

ANNUAL REPORT
2011 - 12



BOARD OF DIRECTORS

Mr. Padmanabh P. Vora	—	Chairman
Mr. Gurvekram Singh	—	Managing Director
Mr. Gurdeep Singh	—	Director
Mr. Shomik Mukherjee	—	Director
Mr. Ganapati Rathinam	—	Director

AUDITORS

M/s. Arun K. Gupta & Associates
D-58, East of Kailash, New Delhi - 110 065

SECRETARIAL AUDITORS

M/s. Chandrasekaran Associates
11-F, Pocket-IV, Mayur Vihar Phase-I, Delhi - 110 091

INTERNAL AUDITORS

M/s. Ernst & Young Pvt. Ltd.
Golf View Corporate Tower-B, Sector-42
Sector Road, Gurgaon - 122 002

REGISTERED OFFICE

59-A, Noida Special Economic Zone,
Phase-II, Noida, Distt. Gautam Budh Nagar,
Uttar Pradesh. - 201 305

I N D E X

CONTENTS	PAGE NO(S).
Standalone Annual Report - Halonix Limited	1-54
Consolidated Annual Report - Halonix Limited	55-82
Annual Report of Subsidiary Company - Halonix Technologies Limited	83-98

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Members of Halonix Limited will be held on Tuesday, the 10th day of July, 2012 at 11.00 a.m. at the Registered Office of the Company at 59-A, NSEZ, Phase - II Noida, District Gautam Budh Nagar (U.P.) - 201305 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gurdeep Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Arun K. Gupta & Associates, Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To appoint Mr. Gurvikram Singh, as Director, liable not to retire by rotation.

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

"RESOLVED THAT pursuant to provisions of Section 257 of the Companies Act, 1956, Mr. Gurvikram Singh, be and is hereby appointed as a Director of the Company liable not to retire by rotation."

5. To approve the appointment and remuneration payable to Mr. Gurvikram Singh, Managing Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 316, 317 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, under the provisions of the Companies Act, 1956, as recommended by the Remuneration Committee and approved by the Board of Directors of the Company, Mr. Gurvikram Singh be and is hereby appointed as Managing Director of the Company for a period of three year(s) with effect from 29.09.2011 to 28.09.2014 on the following remuneration and terms and conditions:-

1. **Basic Salary:** Rs.1,23,180/- per month with an annual increment as per Company Policy.
2. **House Rent Allowance:** 50% of Basic Salary with an annual increment as per Company Policy.
3. **Other allowances** by whatever name called subject to Maximum of Rs. 2,03,837/- per month with an annual increment as per Company Policy.
4. **PERQUISITES AND OTHER BENEFITS:** Perquisites and other benefits be allowed in addition to salary, as per details given hereunder:-
 - (i) **Medical Reimbursement:** Medical expenses incurred for self and family, subject to a limit of Rs. 15,000/- per annum with an annual increment as per Company Policy.
 - (ii) Annual Performance linked bonus subject to a maximum of Rs. 15,30,896/- per annum.
 - (iii) Coverage under Group Term Life Insurance Policy, Group Mediclaim Policy and Group Personal Accident Policy as per the Rules and Policy of the Company.
 - (iv) **Telephone:** All business calls made from residence will be reimbursed by the Company.
 - (v) **Car:** The Company will provide a Car with Driver.
 - (vi) **Provident Fund:** Contribution to Provident Fund as per Company Rules.
 - (vii) **Gratuity:** Gratuity payable as per Gratuity Rules.
 - (viii) **Leave Encashment:** Encashment of leave at the end of tenure as per the Company Rules.

The above remuneration to Mr. Gurvikram Singh, Managing Director of the Company shall be the minimum remuneration and will be governed by the provisions of the Schedule XIII of the Companies Act, 1956 and such other applicable provisions of the Companies Act, 1956 as may be applicable from time to time.

In the event the appointee resigns from the Company, he will be required to give three months' notice. Except in the case of his employment being terminated by the Company on grounds of gross misconduct or being incapacitated, he will be entitled to receive three months notice of termination from the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute, sign and file various forms, applications, documents, statement, returns and to take all the necessary steps to deal with the Ministry of Corporate Affairs, or any officials / offices of the Ministry of Corporate Affairs, to represent the Company before them and to take all the necessary steps in this regard."

6. To approve payment of remuneration to Mr. Gurdeep Singh.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Clause 49 of Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and relevant provisions of the Articles of Association of the Company, subject to the approval of the Central Government, the approval of the Company be and is hereby accorded to make payment of remuneration of Rs. 10,00,000/- (Rupees Ten lacs only) to Mr. Gurdeep Singh, Non-Executive Independent Director of the Company for the financial year 2011-2012.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute, sign and file various forms, applications, documents, statement, returns and to take all the necessary steps to deal with the Ministry of Corporate Affairs, or any officials / offices of the Ministry of Corporate Affairs, to represent the Company before them and to take all the necessary steps in this regard."

7. To approve payment of remuneration to Mr. Padmanabh P. Vora.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Clause 49 of Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and relevant provisions of the Articles of Association of the Company, subject to the approval of the Central Government, the approval of the Company be and is hereby accorded to make payment of remuneration of Rs. 10,00,000/- (Rupees Ten lacs only) to Mr. Padmanabh P. Vora, Non-Executive Independent Director of the Company for the financial year 2011-2012.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute, sign and file various forms, applications, documents, statement, returns and to take all the necessary steps to deal with the Ministry of Corporate Affairs, or any officials / offices of the Ministry of Corporate Affairs, to represent the Company before them and to take all the necessary steps in this regard."

By Order of the Board

Place: Noida
Dated: May 26, 2012

Mukesh Kumar
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **Proxies in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is appended with the admission slip.**
3. The notice of the Annual General Meeting will be sent to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on 1st June, 2012. As a part of its green initiatives, the Ministry of Corporate Affairs vide its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed the companies to send official communication and documents to its members through e-mail. Accordingly, the Company has decided to henceforth send documents like Notice of Annual General Meeting, financial statements, Directors' Report etc. to the members through e-mail at the email provided by the depositories and Registrar of Share Transfer Agent of the Company.

Shareholders are requested to update their preferred e-mail ids with their depository participants which will be used for the purpose of sending the official communication through email.

Shareholders whose email id is not registered with the Company will be sent a copy of this Notice of Annual General Meeting with the Annual Report. Shareholders whose email ids are registered with the Company and who wish to receive physical copies of the Annual Report may send their request to the Company's Secretarial Department situated at its Registered Office, 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh, Pin - 201 305 and to the Registrar and Share Transfer Agent (RTA) at M/s. Alankit Assignments Ltd. situated at 2E/21, Jhandewalan Extension, New Delhi -110055.

4. In terms of the provisions of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges where the shares of the Company are listed the Register of Members and Share Transfer Books of the Company will remain closed on 9th June, 2012 for the purpose of Annual General Meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's RTA, M/s. Alankit Assignments Ltd. situated at 2E/21, Jhandewalan Extension, New Delhi -110055.

Shareholders, whose shareholding are in electronic format are requested to direct change of address notification(s), registration of email address and updation of bank account detail to their respective depository participants.

7. Shareholders wishing to claim dividends which remain unclaimed for the financial years 2004-2005 to 2008-2009, are requested to contact Company's Secretarial Department at the Registered Office by sending letter in original duly signed by the registered shareholder. Shareholders are requested to note that the amount of dividend lying unclaimed after seven years from the date of transfer of dividend to Company's Unpaid Dividend account will be transferred to Investor Education and Protection Fund as per Section 205A of the Companies Act, 1956.
8. **Appointment/Re-appointment of Directors**

The detail of Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting is reproduced below in terms of Clause 49 of the Listing Agreement.

Mr. Gurdeep Singh

Mr. Gurdeep Singh, an Indian national aged about 68 years, is a B.Tech in Chemical Engineering from IIT-Delhi. He has done an Advanced Management Program from Harvard Business School. Mr. Gurdeep Singh was associated with Hindustan Unilever Limited (formerly Hindustan Lever Ltd.) from 1966 and until he retired in October, 2004 as Director HR- Corporate Affairs and Technology. From November 2004 till March, 2006 he continued with Hindustan Unilever Limited as Senior Vice President -Corporate Affairs, responsible for enhancing the Company's presence in Delhi and State Governments where Hindustan Unilever Limited has substantial operations which includes responsibility for CSR activities.

Mr. Gurdeep Singh, is an Independent and Non-Executive Director on the Board of the Company. He is Chairman of Remuneration Committee and member of Audit Committee. Mr. Gurdeep Singh is not holding any shares in the Company.

At present Mr. Gurdeep Singh, is a Non-Executive Director with Gabriel India Limited, Blue Star Limited, Technova India Limited, Everest Kanto Cylinder Ltd., Klockner Pentaplast India Pvt Ltd., Gateway Rail Freight Ltd. and Renuka do Brasil S.A. Mr. Gurdeep Singh is also the Chairman of the Investor Grievance Committee and Remuneration Committee of Blue Star Limited.

Mr. Gurvikram Singh

Mr. Gurvikram Singh, aged about 50 years, is a Mechanical Engineer from P.E.C., Chandigarh. He is having over 27 years working experience. He joined the Company from Samtel Glass Limited, where he was the Operation and SBU head.

Prior to this, he worked for three and half years with Piramal Glass Limited as Vice President Operations, Piramal Glass is India's leading manufacturer of Pharma and Cosmetic Glass containers. He has also worked for several years with MNC's like Pepsi and Whirlpool before joining Piramal Glass.

As on 31st March, 2012, Mr. Gurvikram Singh, is a Managing Director on the Board of the Company. Mr. Gurvikram Singh is not holding any shares in the Company.

Mr. Gurvikram Singh is not holding any Directorship in any company.

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

Item No. 4

Mr. Gurvikram Singh, aged about 50 years, has been appointed as Managing Director of the Company with effect from 29th September, 2011. As per the provisions of section 260 of the Companies Act, 1956, Mr. Gurvikram Singh holds office of Director only upto the date of ensuing Annual General Meeting.

