, deferred tax on the same has resulted in decrease in equity by Rs 17,68,421/- as at date of transition to Ind AS and by Rs 22,60,386/- as at 31st March, 2017.

##### 2. Loans :

In the financial statements prepared under the Previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, Interest free Security Deposits being a financial assets are required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between the transaction value and fair value is recognised as prepaid rent as on the date of transition.

Due to this Security deposit is decreased and prepaid rent is increased by Rs 2,61,017/- and Rs 1,16,091/- as on 1st April, 2016 and 31st March, 2017 respectively. Profit for the year ended 31st March, 2017 is decreased by Rs 1,44,926/- due to amortisation of prepaid rent which is set off with the notional interest income of Rs 1,44,926/-.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

##### 3. Amortised Cost of Financial Assets

In the financial statements prepared under the previous GAAP, interest accrued on Fixed Deposits and Margin Money Deposits was shown as interest receivable on Fixed Deposits with Banks under Other Current Assets. Under Ind AS such fixed deposits are financial assets and are qualified to be recognized at amortised cost at reporting date as per Ind AS 109. Accordingly the Company has measured them at amortised cost at reporting date. Accordingly amortised cost of fixed deposits is increased by Rs 20,24,930/- and Rs 75,96,102/- as at the date of transition and March 31, 2017 respectively with the corresponding decrease in interest receivable on fixed deposits. There is no impact on total equity and profit.

#### B. Current Assets:

##### 1. Current Investments:

In the financial statements prepared under the Previous GAAP, Current Investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have been recognised at FVTPL on the date of transition.

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**Notes on Financial Statements for the year ended 31st March, 2018**


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The fair value changes are recognised in the Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 2,75,69,749/- which has been recognised directly in retained earnings (Equity). Deferred tax liability amounting to Rs 85,19,052/- has been recognised on such fair valuation gain.

As at 31st March, 2017, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 2,73,73,790/-.

Fair valuation loss for the year ended 31st March, 2017, amounted to Rs 1,95,959/- and the same has been recognized in Other income in Statement of Profit and Loss. Correspondingly, deferred tax benefit amounting to Rs 60,551/- has been recognised in Statement of Profit and Loss. The above transition has impacted an increase in equity by Rs 2,75,69,749/- as at transition date and by Rs 2,73,73,790/- as at 31st March, 2017. Also, deferred tax on the same has resulted in decrease in equity by Rs 85,19,052/- as at date of transition to Ind AS and decrease in equity by Rs 84,58,501/- as at 31st March, 2017.

**2. Impairment Allowance for Trade Receivables :**

In the financial statements prepared under the Previous GAAP, Trade Receivables of the Company were stated after making provision for doubtful debts. Under Ind AS, the company has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Due to this the difference between the impairment allowance on Trade Receivables as per IndAS and the provision made as per the financial statements prepared under the previous GAAP has resulted in a decrease in the carrying amount of Trade Receivables by Rs 61,18,687/- as at transition date and by Rs 1,32,91,337/- as at 31st March, 2017. This has also resulted in a decrease in the amount of Equity by Rs 61,18,687/- as at transition date and a reduction of Rs 71,72,650/- in the profit of the company for the year ended 31st March, 2017.

**3. Amortised Cost of Financial Assets**

In the financial statements prepared under the previous GAAP, interest accrued on Fixed Deposits and Margin Money Deposits was shown as interest receivable on Fixed Deposits with Banks under Other Current Assets. Under Ind AS such fixed deposits are financial assets and are qualified to be recognized at amortised cost at reporting date as per Ind AS 109. Accordingly the Company has measured them at amortised cost at reporting date. Accordingly amortised cost of fixed deposits is increased by Rs 6,04,111/- and Rs 3,62,788/- as at the date of transition and March 31, 2017 respectively with the corresponding decrease in interest receivable on fixed deposits. There is no impact on total equity and profit.

**C. Money received against Share Warrants**

In the financial statements prepared under the Previous GAAP, Money received against Share Warrants was shown as a separate line item which did not form part of the Equity Share Capital or Reserves and Surplus. Under Ind AS, Money received against Share Warrants is classified under the head Other Equity. The re-classification of the Money received against Share Warrants has resulted in an increase in the Other Equity by Rs 1,40,48,125/- as at 31st March, 2017.

**D. Amortised Cost of Financial Liabilities**

In the financial statements prepared under the previous GAAP, interest accrued on Security Deposits was shown as interest payable under Other Current Liabilities. Under Ind AS all financial liabilities are to be recognized at Fair Value i.e. amortised cost at reporting date as per Ind AS 109. Accordingly the Company has measured them at amortised cost at reporting date. Accordingly amortised cost of Security deposits is increased by Rs 5,80,279/- and Rs 5,80,291/- as at the date of transition and March 31, 2017 respectively with the corresponding decrease in interest payable on security deposits. There is no impact on total equity and profit.

Further the value of Vehicle Loans is increased by Rs. 12,038/- on account of valuation of such borrowing at amortised cost with a corresponding reduction in the profit for the year ended 31st March, 2017.

## Notes on Financial Statements for the year ended 31st March, 2018

### E. Deferred tax:

In the financial statements prepared under the Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognized in the financial statements prepared under the Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments have also led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities amounting to Rs 83,96,799/- as at date of transition to Ind AS and Rs 66,11,864/- as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in recognition of deferred tax benefit by Rs 22,76,901/- in the Statement of Profit and Loss and an increase in deferred tax expense by Rs 4,91,966/- in OCI.

### F. Revenue from Sale of products/ Excise Duty:

In the financial statements prepared under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of Statement of Profit and Loss as a part of expense. This change has resulted in increase in total revenue and total expense for the year ended 31st March 2017 by Rs 4,78,95,280/- There is no impact on total equity and profit.

### G. Sales Discount

In the financial statements prepared under the previous GAAP, Sales discount was presented under other expenses. Under Ind AS revenue from sales of products is recognised at fair value of consideration expected to be received. Accordingly revenue for the year ended 31st March 2017 is presented net of Sales Discount. This change has resulted in decrease in total revenue and total expense for the year ended 31st March 2017 by Rs 3,48,64,833/-. There is no impact on total equity and profit.

### H. Re-measurement benefit of Defined Benefit Plans:

In the financial statements prepared under the Previous GAAP, re-measurement benefit of defined plans (Gratuity and Leave Encashment), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re-measurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2017, re-measurement of gratuity liability and leave encashment liability resulted in an actuarial loss of Rs 7,60,027/-. The loss of Rs 7,60,027/- on account of change in actuarial assumptions has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

This has resulted in reduction in employee benefits expense by Rs 7,60,027/- and decrease in OCI by Rs 7,60,027/- for the year ended 31st March, 2017.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

However, Profit before tax and profit for the year ended 31st March, 2017 increased by Rs 7,60,027/-

### I. Other Comprehensive Income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately.

Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

### J. Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

**Notes on Financial Statements for the year ended 31st March, 2018**
**K. Reconciliation of Equity as at 31st March, 2017 and 1st April, 2016**

Particulars	(In Rs.)	
	As at 31-Mar-17	As at 01-Apr-16
<b>Other Equity as per Previous GAAP</b>	<b>1,087,357,039</b>	1,047,311,714
<b>Add/(Less) :</b>		
Effect of measuring Non-Current Investments at FVTOCI	10,972,752	8,584,566
Effect of measuring Current Investments at FVTPL	27,373,790	27,569,749
Impairment Allowance for Trade Receivables	(13,291,337)	(6,118,687)
Impact of Deferred Tax	(6,611,864)	(8,396,799)
Reclassification of Money received against Share Warrants as other equity	14,048,125	-
Other GAAP differences	(12,038)	-
<b>Other Equity as per Ind AS</b>	<b>1,119,836,467</b>	<b>1,068,950,543</b>

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

50. Figures for the previous year have been reclassified / regrouped / re-stated wherever necessary to make them comparable.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

# Financial Statements for the Financial Year 2017-18

## Consolidated

### LED LIGHTING



### FANS



### WIRES & CABLES



### WATER HEATERS



### MOBILE ACCESSORIES



## **Independent Auditors' Report**

**To The Members of Eon Electric Ltd.**

### **Report on the Consolidated Ind AS financial statements**

We have audited the accompanying consolidated Ind AS financial statements of Eon Electric Limited ("the Company"), and its Joint Venture comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein referred to as "the Consolidated Ind AS Financial Statements")

### **Management's Responsibility for the Consolidated Ind AS financial statements**

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company and its Joint Venture in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended accounting principles generally accepted in India.

The respective Board of Directors of the Company and of its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Joint Venture 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Company, as aforesaid.

### **Auditor's Responsibility**

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

In conducting 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 consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on financial statements of Joint Venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Company as at March 31, 2018 and its consolidated profit, consolidated total comprehensive income, its consolidated cash flows and consolidated statement of the changes in equity for the year ended on that date.



## Other Matters

We did not audit the financial statements of Joint Venture whose financial statements reflect total assets of Rs. 152,678/- as at 31<sup>st</sup> March 2018, total revenue of Rs. Nil and net loss of Rs.12,622/- for the year ended 31<sup>st</sup> March, 2018 as considered in the Consolidated Ind AS 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 Ind AS 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) 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 Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect of the above matter with respect to our reliance on the work done and report of other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditor on financial statements of Joint Venture incorporated in India referred in the Other Matters paragraph above we report, to the extent applicable, 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 Ind AS financial statements.
  - (b) in our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditor;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
  - (e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the company and report of the statutory auditor of its Joint Venture incorporated in India, none of the directors are disqualified as on March 31, 2018 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 and the operating effectiveness of such controls, refer to our separate Report in **Annexure I**; which is based on the auditor's reports of the Company and its Joint Venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Joint Venture, for the reasons stated therein.
  - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its Joint Venture - Refer Note 40 of the consolidated Ind AS 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 has been no delay in transferring the amounts which were required to be transferred to Investor Education and Protection Fund by the Company and there were no amounts required to be transferred to Investor Education and Protection Fund by its Joint Venture which is incorporated in India.

**SK Bansal**

Partner

M. No. 014301

For and on behalf of

**Bansal & Co LLP**

Chartered Accountants

Firm Regn. No: 001113N/N500079

Place: New Delhi

Dated: 30<sup>th</sup> May, 2018

## **Annexure I to the Independent Auditors' Report of even date on the Consolidated Ind AS 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")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Eon Electric Ltd.** ("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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its Joint Venture, which is incorporated in India, 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") issued by The Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor of the Joint Venture which is incorporated in India in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its Joint Venture which is incorporated in India.

#### **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 Ind AS 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 Ind AS 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 Ind AS 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, to the best of our information and according to the explanations given to us and based on the consideration of other auditor referred to in the Other Matters paragraph below, Company and its Joint Venture which is incorporated in India, have, 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, 2018, 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 insofar as it relates to 1 Joint Venture which is incorporated in India, is based on the corresponding report of the auditor of such Joint Venture.

Place: New Delhi  
Dated: 30<sup>th</sup> May, 2018

**SK Bansal**  
Partner  
M. No.014301  
For and on behalf of  
**Bansal & Co LLP**  
Chartered Accountants  
Firm Regn. No.001113N/N500079

## EON ELECTRIC LIMITED

### Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	3	373,840,570	387,623,022	397,792,119
Capital Work-in-Progress	3	138,450	-	-
Intangible Assets	3	-	-	6,317
Investment in Joint Venture	4	-	-	-
<b>Financial Assets</b>				
Investments	5	110,104,433	108,993,404	106,818,344
Loans	6	2,260,000	2,143,909	1,998,983
Other Financial Assets	7	110,491,687	128,915,071	71,719,852
Other Non-Current Assets	8	17,457,574	16,763,273	16,336,863
<b>Total Non-current Assets</b>		<b>614,292,714</b>	<b>644,438,679</b>	<b>594,672,478</b>
<b>Current Assets</b>				
Inventories	9	420,869,702	325,392,209	378,557,466
<b>Financial Assets</b>				
Investments	10	415,157,590	382,979,610	492,325,919
Trade Receivables	11	1,105,105,202	922,500,504	643,084,395
Cash and Cash equivalents	12	47,599,132	71,694,744	57,114,752
Other Bank Balances	13	38,773,410	27,045,734	22,676,032
Other Financial Assets	14	4,666,912	4,670,111	4,677,803
Current Tax Assets (Net)	15	6,384,491	6,602,069	5,406,012
Other Current Assets	16	67,177,065	54,325,897	61,954,121
<b>Total Current assets</b>		<b>2,105,733,504</b>	<b>1,795,210,878</b>	<b>1,665,796,500</b>
<b>Total Assets</b>		<b>2,720,026,218</b>	<b>2,439,649,557</b>	<b>2,260,468,978</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity Share Capital	17	84,512,330	80,287,330	80,287,330
Other Equity	18	1,153,323,664	1,110,144,437	1,059,258,513
<b>Total Equity</b>		<b>1,237,835,994</b>	<b>1,190,431,767</b>	<b>1,139,545,843</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	6,246,953	2,497,374	-
Other Financial Liabilities	20	13,730,332	5,580,291	9,001,229
Provisions	21	19,285,039	16,396,410	14,269,426
Deferred Tax Liabilities (Net)	22	27,801,043	25,949,763	29,468,349
Other Non - Current Liabilities	23	23,769,602	17,230,924	16,521,102
<b>Total Non-current liabilities</b>		<b>90,832,969</b>	<b>67,654,762</b>	<b>69,260,106</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	24	965,277,682	752,739,438	668,987,253
Trade Payables	25	367,106,228	345,465,953	279,333,259
Other Financial Liabilities	26	43,400,143	42,024,792	39,595,012
Other Current Liabilities	27	12,598,540	38,836,639	62,386,463
Provisions	28	2,974,662	2,496,206	1,361,042
<b>Total Current Liabilities</b>		<b>1,391,357,255</b>	<b>1,181,563,028</b>	<b>1,051,663,029</b>
<b>Total Liabilities</b>		<b>1,482,190,224</b>	<b>1,249,217,790</b>	<b>1,120,923,135</b>
<b>Total Equity and Liabilities</b>		<b>2,720,026,218</b>	<b>2,439,649,557</b>	<b>2,260,468,978</b>
Significant Accounting Policies Notes on Financial Statements	1 to 49			

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

## EON ELECTRIC LIMITED

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>INCOME</b>			
Revenue from Operations	29	1,586,848,519	1,857,969,846
Other Income	30	51,430,063	71,680,742
<b>Total Revenue</b>		<b>1,638,278,582</b>	<b>1,929,650,588</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	31	719,570,280	849,998,892
Excise Duty		7,737,402	47,895,280
Purchases of Stock-in-Trade	32	394,839,475	329,915,535
Changes in Inventories of Finished Goods, Stock-in-Trade & Work-in- Progress	33	(131,585,424)	42,310,186
Employee Benefits Expense	34	224,658,130	211,903,966
Finance Costs	35	113,714,746	92,945,866
Depreciation and Amortization Expense	36	21,599,410	21,135,665
Other Expenses	37	278,942,527	301,854,144
<b>Total Expenses</b>		<b>1,629,476,546</b>	<b>1,897,959,534</b>
<b>Profit before exceptional items and tax</b>		<b>8,802,036</b>	<b>31,691,054</b>
<b>Exceptional Items</b>		-	-
<b>Profit before tax</b>		<b>8,802,036</b>	<b>31,691,054</b>
<b>Tax Expense</b>			
Current Tax	38	2,462,892	-
Deferred Tax		1,976,373	(4,010,552)
<b>Profit after tax</b>		<b>4,362,771</b>	<b>35,701,606</b>
<b>Other Comprehensive Income :</b>			
A Items that will not be reclassified to Profit or Loss			
i) Remeasurement benefit of Defined Benefit Plan		1,379,237	(760,027)
ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B Items that will be reclassified to Profit or Loss			
i) Net fair value gain on Investments in Debt Instruments through OCI		(607,249)	2,388,186
ii) Income tax relating to items that will not be reclassified to Profit or Loss		(125,093)	491,966
<b>Total Comprehensive Income for the year</b>		<b>5,259,852</b>	<b>36,837,799</b>
<b>Earnings per Equity Share (Face Value of ₹ 5/- each)</b>	39		
- Basic		0.27	2.22
- Diluted		0.27	2.22
Significant Accounting Policies			
Notes on Financial Statements	1 to 49		

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014V.P.Mahendru  
Chairman and  
Managing Director  
DIN : 00005338for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018Shiv Kumar Jha  
Company SecretaryK.B.Satija  
Chief Financial Officer

**Statement of Changes in Equity for the year ended 31st March, 2018**

	No.	Amount
<b>EQUITY SHARE CAPITAL</b>		
As at 1st April 2016	16,057,466	80,287,330
Add: Shares issued during the year	845,000	4,225,000
<b>As at 31st March, 2017</b>	<b>16,902,466</b>	<b>84,512,330</b>
Add: Shares issued on conversion of Warrants	845,000	4,225,000
<b>As at 31st March, 2018</b>	<b>16,902,466</b>	<b>84,512,330</b>

OTHER EQUITY	Reserves and Surplus					Debt Instruments through Other Comprehensive Income	Money Received against Share Warrants	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
<b>Re-stated Balances as at 1st April, 2016</b>	36,891,000	17,841,620	307,090,220	1,045,129,775	(354,510,247)	6,816,145	-	1,059,258,513
Net Profit for the year	-	-	-	-	35,701,606	-	-	35,701,606
Other Comprehensive Income for the year	-	-	-	-	(760,027)	1,896,220	-	1,136,193
Money received against Share Warrants issued during the year	-	-	-	-	-	-	14,048,125	14,048,125
<b>As at 31st March, 2017</b>	<b>36,891,000</b>	<b>17,841,620</b>	<b>307,090,220</b>	<b>1,045,129,775</b>	<b>(319,568,668)</b>	<b>8,712,365</b>	<b>14,048,125</b>	<b>1,110,144,437</b>
Net Profit for the year	-	-	-	-	4,362,771	-	-	4,362,771
Other Comprehensive Income for the year	-	-	-	-	1,379,237	(482,156)	-	897,081
Money received against Share Warrants	-	-	-	-	-	-	42,144,375	42,144,375
Shares issued on conversion of Warrants	-	-	-	-	-	-	(4,225,000)	(4,225,000)
Premium on conversion of Warrants to Equity Shares during the year	-	-	51,967,500	-	-	-	-	-
<b>As at 31st March, 2018</b>	<b>36,891,000</b>	<b>17,841,620</b>	<b>359,057,720</b>	<b>1,045,129,775</b>	<b>(313,826,660)</b>	<b>8,230,209</b>	<b>-</b>	<b>1,153,323,664</b>

As per our report of even date annexed.

S.K. Bansal  
Partner  
Membership No. 014301

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113/N/IN/500079  
Place: New Delhi  
Dated: 30th May, 2018

Vinay Mahendru  
Joint Managing Director  
DIN : 00005371

Shiv Kumar Jha  
Company Secretary

For and on behalf of Board of Directors

Vivek Mahendru  
Joint Managing Director  
DIN : 00006014

K.B. Sattija  
Chief Financial Officer

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

**EON ELECTRIC LIMITED**  
**Consolidated Cash Flow Statement for the year ended 31st March, 2018**

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	<b>8,802,036</b>	31,691,054
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	<b>21,599,410</b>	21,135,665
Impairment Allowance for Trade Receivables	-	9,220,310
Interest Income	<b>(18,274,192)</b>	(16,738,870)
Finance Cost	<b>104,012,000</b>	84,664,869
Actuarial Gains/( Loss) on measurement of Employee Benefits	<b>1,379,237</b>	(760,027)
Loss/(Profit) on Sale of Property, plant and Equipment(Net)	-	(142,797)
Loss/(Profit) on Sale of Investments	<b>(2,546,640)</b>	(22,178,859)
Fair Value Loss/(Gain) on Financial Assets	<b>(25,815,903)</b>	(21,968,763)
Impairment Allowance for Trade Receivables written back	<b>(15,771)</b>	-
<b>Operating Profit before Working Capital Changes</b>	<b>89,140,177</b>	84,922,582
<b>Movements in Working Capital :</b>		
Increase in Loans	<b>(116,091)</b>	(144,926)
(Increase) / Decrease in Other Non Current Financial Assets	<b>18,423,384</b>	(57,195,219)
(Increase) / Decrease in Other Non Current Assets	<b>(694,301)</b>	(426,410)
(Increase) / Decrease in Inventories	<b>(95,477,493)</b>	53,165,257
(Increase) / Decrease in Trade Receivables	<b>(182,588,927)</b>	(288,636,419)
(Increase) / Decrease in Other Bank Balances	<b>(11,727,676)</b>	(4,369,702)
(Increase) / Decrease in Other Current Assets	<b>(12,851,168)</b>	7,628,224
Increase /(Decrease) in Other Non Current Financial Liabilities	<b>8,150,041</b>	(3,420,938)
Increase /(Decrease) in Long Term Provisions	<b>2,888,629</b>	2,126,984
Increase /(Decrease) in Other Non Current Liabilities	<b>6,538,678</b>	709,822
Increase /(Decrease) in Trade Payables	<b>21,640,275</b>	66,132,694
Increase /(Decrease) in Other Financial Liabilities	<b>1,375,351</b>	2,429,780
Increase /(Decrease) in Other Current Liabilities	<b>(26,238,099)</b>	(23,549,824)
Increase /(Decrease) in Short Term Provisions	<b>478,456</b>	1,135,164
<b>Cash generated from / (used in) Operations</b>	<b>(181,058,764)</b>	(159,492,931)
Direct Taxes Paid	<b>2,245,314</b>	1,196,057
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(183,304,078)</b>	(160,688,988)

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Property, Plant and Equipment including Capital Work-in-progress	<b>(7,955,408)</b>	(11,312,454)
Proceeds from sale of Property, Plant and Equipment	-	495,000
Purchase of Current Investments	<b>(113,196,240)</b>	(277,700,000)
Purchase of Non - Current Investments	<b>(1,582,611)</b>	(856,462)
Proceeds from sale of Current Investments	<b>109,245,136</b>	431,193,931
Proceeds from sale of Non - Current Investments	-	1,069,588
Interest Received	<b>18,277,391</b>	16,746,562
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>4,788,268</b>	159,636,165

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issuance of Share Capital/ ShareWarrants	<b>42,144,375</b>	14,048,125
Proceeds from Long Term Borrowings	<b>3,749,579</b>	2,497,374
Proceeds from Short Term Borrowings	<b>214,305,969</b>	500,425,921
Repayment of Short Term Borrowings	<b>(1,767,725)</b>	(416,673,736)
Interest Paid	<b>(104,012,000)</b>	(84,664,869)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>154,420,198</b>	15,632,815
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(24,095,612)</b>	14,579,992
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>71,694,744</b>	57,114,752
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>47,599,132</b>	71,694,744

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer



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## Significant Accounting Policies on Consolidated Accounts

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

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015 as amended. For all periods upto and including the year ended 31st March, 2017 the Group has prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements, which have been prepared in accordance with Ind AS.

### 2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Eon Electric Limited ('the Group') and its Joint Venture i.e. Luxtra Lighting Private Limited (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

- a) The group's investments in Joint Venture are accounted for using the Equity Method as prescribed under Ind AS 28 under the Equity Method the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognise the changes in the Group's share of net assets of the Joint Ventures since the acquisition date.
- b) The financial statements of the Joint Venture are prepared for the same reporting period as the group.
- 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 Group's separate financial statements where necessary adjustments are made to bring the accounting policies in line with those of the group.