The Company has received Notice in writing from members of the Company under section 257 of the Companies Act, 1956 along with requisite deposit, proposing appointment of Mr. Gurvikram Singh for the office of Director. The Board recommends the resolution for your approval.

None of the Directors of the Company except Mr. Gurvikram Singh is concerned or interested in the said resolution.

Item No. 5

Mr. Gurvikram Singh joined the Company as Chief Executive Officer of the Auto Lighting division of the Company with effect from 6th July, 2011. The Board of Directors of the Company has later appointed him as Managing Director of the Company with effect from 29th September, 2011 for a period of 3 years by the Board of Directors to look after day to day business affairs of the Company under the supervision of the Board of Directors of the Company. Mr. Gurvikram Singh is having a rich experience in the field of Glass Industry, which is essential for Lighting Industry. Mr. Gurvikram Singh's appointment is subject to the statutory compliances including the approval of members of the Company, which the company is required to fulfill. He has total working experience of more than 27 years for various companies like Pepsi, Whirlpool, Piramal Glass etc.

None of the Directors of the Company except Mr. Gurvikram Singh is concerned or interested in the said resolution. Your Board of Directors propose to pass this Resolution as a Special Resolution:

DETAILED INFORMATION AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956:

I. GENERAL INFORMATION :

Nature of Industry	Manufacturing and Trading of Electric Lamps, parts and fittings thereof.
Commencement of commercial production	w.e.f. 1st February, 1993.
Financial Performance	During the year under review, Gross Sales was recorded at Rs. 46,667.02 lacs as against Rs. 43,269.12 lacs in 2010-2011, an increase of 7.85 % over 2010-11. The sales for the Automotive Business in 2011-2012 has decreased from Rs. 24,870.16 lacs in 2010-2011 to Rs. 24,387.34 lacs i.e. a fall of 1.95% and the Earning before interest, depreciation and taxes has increased from Rs. 5,029.68 lacs to Rs. 5108.18 lacs i.e. an increase of 1.56 % over 2010-2011. In case of General Lighting Business, the sales in 2011-2012 have increased from Rs. 18,398.96 lacs in 2010-2011 to Rs. 22,279.68 i.e. by 21.09 % and the Earning before interest, depreciation and taxes has improved from Rs. (3,033.47) lacs in 2010-2011 to Rs. (659.49 lacs) in 2011-2012. Profit before tax (PBT) was Rs.754.46 lacs against Rs. (1,008.08) lacs and Net Profit after tax at Rs. 570.67 lacs as against Rs. (884.23) lacs in 2010-2011.
Export performance and net Foreign exchange collaborations	The Foreign Exchange Earnings for financial year ended on 2012 is Rs. 9,741.31 lacs as against Rs. 12,661.27 lacs in 2011. Further the Company is trying to increase exports by exploring new markets in USA, Europe and Middle East.
Foreign Investments or Collaborations, if any	As on 31st March, 2012 foreign shareholders hold 2,17,52,985 equity shares representing 77.64% holding in the Company.

III. OTHER INFORMATION:

(i) Reasons of loss or inadequate profit	<ol style="list-style-type: none"> 1) High Warranty Returns in CFL business. 2) Withdrawal of exposure from the OLM business and focusing on own brand for CFL business. 3) Reduction of exposure from high warranty prone areas/ markets in the CFL business.
(ii) Steps taken or proposed to be taken for improvement	The Company will take every necessary and possible step for its improvement and future growth.
(iii) Expected increase in productivity and profits in measurable terms	The Company is confident that it will achieve its target.

Item No. 6:

Mr. Gurdeep Singh, an Indian national aged about 68 years, is a B.Tech in Chemical Engineering from IIT-Delhi. He has done an Advanced Management Program from Harvard Business School. Mr. Gurdeep Singh was associated with Hindustan Unilever Limited (formerly Hindustan Lever Ltd.) from 1966 and until he retired in October, 2004 as Director HR- Corporate Affairs and Technology. From November 2004 till March, 2006 he continued with Hindustan Unilever Limited as Senior Vice President - Corporate Affairs, responsible for enhancing the Company's presence in Delhi and State Governments where Hindustan Unilever Limited has substantial operations which includes responsibility for CSR activities.

As on 31st March, 2012 Mr. Gurdeep Singh, is an Independent and Non-Executive Director on the Board of the Company. He is Chairman of Remuneration Committee and member of Audit Committee. Mr. Gurdeep Singh is not holding any shares in the Company.

The Board recommends the Resolution as a Special Resolution for your approval.

None of the Director of the Company except Mr. Gurdeep Singh is concerned or interested in the above said Resolution.

The valuable and necessary contribution and guidance provided by Mr. Gurdeep Singh on the Board of the Company, has helped the Company to manage the business in a better manner.

Item No. 7:

Mr. Padmanabh P. Vora, aged about 68 years, is a First Class First and Gold Medalist Bachelor of Commerce from Gujarat University, a qualified Chartered Accountant and CAIIB-ranking All India First with more than 26 years of working experience and thereafter working on consultancy basis. During this period he has worked with organizations like State Bank of India at the middle and junior management levels; as Financial Advisor, General Manager (Development Banking) and Executive Director (Finance) of Gujarat Industrial Investment Corporation Limited; with Fertilizers & Chemicals Travancore Limited, Kerala as Director (Finance); acting Chairman and Managing Director; Director (Finance) with Gujarat State Fertilizers Company Limited Gujarat; Chairman and Managing Director of National Housing Bank and lastly as Chairman and Managing Director with Industrial Development Bank of India.

After retiring as Chairman and Managing Director of IDBI, Mr. Vora has worked as a Consultant with C3 Advisors Pvt. Ltd. and Deloitte Touche Tohmatsu India Pvt. Ltd. Mr. Vora has an expertise in Accounting, auditing, tax advisory matters, Restructuring, Project Finance, Statutory Matters relating to RBI, SEBI, Corporate Laws, Advisors to various Government bodies, Valuation of business and shares, Inward Strategy with regard to JV partner search and selection, Globalisation, Due Diligence exercises and rehabilitation of sick companies.

At present Mr. Vora, is Director with J Kumar Infraprojects Limited, Nakoda Limited, National Securities Depositories Limited, Omaxe Limited, Reliance Capital Trustee Co. Ltd., Sterling Add Life India Limited, Reliance Home Finance Limited, Rama Cylinders Pvt. Ltd., The Nilgiris Dairy Farms Pvt. Ltd., Modern Transit Solution (P) Ltd. Mr. Vora is Chairman and member of Audit Committee of J.Kumar Infraprojects Ltd., National Securities Depository Ltd., Reliance Home Finance Ltd. He is member in Audit Committee of Omaxe Ltd., Reliance Capital Trustee Co. Ltd. and Sterling Add Life India Limited. Mr. Vora has been appointed as Chairman of Audit Committee and member of Remuneration Committee of the Company. Mr. Vora is not holding any shares in the Company.

The Board recommends the Resolution as a Special Resolution for your approval.

None of the Director of the Company except Mr. Vora is concerned or interested in the above said Resolution.

The valuable and necessary contribution and guidance provided by Mr. Vora on the Board of the Company, has helped the Company to manage the business in a better manner.

By Order of the Board

Mukesh Kumar
Company Secretary

Place : Noida

Dated : May 26, 2012

II. INFORMATION ABOUT MR. GURVIKRAM SINGH, MANAGING DIRECTOR:

Background details	Mr. Gurvikram Singh, aged 50 years, is a Mechanical Engineer from P.E.C., Chandigarh. He joined the Company from Samtel Glass Limited, where he was the Operation and SBU Head. Prior to this, he worked for three and half years with Piramal Glass Limited as Vice President Operations. Piramal Glass is India's leading manufacturer of Pharma and Cosmetic Glass containers. He also worked for several years with MNC's like Pepsi and Whirlpool before joining Piramal Glass.
Past Remuneration	Rs. 25,59,259/-
Job Profile and his suitability	Mr. Gurvikram Singh is associated with the Company since July, 2011. Mr. Gurvikram Singh will look after all the day to day managerial activities. His knowledge and experience shall help the management to manage the business with better profits and professionalism.

Remuneration Proposed:

The details of remuneration proposed to be paid to him are as under:

1. **Basic Salary:** Rs.1,23,180/- per month with an annual increment as per Company Policy.
2. **House Rent Allowance:** 50% of Basic Salary with an annual increment as per Company Policy.
3. **Other allowances** by whatever name called subject to Maximum of Rs. 2,03,837/- per month with an annual increment as per Company Policy.
4. **PERQUISITES AND OTHER BENEFITS:** Perquisites and other benefits be allowed in addition to salary, as per details given hereunder:-
 - (i) **Medical Reimbursement:** Medical expenses incurred for self and family, subject to a limit of Rs. 15,000/- per annum with an annual increment as per Company Policy.
 - (ii) Annual Performance linked bonus subject to a maximum of Rs. 15,30,896/- per annum.
 - (iii) Coverage under Group Term Life Insurance Policy, Group Mediclaim Policy and Group Personal Accident Policy as per the Rules and Policy of the Company.
 - (iv) **Telephone:** All business calls made from residence will be reimbursed by the Company.
 - (v) **Car:** The Company will provide a Car with Driver.
 - (vi) **Provident Fund:** Contribution to Provident Fund as per Company Rules.
 - (vii) **Gratuity:** Gratuity payable as per Gratuity Rules.
 - (viii) **Leave Encashment:** Encashment of leave at the end of tenure as per the Company Rules.

The above remuneration to Mr. Gurvikram Singh, Managing Director of the Company shall be the minimum remuneration in the event of loss and/or inadequacy of profits in any of the financial year during his tenure as Managing Director of the Company.

Comparative remuneration profile

Our Company is engaged in manufacturing and trading of Automotive Halogen Lamps, Compact Fluorescent Lamps, components and parts and fittings thereof. The payment of remuneration is commensurate to other lighting majors.

Pecuniary relationship directly or indirectly with the company or relationship with the Managerial personnel, if any

The appointee is not having any pecuniary relationship with the Company either directly or indirectly.

DIRECTORS' REPORT

To the Members of the Company

Your Directors have pleasure in presenting the **Twenty-First Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS (Rs. in lacs)

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
Gross Sales and other Income	46,733.51	43,430.71
Profit before Interest, Depreciation & Tax	4,448.69	1,996.21
Depreciation	1,409.30	1,344.73
Gross Profit	3,039.39	651.48
Interest	2,284.93	1,659.56
Profit Before Tax	754.46	(1008.08)
Less : Capital advances written off	389.43	-
Provision for Tax	(205.64)	123.85
Profit After Tax	570.67	(884.23)
Balance of Profit / (Loss) brought forward	3,169.30	4,053.52
Balance of Profit carried forward to next year	3,739.97	3,169.30

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

FINANCIAL AND OPERATIONAL PERFORMANCE

During the year under review, Gross Sales was recorded at Rs. 46,667.02 lacs as against Rs. 43,269.12 lacs in 2010-2011, an increase of 7.85% over 2010-11. The sales for the Automotive Business in 2011-2012 has decreased from Rs. 24,870.16 lacs in 2010-2011 to Rs. 24,387.34 lacs i.e. a fall of 1.95% and the Earning before interest, depreciation and taxes has increased from Rs. 5,029.68 lacs to Rs. 5,108.18 lacs i.e. an increase of 1.56 % over 2010-2011. In case of General Lighting Business, the sales in 2011-2012 have increased from Rs. 18,398.96 lacs in 2010-2011 to Rs. 22,279.68 i.e. by 21.09% and the Earning before interest, depreciation and taxes has improved from Rs. (3,033.47) lacs in 2010-2011 to Rs. (659.49 lacs) in 2011-2012. Profit before tax (PBT) was Rs.754.46 lacs against Rs. (1,008.08) lacs and Net Profit after tax at Rs. 570.67 lacs as against Rs. (884.23) lacs in 2010-2011.

BUSINESS/OPERATIONS

Auto Business:

The Auto ancillary business saw average growth globally. The domestic market which rides on the back of auto industry saw a low double digit growth. Halonix sales grew 17% YOY on domestic front driven by a strong performance by the OEM segment. The OEM sales grew by 20% and Halonix Branded sales grew by 13%. Exports sales were subdued mainly on account of low sentiment caused by the Eurozone crisis. Halonix gained market share in OEM segment from competitors in both 2 wheelers as well as 4 wheelers. New customers / markets

were developed in Latin America, Middle-East, and CIS region as well.

General Lighting Business:

The General Lighting Business grew by 30% year on year aided by rapid growth in retail sales.

The Company has taken a strategic decision to get out of the Private labeling business. Company is only selling Non-Integrals which are not prone to high warranty levels in the private label and saw a 27% dip in the sales for this segment. The Company had to provide for the warranty for private labels this year also, on the lamps sold earlier.

The CDM based CFL projects had a set-back this year on account of the un-certainty with the Climate change treaty post 2012 and the economic turmoil in Eurozone. There were hardly any new projects executed and the financing for these projects was also difficult. The CDM based CFL distribution is expected to restart in 2012 based on the clarification that CER's will be valid post 2012 also for projects registered prior to 2012.

DIVIDEND

Your Board has not recommended any Dividend for the financial year 2011-2012.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

a) Industry Structure and Development

Auto Business:

Your company retained its position as a market leader in Automotive Halogen Lamps in India with supplies to all major OEMs in 4-Wheeler and 2-Wheeler Industry. It is also a major exporter to developed countries. With almost all the major automobile manufacturers setting up production bases in India, we are looking at robust growth for the Company in the coming years. The Company has gained market share in the OEM segment.

General Lighting Business:

Your Company managed to maintain its market share in the retail trade despite a difficult year for the industry.

The industry was adversely affected by the high commodity prices especially phosphor which saw a 500% increase in cost during the year. The industry was also severely affected by the depreciation of the Indian rupee which depreciated by almost 20% during the year. As the CFL industry is heavily dependent on imported raw material, the commodity price increase and the rupee depreciation has put an immense strain on the costs and going forward will remain as a challenge for the industry.

b) Opportunities and Threats

Opportunities

Auto Business:

- Industry is growing at 14% YOY basis in India which is a sign for additional opportunities and to expand our reach into new vehicle manufacturers/models.
- On international front Middle East regions are the growing markets and CIS market has good opportunity. Entry into China also appears to be a high potential.

General Lighting Business:

- The greater emphasis on the retail branded sales shall benefit the Company in long term.
- The Company's CFL manufacturing is now consolidated at Haridwar unit and will provide an opportunity to the Company to have better control over quality and cost competitiveness.
- Brand Building and the further expansion of domestic distribution network by the Company will increase reach of the Company's products with the final customer.
- The Company has launched range of Home Lighting Luminaires, a nascent emerging market.

Threats

Auto Business:

- Increase in competition shall put pressure on profit margin and on robust growth of the Company.
- Demand from Europe & US is still at a low level due to prevailing economic conditions.
- The improved product quality of Chinese made lamps.

General Lighting Business:

- Increasing cost of commodities especially rare earth minerals will have a substantial cost impact.
- High Energy prices, high inflation, depreciating Indian rupee and high interest cost may adversely affect the Company.
- Slowdown in Housing Sector because of high interest rates will keep the growth under pressure and may impact the topline and bottom-line of the Company.
- New legislations on environment may affect the workings of your company especially with regards to heavy metals and hazardous materials.

c) Outlook

Auto Business:

Though the projection of Indian auto market indicates same growth levels as last year, the initiatives that have been planned in terms of quality improvement will help gain market share for Halonix. Also the thrust on increasing distribution network will give boost to aftermarket sales. The Eurozone crisis continues to persist, however our initiatives to capture other markets will help in posting growth numbers in line with our plan.

General Lighting Business:

With the improved distribution network especially in areas under-represented currently, the Company expects to continue growing its retail sales. The Company has also ventured into Home Lighting Luminaires which at present is a nascent market but with more disposable income available to consumers in a growing economy, the potential could be significant.

d) Risks and Concern

The Company's risk management strategy encompasses the in-depth identification, assessment and prioritization of risk followed by speedy mobilization of resources to minimize, monitor, and control the losses of unfortunate events.

Excessive volatility in the Company's key raw materials can have severe impact on its profitability. As the Company derives a portion of its revenues from exports and pays for purchases with foreign exchange, excessive volatility in currency rates can significantly impact profitability.

e) Financial Performance vis-a-vis Operational Performance

Your Company recorded a Gross Sales of Rs. 46,733.51 lacs. Profit before tax after providing for obsolete inventories, doubtful debts and warranty claims was Rs. 754.46 lacs and the Net Profit was Rs. 570.67 lacs.

f) Segmentwise or Productwise Performance

The Company during the previous year had bifurcated its operations into Automotive and General Lighting businesses. The Board of Directors of the Company, in its meeting held on 20.05.2011 had decided to continue Automotive and General Lighting businesses as two separate and distinct lines of business i.e. Strategic Business units. The Gross Sales for the Automotive Business in 2011-2012 has decreased from Rs. 24,870.16 lacs in 2010-2011 to Rs. 24,387.34 lacs i.e. by 1.95% and the Earning before interest, depreciation and taxes has increased from Rs. 5,029.68 lacs to Rs. 5,108.18 lacs i.e.

1.56 % over 2010-2011. In case of General Lighting Business, the gross sales in 2011-2012 have increased from Rs. 18,398.96 lacs in 2010-2011 to Rs. 22,279.65 lacs i.e. by 21.09 %. The Earning before interest, depreciation and taxes for General Lighting Business has improved from Rs. (3,033.47) lacs in 2010-2011 to Rs. (659.48 lacs) in 2011-2012.

g) Internal Control System and their adequacy

The Company has an adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. Transactions are authorized, recorded and reported correctly.

The Company's internal control systems are further supplemented by an extensive programme of internal audit by an independent firm of Chartered Accountants and periodic review by the Management.

The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

h) Developments in Human Resources & Industrial Relations Front

There was seamless transition to a SBU structure, bringing greater focus to the Auto, General Lighting Business and Luminaries businesses. Employees continue to be the cornerstone of the organization. Industrial Relations have been generally harmonious in all units.

Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance of the Company. Regular in-house training programs for employees at all levels help in this objective.

The number of persons employed in the Company is 2,326 (on company rolls) as on 31st March, 2012.

i) Cautionary Note

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook.

Investors are cautioned that this discussion contains forward looking statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's financial statements and notes on accounts.

CORPORATE GOVERNANCE

Our focus on corporate governance are, where investor and public confidence in companies is no longer based strictly on financial performance or products and services but on a company's structure, its Board of Directors, its policies and guidelines, its culture and the behavior of not only its officers and directors, but also all of its employees.

Our approach is proactive, starting with our Leadership Team. It is also deeply ingrained in our corporate culture, guiding how we work and how we do business. We apply and adhere to the rules-not just those required by government, but also those we impose on ourselves (OSHA's, ISO etc.) to meet the highest possible standards.

We continually discuss bylaws and governance practices, changing our policies when necessary and pointing out areas where we need to improve our performance. We also compare our practices to the criteria used by outside organizations to evaluate corporate performance.

As an organization we are proud of our strong commitment for maintaining the highest standards of corporate governance. As a listed Company, necessary measures are taken and systems put in place to comply with the Listing Agreement with Stock Exchanges.

A separate Report on Corporate Governance along with a Certificate of Compliances of conditions of Corporate Governance from the Practicing Company Secretary forms part of this Report.

QUALITY POLICY / CERTIFICATION

The Company is committed to provide consistent good quality products to its customers worldwide and for achievement of world class quality in the products manufactured, Management on its part is fully committed to further improve quality and provide all resources to accomplish this task. The Company is also committed to continuously improve safety and health of employees and working environment through institutionalizing proactive safety, health and environmental management strategies.

CERTIFICATION(S)

The organization was first certified ISO 9002 in year 1994 and QS 9000:1998/ISO9001:1994 in Jan 2002 and ISOTS 16949:2002 in May 2003 by RWTUV. The organization was also certified for ISO 14001:2004 and OHSAS 18001:1999 in April 2005 by RWTUV.