#### 2.1 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, 2018**
**3. PROPERTY, PLANT & EQUIPMENT**

Description	Gross Block			Depreciation/Amortisation			Net Block		
	As at 01-Apr-16	Additions Sale / Adjustments	As at 01-Apr-17	As at 01-Apr-16	Additions Sale / Adjustments	As at 01-Apr-17	Up to 31-Mar-18	As at 31-Mar-18	As at 01-Apr-16
<b>TANGIBLE ASSETS</b>									
Land - Free Hold	84,240,000	-	84,240,000	-	-	-	-	84,240,000	84,240,000
Land - Lease Hold	81,222,689	-	81,222,689	-	1,018,288	1,018,288	2,036,576	79,186,113	80,204,401
Buildings	100,142,005	1,266,146	101,408,151	-	4,235,469	4,235,469	8,492,336	92,915,815	97,172,682
Buildings (Road)	1,760,163	-	1,760,163	-	204,280	204,280	408,560	1,351,603	1,760,163
Plant and Equipment	106,952,027	2,483,061	109,435,088	354,094	10,338,563	10,419,152	20,757,715	89,031,467	99,096,525
Furniture and Fixtures	8,866,174	1,314,277	10,170,451	244,201	1,687,175	1,871,175	3,198,972	7,215,680	8,483,276
Vehicles	5,950,207	3,864,793	9,815,000	6,244,382	1,897,677	1,897,677	4,212,173	11,847,209	7,917,323
Office equipment	959,119	304,154	1,263,273	120,383	302,954	302,954	581,526	802,130	960,319
Fans, Coolers and A.C.	3,756,762	325,714	4,082,476	249,192	427,471	427,471	868,070	3,463,598	3,655,005
Computers	939,630	1,118,159	2,057,789	578,229	453,692	453,692	1,076,898	1,559,120	1,604,097
Electrical Fittings	3,013,343	283,947	3,297,290	26,477	563,779	563,779	1,095,932	2,227,835	2,733,511
Lease Hold Improvements	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	397,792,119	10,960,251	408,752,370	7,816,958	-	21,129,348	42,728,758	373,840,570	387,623,022
<b>INTANGIBLE ASSETS</b>									
Computer Software	6,317	-	6,317	-	6,317	6,317	6,317	-	6,317
<b>Total (B)</b>	6,317	-	6,317	-	6,317	6,317	6,317	-	6,317
<b>Total (A+B)</b>	397,798,436	*10,960,251	408,758,687	7,816,958	-	21,135,665	42,735,075	373,840,570	387,629,339
Capital Work in Progress	-	-	-	-	-	-	-	138,450	-

"Land-Lease Hold" represents Land obtained on long term lease from State Industrial & Infrastructure Development Corporation of Ultrakhand Limited

\* Additions during 2016-17 amounting to ₹ 11,312,454/- have been netted off against sale of ₹ 3,351,854/- and accumulated depreciation of ₹ 2,999,651/- in respect of assets sold during the said year.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

4. INVESTMENT IN JOINT VENTURE	31-Mar-18		31-Mar-17		01-Apr-16	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Investments measured at Cost</b>						
<b>In Equity Shares of Joint Venture Company</b>						
<b>Unquoted, fully paid up</b>						
Luxtra Lighting Private Limited (Face Value of of ₹ 10 each)	969,203	9,692,030	969,203	9,692,030	969,203	9,692,030
Less : Group's share of loss in Joint Venture		9,692,030		9,692,030		9,692,030
<b>Total Investment in Joint Venture (I)</b>		-		-		-
<b>4.1</b>	No effect has been taken for the Group's share of losses amounting to Rs.11,311/-and Rs 6851/-pertaining to Joint Venture for the years ended 31 March, 2017 and 31 March, 2018 in the consolidated financial statements as the share of loss of is restricted to the cost of the investment and deducted from the cost of investment as per para no. 38 of Ind AS 28.					
<b>5. NON CURRENT INVESTMENTS</b>	31-Mar-18		31-Mar-17		01-Apr-16	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Investments measured at Fair Value through Other Comprehensive Income</b>						
<b>In Bonds - Quoted, fully paid up</b>						
Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India	29,669	32,944,458	29,669	33,347,956	29,669	32,932,590
Tax Free Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	14,239	15,695,080	14,239	15,947,822	14,239	15,591,705
Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited	48,991	54,624,965	48,991	54,575,974	48,991	52,959,271
<b>Total Investments measured at Fair Value through Other Comprehensive Income (II)</b>		103,264,503		103,871,752		101,483,566
<b>Investments measured at Fair Value through Profit and Loss (III)</b>						
<b>In Others</b>						
<b>Unquoted</b>						
Zephyr Peacock India III Fund		6,839,930		5,121,652		5,334,778
<b>Total Investments measured at Fair Value through Profit and Loss</b>		6,839,930		5,121,652		5,334,778
<b>Total Non Current - Investments (I+II+III)</b>		110,104,433		108,993,404		106,818,344
Aggregate amount of quoted investments		-		-		-
Market Value of quoted investments		103,264,503		103,871,752		101,483,566
Aggregate amount of unquoted investments		6,839,930		5,121,652		5,334,778

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

5.1. Category-wise Non Current Investments	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Financial assets measured at Fair Value through Profit & Loss	6,839,930	5,121,652	5,334,778
Financial assets measured at Fair Value through Other Comprehensive Income	103,264,503	103,871,752	101,483,566
<b>Total Non - Current Investments</b>	<b>110,104,433</b>	<b>108,993,404</b>	<b>106,818,344</b>
<b>6. LOANS</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Security Deposits (Valued at Amortised Cost)	2,260,000	2,143,909	1,998,983
<b>Total Loans</b>	<b>2,260,000</b>	<b>2,143,909</b>	<b>1,998,983</b>
<b>7. OTHER FINANCIAL ASSETS</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Margin Money Deposits with Banks having maturity period of over 12 months	110,491,687	128,643,437	71,595,550
Fixed Deposits with maturity of over 12 months	-	271,634	124,302
<b>Total Other Financial Assets</b>	<b>110,491,687</b>	<b>128,915,071</b>	<b>71,719,852</b>
7.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.			
<b>8 OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Capital Advances	8,750,000	8,750,000	10,000,000
Security Deposits	5,595,901	4,898,749	3,350,234
Balance with Statutory/Government Authorities	2,907,349	2,783,465	2,500,000
Prepaid Expenses	204,324	331,059	486,629
<b>Total Non- Current Assets</b>	<b>17,457,574</b>	<b>16,763,273</b>	<b>16,336,863</b>
<b>9 INVENTORIES</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Raw Material	96,007,071	132,115,002	142,970,073
Work-in-Progress	41,426,104	14,231,630	15,253,111
Finished Goods	156,532,432	83,164,776	108,010,226
Stock-in-Trade	126,904,095	95,880,801	112,324,056
<b>Total Inventories</b>	<b>420,869,702</b>	<b>325,392,209</b>	<b>378,557,466</b>

**9.1 Inventories are valued as under :-**

Raw Material : At lower of cost determined on FIFO basis and net realisable value.

Work-in-Progress : At lower of cost and net realisable value.

Finished Goods : At lower of cost including excise duty and net realisable value.

Stock-in-Trade : At cost.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

10 CURRENT INVESTMENTS	31-Mar-18		31-Mar-17		01-Apr-16	
	Units	Amount (₹)	Units	Amount (₹)	Units	Amount (₹)
<b>Investments measured at Fair Value through Profit and Loss</b>						
<b>In Mutual Funds - Unquoted, fully paid up</b>						
State Bank of India-Premier Liquid Fund-Direct Plan-Growth	-	-	-	-	15,378.368	36,615,243
Axis Income Fund-Growth (IFGPG)	<b>1,921,230.412</b>	<b>32,543,146</b>	1,921,230.412	30,250,926	2,494,987.412	35,493,441
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	-	-	-	-	2,466,807.398	64,977,680
IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan	-	-	-	-	1,013,341.363	37,250,226
IDFC Super Saver Income Fund-Investment Plan-Growth-Regular Plan	-	-	-	-	1,887,594.076	67,667,416
Kotak Bond Scheme Plan A-Growth (Regular Plan)	-	-	-	-	1,563,329.344	65,733,465
UTI Short Term Income Fund-Institutional Option-Growth	-	-	1,442,696.932	28,765,213	2,512,215.649	45,638,668
Birla Sun Life Medium Term Plan - Growth - Regular Plan	-	-	-	-	2,540,547.139	47,362,404
DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	<b>810,301.921</b>	<b>23,170,664</b>	810,301.921	21,779,133	410,795.711	10,054,964
HDFC Short Term Plan - Regular Plan - Growth	<b>1,010,232.955</b>	<b>34,786,261</b>	1,010,232.955	33,058,863	679,564.807	20,108,323
ICICI Prudential Short Term - Growth Option	-	-	-	-	1,010,005.788	31,263,517
Reliance Regular Savings Fund - Debt Plan - Direct Growth Plan - Growth Option	<b>2,351,893.535</b>	<b>59,573,698</b>	2,386,510.041	56,064,371	1,420,992.800	30,160,572
DSP Black Rock Income Opportunities Fund - Direct Plan - Growth	<b>1,433,312.549</b>	<b>42,231,981</b>	391,947.824	10,790,951	-	-
Franklin India Low Duration Fund - Direct Plan - Growth	<b>3,454,566.525</b>	<b>70,118,373</b>	3,454,566.525	64,581,739	-	-
Franklin India Low Duration Fund - Retail Plan - Growth	<b>582,411.182</b>	<b>11,634,013</b>	582,411.182	10,752,999	-	-
HDFC Short Term Plan - Direct Plan - Growth	<b>326,858.271</b>	<b>11,518,420</b>	326,858.271	10,880,295	-	-
Reliance Corporate Bond Fund - Direct Growth Plan - Growth Option	<b>4,732,775.946</b>	<b>68,528,229</b>	4,678,469.210	63,016,641	-	-

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

State Bank of India-Premier Liquid Fund-Direct Plan-Growth	<b>4,677,572</b>	<b>12,743,550</b>	4,677,572	11,938,649	-	-
UTI Income Opportunities Fund-Direct Plan-Growth	<b>2,624,191,845</b>	<b>44,306,855</b>	2,624,191,845	41,099,830	-	-
State Bank of India-Dual Advantage Fund Series XXV	<b>400,000,000</b>	<b>4,002,400</b>	-	-	-	-
<b>Total Investments measured at Fair Value through Profit and Loss</b>		<b>415,157,590</b>		<b>382,979,610</b>		<b>492,325,919</b>
<b>Total Current Investments</b>		<b>415,157,590</b>		<b>382,979,610</b>		<b>492,325,919</b>
Aggregate amount of quoted investments		-		-		-
Market Value of quoted investments		-		-		-
Aggregate amount of unquoted investments		<b>415,157,590</b>		<b>382,979,610</b>		<b>492,325,919</b>

**10.1 Category-wise Current Investments**

	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Financial assets measured at cost	-	-	-
Financial assets measured at Fair Value through Profit and Loss	<b>415,157,590</b>	382,979,610	492,325,919
<b>Total Current Investments</b>	<b>415,200,780</b>	<b>383,022,435</b>	<b>492,368,380</b>

**11 TRADE RECEIVABLES**

	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Unsecured - Considered Good	<b>1,117,879,296</b>	931,789,523	649,203,082
Less : Impairment Allowance for Trade Receivables	<b>12,774,094</b>	9,289,019	6,118,687
Unsecured - Considered Doubtful	<b>9,734,882</b>	13,235,728	7,185,750
Less : Impairment Allowance for Trade Receivables	<b>9,734,882</b>	13,235,728	7,185,750
<b>Total Trade Receivables</b>	<b>1,105,105,202</b>	<b>922,500,504</b>	<b>643,084,395</b>

**12 CASH AND CASH EQUIVALENTS**

	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>	<b>01-Apr-16 Amount (₹)</b>
Balances with Banks			
On Current Accounts	<b>3,064,195</b>	14,418,365	7,541,619
Cheques/Drafts on hand	<b>44,346,132</b>	57,208,562	49,409,116
Cash on hand	<b>188,805</b>	67,817	164,017
<b>Total Cash and Cash Equivalents</b>	<b>47,599,132</b>	<b>71,694,744</b>	<b>57,114,752</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

13 OTHER BANK BALANCES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Fixed Deposits with maturity of upto 12 months	288,999	138,425	259,551
Margin Money Deposits with maturity of upto 12 months	38,484,411	23,499,959	18,995,531
Unpaid Dividend Account	-	3,407,350	3,420,950
<b>Total Other Bank Balances</b>	<b>38,773,410</b>	<b>27,045,734</b>	<b>22,676,032</b>
13.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.			
14 OTHER FINANCIAL ASSETS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Interest accrued on Investments in Bonds	4,666,912	4,670,111	4,677,803
<b>Total Other Financial Assets</b>	<b>4,666,912</b>	<b>4,670,111</b>	<b>4,677,803</b>
15 CURRENT TAX ASSETS (Net)	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
TDS Recoverable	6,384,491	6,602,069	5,406,012
<b>Total Current Tax Assets (Net)</b>	<b>6,384,491</b>	<b>6,602,069</b>	<b>5,406,012</b>
16 OTHER CURRENT ASSETS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Advances to Suppliers for goods and services	32,316,422	32,330,789	40,568,299
Loans and advances to employees	7,462,401	3,024,216	5,155,225
Balance with Customs, Central Excise and VAT Authorities	23,750,246	14,563,860	13,885,448
Prepaid Expenses	3,647,996	4,407,032	2,345,149
<b>Total Other Current Assets</b>	<b>67,177,065</b>	<b>54,325,897</b>	<b>61,954,121</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

17 SHARE CAPITAL	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Authorised Share Capital</b>						
Equity Shares of ₹ 5/- each	19,000,000	95,000,000	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	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>25,000,000</b>	<b>125,000,000</b>
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of ₹ 5/- each fully paid up	16,902,466	84,512,330	16,057,466	80,287,330	16,057,466	80,287,330
<b>Total Share Capital</b>	<b>16,902,466</b>	<b>84,512,330</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

Equity Shares	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,057,466	80,287,330	16,057,466	80,287,330	16,057,466	80,287,330
Shares issued during the year	845,000	4,225,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,902,466</b>	<b>84,512,330</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

During the year ended March 31, 2018 the Company has converted 8,45,000 Zero Coupon Equity Warrants issued by it on preferential basis by private placement to the promoters of the Company into 8,45,000 fully paid Equity Shares of the face value of ₹ 5/- each at a price of ₹ 66.50 per share. The difference between the conversion price and the face value of equity shares has been credited to Securities Premium Reserve.

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

Name of Shareholder	31-Mar-18		31-Mar-17		01-Apr-16	
	Nos.	%age holding	Nos.	%age holding	Nos.	%age holding
<b>Equity Shares of ₹ 5/- each</b>						
VPM Industrial Services Corpn. LLP	2,244,256	13.28%	2,244,256	13.98%	2,244,256	13.98%
VPM Electricals Private Limited	5,862,177	34.68%	5,017,177	31.25%	5,017,177	31.25%
Shri V.P. Mahendru	909,413	5.38%	909,413	5.66%	909,413	5.66%

**17.3 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, 2018**

18 OTHER EQUITY	31-Mar-18		31-Mar-17		01-Apr-16	
	Amount (₹)		Amount (₹)		Amount (₹)	
Capital Reserve	36,891,000		36,891,000		36,891,000	
Capital Redemption Reserve	17,841,620		17,841,620		17,841,620	
Money Received against Share Warrants	-		14,048,125		0	
Securities Premium Reserve						
Opening Balance	307,090,220		307,090,220		307,090,220	
Addition during the year	51,967,500	359,057,720	-	307,090,220	-	307,090,220
General Reserve	1,045,129,775		1,045,129,775		1,045,129,775	
Retained Earnings						
Opening Balance	(319,568,668)		(354,510,247)		(359,640,901)	
Impact of Transition to IndAS	-		-		5,130,654	
Net Profit After Tax transferred from Statement of Profit & Loss	4,362,771		35,701,606		-	
Items of Other Comprehensive Income recognised directly in Retained Earnings						
Remeasurement of Post Employment Benefit Obligation, net of tax (Item of OCI)	1,379,237		(760,027)			
Amount available for Appropriation Other Comprehensive Income	(313,826,660)		(319,568,668)		(354,510,247)	
Opening Balance	8,712,365		6,816,145		-	
Impact of Transition to IndAS	-		-		6,816,145	
Add : Movement in OCI (Net) during the year	(482,156)	8,230,209	1,896,220	8,712,365	-	6,816,145
<b>Total Other Equity</b>	<b>1,153,323,664</b>		<b>1,110,144,437</b>		<b>1,059,258,513</b>	
19. NON-CURRENT BORROWINGS	31-Mar-18		31-Mar-17		01-Apr-16	
	Amount (₹)		Amount (₹)		Amount (₹)	
<b>Vehicle Loans</b>	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>Secured</b>						
- Banks	5,159,956	1,272,975	1,065,038	269,512	-	-
- Others	1,086,997	349,278	1,432,336	319,681	-	-
<b>Unsecured</b>						
- Deferred payment liability	-	-	-	-	-	7,897,500
<b>Total Non-Current Borrowings</b>	<b>6,246,953</b>	<b>1,622,253</b>	<b>2,497,374</b>	<b>589,193</b>	<b>-</b>	<b>7,897,500</b>

**Notes:**

- 19.1 Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans.
- 19.2 Vehicle Loans are repayable in 60 Equated Monthly Instalments commencing from the date of sanction of the Loan.
- 19.3 Deferred payment liability was 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.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

20 OTHER NON-CURRENT FINANCIAL LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Security Deposits	13,730,332	5,580,291	5,580,279
Unpaid Dividend	-	-	3,420,950
<b>Total Other Non-Current Financial Liabilities</b>	<b>13,730,332</b>	<b>5,580,291</b>	<b>9,001,229</b>
21 NON-CURRENT PROVISIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Provision for Gratuity	11,635,250	10,598,548	9,043,828
Provision for Compensated Absences	7,649,789	5,797,862	5,225,598
<b>Total Non-Current Provisions</b>	<b>19,285,039</b>	<b>16,396,410</b>	<b>14,269,426</b>
22 DEFERRED TAX LIABILITIES (Net)	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Accelerated Depreciation for Tax purposes	27,038,400	27,967,883	28,121,762
Change in Fair Value of Financial Assets recognised through FVTPL	12,460,870	8,458,501	8,519,052
Change in Fair Value of Financial Assets recognised through OCI	2,135,294	2,260,387	1,768,421
Expenses allowable on payment basis	(6,878,247)	(5,776,861)	(4,829,815)
Expected Credit Loss on Trade Receivables	(6,955,274)	(6,960,147)	(4,111,071)
<b>Total Deferred Tax Liabilities (Net)</b>	<b>27,801,043</b>	<b>25,949,763</b>	<b>29,468,349</b>
23 OTHER NON-CURRENT LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Security Deposits	23,769,602	17,230,924	16,521,102
<b>Total Other Non - Current Liabilities</b>	<b>23,769,602</b>	<b>17,230,924</b>	<b>16,521,102</b>
24 CURRENT BORROWINGS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>Secured</b>			
<b>Banks</b>			
<b>Cash Credit</b>			
- State Bank of India / Patiala	302,809,350	252,313,517	270,306,399
- RBL Bank Limited	98,192,302	99,960,027	-
<b>Overdraft</b>			
- Standard Chartered Bank	201,573,007	150,267,606	-
- RBL Bank Limited	362,703,023	250,198,288	-
- Deutsche Bank A.G.	-	-	398,680,854
<b>Total Current Borrowings</b>	<b>965,277,682</b>	<b>752,739,438</b>	<b>668,987,253</b>

**24.1** Cash Credit Facility from State Bank of India / 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. The said facility is re-payable on demand.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

- 24.2** 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. The said facility is re-payable on demand.
- 24.3** 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. The said loan is valid for one day or repayable on demand.
- 24.4** Overdraft from RBL Bank Limited is secured by pledge of Debt Mutual Funds and Bonds held in the name of the company and 900,000 shares of the company held by the promoters. The said loan is repayable on demand.
- 24.5** Overdraft from Deutsche Bank A.G. since settled in full during the year 2016-17 was secured against pledge of approved Investments in Mutual Funds and Bonds held in the name of the company.

<b>25 TRADE PAYABLES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Micro, Small and Medium Enterprises	-	-	-
Others	<b>367,106,228</b>	345,465,953	279,333,259
<b>Total Trade Payables</b>	<b>367,106,228</b>	<b>345,465,953</b>	<b>279,333,259</b>

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

<b>PARTICULARS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
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	-	-	-

<b>26 OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Current maturities of Long Term Borrowings (Refer Note No. 19)	<b>1,622,253</b>	589,193	7,897,500
Unpaid Dividend	-	3,407,350	-
Other Payables	<b>41,777,890</b>	38,028,249	31,697,512
<b>Total Other Current Financial Liabilities</b>	<b>43,400,143</b>	<b>42,024,792</b>	<b>39,595,012</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

27 OTHER CURRENT LIABILITIES	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Advances from Customers	5,985,450	11,898,467	4,179,635
GST / CST / VAT / Service Tax Payable	2,591,043	14,504,564	24,504,504
TDS Payable	2,954,271	3,191,570	3,918,212
Other Liabilities	1,067,776	9,242,038	29,784,112
<b>Total Other Current Liabilities</b>	<b>12,598,540</b>	<b>38,836,639</b>	<b>62,386,463</b>
28 CURRENT PROVISIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b><u>Provision for Employee Benefits</u></b>			
Provision for Gratuity	736,725	891,904	305,401
Provision for Compensated Absences	2,237,937	1,407,028	1,055,641
<b><u>Provision for Others</u></b>			
Provision for Taxation	-	-	-
Provision for Excise Duty	-	197,274	-
<b>Total Current Provisions</b>	<b>2,974,662</b>	<b>2,496,206</b>	<b>1,361,042</b>
29 REVENUE FROM OPERATIONS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Sale of Products	1,564,250,074	1,833,664,642	
Other Operating Income	22,598,445	24,305,204	
<b>Total Revenue from Operations</b>	<b>1,586,848,519</b>	<b>1,857,969,846</b>	
29.1 PARTICULARS OF SALE OF PRODUCTS	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Wires	305,508,691	399,354,710	
Lighting Products	1,035,862,337	1,064,427,122	
Electrical Consumer Durables	183,332,712	267,601,441	
Others	39,546,334	102,281,369	
<b>Total Sale of Products</b>	<b>1,564,250,074</b>	<b>1,833,664,642</b>	
30 OTHER INCOME	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	
Interest Income	18,274,192	16,738,870	
Net Gain on Sale of Investments	2,546,640	22,178,859	
Profit on Sale of Fixed Assets	-	234,168	
Fair Value Gain on Financial Assets	25,815,903	21,968,763	
Rental Income	2,942,166	6,655,620	
Miscellaneous Income	793,578	2,553,029	
Sundry Balances Written Back	232,843	117,161	
Provisions no longer required written back	435,699	-	
Impairment Allowance for Trade Receivables written back	15,771	-	
Gain on Foreign Currency Transactions (Net)	373,271	1,234,272	
<b>Total Other Income</b>	<b>51,430,063</b>	<b>71,680,742</b>	

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

31 COST OF MATERIALS CONSUMED	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Inventory at the beginning of the year	132,115,002	142,970,073
Add : Purchases	683,462,349	839,143,821
	815,577,351	982,113,894
Less : Inventory at the end of the year	96,007,071	132,115,002
<b>Total Cost of Materials Consumed</b>	<b>719,570,280</b>	<b>849,998,892</b>
<b>31.1 PARTICULARS OF MATERIALS CONSUMED</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Copper	226,250,849	226,648,996
Poly Vinyl Chloride (PVC)	19,633,498	29,103,858
Others (including Semi-Finished Components)	473,685,933	594,246,038
<b>Total Materials Consumed</b>	<b>719,570,280</b>	<b>849,998,892</b>
<b>32 PURCHASE OF STOCK-IN-TRADE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Wires	286,428	1,426,980
Lighting Products	337,308,791	243,278,758
Electrical Consumer Durables	59,150,984	82,719,311
Others	(1,906,728)	2,490,486
<b>Total Purchase of Stock-in-Trade</b>	<b>394,839,475</b>	<b>329,915,535</b>
<b>33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
<b>Inventories (at close)</b>		
Finished goods	156,532,432	83,164,776
Stock-in-Trade	126,904,095	95,880,801
Work-in-Progress	41,426,104	14,231,630
	<b>324,862,631</b>	<b>193,277,207</b>
<b>Inventories (at commencement)</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>(INCREASE) / DECREASE</b>	<b>(131,585,424)</b>	<b>42,310,186</b>
<b>34 EMPLOYEE BENEFITS EXPENSE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
Salaries, Wages and Bonus	200,112,875	191,497,346
Contribution to Provident and other Funds	9,079,879	8,266,862
Gratuity	2,758,878	1,786,246
Leave Encashment	4,054,117	2,813,138
Staff Welfare expenses	8,652,381	7,540,374
<b>Total Employee Benefits Expense</b>	<b>224,658,130</b>	<b>211,903,966</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