The organization is certified for ISO9001:2008 and ISO/TS16949:2009 for all units located in Noida valid until July 2012 and ISO14001:2004 and OHSAS 18001:2007 is valid until April 2014 BY TUV-NORD.

The Dehradun Plant certification of ISO 9001:2008 and ISO/TS 16949:2009 are valid until Feb 2014. For Haridwar plant certification of ISO 9001:2008 is valid until August 2014.

The testing lab of 59A Noida is NABL accredited until Oct. 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

Board of Directors of your Company state:

- i. that in the preparation of the annual accounts, applicable accounting standards had been followed along with proper examination relating to material departures, if any;
- ii. 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 at the end of the financial year and of the Profit of the Company for the year under review;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not accepted any deposits from Public, during the year under review.

DIRECTORS

Mr. Gurdeep Singh, is liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible offer himself for re-appointment.

Mr. Gurvikram Singh was appointed as an Additional Director and Managing Director of the Company with effect from 29th day of September, 2011. The Company has received notice(s) under Section 257 of the Companies Act, 1956 for his appointment at the ensuing Annual General Meeting. The Board recommends the same for your approval.

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the details of the Directors to be appointed/re-appointed are contained in the accompanying Notice for convening the ensuing Annual General Meeting.

During the period, Mr. Raj Krishan Sahgal, Chairman as well as Director, resigned and was relieved from the Board of the Company with effect from 11th October, 2011. Mr. Rajesh Kochhar, Managing Director, resigned and was relieved from the Board as well as from the office of the Company with effect from 30th June, 2011 and Mr. Susanta Kumar Neogi, Director resigned and was relieved from the Board as well as from the office of the Company with effect from 7th September, 2011. Mr. Steven Mark Enderby has resigned as director with effect

from May 26, 2012. Your Board of Directors wish to place on record their sincere appreciation for the guidance and valuable contribution made by Mr. Raj Krishan Sahgal, Mr. Rajesh Kochhar, Mr. Susanta Kumar Neogi and Mr. Steven Mark Enderby in the deliberations of the Board during their tenure as Directors of the Company.

AUDITORS

M/s. Arun K. Gupta & Associates, Auditors of the Company, retire at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment. The Company has received an eligibility letter under Section 224(1B) of the Companies Act, 1956 from the Auditors and recommend their appointment for your approval.

AUDITORS' COMMENT IN THE AUDITORS REPORT

The Auditors Report of the Company do not carry any comment/qualification to the Audited Financial Results for the financial year ended 31st March, 2012.

LISTING OF SHARES

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Listing Fees for the financial year 2012-2013 has been paid.

COST AUDIT

The Board of Directors, in pursuance of an order made under Section 233B of the Companies Act, 1956, has appointed M/s. J.K. Kabra & Co., Cost Accountants, New Delhi as Cost Auditors for conducting audit of the cost accounts maintained by the Company for the financial year ended 31st March, 2012.

SUBSIDIARY COMPANY

The Company has one unlisted 100% wholly owned subsidiary company "Halonix Technologies Limited". There are no operations during the year in the Company. The Balance Sheet, Profit and Loss Account and schedules thereto along with the Statement in terms of Section 212 of the Companies Act, 1956 forms part of this Annual Report.

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

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given below:

A. Conservation of Energy

The Company continues its policy of priority to energy conservation measures including regular review of energy conservation, consumption and effective control of utilization of energy.

The following energy conservation measures were implemented during the year under review.

- APFC (Auto Power Factor correction Panel) 360 KVAR has been installed to control the reactive power losses now the power factor reading is completely controlled.
- Low wattage lamps replaced in place of high wattage lamps like 250W MHL lamps have been replaced by T5 (28W) and spiral lamps (55W) to reduce the power consumption of lights.
- Motion sensors and time based sensors installed for auto switching of plant and boundary lights to control the unusual working of lights.

During the year under report, Company has consumed units of energy as detailed below:-

Electric Energy – 138.55 (previous year 137.43) lac units supplied by Power Corporation,

15.7 (previous year 21.47) lac units generated by DG sets.

Diesel – 4.64 (previous year 7.09) lac liters for running of DG sets.

- (b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy – No major additional investment is required.

- (c) Impact of the measures at(a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. – Not applicable

B. Technology Absorption

Particulars regarding Research & Development, Technology Absorption, Adaptation and Innovation are given under in prescribed Form 'B'.

FORM `B'

1. Research & Development (R & D) :

During the year under review the Company did not pursue any projects on Research & Development. The Company's products viz. Halogen Lamps and Compact Fluorescent

Lamps are produced with well established technologies and therefore does not require any focused Research & Development efforts.

2. Technology Absorption, Adaptation and Innovation

- (i) Efforts in brief made towards technology absorption, adaptation and innovation : Technology to manufacture Halogen Lamps and CFL Lamps has been fully absorbed.

- (ii) Benefits derived as a result of the above efforts : Stabilized Operations

- (iii) Details of technology imported during last five years
- (a) Technology Imported : N.A.
 - (b) Year of Import : N.A.
 - (c) Has technology been fully absorbed : N.A.
 - (d) If not fully absorbed, area where this has not taken place : N.A.

C. Foreign Exchange Earnings and Outgo

(Rs. in lacs)

PARTICULARS	Current Year 31.03.2012	Previous Year 31.03.2011
1. Foreign Exchange Earnings	9,741.31	12,661.27
2. Foreign Exchange Outgo -		
(a) Raw Materials	13,354.37	10,247.65
(b) Capital Goods	–	1,178.94
(c) Spare Parts	223.83	261.01
(d) Foreign Traveling/ Selling Expenses	487.78	244.50
(e) Dividend	NIL	NIL

Activities relating to export, initiative taken to increase the export, development of new export markets for products and export plan.

The Company taking necessary steps to increase export activities. The Company is having a unit in NSEZ.

PERSONNEL

Report on particulars of the employees required in terms of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is as under:

Employed throughout the year

Sr. No.	Name	Age	Designation	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of Comm. of Employment	Last Employment
1.	Mr. Rakesh Zutshi	44	Director Sales & Marketing	1,17,51,608	BSc., MBA	22	09.07.2007	Gujarat Glass Ltd
2.	Mr. Amar Singh Saini	61	Director Operations	1,12,46,196	D M E	40	03.05.1991	ECE Industries Ltd.
3.	Mr. Lalit Ramsharan Bhatia	45	General Manager-SCM	62,36,776	BSc. (Power Electronics)	15	05.02.2009	Supreme Industries

Employed for part of the year

Sr. No.	Name	Age	Designation	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of Comm. of Employment	Last Employment
1.	Mr. Rajesh Kochhar*	55	Managing Director	29,38,933	B.E. (Electronics)	34	16.11.2009	Landis + Gyr Ltd..
2.	Mr. S K Neogi**	67	Executive Director	31,82,632	M.Tech	41	03.06.1993	HMT Ltd.

*Ceased to be employed with effect from June 30, 2012

**Ceased to be employed with effect from September 30, 2012

Nature of Employment

- The employment is contractual.

Other Terms and Conditions

- The terms and conditions of employment are based on the board resolution, shareholders resolution and appointment letter.

Nature of Duties

- All the above personnel look after day-to-day activities of the Company under the supervision of Board of Directors of the Company.
- No employee as mentioned above are related to each other.

The above employees are not holding any shares in the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to NSEZ Authorities, Banks, Business Associates and Shareholders for their unstinted support, assistance and co-operation.

Your Company and its Directors also acknowledge with thanks the full fledged co-operation received from the employees at all levels.

For and on behalf of the Board

Place: Noida
Date : May 26, 2012

PADMANABH P. VORA
Chairman

CORPORATE GOVERNANCE REPORT AS ON 31ST MARCH, 2012**Corporate Governance**

The Company is committed to moral accountability, social responsibility, compliance with the law and has a strong, independent and knowledgeable Board charged with the responsibility to:-

- ensure legal and ethical conduct by every one in the Company.
- protect the interest of the investors, customers, employees, lenders, suppliers and the community.
- advise and counsel the Managing Director with the view to make the Company stronger and more successful.
- support investments and decisions that serve the interest of the Company and the stakeholders and caution in cases of investments and decisions which may not benefit the Company.
- prevent conflicts of interest and ensure that the right people are making the decisions and monitor, on ongoing basis, the results of the decisions that are likely to affect the Company most.

The Company's Corporate guidelines emphasize:-

- first and foremost 'The quality of strength of character'.
- an enquiring and independent mind, practical wisdom and mature judgment.
- principle-centered directors, leaders and senior management.
- structure that promotes transparency and culture that the right questions are asked without fear and that checks and balances are in place to ensure that the answers reflect what is best for the creation of long term sustainable wealth and value.

Risk Management is also seen by the Company as an essential element of Corporate Governance and therefore, the Board is charged with the oversight of this function.

I. BOARD OF DIRECTORS**(A) Composition of Board**

The present Board consists of one Non-Executive Chairman and Director, one Managing Director and four Non-Executive Directors. The Non-Executive Directors, with their diverse knowledge, experience and expertise, bring in their valuable independent judgment to the deliberations and decisions of the Board.

The Company has a non-executive Chairman and the Company meets the requirements relating to the composition of Independent and Non-Independent Directors of the Board of Directors of the Company.

(B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors of the Company are paid sitting fee as fixed by the Board of Directors within the limits prescribed under the Companies Act, 1956. No stock options were granted to non-executive Directors during the year under review.

During the year under review, the Board of Directors of the Company approved payment of lumpsum amount of Rs. 10,00,000/- (Rupees Ten lacs only) for the financial year 2011-2012 each to Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, Non-Executive Directors of the Company, for their guidance, expertise contribution in various sectors of the Company subject to the approval from the shareholders and Central Government. The remuneration is yet to be paid.

(C) Other provisions as to Board and Committees

During the year 2011-2012, Seven meetings of the Board of Directors were held on 20th May, 2011, 2nd August, 2011, 29th September, 2011, 10th November, 2011, 10th February, 2012, 12th March, 2012 and 27th March, 2012.