**34.1** Disclosures pursuant to Ind AS-19 "Employee Benefits" (specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2015 are given below:-

**Contribution to Defined Contribution Plan, recognised as expense for the year is as under :**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Employer's Contribution towards Provident Fund (PF)	8,232,514	7,744,231
Employer's Contribution towards Employee State Insurance (ESI)	847,365	522,631

**Defined Benefit Plans**

**(a) Reconciliation of opening and closing balances of Defined Benefit Obligation (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present value of Defined Benefit Obligation at the beginning of the year	11,490,452	9,349,229	7,204,890	6,281,239
Interest Expense	808,256	672,210	468,734	451,621
Current Service Cost	1,950,622	1,114,036	1,408,720	1,650,625
Benefits paid	(498,118)	(405,050)	(1,371,281)	(1,889,487)
Remeasurement of (Gain) / Loss recognised in Other Comprehensive Income	(1,379,237)	760,027	-	-
Remeasurement of (Gain) / Loss recognised in Statement of Profit and Loss	-	-	2,176,663	710,892
<b>Defined Benefit obligation at year end</b>	<b>12,371,975</b>	<b>11,490,452</b>	<b>9,887,726</b>	<b>7,204,890</b>

**(b) Net Defined Benefit Liability /(Asset) recognised in the Balance Sheet (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Defined Benefit Obligation (DBO)	12,371,975	11,490,452	9,887,726	7,204,890
Fair Value of Plan Assets	-	-	-	-
Funded Status - (Surplus)/ Deficit	12,371,975	11,490,452	9,887,726	7,204,890
Effect of Asset Ceiling	-	-	-	-
<b>Net Defined Benefit Liability /(Asset)</b>	<b>12,371,975</b>	<b>11,490,452</b>	<b>9,887,726</b>	<b>7,204,890</b>

**(c) Net Defined Benefit Expense recognised in the Statement of Profit and Loss (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Service Cost	1,950,622	1,114,036	1,408,720	1,650,625
Net Interest Cost	808,256	672,210	468,734	451,621
Remeasurement of DBO	-	-	2,176,663	710,892
<b>Net Defined Benefit Expense debited to Statement of Profit and Loss</b>	<b>2,758,878</b>	<b>1,786,246</b>	<b>4,054,117</b>	<b>2,813,138</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**
**(d) Remeasurement (gain)/ loss recognised in Other Comprehensive Income (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Remeasurement of DBO	(1,379,237)	760,027	-	-
<b>Expense/(Income) recognised in Other Comprehensive Income</b>	<b>(1,379,237)</b>	<b>760,027</b>	<b>-</b>	<b>-</b>

**(e) Principal assumptions used in determining Defined Benefit Obligation (Amount ₹)**

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Mortality Rates	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08
	IALM	IALM	IALM	IALM
Discount Rate	7.56%	7.19%	7.56%	7.19%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
- Upto 30 years	10.36%	10.36%	10.40%	10.40%
31-45 years	11.43%	11.43%	11.43%	11.43%
Above 45 years	2.68%	3.00%	2.68%	3.00%

**(f) Broad Category of Plan Assets as a percentage of total assets**

	-	-	-	-
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**35 FINANCE COSTS**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Interest Expenses	99,835,578	81,664,821
Other Borrowing Costs	4,176,422	3,000,048
Bank Charges	9,702,746	8,280,997
<b>Total Finance Costs</b>	<b>113,714,746</b>	<b>92,945,866</b>

**36 DEPRECIATION AND AMORTISATION EXPENSE**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Depreciation and Amortisation	21,599,410	21,135,665
<b>Total Depreciation and Amortisation Expense</b>	<b>21,599,410</b>	<b>21,135,665</b>

**37 OTHER EXPENSES**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>Manufacturing Expenses</b>		
Power and Fuel	9,167,834	9,344,257
Labour Work Charges	25,213,358	26,104,909
Testing Charges	852,064	1,199,818
Building Repairs	608,292	1,126,235
Machinery Repairs	2,470,260	4,710,526
Excise Duty provided on Finished Goods	-	197,274
	<b>38,311,808</b>	<b>42,683,019</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>Administration Expenses</b>		
Rent	12,126,730	13,397,795
Rates and Taxes	4,051,035	11,248,082
Travelling and Conveyance	34,130,040	39,219,216
Printing and Stationery	2,129,390	2,640,337
Postage, Telegram & Telephone	6,108,527	5,325,911
Insurance	2,265,721	2,446,226
Other Repairs	28,696,375	16,899,174
Impairment Allowance for Trade Receivables	-	9,220,310
Bad Debts written off	4,416,492	624,690
Net Loss on Sale of Fixed Assets	-	91,371
Directors Sitting fees	360,000	390,000
Vehicle Maintenance	2,189,479	2,375,526
Legal & Professional Charges	21,836,078	25,411,973
<b>Payment to Auditors</b>		
- As Auditor	1,408,000	2,169,000
- For other services	-	609,232
- Service Tax	53,700	415,193
Miscellaneous Expenses	10,639,459	12,478,597
	<b>130,411,026</b>	<b>144,962,633</b>
<b>Selling and Distribution Expenses</b>		
Freight and Cartage Outwards	40,782,559	48,549,576
Advertisement	19,679,618	25,854,617
Logistics & Distribution Expenses	32,483,579	28,784,219
Business Promotion	16,214,987	9,036,968
Samples	657,313	1,983,112
Tender Charges	113,524	-
Sales Tax Assessed	288,113	-
	<b>110,219,693</b>	<b>114,208,492</b>
<b>Total Other Expenses</b>	<b>278,942,527</b>	<b>301,854,144</b>
<b>38 TAX EXPENSE</b>	<b>31-Mar-18 Amount (₹)</b>	<b>31-Mar-17 Amount (₹)</b>
<b>a) Current Tax</b>		
Current Tax on profit for the year	-	-
Adjustments for current tax of previous year paid under Section 115JB	2,462,892	-
<b>Total Current Tax Expenses</b>	<b>2,462,892</b>	<b>-</b>
<b>b) Deferred Tax</b>		
Decrease / (Increase) in Deferred Tax Assets	(1,096,513)	(3,796,122)
(Decrease) / Increase in Deferred Tax Liabilities	3,072,886	(214,430)
<b>Total Deferred Tax Expenses / (Income)</b>	<b>1,976,373</b>	<b>(4,010,552)</b>



## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### 38.1 Reconciliation of Income tax expense and accounting profit multiplied by India's tax rate :

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
Profit for the year (before income tax expenses)	8,802,036	31,691,054
Tax at Indian Tax rate of 30.90%	2,719,829	9,792,536
<b>Tax effects of amounts which are not deductible(taxable) in calculating taxable income :</b>		
Add :		
- Difference between Book Depreciation and Depreciation as per Income Tax Act, 1961	1,244,133	512,656
- Provision for Employee Benefits	1,101,387	947,046
- Impairment Allowance for Trade Receivables	-	2,849,076
- Short Term Capital gain on Sale of Investments	3,932,824	6,848,899
	8,998,173	20,950,213
Less :		
- Income not taxable		
- Interest on Tax Free Bonds	2,312,013	2,310,625
- Profit on Sale of Fixed Assets (Net)	-	44,124
- Increase in Fair Value of Investments	7,977,114	6,788,348
- Reversal of Provision for Impairment on Trade Receivables	4,873	-
- Unabsorbed Depreciation Loss brought forward for earlier years	-	12,659,718
<b>Total</b>	<b>(1,295,827)</b>	<b>(852,602)</b>
<b>Tax Expense</b>	<b>-</b>	<b>-</b>

39 Earnings per share	Unit	31-Mar-18	31-Mar-17
Net Profit attributable to Equity Shareholders	₹	4,362,771	35,701,606
Weighted Average number of Equity Shares outstanding during the year	Nos.	16,418,617	16,057,466
Face Value	₹	5	5
Basic Earnings Per Share	₹	0.27	2.22
Diluted Earnings Per Share	₹	0.27	2.22

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**
**40 Contingent Liabilities & Commitments**

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
<b>a Contingent Liabilities</b>			
i) Liability towards Banks against Guarantees obtained for them	<b>274,360,883</b>	207,895,754	137,919,607
ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty	<b>50,000,000</b>	50,000,000	72,500,000
iii) Excise duty demands against which the company has preferred appeals. The Company has already deposited a sum of ₹ 3,197,272/- (31-Mar-17 : ₹ 3,197,272/-) (1-Apr-16 : ₹ 3,197,272/-) against the aforesaid demand.	<b>53,568,841</b>	53,568,841	54,136,865
iv) Central Excise and Service Tax Appeals filed by the Department - Excise Duty - Service Tax	<b>2,065,676</b> <b>119,921</b>	2,065,676 119,921	8,089,749 119,921
v) Sales Tax / Value Added Tax Demands against which the company has preferred appeals  The Company has already deposited a sum of ₹ 3,111,228/- (31-Mar-17 : ₹ 806,702/-) (1-Apr-16 : ₹ 806,702/-) against the aforesaid demand.	<b>11,297,131</b>	5,374,917	5,374,917
vi) Income Tax demands against which the company has preferred appeals	-	-	2,137,200
vii) Arrears for Statutory Bonus for 2014-15 not provided for as the retrospective amendment has been stayed by the Karnataka, Kerala & Uttrakhand High Courts.	<b>1,416,835</b>	1,416,835	1,416,835
<b>b Commitments</b>			
i) Capital commitments (net of advance).	-	194,250	3,173,810
ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund	<b>2,839,046</b>	5,395,092	6,251,554

**41 Leases**
**Company as a lessee**

The Company has taken various commercial premises under cancellable operating leases. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Lease rent for Commercial Premises	<b>12,126,730</b>	13,397,795	13,280,942
<b>Total</b>	<b>12,126,730</b>	<b>13,397,795</b>	<b>13,280,942</b>

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

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

Particulars	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)	01-Apr-16 Amount (₹)
Not later than one year	206,764	8,988,369	13,021,561
Later than one year and not later than five years	-	53,065	8,670,869
Later than five years	-	-	-
<b>Total</b>	<b>206,764</b>	<b>9,041,434</b>	<b>21,692,430</b>

### 42 Information on Operating Segments of the Company for the year ended 31st March 2018

#### Operating Segments

In accordance with the Ind AS-108 "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 the Company's operations have been categorized into the following Operating segments :-

**Cable and Wires** includes Wires and Cables etc.

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

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

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

No operating segments have been aggregated to form above reportable operating segments.