The 20th Annual General Meeting of your Company was held on Tuesday, the 2nd August, 2011 at 10.00 a.m. at the Registered Office of the Company at 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201 305.

The details about the Director's attendance in the Board Meetings and Annual General Meeting are given below:-

Name of Director	Category	Board Meetings Attended During the year	Attendance at the AGM held on 02.08.2011	No. of Directorship in the Companies other than Halonix Limited	No. of Committees & positions held as Member as Chairman	
Mr. Raj Krishan Sahgal***	Independent & Non-Executive Director	3	Yes	–	–	–
Mr. Rajesh Kochhar****	Managing Director	1	Not Applicable	–	–	–
Mr. Steven Mark Enderby*	Non- Executive Director	5	Yes	–		
Mr. Gurdeep Singh	Independent & Non-Executive Director	6	Yes	5	1	1
Mr. GanapatiRathinam	Independent & Non-Executive Director	6	Yes	1	1	–
Mr. Susanta Kumar Neogi*****	Executive Director	2	Yes	–	–	–
Mr. Padmanabh P. Vora	Independent & Non-Executive Director	5	Yes	7	3	4
Mr. Shomik Mukherjee*	Non-Executive Director	5	Yes	1	1	1
Mr.Gurvikram Singh**	Managing Director	5	Not Applicable	–	1	–

*Representative of Argon India Limited and Argon South Asia Limited

** Mr. Gurvikram Singh was inducted as Managing Director with effect from 29th September, 2011.

*** Mr. Raj Krishan Sahgal, resigned from the post of Chairman and Director from the Board with effect from 11th October, 2011.

****Mr. Rajesh Kochhar resigned from the post of Managing Director and Director from the Board with effect from 30th June, 2011.

*****Mr. S.K. Neogi, resigned from the post of Whole Time Director and Director from the Board with effect from 7th September, 2011.

Note:-

1. Directorship in Private Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 have not been considered.
2. For the purpose of membership & Chairmanship in a Committee only Audit Committee and Shareholders' Investors' Grievances Committee of Public Limited Companies have been considered.
3. The above composition is as at 31st March, 2012.

The Directors of the Board serve neither as Member of more than 10 Committees nor do they Chair more than 5 Committees.

Mr. Padmanabh P. Vora is a Chairman of the Board of Directors of the Company.

(D) Code of Conduct

- (i) The Board of Directors has laid down Code of Conduct for all Board Members, Senior Management and staff with employees of the Company. The copies of Code of Conduct as applicable to the Directors (including Senior Management of the Company) are uploaded on the website of the Company www.halonix.co.in. The Code of conduct applicable to the Staff and Employees of the Company have been detailed and put on the notice board of the Company.
- (ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2012. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

II. AUDIT COMMITTEE

(A) Qualified and Independent Audit Committee

The Company complies the provisions related to Audit Committee in terms of Clause 49 of the Listing Agreement as well as in terms of the provisions of Section 292A of the Companies Act, 1956. Its functioning is as under:-

- (i) As at 31.03.2012 the Audit Committee consists of three Non-Executive Directors as members.
- (ii) Mr. Padmanabh P. Vora, the Chairman of the Audit Committee is an independent Director.
- (iii) All members of the Committee are finance literate. Mr. Padmanabh P. Vora, is a qualified Chartered Accountant having the requisite financial management expertise.
- (iv) The Chairman of the Audit Committee, Mr. Padmanabh P. Vora was present at the last Annual General Meeting of the Company held on 2nd day of August, 2011.
- (v) The Chief Finance Officer, Internal Auditors, representatives of the Statutory Auditor, such other officials of the Company are invited to attend the Audit Committee meetings as and when required.
- (vi) The Company Secretary acts as the Secretary to the Committee.

(B) Meeting and Composition of Audit Committee

During the year, Five Audit Committee meetings were held on 20th May, 2011, 2nd August, 2011, 29th September, 2011, 10th November, 2011 and 10th February, 2012.

Number of meetings attended by the Members are given below:

Name of Members	Composition of the Audit Committee	Number of meetings attended
Mr. Padmanabh P. Vora	Independent	4
Mr. Steven Mark Enderby**	Non-executive	3
Mr. Gurdeep Singh	Independent	5
Mr. Shomik Mukherjee	Non-executive	2
Mr. Raj Krishan Sahgal*	Independent	3

* Mr. Raj. Krishan Sahgal, resigned from the Board of Directors with effect from 11th October, 2011.

**Mr. Steven Mark Enderby was not part of Audit Committee with effect from 10th November 2011, as it was reconstituted

(C) Powers of Audit Committee :

The Audit Committee has powers including:

1. to investigate any activity within its terms of reference.
2. to seek information from any employee.
3. to obtain outside legal or other professional advice.
4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee :

1. Review of Company's financial reporting process, the financial statements and financial/risk management policies.
2. Recommendation to the Board on appointment of statutory auditors and fixation of audit fee and other fees to the auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particulars reference to:
 - a. matters required to be included in the Director's Responsibility Statement, to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the exercise of judgment by the Management.
 - d. significant adjustments made in the financial statements arising out of audit findings.

- e. compliance with listing and other legal requirements relating to financial statements.
 - f. disclosure of any related party transactions.
 - g. qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue, public issue, rights issue, preferential issue, etc., the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with the statutory and internal auditors on any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, wherever applicable.
 14. Approval of appointment of CFO (i.e., the whole-time Finance-Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 16. To carry out any of the function contained as per the Companies Act, 1956 and the Listing Agreement

(E) Review of information by Audit Committee

The Audit Committee review's the following mandatorily as and when required:

1. Financial Statement and draft audit report including quarterly/half-yearly financial information.
2. Management discussion and analysis of financial condition and results of operations of the Company.
3. Statement of significant related party transactions.
4. Letter issued related to Internal Control Weaknesses.
5. The reports of Internal Auditors.
6. The appointment/remuneration of the Internal Auditors.

(F) Export activities

Activities relating to exports, initiatives taken to increase export, development of new export market for products and avic aervics, and export plans. The Company is taking necessary steps to increase export activities. The Company is having two plants in Noida NSEZ.

III. SUBSIDIARY COMPANY

1. The Company has one unlisted non-material subsidiary company "Halonix Technologies Limited".
2. The Audit Committee also reviews the financial statements, in particular, the investments made by the subsidiary company.
3. The Minutes of the Board Meetings of the unlisted subsidiary company are placed at the subsequent Board Meetings of the Company. The Management brings to the attention of Board of Directors, a statement of all significant transactions and arrangements entered into by the subsidiary company.

IV. DISCLOSURES

(A) Basis of related party transactions

There is no material significant related party transaction that may have potential conflict with the interest of the Company at large.

- (B) There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

(C) Disclosure of Accounting Treatment

The Financial statement of the Company are prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

(D) Whistle Blower Policy

There is no need in the Company to establish a mechanism called 'Whistle Blower Policy' for employees to report to the Management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy in the Company. Everyone is open to approach the Management for any such instance.

- (E) The Company has complied with the mandatory conditions of Corporate Governance and constituted Remuneration Committee as per the non-mandatory requirements.

(F) Board Disclosures Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

(G) Proceeds from public issues, right issues preferential issues, etc.

During the year under review, no money has been raised by the Company by way of Public Issues, Right Issues, Preferential Issues etc.

(H) Remuneration of Directors

(1) Executive Directors

- (a) The remuneration of the executive directors is decided by the Remuneration Committee based on the qualification, experience, industry benchmarks, the Company's performance vis-à-vis the industry, performance track record of the executive director/ appointee(s). The Company pays remuneration by way of salary, perquisites, commission and allowances.

- (b) Remuneration paid to the past/present executive directors of the Company during 2011-2012 is as under:-

(Amount in Rs.)

Name of the Executive Director	Salary and other Allowances	Perquisites	Contribution to Provident Fund	Service Tenure	Contract Notice Period	No. of shares of the Company
Mr. Rajesh Kochhar	21,44,267	63,846	1,60,820	15.11.2012	3 Months	Nil
Mr. S.K. Neogi	11,76,744	19,17,600	88,258	07.09.2011	3 Months	Nil
Mr. Gurvikram Singh	16,62,930	18,46,470	1,33,034	28.09.2014	3 Months	Nil

- There is no stock option scheme in the Company.
- There is no severance clause/ fees attached to remuneration of any Director.

(2) Non-Executive Directors

(a) The Non-Executive Directors are paid sitting fee only for attending the Board/Committee Meetings in terms of the Companies Act, 1956. A sitting fee of Rs. 5,000 per meeting of the Board and Rs. 2,500 per committee meeting of the Audit Committee and Remuneration Committee are paid.

(b) Payment of sitting fees to Non-Executive Directors for the year ended 31st March, 2012:-

Name	Sitting Fees Paid (in Rs.)
Mr. Raj Krishan Sahgal	25,000
Mr. Steven Mark Enderby	35,000
Mr. Gurdeep Singh	45,000
Mr. Ganpati Rathinam	30,000
Mr. Padmanabh P. Vora	37,500
Mr. Shomik Mukherjee	30,000
Total Sitting Fees paid during the year	2,02,500

(c) The non-executive directors have disclosed that they do not hold any shares and/or convertible instruments in the Company.

(d) There has been no pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company during the year under review except for the payment approved by the Board of Directors in favour of Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, of Rs 10,00,000 (Rupees Ten Lakhs) each for the year 2011-12. This payment is subject to approval of shareholders and the approval of Central Government.

(e) The Company has constituted the Remuneration Committee in the Company which approves the remuneration being paid to the executive directors of the Company.

(f) The detail of composition of Remuneration Committee as on 31st March, 2012 is as under:-

Name of Members	Composition of the Remuneration Committee
Mr. Gurdeep Singh	Independent
Mr. Steven Mark Enderby	Non-executive
Mr. Padmanabh P. Vora	Independent

During the year ended 31st March, 2012, the Committee held one meeting on 29th September, 2011. Mr. Gurdeep Singh is the Chairman of the Remuneration Committee.