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, 2018

### Information About Business Segments

	(in ₹)									
	Cable & Wires		Lighting		Electrical Consumer Durables		Others		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>1. Segment Revenue</b>										
Revenue from Operations	306,384,544	399,354,710	1,057,584,929	1,088,732,326	183,332,712	267,601,441	39,546,334	102,281,369	1,586,848,519	1,857,969,846
<b>Revenue from Operations</b>	<b>306,384,544</b>	<b>399,354,710</b>	<b>1,057,584,929</b>	<b>1,088,732,326</b>	<b>183,332,712</b>	<b>267,601,441</b>	<b>39,546,334</b>	<b>102,281,369</b>	<b>1,586,848,519</b>	<b>1,857,969,846</b>
<b>2. Segment Results</b>										
(Profit / Loss)										
Finance Costs										
Unallocated Corporate Expenses/ (Income)										
<b>Profit before Exceptional Items and Tax</b>										
Exceptional Items (Net)										
<b>Profit before Tax</b>										
Tax Expense										
<b>Profit after Tax</b>										
<b>3. Other Information</b>										
Segment Assets	433,978,478	463,379,569	1,144,112,681	812,430,846	227,160,808	266,785,288	102,347,507	109,632,986	1,907,599,474	1,652,228,689
Unallocated Corporate Assets									812,426,744	787,420,868
<b>Total Assets</b>	<b>433,978,478</b>	<b>463,379,569</b>	<b>1,144,112,681</b>	<b>812,430,846</b>	<b>227,160,808</b>	<b>266,785,288</b>	<b>102,347,507</b>	<b>109,632,986</b>	<b>2,720,026,218</b>	<b>2,439,649,557</b>
Segment Liabilities	150,445,195	134,743,615	241,746,059	183,831,882	41,838,129	85,333,835	18,987,517	34,037,499	453,016,900	437,946,831
Unallocated Corporate Liabilities									1,029,173,324	811,270,959
<b>Total Liabilities</b>	<b>150,445,195</b>	<b>134,743,615</b>	<b>241,746,059</b>	<b>183,831,882</b>	<b>41,838,129</b>	<b>85,333,835</b>	<b>18,987,517</b>	<b>34,037,499</b>	<b>1,482,190,224</b>	<b>1,249,217,790</b>
Capital Expenditure	28,600	1,776,353	736,657	1,607,434	243,728	2,689,046	6,946,423	5,239,621	7,955,408	11,312,454
(Including Capital Work in Progress)										
Depreciation & Amortization expense	12,428,635	12,738,374	1,919,987	836,267	1,993,846	3,033,023	5,256,942	4,528,001	21,599,410	21,135,665
Other Non-cash expenses	15,654	4,360,369	307,843	2,031,389	1,062,112	1,520,559	3,030,883	1,932,683	4,416,482	9,845,000

## Notes on Consolidated Financial Statements for as at 31st March, 2018

### 43 Related Party Disclosure

Disclosures as required by Indian Accounting Standard (Ind AS-24) "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 - Chief Financial Officer
- 2 Mr. Shiv Kumar Jha (Joined on 15-May-2017) - Company Secretary
- 3 Mr. Vinay Aggarwal (resigned w.e.f. 13th January, 2017) - Company Secretary

#### 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

S.No. Nature of Transaction	31-Mar-18 Amount (₹)	31-Mar-17 Amount (₹)
<b>1 Remuneration paid to Directors</b>		
a. Mr. V.P.Mahendru	9,150,000	8,400,000
b. Mr. Vinay Mahendru	8,629,600	7,718,400
c. Mr. Vivek Mahendru	8,629,600	7,718,400
<b>Total</b>	<b>26,409,200</b>	<b>23,836,800</b>
<b>2 Remuneration paid to Key Managerial Personnel</b>		
a. Mr. K.B.Satija	4,639,748	4,360,521
b. Mr. Shiv Kumar Jha	274,468	-
c. Mr. Vinay Aggarwal	-	349,838
<b>Total</b>	<b>4,914,216</b>	<b>4,710,359</b>
<b>3 Proceeds received against Issue of Share Warrants</b>		
a. VPM Electricals Pvt. Ltd.	42,144,375	14,048,125
<b>Total</b>	<b>42,144,375</b>	<b>14,048,125</b>
<b>4 Balance outstanding at the year end</b>		
<b>Payable</b>		
a. Mr. V.P.Mahendru	1,795,343	935,544
b. Mr. Vinay Mahendru	25,143	72,207
c. Mr. Vivek Mahendru	1,291,910	459,380
d. IAFL Switchgears Private Limited	22,991	22,991
e. VPM Electricals Private Limited	-	17,200
<b>Total</b>	<b>3,135,387</b>	<b>1,507,322</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**
**45 Fair Value Measurement**
**Financial Instrument by category**

Particulars	As at 31-Mar, 2018		As at 31-Mar, 2017		As at 01-Apr, 2016	
	Amortised Cost	FVTPL *	Amortised Cost	FVTPL *	Amortised Cost	FVTPL *
		FVTOCI #		FVTOCI #		FVTOCI #
<b>Financial Assets</b>						
<b>Non-current</b>						
- Investments in Bonds	-	103,264,503	-	103,871,752	-	101,483,566
- Investments in Others	-	6,839,930	-	5,121,652	-	5,334,778
- Loans	2,260,000	-	2,143,909	-	1,998,983	-
- Others	110,491,687	-	128,915,071	-	71,719,852	-
<b>Current</b>						
- Investments in Mutual Funds	-	415,157,590	-	382,979,610	-	492,325,919
- Trade Receivables	1,105,105,202	-	922,500,504	-	643,084,395	-
- Cash and Cash equivalents	47,599,132	-	71,694,744	-	57,114,752	-
- Other Bank Balances	38,773,410	-	27,045,734	-	22,676,032	-
- Others	4,666,912	-	4,670,111	-	4,677,803	-
<b>Total Financial Assets</b>	<b>1,308,896,343</b>	<b>421,997,520</b>	<b>1,156,970,073</b>	<b>388,101,262</b>	<b>801,271,817</b>	<b>101,483,566</b>
<b>Financial Liabilities</b>						
<b>Non-current</b>						
- Borrowings	6,246,953	-	2,497,374	-	-	-
- Others	13,730,332	-	5,580,291	-	9,001,229	-
<b>Current</b>						
- Borrowings	965,277,682	-	752,739,438	-	668,987,253	-
- Trade Payables	367,106,228	-	345,465,953	-	279,333,259	-
- Others	43,400,143	-	42,024,792	-	39,595,012	-
<b>Total Financial Liabilities</b>	<b>1,396,761,338</b>	<b>-</b>	<b>1,148,307,848</b>	<b>-</b>	<b>996,916,753</b>	<b>-</b>

\* FVTPL - Fair Value Through Profit and Loss

# FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 01-Apr-16	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	5,334,778	-	5,334,778	-
- Investments in Mutual Funds (Current)	492,325,919	492,325,919	-	-
<b>Total</b>	<b>497,660,697</b>	<b>492,325,919</b>	<b>5,334,778</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 01-Apr-16</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	1,998,983	-	-	1,998,983
- Others (Non-Current)	71,719,852	-	-	71,719,852
- Trade Receivables (Current)	643,084,395	-	-	643,084,395
- Cash and Cash equivalents (Current)	57,114,752	-	-	57,114,752
- Other Bank Balances (Current)	22,676,032	-	-	22,676,032
- Others (Current)	4,677,803	-	-	4,677,803
<b>Total</b>	<b>801,271,817</b>	<b>-</b>	<b>-</b>	<b>801,271,817</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	-	-	-	-
- Others (Non-Current)	9,001,229	-	-	9,001,229
- Borrowings (Current)	668,987,253	-	-	668,987,253
- Trade Payables (Current)	279,333,259	-	-	279,333,259
- Others (Current)	39,595,012	-	-	39,595,012
	<b>996,916,753</b>	<b>-</b>	<b>-</b>	<b>996,916,753</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	101,483,566	101,483,566	-	-
<b>Total</b>	<b>101,483,566</b>	<b>101,483,566</b>	<b>-</b>	<b>-</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 31-Mar-17	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	5,121,652	-	5,121,652	-
- Investments in Mutual Funds (Current)	382,979,610	382,979,610	-	-
<b>Total</b>	<b>388,101,262</b>	<b>382,979,610</b>	<b>5,121,652</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-17</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	2,143,909	-	-	2,143,909
- Others (Non-Current)	128,915,071	-	-	128,915,071
- Trade Receivables (Current)	922,500,504	-	-	922,500,504
- Cash and Cash equivalents (Current)	71,694,744	-	-	71,694,744
- Other Bank Balances (Current)	27,045,734	-	-	27,045,734
- Others (Current)	4,670,111	-	-	4,670,111
<b>Total</b>	<b>1,156,970,073</b>	<b>-</b>	<b>-</b>	<b>1,156,970,073</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	2,497,374	-	-	2,497,374
- Others (Non-Current)	5,580,291	-	-	5,580,291
- Borrowings (Current)	752,739,438	-	-	752,739,438
- Trade Payables (Current)	345,465,953	-	-	345,465,953
- Others (Current)	42,024,792	-	-	42,024,792
<b>Total</b>	<b>1,148,307,848</b>	<b>-</b>	<b>-</b>	<b>1,148,307,848</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	103,871,752	103,871,752	-	-
<b>Total</b>	<b>103,871,752</b>	<b>103,871,752</b>	<b>-</b>	<b>-</b>



**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

S.No. Particulars	Fair Value 31-Mar-18	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Assets at Fair Value through Profit and Loss</b>				
- Investments in Others (Non-Current)	6,839,930	-	6,839,930	-
- Investments in Mutual Funds (Current)	415,157,590	415,157,590	-	-
<b>Total</b>	<b>421,997,520</b>	<b>415,157,590</b>	<b>6,839,930</b>	<b>-</b>
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-18</b>				
<b>Financial Assets</b>				
- Loans (Non-Current)	2,260,000	-	-	2,260,000
- Others (Non-Current)	110,491,687	-	-	110,491,687
- Trade Receivables (Current)	1,105,105,202	-	-	1,105,105,202
- Cash and Cash equivalents (Current)	47,599,132	-	-	47,599,132
- Other Bank Balances (Current)	38,773,410	-	-	38,773,410
- Others (Current)	4,666,912	-	-	4,666,912
<b>Total</b>	<b>1,308,896,343</b>	<b>-</b>	<b>-</b>	<b>1,308,896,343</b>
<b>Financial Liabilities</b>				
- Borrowings (Non-Current)	6,246,953	-	-	6,246,953
- Others (Non-Current)	13,730,332	-	-	13,730,332
- Borrowings (Current)	965,277,682	-	-	965,277,682
- Trade Payables (Current)	367,106,228	-	-	367,106,228
- Others (Current)	43,400,143	-	-	43,400,143
	<b>1,395,761,338</b>	<b>-</b>	<b>-</b>	<b>1,395,761,338</b>
<b>(C) Financial Assets at Fair Value through Other Comprehensive Income</b>				
- Investments in Bonds	103,264,503	103,264,503	-	-
<b>Total</b>	<b>103,264,503</b>	<b>103,264,503</b>	<b>-</b>	<b>-</b>

**(ii) Valuation techniques used to determine Fair Value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation techniques used to value financial instrument includes:

- the use of quoted market prices or dealer quotes for similar financial instruments.
- the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature.

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**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**


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**45. Financial Risk Management – Objectives and Policies**

The Group's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise mainly of investments, trade receivables, cash and cash equivalents, other bank balances and other financial assets.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors oversee the management of these financial risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below :

**1) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market price include loans and borrowings, deposits, investments, trade receivables and trade payables.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Investments in Debt based Mutual Funds and Group's borrowings from Banks at floating interest rates. Any increase or decrease in the rate of interest would directly affect the return on these investments. Similarly any increase or decrease in the rate of interest on borrowings would have an adverse or favourable impact on the profitability of the Group.

**b) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's Unhedged foreign currency denominated monetary items are as follows:

Foreign Currency	Liabilities			Assets		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
USD	<b>262,628.44</b>	368,826.79	263,687.85	<b>58,986.28</b>	67,437.88	133,346.61
Euro	-	-	17,628.34	-	-	-

**c) Other Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

The Group is exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2018, the carrying value of such instruments recognised at FVTOCI amounts to ₹103,264,503/- (₹103,871,752/- as at 31st March, 2017 and ₹101,483,566/- as at 1st April, 2016). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note No. 5.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### 2) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments in mutual funds, deposits with banks and other financial instruments.

#### a) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an analysis of its credit worthiness and accordingly individual credit limits are defined / modified. Outstanding customer receivables are regularly monitored and any sales to new customers are generally covered by letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The concentration of credit risk is limited due to the fact that the customer base is large and located in several jurisdictions.

The following table summarizes the movement in expected credit loss allowance measured using the Life Time Expected Credit Loss model :

Particulars	As at 31-Mar-18	As at 31-Mar-17
At the beginning of the year	22,524,747	13,304,437
Provision during the year	-	9,289,019
Reversal of provision	(15,771)	-
<b>At the end of year</b>	<b>22,508,976</b>	<b>22,524,747</b>

#### b) Investments in Mutual Funds and Other Financial Assets

Credit risk arising from investment in mutual funds and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

### 3) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining funds in cash and cash equivalents. The Group also has credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

(In ₹)

<b>As at 31-Mar-18</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
<b><u>Non-Current</u></b>			
Borrowings	-	6,246,953	6,246,953
Other Financial Liabilities	13,730,332		13,730,332
<b><u>Current</u></b>			
Borrowings	965,277,682	-	965,277,682
Trade Payables	367,106,228	-	367,106,228
Other Financial Liabilities	43,400,143	-	43,400,143
<b>As at 31-Mar-17</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
<b><u>Non-Current</u></b>			
Borrowings	-	2,497,374	2,497,374
Other Financial Liabilities	5,580,291		5,580,291
<b><u>Current</u></b>			
Borrowings	752,739,438	-	752,739,438
Trade Payables	345,465,953	-	345,465,953
Other Financial Liabilities	42,024,792	-	42,024,792
<b>As at 1-Apr-16</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
<b><u>Non-Current</u></b>			
Borrowings	-	-	-
Other Financial Liabilities	9,001,229		9,001,229
<b><u>Current</u></b>			
Borrowings	668,987,253	-	668,987,253
Trade Payables	279,333,259	-	279,333,259
Other Financial Liabilities	39,595,012	-	39,595,012

**46. Capital Management**

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2018, the Group has only one class of equity shares. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**47. Disclosures as required by Indian Accounting Standard (Ind AS 101) First Time Adoption of Indian Accounting Standards**

These are Group's first financial statements prepared in accordance with Ind AS.