Number of meetings attended by the Members are given below:

Name of Members	Composition of the Remuneration Committee	Meeting Attended
Mr. Gurdeep Singh	Independent	1
Mr. Padmanabh P. Vora	Independent	1
Mr. Steven Mark Enderby	Non-Executive	1
Mr. Raj Krishan Sahgal*	Independent	1

* Mr. Raj Krishan Sahgal, resigned from the Board of Directors with effect from 11th October, 2011.

(I) Management

The Management Discussion and Analysis Report has been included separately in the Annual Report to the shareholders.

(J) Shareholders Information

(i) Mr. Gurdeep Singh, Director of the Company is retiring by rotation at the forthcoming Annual General Meeting of the Company. The brief resume and other details of Mr. Gurdeep Singh is given with Notice of the Annual Report.

Mr. Gurvikram Singh has been appointed as Additional Director as well as Managing Director of the Company on 29th day of September, 2011. As per the provisions of section 260 of the Companies Act, 1956,

Mr. Gurvikram Singh, Managing Director, holds office only upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his appointment as Director liable not to retire by rotation. The brief resume and other details of Gurvikram Singh is given with Notice of the Annual Report.

During the period under review, Mr. Raj Krishan Sahgal, Mr. Rajesh Kochhar and Mr. Susanta Kumar Neogi, Directors, resigned from the Board of Directors of the Company with effect from 11th October, 2011, 30th June, 2011 and 7th September, 2011 respectively. Your Board of Directors wish to place on record their sincere appreciation for the guidance and valuable contribution made by Mr. Raj Krishan Sahgal, Mr. Rajesh Kochhar and Mr. Susanta Kumar Neogi in the deliberations of the Board during their tenure as Directors of the Company.

- (ii) The results i.e. Quarterly/ Half Yearly/ for Nine Months and Annual, are put on the Company's website www.halonix.co.in.
- (iii) Shareholders'/Investors' Grievance Committee Meeting termed as Share Transfer and Investors' Grievance Committee of the Company, is constituted under the Chairmanship of a non-executive Director to consider and look into the matter of Shareholders' /Investors' Grievances and to suggest the remedial and improvement measures and to redress the same.

The Company does not pay any sitting fees to the member of the Shareholders'/Investors' Grievance Committee Meeting termed as Share Transfer and Investors' Grievance Committee for attending the Meeting.

The composition of Shareholders' Investors' Grievance Committee, termed as Share Transfer and Investors' Grievance Committee is as under:-

Name of Members	Composition of the Share Transfer and Investor's Grievance Committee	Meeting Attended
Mr. Steven Mark Enderby	Non-executive	01
Mr. Rajesh Kochhar	Executive**	06
Mr. Susanta Kumar Neogi	Executive**	11
Mr. Shomik Mukherjee	Non- executive	20
Mr. Gurvikram Singh	Executive	12

** Mr. Rajesh Kochhar and Mr. Susanta Kumar Neogi, resigned from the Board of Directors with effect from 30th June, 2011 and 7th September, 2011 respectively.

Mr. Shomik Mukherjee is Chairman of the Committee.

24 Share Transfer and Investors' Grievance Committee Meetings were held in the financial year ended 31st March, 2012.

Mr. Mukesh Kumar, Company Secretary of the Company is the Compliance Officer and can be contacted at:

Mr. Mukesh Kumar, Company Secretary and Compliance Officer, Halonix Limited, 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201305.

Phone: 91-11-0120-4012210(D), 91-11-0120-4012222,

Fax:91-11-0120-2562943

email : mukesh.kumar@halonix.co.in

33 investors' complaints/queries were received during the year and all of them have been resolved during the year. No complaint was pending as on March 31, 2012.

- (iv) The Board of Directors of the Company has delegated the power of Share Transfer to the Share Transfer and Investors' Grievance Committee and the Registrar and Share Transfer Agents. The meetings of the Share Transfer and Investors' Grievance Committee to consider share transfer formalities are generally held on fortnightly basis. During the year 24 meetings of Share Transfer and Investor's Grievance Committee were held.

General Body Meetings

Location and time of Annual General Meetings held in the last 3 years:-

Year	Type	Date	Venue	Time	Special Resolution Passed
2009	AGM	08.09.2009	59-A, NSEZ, Noida Phase-II, Distt. GautamBudh Nagar, U.P. - 201305	10.00 A.M.	NO
2010	AGM	24.09.2010	59-A, NSEZ, Noida Phase-II, Distt. GautamBudh Nagar, U.P. - 201305	09.30 A.M.	YES
2011	AGM	02.08.2011	59-A, NSEZ, Noida Phase-II, Distt. GautamBudh Nagar, U.P. - 201305	10.00 A.M.	YES

Whether Special Resolution were put through postal ballot last year	No.
Details of voting pattern	Not Applicable
Persons who conducted the postal ballot exercise	Not Applicable
Whether Special Resolutions are proposed to be conducted through postal ballot	No

Means of Communication

Quarterly report sent to each Household of shareholders	The Results of the Company are published in the newspapers. Information is also sent to all Stock Exchanges via e-mails.
Quarterly results and in which newspaper normally published in	All quarterly results were published in Financial Express:- Mumbai, Ahmedabad, New Delhi, Lucknow, Pune, Kolkata, Chandigarh, Bangalore, Hyderabad, Chennai and Kochi (in English); Navbharat Times, New Delhi (in Hindi).
Any website where displayed	Yes, the results are displayed on the Company's website at www.halonix.co.in
Whether it also displays official News releases	No
Whether the website displays the Presentation made to the institutional investors and to the analysis	No

Market Price Information

The reported high and low closing prices during the year ended March 31, 2012 on the National Stock Exchange of India Limited and the BSE Limited, where your Company's shares are frequently traded, are given below:-

Month	National Stock Exchange		Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)	High(Rs.)	Low(Rs.)
Apr, 2011	108.90	90.25	106.10	90.35
May, 2011	107.70	71.80	107.40	70.10
Jun, 2011	89.40	71.00	84.90	70.40
Jul, 2011	81.90	67.75	79.00	66.00
Aug, 2011	79.60	59.00	76.40	57.00
Sep, 2011	72.80	60.25	71.95	55.00
Oct, 2011	64.00	55.95	64.45	55.30
Nov, 2011	74.80	58.05	75.80	58.00
Dec, 2011	64.85	48.00	63.45	47.20
Jan, 2012	70.70	47.00	71.00	48.65
Feb, 2012	75.50	58.20	75.00	56.00
Mar, 2012	69.00	50.70	69.00	50.00

Performance in comparison to BSE Sensex

Month	BSE SENSEX		Halonix Limited	
	High	Low	High (Rs.)	Low (Rs.)
Apr, 2011	19811.14	18976.19	106.10	90.35
May, 2011	19253.87	17786.13	107.40	70.10
Jun, 2011	18873.39	17314.38	84.90	70.40
Jul, 2011	19131.70	18131.86	79.00	66.00
Aug, 2011	18440.07	15765.53	76.40	57.00
Sep, 2011	17211.80	15801.01	71.95	55.00
Oct, 2011	17908.13	15745.43	64.45	55.30
Nov, 2011	17702.26	15478.69	75.80	58.00
Dec, 2011	17003.71	15135.86	63.45	47.20
Jan, 2012	17258.97	15358.02	71.00	48.65
Feb, 2012	18523.78	17061.55	75.00	56.00
Mar, 2012	18040.69	16920.61	69.00	50.00

General Shareholder Information

Annual General Meeting Date, Time	: Tuesday, 10th July, 2012 at 11.00 A.M.
Venue	: Registered Office: 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, U.P.- 201305.
Financial Year	: 1st April to 31st March of the succeeding year.
Date of Book Closure	: 9th June, 2012
Listing on Stock Exchange	: BSE Limited, 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 : National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400051
Stock Code	: BSE-517296 NSE - HALONIX
ISIN number for NSDL & CDSL	: ISIN INE455B01016

Share Transfer System

Shares lodged for transfer at the Registrar's address are normally processed and approved by Share Transfer and Investor's Grievance Committee on a fortnight basis. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days. Grievances and other miscellaneous correspondence on change of address, mandates etc. received from Members, are processed by the Registrar and Company within 30 days.

INVESTORS CORRESPONDENCE

In case of any delay in attending from the date of receipt of request for transfer of shares, non-receipt of Dividend Warrant, non-receipt of Annual Report or any other related matter the request can be forwarded at:

- (i) The Secretarial Department
Halonix Limited
 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar,
 Uttar Pradesh - 201 305.
 Ph.:0120-4012222,
 Fax: 0120-2562943,
 email:halonix@halonix.co.in

- (ii) Registrars and Share Transfer Agents :
M/s. Alankit Assignments Limited,
 2E/21, Jhandewalan Extension, New Delhi-110 055.
 Phone:011-42541234/42341234,
 Fax:011-42541201,23552001, 23551967.

DISTRIBUTION OF SHAREHOLDING

- (a) Distribution of Shareholding (No. of Shares) as on March 31, 2012 is as under:-

No. of Shares	No. of Share Holders	% of Share Holders	Total No. of Shares	% of Holding
1 - 500	17,706	93.27	24,24,117	8.65
501 - 1000	617	3.25	5,03,450	1.80
1001 - 2000	280	1.47	4,33,200	1.55
2001 - 3000	116	0.61	3,02,062	1.08
3001 - 4000	46	0.24	1,65,906	0.59
4001 - 5000	56	0.30	2,57,706	0.92
5001 - 10000	84	0.44	5,95,550	2.12
10001 & above	79	0.42	2,33,37,309	83.29
TOTAL	18,984	100.00	2,80,19,300	100.00

- (b) Shareholding Pattern as on 31st March, 2012

Category	Shares held	Percentage
Promoters	1,85,09,587	66.06
Institutional Investors		
Mutual Funds & UTI	50,998	00.18
Banks, Financial Institutions and Insurance Companies	700	00.00
FII's	9,86,359	03.52
Others		
Private Corporate Bodies	26,75,876	09.55
Indian Public	54,02,773	19.28
NRIs / OCBs	3,77,039	01.35
Trust	15,968	00.06
TOTAL	2,80,19,300	100.00

Dematerialisation of Shares

87.23% of the shareholding of the Company have been dematerialised as on 31.03.2012 and there is sufficient liquidity in the stock.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Plant Locations

- : 59-A, Noida Special Economic Zone,
Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305;
- : 59-D, Noida Special Economic Zone,
Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201 305;
- : A-1, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305
- : C-8, Selaqui Industrial Area, District Dehradun, Uttaranchal;
- : Plot no. 5, Sector 12, Integrated Industrial Area, Ranipur,
Haridwar, Uttaranchal.

Address for correspondence

- : 59-A, Noida Special Economic Zone,
Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305.
Phone : 91-11-0120-4012222
Fax : 91-11-0120-2562943
email : halonix@halonix.co.in
-

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND FOR THE YEAR 2004-2005 TO INVESTORS PROTECTION FUND OF CENTRAL GOVERNMENT

Your Company in the year 2005, for the financial year 2004-2005 had declared its 2nd Dividend to its Equity Shareholders at the rate of 15% i.e. Re. 1.50 for every share held.

In the general interest of the then “unclaimed dividend shareholders” and as a matter of goodwill, the Company, is sending individual letter by speed post at the last available address of the Shareholders, to enable the unclaimed dividend holders to claim their dividend on or before 16th August, 2012, i.e. before transfer of unclaimed dividend to the Investors Education and Protection Fund (IEPF) of the Central Government after a period of 7 years, as per the provisions of section 205C of the Companies Act. It will be notified on the Bombay and National Stock Exchanges to enable the shareholders to claim their unclaimed dividend.

Upon completion of 7 years of declaration, the balance unclaimed dividend will be transferred to IEPF account of the Central Government pursuant to the provisions of the Companies Act, 1956.

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.halonix.co.in. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2012.

Date : May 26, 2012
Place : Noida

Gurvikram Singh
Managing Director

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
HALONIX LIMITED

We have examined all relevant records of HALONIX LIMITED (the Company) for the purpose of certifying of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof. This certificate 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.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of Clause 49 of the Listing Agreement.

For **Chandrasekaran Associates**
Company Secretaries

Place : Noida
Date : May 26, 2012

Dr. S. Chandrasekaran
Senior Partner
(Membership No. FCS 1644, CP 715)

AUDITORS' REPORT**TO THE MEMBERS OF HALONIX LIMITED (Formerly known as Phoenix Lamps Limited)**

1. We have audited the attached Balance Sheet of Halonix Limited as at March 31, 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
 4. Further to our comments in the annexure referred to above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of Companies Act, 1956;
 - (f) Without qualifying our opinion we draw attention to note no.42 regarding managerial remuneration for which the Company has made applications/ revision applications to the Central Government seeking approval for the remuneration paid to the Managing Director & erstwhile Managing Directors & Directors in excess of the limits prescribed under the Companies Act/ Central Government approval obtained amounting to Rs. 73.69 Lacs (upto 31-03-2011 Rs. 153.05 Lacs) for which approval is awaited.
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required , give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the state of the affairs of the Company, as at March 31, 2012.
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ARUN K GUPTA & ASSOCIATESChartered Accountants
Firm Registration No. 000605N**Gireesh Kumar Goenka**

Partner

Membership No. 096655

Place : Noida
Date : May 26, 2012

Annexure referred to in paragraph (3) of our report of even date Halonix Limited (Formally known as Phoenix Lamps Limited)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management according to the phased programme designed to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and physical verification have been noticed. The Company has not disposed off any substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
3. (a) As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (herein referred to as the Order), are not applicable.
- (b) As informed, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (e), (f) and (g) of the Order, are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods. There is no sale of services, hence provision of this clause, to the extent of sale of services are not applicable to the Company. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. According to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, therefore paragraph 4 (v) (b) of the Order is not applicable.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Govt. for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales/Vat Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March, 2012 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the dues outstanding of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty, Excise duty & Cess on account of any dispute are as follows:

c) Name of the Statute	Nature of dues	Amount (Rs.'Lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax Act 1975	Sales Tax Demand	0.82	F.Y.1994-95	D.C.-Appeal IV, Delhi
U.P Trade Tax Act 1948	Demand U/s 4B	1.04	F.Y.2000-01	Joint Commissioner Appeal, Noida
Uttrakhand Vat Act 2005	Demand against Stock Transferred	26.09	F.Y.2005-06	Joint Commissioner Appeal, Dehradun
U.P Vat Act 2008	Penalty U/s 50	0.38	F.Y.2008-09	Joint Commissioner Appeal, Noida
U.P Vat Act 2008	Non receipt of Form "C"	9.24	F.Y.2007-08	Deputy commissioner, Noida
U.P Vat Act 2008	U/s 54(14)	6.12	F.Y.2008-09	Deputy commissioner, Noida
Income Tax Act 1961	Penalty u/s 271(1)(c)	18.00	F.Y 2004-05	CIT Appeal, Noida
Director General of Foreign Trade - Delhi	Penalty for non fulfillment of export obligation.	152.44	Advance Licence dated- 02.02.05, 12.10.04 & 18.05.05	Additional DGFT(Appeal), New Delhi

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or bank.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund and societies.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures, and other investments. However, the Company has made an investment in International Lamps Holding Company S.A. a wholly owned subsidiary by way of acquisition of bearer shares certificate of the Company. The share certificates has been kept in an escrow account.
15. Based on the audit procedures applied by us & according to the information & explanations provided by the management, the term loans taken by the Company during the year have been applied for the purpose for which the loans were obtained.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial institutions.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information & explanations given by the management, we have neither come across any instance of major fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management.

For ARUN K GUPTA & ASSOCIATES

Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka

Partner

Place : Noida
Date : May 26, 2012

Membership No. 096655

BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs in Lacs)

	Notes	As At March 31,2012	As At March 31,2011
I. Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	4,117.93	4,117.93
Reserves and Surplus	4	9,158.40	8,587.72
		13,276.33	12,705.65
Non-Current Liabilities			
Long Term Borrowings	5	800.00	-
Deferred Tax Liabilities (net)	6	-	205.64
Long-Term Provisions	7	587.67	511.92
		1,387.67	717.56
Current Liabilities			
Short Term Borrowings	8	14,105.50	13,253.82
Trade Payables	9	5,191.03	4,497.19
Other Current Liabilities	10	2,253.18	2,181.34
Short-Term Provisions	11	520.98	513.13
		22,070.69	20,445.48
	Total	36,734.69	33,868.69
II. Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	9,925.41	10,533.34
Intangible Assets	12	338.44	487.99
Capital Work-in-Progress		39.35	259.92
		10,303.20	11,281.25
Non- Current Investments	16	-	25.04
Long-Term Loans and Advances	13	361.26	959.01
Trade Receivables	14	-	-
Other Non-Current Assets	15	9.24	-
		370.50	984.05
Current Assets			
Current Investments	16	25.04	-
Inventories	17	9,982.84	7,898.24
Trade Receivables	18	12,314.49	10,624.59
Cash and Cash Equivalents	19	975.82	945.60
Short-Term Loans and Advances	20	2,716.87	2,084.26
Other Current Assets	21	45.93	50.71
		26,060.99	21,603.39
	Total	36,734.69	33,868.69
Significant Accounting Policies and Notes on Accounts	2		

The accompanying notes are an intergral part of the financial statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Gireesh Kumar Goenka
Partner
M.No. 096655

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Place: Noida
Date : May 26,2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

(Rs in Lacs)

	Notes	Year ended March 31,2012	Year ended March 31,2011
I. Revenue from Operations	22		
Gross Sales		46,667.02	43,269.12
Less: Excise Duty		(1,327.74)	(1,390.83)
Net Sales		45,339.28	41,878.29
II. Other Income	23	66.49	161.59
III Total Revenue (I + II)		45,405.77	42,039.88
Expenses			
Cost of Material Consumed	24	27,447.05	25,723.78
Purchase of Traded Goods	33(b)	1,833.26	987.19
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress & Stock in Trade	25	(1,165.13)	510.30
Employee Benefit Expenses	26	5,678.60	5,103.86
Financial Cost	27	2,284.93	1,659.56
Depreciation and Amortisation Expense	12	1,409.30	1,344.73
Other Expenses	28	7,163.30	7,718.54
IV Total Expenses		44,651.31	43,047.96
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		754.46	(1,008.08)
VI. Exceptional Items(Capital Advances Written off)		389.43	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		365.03	(1,008.08)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax		365.03	(1,008.08)
Tax Expense:	29		
Current Tax		41.21	34.82
MAT Credit Entitlement		(41.21)	-
Deferred Tax Assets/(Liability)		205.64	158.67
Profit For The Year		570.67	(884.23)
Earnings Per Equity Share (Before Exceptional Items)			
Equity Shares of Par Value ₹ 10 /- each			
Basic		3.43	(3.16)
Diluted		3.43	(3.16)
Earnings Per Equity Share (After Exceptional Items)			
Basic		2.04	(3.16)
Diluted		2.04	(3.16)
Number of Shares used in Computing Earnings Per Share			
Basic		2,80,19,300	2,80,19,300
Diluted		2,80,19,300	2,80,19,300

Significant Accounting Policies and Notes on Accounts 2

The accompanying notes are an intergral part of the financial statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Gireesh Kumar Goenka
Partner
M.No. 096655

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Place: Noida
Date : May 26,2012

CASH FLOW STATEMENT FOR THE YEAR ENDED

(Rs in Lacs)