The accounting policies as stated have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Consolidated Balance Sheet as at April 1, 2016 (The Group's date of transition).

For all periods up to and including the year ended 31st March, 2017, the Group had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

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**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

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This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP for the following

- a) Consolidated Balance Sheet as at 1st April, 2016 (Transition date);
- b) Consolidated Balance Sheet as at 31st March, 2017;
- c) Statement of Consolidated Profit and Loss for the year ended 31st March, 2017; and
- d) Statement of Consolidated Cash flows for the year ended 31st March, 2017.

**1) EXEMPTIONS AVAILED:**

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Group has availed the following exemptions as per Ind AS 101:

**a) Business Combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group has availed the said exemption and elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Accordingly business combinations occurring prior to the transition date have not been restated.

**b) Deemed Cost**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Group has elected to consider carrying value of all its Property, Plant and Equipment and Intangible Assets as its deemed cost on the date of transition to Ind AS.

**c) Leases**

Appendix C to Ind AS 17-" Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind-AS except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

**d) Investments in Joint ventures**

The Group holds 49% interest in Luxtra Lighting Private Limited as on 1st April, 2016 and exercises joint control over the entity. Under previous GAAP, group has proportionately consolidated its interest in Luxtra Lighting Private Limited in the Consolidated Financial Statements. On transition to Ind AS, the group has assessed and determined that Luxtra Lighting Private Limited a Joint Venture under Ind AS-28 and, therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the investment is recognized initially at cost and adjusted thereafter for the post - acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss the investor's other comprehensive income includes its share of the investee's other comprehensive income.

**2) Ind AS Mandatory Exceptions****a) Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

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**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

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Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**b) Derecognition of Financial Assets and Financial Liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Group has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**c) Classification of Financial Assets and Liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Group has applied the above requirement prospectively.

**d) Impairment of Financial Assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

## Reconciliations of Consolidated Balance Sheet as at 31st March, 2017 and 1st April, 2016

Amount (₹)

Particulars	Reference	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	GAAP Adjustments	As per Ind AS	Previous GAAP	GAAP Adjustments	As per Ind AS
<b>Assets</b>							
<b>Non-current Assets</b>							
Property, plant and equipment	A1.1	387,628,018	(4,996)	387,623,022	397,797,115	(4,996)	397,792,119
Capital Work-in-Progress		-	-	-	-	-	-
Intangible Assets		-	-	-	6,317	-	6,317
Investment in Joint Venture		-	-	-	-	-	-
<b>Financial Assets</b>							
Investments	A1	98,020,652	10,972,752	108,993,404	98,233,778	8,584,566	106,818,344
Loans	A2	2,260,000	(116,091)	2,143,909	2,260,000	(261,017)	1,998,983
Other Financial Assets	A3	121,354,886	7,560,185	128,915,071	69,729,123	1,990,729	71,719,852
Other Non-Current Assets	A2	16,660,807	102,666	16,763,273	16,089,272	247,591	16,336,863
<b>Total Non-current Assets</b>		<b>625,924,163</b>	<b>18,514,516</b>	<b>644,438,679</b>	<b>584,115,605</b>	<b>10,556,873</b>	<b>594,672,478</b>
<b>Current Assets</b>							
Inventories		325,392,209	-	325,392,209	378,557,466	-	378,557,466
<b>Financial Assets</b>							
Investments	B1	355,605,820	27,373,790	382,979,610	464,756,170	27,569,749	492,325,919
Trade Receivables	B2	935,791,841	(13,291,337)	922,500,504	649,203,082	(6,118,687)	643,084,395
Cash and Cash equivalents	A1.1	71,712,010	(17,266)	71,694,744	57,122,224	(7,472)	57,114,752
Other Bank Balances	B3	26,682,946	362,788	27,045,734	22,071,921	604,111	22,676,032
Other Financial Assets	A3,B3	12,629,001	(7,958,890)	4,670,111	7,306,844	(2,629,041)	4,677,803
Current Tax Assets (Net)		6,602,069	-	6,602,069	5,406,012	-	5,406,012
Other Current Assets		54,325,897	-	54,325,897	61,954,121	-	61,954,121
<b>Total Current assets</b>		<b>1,788,741,793</b>	<b>6,469,085</b>	<b>1,795,210,878</b>	<b>1,646,377,840</b>	<b>19,418,660</b>	<b>1,665,796,500</b>
<b>Total Assets</b>		<b>2,414,665,956</b>	<b>24,983,601</b>	<b>2,439,649,557</b>	<b>2,230,493,445</b>	<b>29,975,533</b>	<b>2,260,468,978</b>
<b>Equity and Liabilities</b>							
<b>Equity</b>							
Equity Share Capital		80,287,330	-	80,287,330	80,287,330	-	80,287,330
Other Equity	C	1,077,354,788	32,789,649	1,110,144,437	1,037,320,774	21,937,739	1,059,258,513
Money received against Share Warrants	C	14,048,125	(14,048,125)	-	-	-	-
<b>Total Equity</b>		<b>1,171,690,243</b>	<b>18,741,524</b>	<b>1,190,431,767</b>	<b>1,117,608,104</b>	<b>21,937,739</b>	<b>1,139,545,843</b>
<b>Liabilities</b>							
<b>Non-current Liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		2,497,374	-	2,497,374	-	-	-
Other Financial Liabilities	D	5,000,000	580,291	5,580,291	8,420,950	580,279	9,001,229
Provisions		16,396,410	-	16,396,410	14,269,426	-	14,269,426
Deferred Tax Liabilities (Net)	E	19,337,899	6,611,864	25,949,763	21,071,550	8,396,799	29,468,349
Other Non-Current Liabilities		17,230,924	-	17,230,924	16,521,102	-	16,521,102
<b>Total Non-current liabilities</b>		<b>60,462,607</b>	<b>7,192,155</b>	<b>67,654,762</b>	<b>60,283,028</b>	<b>8,977,078</b>	<b>69,260,106</b>
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings		752,739,438	-	752,739,438	668,987,253	-	668,987,253
Trade Payables		345,465,953	-	345,465,953	279,333,259	-	279,333,259
Other Financial Liabilities	D, A1.1	42,974,870	(950,078)	42,024,792	40,516,832	(921,820)	39,595,012
Other Current Liabilities	A1.1	38,836,639	-	38,836,639	62,403,927	(17,464)	62,386,463
Provisions		2,496,206	-	2,496,206	1,361,042	-	1,361,042
<b>Total Current Liabilities</b>		<b>1,182,513,106</b>	<b>(950,078)</b>	<b>1,181,563,028</b>	<b>1,052,602,313</b>	<b>(939,284)</b>	<b>1,051,663,029</b>
<b>Total Liabilities</b>		<b>1,242,975,713</b>	<b>6,242,077</b>	<b>1,249,217,790</b>	<b>1,112,885,341</b>	<b>8,037,794</b>	<b>1,120,923,135</b>
<b>Total Equity and Liabilities</b>		<b>2,414,665,956</b>	<b>24,983,601</b>	<b>2,439,649,557</b>	<b>2,230,493,445</b>	<b>29,975,533</b>	<b>2,260,468,978</b>

**Reconciliation of Consolidated Total Comprehensive Income for the year ended 31st March, 2017**
**Amount (₹)**

Particulars	Reference	Year ended 31st March, 2017		
		Previous GAAP	GAAP Adjustments	As per Ind AS
<b>INCOME</b>				
Revenue from Operations (Gross)	G	1,892,834,679	(34,864,833)	1,857,969,846
Less : Excise Duty	F	47,895,280	(47,895,280)	-
Revenue from Operations (Net)		1,844,939,399	13,030,447	1,857,969,846
Other Income	A2,B1,J	71,733,490	(52,748)	71,680,742
<b>Total Revenue</b>		<b>1,916,672,889</b>	<b>12,977,699</b>	<b>1,929,650,588</b>
<b>EXPENDITURE</b>				
Cost of Materials Consumed		849,998,892	-	849,998,892
Purchases of Stock-in-Trade		329,915,535	-	329,915,535
Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade		42,310,186	-	42,310,186
Excise Duty	F	-	47,895,280	47,895,280
Employee Benefits Expense	H	212,663,993	(760,027)	211,903,966
Finance Costs	D,J	92,933,869	11,997	92,945,866
Depreciation and Amortization Expense		21,135,665	-	21,135,665
Other Expenses	B2,G,J	329,414,386	(27,560,242)	301,854,144
<b>Total Expenses</b>		<b>1,878,372,526</b>	<b>19,587,008</b>	<b>1,897,959,534</b>
<b>Profit before exceptional items and tax</b>		<b>38,300,363</b>	<b>(6,609,309)</b>	<b>31,691,054</b>
<b>Exceptional Items</b>		-	-	-
<b>Profit before tax</b>		<b>38,300,363</b>	<b>(6,609,309)</b>	<b>31,691,054</b>
<b>Tax Expenses</b>				
Current Tax		-	-	-
<u>Deferred Tax</u>	E	(1,733,651)	(2,276,901)	(4,010,552)
<b>Profit for the year</b>		<b>40,034,014</b>	<b>(4,332,408)</b>	<b>35,701,606</b>
<b>Other Comprehensive Income :</b>				
i) Items that will not be reclassified to Statement of Profit and Loss	H	-	(760,027)	(760,027)
ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-	-
iii) Items that will be reclassified to Statement of Profit and Loss	A1		2,388,186	2,388,186
iv) Income tax relating to items that will be reclassified to Statement of Profit and Loss	E		491,966	491,966
<b>Total Comprehensive Income for the year</b>		<b>40,034,014</b>	<b>(3,196,215)</b>	<b>36,837,799</b>



## Notes on Consolidated Financial Statements for as at 31st March, 2018

### Notes to the reconciliation of Consolidated Balance Sheet as at 1st April, 2016 and 31st March, 2017 and the Total Comprehensive Income for the year ended 31st March, 2017

#### A Non-Current Assets

##### 1. Non-Current Investments:

In the financial statements prepared under the Previous GAAP, Non-current Investments of the Group were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Group has recognised such investments as follows:

- Investment in Bonds - At fair value through other comprehensive income (FVTOCI)
- Investment in Others- - At fair value through profit and loss (FVTPL)

Ind AS requires the above investments to be recognised at fair value.

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 85,84,566/- which has been recognised directly in retained earnings (Equity). Deferred tax liability amounting to Rs 17,68,421/- has been recognised on such fair valuation gain.

As at 31st March, 2017, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs. 10,972,752. The difference in the fair value of these investments as on 31st March 2017 and the transition date amounting to Rs 23,88,186/- has been recognised in OCI. Correspondingly, deferred tax expense amounting to Rs 4,91,965/- on this has been recognised in OCI.

The above transition has resulted in increase in equity by Rs 85,84,566/- as at date of transition to Ind AS and by Rs 109,72,752/- as at 31st March, 2017. Also, deferred tax on the same has resulted in decrease in equity by Rs 17,68,421/- as at date of transition to Ind AS and by Rs 22,60,386/- as at 31st March, 2017.

##### 1.1 Joint Venture :

The Group holds 49% interest in Luxtra Lighting Private Limited as on 1st April, 2016 and exercises joint control over the entity. Under previous GAAP, group has proportionately consolidated its interest in Luxtra Lighting Private Limited in the Consolidated Financial Statements. On transition to Ind AS, the group has assessed and determined that Luxtra Lighting Private Limited a Joint Venture under Ind AS-28 and, therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the investment is recognized initially at cost and adjusted thereafter for the post - acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss the investor's other comprehensive income includes its share of the investee's other comprehensive income.

##### 2. Loans:

In the financial statements prepared under the Previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, Interest free Security Deposits being a financial assets are required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between the transaction value and fair value is recognised as prepaid rent as on the date of transition.

Due to this Security deposit is decreased and prepaid rent is increased by Rs 2,61,017/- and Rs 1,16,091/- as on 1st April, 2016 and 31st March, 2017 respectively. Profit for the year ended 31st March, 2017 is decreased by Rs 1,44,926/- due to amortisation of prepaid rent which is set off with the notional interest income of Rs 1,44,926/-.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

##### 3. Amortised Cost of Financial Assets

In the financial statements prepared under the previous GAAP, interest accrued on Fixed Deposits and Margin Money Deposits was shown as interest receivable on Fixed Deposits with Banks under Other Current Assets. Under Ind AS such fixed deposits are financial assets and are qualified to be recognized at amortised cost at reporting date as per Ind AS 109. Accordingly the Group has measured them at amortised cost at reporting date. Accordingly amortised cost of fixed deposits is increased by Rs 20,24,930/- and Rs 75,96,102/- as at the date

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**Notes on Consolidated Financial Statements for as at 31st March, 2018**


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of transition and March 31, 2017 respectively with the corresponding decrease in interest receivable on fixed deposits. There is no impact on total equity and profit.

**B. Current Assets :**
**1. Current Investments:**

In the financial statements prepared under the Previous GAAP, Current Investments of the Group were measured at lower of cost or fair value. Under Ind AS, these investments have been recognised at FVTPL on the date of transition.

The fair value changes are recognised in the Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 2,75,69,749/- which has been recognised directly in retained earnings (Equity). Deferred tax liability amounting to Rs 85,19,052/- has been recognised on such fair valuation gain.

As at 31st March, 2017, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under the Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs 2,73,73,790/-.

Fair valuation loss for the year ended 31st March, 2017, amounted to Rs 1,95,959/- and the same has been recognized in Other income in Statement of Profit and Loss. Correspondingly, deferred tax benefit amounting to Rs 60,551/- has been recognised in Statement of Profit and Loss. The above transition has impacted an increase in equity by Rs 2,75,69,749/- as at transition date and by Rs 2,73,73,790/- as at 31st March, 2017. Also, deferred tax on the same has resulted in decrease in equity by Rs 85,19,052/- as at date of transition to Ind AS and decrease in equity by Rs 84,58,501/- as at 31st March, 2017.

**2. Impairment Allowance for Trade Receivables :**

In the financial statements prepared under the Previous GAAP, Trade Receivables of the Group were stated after making provision for doubtful debts. Under Ind AS, the Group has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Due to this the difference between the impairment allowance on Trade Receivables as per IndAS and the provision made as per the financial statements prepared under the previous GAAP has resulted in a decrease in the carrying amount of Trade Receivables by Rs 61,18,687/- as at transition date and by Rs 1,32,91,337/- as at 31st March, 2017. This has also resulted in a decrease in the amount of Equity by Rs 61,18,687/- as at transition date and a reduction of Rs 71,72,650/- in the profit of the Group for the year ended 31st March, 2017.

**3. Amortised Cost of Financial Assets**

In the financial statements prepared under the previous GAAP, interest accrued on Fixed Deposits and Margin Money Deposits was shown as interest receivable on Fixed Deposits with Banks under Other Current Assets. Under Ind AS such fixed deposits are financial assets and are qualified to be recognized at amortised cost at reporting date as per Ind AS 109. Accordingly the Group has measured them at amortised cost at reporting date. Accordingly amortised cost of fixed deposits is increased by Rs 6,04,111/- and Rs 3,62,788/- as at the date of transition and March 31, 2017 respectively with the corresponding decrease in interest receivable on fixed deposits. There is no impact on total equity and profit.

**C. Money received against Share Warrants**

In the financial statements prepared under the Previous GAAP, Money received against Share Warrants was shown as a separate line item which did not form part of the Equity Share Capital or Reserves and Surplus. Under Ind AS, Money received against Share Warrants is classified under the head Other Equity. The re-classification of the Money received against Share Warrants has resulted in an increase in the Other Equity by Rs 1,40,48,125/- as at 31st March, 2017.

**D. Amortised Cost of Financial Liabilities**

In the financial statements prepared under the previous GAAP, interest accrued on Security Deposits was shown as interest payable under Other Current Liabilities. Under Ind AS all financial liabilities are to be recognized at Fair Value i.e. amortised cost at reporting date as per Ind AS 109. Accordingly the Group has measured them at

## Notes on Consolidated Financial Statements for as at 31st March, 2018

amortised cost at reporting date. Accordingly amortised cost of Security deposits is increased by Rs 5,80,279/- and Rs 5,80,291/- as at the date of transition and March 31, 2017 respectively with the corresponding decrease in interest payable on security deposits. There is no impact on total equity and profit.

Further the value of Vehicle Loans is increased by Rs 12,038/- on account of valuation of such borrowing at amortised cost with a corresponding reduction in the profit for the year ended 31st March, 2017.

### E. Deferred tax:

In the financial statements prepared under the Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognized in the financial statements prepared under the Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments have also led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities amounting to Rs 83,96,799/- as at date of transition to Ind AS and Rs 66,11,864/- as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in recognition of deferred tax benefit by Rs 22,76,901/- in the Statement of Profit and Loss and an increase in deferred tax expense by Rs 4,91,966/- in OCI.

### F. Revenue from Sale of products/ Excise Duty:

In the financial statements prepared under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of Statement of Profit and Loss as a part of expense. This change has resulted in increase in total revenue and total expense for the year ended 31st March 2017 by Rs 4,78,95,280/- There is no impact on total equity and profit.

### G. Sales Discount

In the financial statements prepared under the previous GAAP, Sales discount was presented under other expenses. Under Ind AS revenue from sales of products is recognised at fair value of consideration expected to be received. Accordingly revenue for the year ended 31st March 2017 is presented net of Sales Discount. This change has resulted in decrease in total revenue and total expense for the year ended 31st March 2017 by Rs 3,48, 64,833/-. There is no impact on total equity and profit.

### H. Re-measurement benefit of Defined Benefit Plans:

In the financial statements prepared under the Previous GAAP, re-measurement benefit of defined plans (Gratuity and Leave Encashment), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re-measurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2017, re-measurement of gratuity liability and leave encashment liability resulted in an actuarial loss of Rs 7,60,027/-. The loss of Rs 7,60,027/- on account of change in actuarial assumptions has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

This has resulted in reduction in employee benefits expense by Rs 7,60,027/- and decrease in OCI by Rs 7,60,027/- for the year ended 31st March, 2017.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

However, Profit before tax and profit for the year ended 31st March, 2017 increased by Rs 7,60,027/-

### I. Other Comprehensive Income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately.

Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

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**Notes on Consolidated Financial Statements for as at 31st March, 2018**


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**J. Joint Ventures**

The Group holds 49% interest in Luxtra Lighting Private Limited as on 1st April, 2016 and exercises joint control over the entity. Under previous GAAP, group has proportionately consolidated its interest in Luxtra Lighting Private Limited in the Consolidated Financial Statements. On transition to Ind AS, the group has assessed and determined that Luxtra Lighting Private Limited a Joint Venture under Ind AS-28 and, therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the investment is recognized initially at cost and adjusted thereafter for the post - acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss the investor's other comprehensive income includes its share of the investee's other comprehensive income. If an entity's Share of Losses of a Joint Venture exceeds its interest in the Joint Venture, the entity discontinues recognizing its share of further losses.

Derecognition of proportionately consolidated Luxtra Lighting Private Limited has resulted in change in Balance Sheet, Statement of Profit and Loss and Cash Flow Statement.

- a) Following assets and liabilities of Luxtra Lighting Private Limited were previously consolidated in 31st March, 2017 and 1st April, 2016 respectively under previous GAAP :

Particulars	As at 31-Mar-17	As at 01-Apr-16
<b>(In Rs.)</b>		
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4,996	4,996
Other Financial Assets	35,917	34,201
Other Non-Current Assets	13,425	13,426
<b>Current Assets</b>		
Other Bank Balances	17,266	7,472
<b>Total Assets</b>	<b>71,604</b>	<b>60,095</b>
<b>Equity and Liabilities</b>		
Equity Share Capital	<b>9,692,030</b>	<b>9,692,030</b>
Other Equity	<b>(10,002,251)</b>	<b>(9,990,940)</b>
<b>Current Liabilities</b>		
Other Financial Liabilities	<b>381,825</b>	<b>341,541</b>
Other Current Liabilities	-	<b>17,464</b>
<b>Total Equity and Liabilities</b>	<b>71,604</b>	<b>60,095</b>

- b) Following items of income and expenditure of Luxtra Lighting Private Limited were previously consolidated under previous GAAP :

Particulars	As at 31-Mar-17
<b>(In Rs.)</b>	
<b>Income</b>	
Other Income	1,715
<b>Total Revenue</b>	<b>1,715</b>
Finance Cost	41
Other expenses	12,985
<b>Total expenses</b>	<b>13,026</b>
<b>Profit / (Loss) before tax</b>	<b>(11,311)</b>
Tax expense	-
<b>Profit / (Loss) after tax</b>	<b>(11,311)</b>

## Notes on Consolidated Financial Statements for as at 31st March, 2018

Under the previous GAAP, the Group had recognized a sum of ₹ 11,311/- towards its share in the loss of the Joint Venture for the year ended 31st March, 2017. Under Ind AS, as the investors share in the losses of the Joint Venture exceeds its interest in the Joint Venture, it has not recognized its share in the loss of the Joint Venture and accordingly this has resulted in an increase in the profit of the Group by ₹ 11,311/- for the year ended 31st March, 2017.

### K. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

### L. Reconciliation of Equity as at 31st March, 2017 and 1st April, 2016

(In Rs.)

Particulars	As at 31-Mar-17	As at 01-Apr-16
<b>Other Equity as per Previous GAAP</b>	<b>1,077,354,788</b>	<b>1,037,320,774</b>
<b>Add/(Less) :</b>		
Effect of measuring Non-Current Investments at FVTOCI	10,972,752	8,584,566
Effect of measuring Current Investments at FVTPL	27,373,790	27,569,749
Impairment Allowance for Trade Receivables	(13,291,337)	(6,118,687)
<b>Impact of Deferred Tax</b>	<b>(6,611,864)</b>	<b>(8,396,799)</b>
Reclassification of Money received against Share Warrants as other equity	14,048,125	-
Other GAAP differences	(12,038)	-
	310,221	298,910
<b>Other Equity as per Ind AS</b>	<b>1,110,144,437</b>	<b>1,059,258,513</b>

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

49. Figures for the previous year have been reclassified / regrouped / re-stated wherever necessary to make them comparable.

As per our report of even date annexed.

For and on behalf of Board of Directors

S.K. Bansal  
Partner  
Membership No. 014301

Vinay Mahendru  
Joint Managing  
Director  
DIN : 00005371

Vivek Mahendru  
Joint Managing  
Director  
DIN : 00006014

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

for & on behalf of  
Bansal & Co. LLP  
Chartered Accountants  
Firm Reg. No. : 001113N/N500079  
Place: New Delhi  
Dated: 30th May, 2018

Shiv Kumar Jha  
Company Secretary

K.B.Satija  
Chief Financial Officer

**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, 2018
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
	Extent 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	Nil
6	Profit/Loss of the year	
	i. Considered in consolidation	Nil
	ii. Not considered in consolidation	N.A.

As per our report of even date annexed.

For and on behalf of Board of Directors

 S.K. Bansal  
 Partner  
 Membership No. 014301

 Vinay Mahendru  
 Joint Managing  
 Director  
 DIN : 00005371

 Vivek Mahendru  
 Joint Managing  
 Director  
 DIN : 00006014

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

 for & on behalf of  
 Bansal & Co. LLP  
 Chartered Accountants  
 Firm Reg. No. : 001113N/N500079  
 Place: New Delhi  
 Dated: 30th May, 2018

 Shiv Kumar Jha  
 Company Secretary

 K.B.Satija  
 Chief Financial Officer



YEARS OF PERSEVERANCE AND PARTNERSHIP



## **EON ELECTRIC LIMITED**

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