	For the Year 31st, March, 2012	For the Year 31st, March, 2011
Cash Flows from Operating Activities		
Profit before tax	365.03	(1,008.08)
Adjustments to reconcile Profit before tax to cash provided by Operating Activities		
Depreciation and amortisation Expense	1,409.30	1,344.73
Interest Paid	1,966.55	1,494.21
Interest Received	(21.18)	(82.60)
Profit on Derivative	-	(73.77)
Loss on Sale of Fixed Assets	9.83	86.56
Inventories W/Off	116.12	153.77
Bad Debts W/Off	1,285.56	115.37
Capital Advance W/Off	389.43	-
Provisions for Doubtful Debts/Obsolete Inventory And Warranty	(196.49)	990.38
Operating Profit before Working Capital changes		
Movement in Working Capital		
Trade and Other Receivables	(2,707.57)	(1,677.01)
Inventories	(2,309.54)	332.30
Loans and Advances and Other Assets	(108.29)	(14.08)
Liabilities and Provisions	(507.14)	854.85
Trade Payables	693.84	1,158.40
Cash Genrated from Operations	385.45	3,675.04
Income Taxes Paid	(494.35)	362.85
Net Cash Generated from Operating Activities	(108.90)	4,037.89
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(298.01)	(1,734.13)
Investments in Subsidiaries	-	(25.04)
Advance to Subsidiary (Net)	(1.09)	(1,638.97)
Interest Received	21.18	90.05
Profit on Derivative	-	73.77
Loss on sale of Fixed Assets	31.91	250.12
Net Cash Provided by / (Used in) Investing Activities	(246.01)	(2,984.20)
Cash Flows from Financing Activities		
Proceeds from Short Term and Long Term Borrowings(Net)	2,351.68	10.33
Interest Paid	(1,966.55)	(1,494.21)
Net Cash used in Financing Activities	385.13	(1,483.88)
Net Increase/(Decrease) in Cash and Cash Equivalents	30.22	(430.19)
Cash and Cash Equivalents at the beginning of the Year	945.60	1,375.79
Cash and Cash Equivalents at the end of the Year	975.82	945.60
Components of Cash and Cash Equivalents		
Cash on Hand	2.90	5.44
Balance with Scheduled Banks - Current Accounts	736.81	343.65
Term Deposit	152.92	279.41
Unpaid Dividend Accounts *	83.19	317.10
Cash And Bank Balances	975.82	945.60
Less:- Fixed Deposits not considered as cash and cash equivalents		
Deposits having maturity period of more than 3 Months and pledged with banks	152.92	279.41
	822.90	666.19

*These Balances are not available for the use by the Company

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. 000605N

Gireesh Kumar Goenka

Partner

M.No. 096655

Place: Noida

Date : May 26, 2012

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Notes to Financial Statements for the Year ended 31st March, 2012**1 Nature of Operation**

Halonix Limited (hereinafter referred to as “the Company”) is a manufacturer of Auto and General Lighting Lamps.

2 Statement of Significant Accounting Policies**a) Basis of Preparation :**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates :

The preparation of financial statements are in conformity with generally accepted accounting principles & it requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing cost relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Expenditure for addition, improvement and renewal are capitalized and expenditure for repairs and maintenance are charged to Profit & Loss Account. Expenses specifically attributable to completion of project are considered as part of project cost.

d) Borrowing Cost :

Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Profit & Loss Account.

e) Depreciation :

- i) Depreciation on fixed assets (other than lease hold improvements) is provided on Straight Line Method as prescribed in Schedule XIV of the Companies Act, 1956.
- ii) Lease hold land is amortized over the period of lease.
- iii) Depreciation on the amount of addition made to fixed assets due to upgradation/improvement is provided at the rate applied to the existing assets.
- iv) Intangible assets are accounted for at their cost of acquisition & amortized over their estimated economic life not exceeding 5 years.
- v) Depreciation on lease hold improvement is amortised over the primary period of lease.

f) Employee Benefits :**(a) Short-term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave .The undiscounted

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

(b) Post-employment benefits :

- (i) Retirement benefits in the form of the Company's contribution to Provident Fund are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial Gains and Losses are recognized immediately in the Profit & Loss Account.

(c) Other Long-term employment benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which an employee renders the related services, are provided for on the basis of actuarial valuation made at the end of each financial year.

g) Foreign Exchange Transaction :**Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency transactions.

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Difference :

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward Exchange Contracts : (Derivative Instruments)

Not intended for trading or speculation purposes:-

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit & loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

h) Inventory Valuation :

Inventories are valued as follows :

Raw Materials & Others :

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on transaction moving weighted average.

Work in Progress and Finished Goods :

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty where ever applicable.

By Products and Waste– Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

i) Leases :

Where the Company is lessee:- Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and are disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

j) Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured. Sale of Goods revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are net of return, volume discount and sales/vat tax but including excise duty.

- i) Claims in the nature of guaranteed sales requiring replacement /money back are adjusted against sales.
- ii) Interest: Interest is recognized on a time proportion basis taking into account the amount outstanding at the applicable date.
- iii) Dividend: Dividend is recognized when the shareholder's right to receive payment is established by the balance sheet date.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)**k) Investment :**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments and investments held for sale are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

l) Income Tax :

Tax expense comprises of current Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier year.

Deferred taxes are measured based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date. Deferred assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier year are reassessed and recognized to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax assets be realised.

Minimum Alternative Tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accounts of India, the said asset is created by way of a Credit to the Profit & Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

m) Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

n) Impairment of Fixed Assets :

Consideration is given at each Balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)**o) Intangible Assets :**

Research and Development Costs

Research & development costs which relate to the design and testing of new or improved materials, products or processes which are recognized as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of a capital nature is added to fixed assets. Development costs carried forward is amortised over the period of expected future sales from the related project, not exceeding five years.

Other Research and development costs, incurred for development of products are expensed as incurred.

p) Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

q) Segment Reporting Policies :**Identification of segments:****Primary Segment :****Business Segment**

During the year the Company has bifurcated its business in two separate segments. Accordingly operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of Auto Lamps and General Lighting Lamps.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Secondary Segment :**Geographical Segment**

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

(Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
NOTE 3 - SHARE CAPITAL		
Authorized Shares		
41,000,000 Equity Shares of Rs 10/-each	4,100.00	4,100.00
2,900,000 Redeemable Preference Shares of Rs. 100/- each	2,900.00	2,900.00
Issued, Subscribed and Paid-Up Shares		
2,80,19,300 (P.Y. 2,80,19,300) Equity Shares of Rs 10/-Each fully paid up	2,801.93	2,801.93
13,16,000 (P.Y. 13,16,000) 0% Redeemable Preference Shares of Rs 100/- each	1,316.00	1,316.00
Total	4,117.93	4,117.93

Out of the Equity Share Capital :

1,48,07,670 Equity shares held by Argon India Limited, a holding Company.

The Company has equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled for one vote per share and also entitle for dividend per share.

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. This distribution will be in proportion to the number of equity shares held by the shareholder.

Holder of Redeemable Preference shares is entitled to one vote per share only on resolutions placed before the Company which directly effect the rights attached to Redeemable Preference Shares - All Preference shares are held by Phoenix Electric Co., Japan.

As per the schemes of Arrangement of Share Capital u/s 391 of Companies Act, 1956 approved by Hon'ble Allahabad High Court vide order dated 22.02.2000 & 22.04.2002, the Company had converted 13,160,000 equity shares of face value of Rs. 10/- each aggregating to Rs. 1316 Lacs into 1,316,000 Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 1316 Lacs. Redeemable Preference shares do not carry any dividend rights. Out of 1,316,000 Redeemable Preference shares 550,000 redeemable preference shares are to be redeemed at par after 1st April' 2012 and 766,000 redeemable preference shares are to be redeemed at par after 31st March,2007 on such date as the Board of Directors may determine after the Preference Shares held by Industrial Development Bank of India Limited have been redeemed in full and their liability have been fully discharged, .The Preference Shares held by Industrial Development Bank of India Limited have since been redeemed. The Board of Directors of the Company has not exercised its option to redeem the Preference Shares.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Reconciliation of the number of Equity Shares Outstanding

Particulars	As At March 31,2012	As At March 31,2011
Number of shares at the beginning	2,80,19,300	2,80,19,300
Add: Shares issued during the year	-	-
Number of shares at the end	2,80,19,300	2,80,19,300

Shares held by Holding / Ultimate Holding Company and/or their Subsidiaries/Associates. (Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Argon India Limited 14,807,670 (P.Y.14,807,670) equity shares of Rs. 10 each fully paid up	1,480.77	1,480.77
Total	1,480.77	1,480.77

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Details of Shareholders holding more than 5% Share in the Company

Particulars		As At March 31,2012	As At March 31,2011
Equity shares of Rs. 10 each fully paid			
Argon India Limited	Foreign Promoter	1,48,07,670	1,48,07,670
Argon South Asia Limited	Foreign Promoter	37,01,917	37,01,917
Official Liquidator-Soei Tsusho Company Limited	Foreign Corporate Body	18,80,000	18,80,000
Reedemable Preference Shares of Rs100 each			
Phoenix Electric Co., Japan	Foreign Corporate Body	13,16,000	13,16,000

NOTE 4 - RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Securities Premium Reserve	3,733.86	3,733.86
Capital Subsidy	40.00	40.00
Capital Redemption Reserve	1,621.00	1,621.00
General Reserve	23.57	23.57
Surplus/(Deficit)in the Statement of Profit & Loss- Opening Balance	3,169.30	4,053.52
Add: Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	570.67	(884.23)
Amount available for appropriation	3,739.97	3,169.29
Balance in Profit and Loss Account	3,739.97	3,169.29
Total	9,158.40	8,587.72

NOTE 5 - LONG TERM BORROWINGS

Term Loan

Indian Rupees Loan from Axis Bank Limited (Secured)	800.00	-
Total	800.00	-

During the year under review the Axis Bank Limited sanctioned to the Company a Term Loan of Rs. 3,500 Lacs against which till March 31st,2012 the Company has availed a disbursement of Rs. 1,500 Lacs. The Term Loan carries interest of 13.25% P.A. and repayable in ten equated quarterly instalments of Rs. 350 Lacs each commencing from October 1st, 2012. Installments of Term Loan falling due within next 12 months is Rs. 700 Lacs.

Term Loan from Axis Bank Limited is secured by first pari-passu charge on movable & immovable fixed assets of the Company.

NOTE 6 - DEFERRED TAXES

Deferred Tax Liabilities

Timing difference on account of depreciation (Difference as per books & as per Income Tax Act)	958.10	561.76
Total	958.10	561.76

Deferred Tax Assets

On account of Disallowance u/s 43B	285.24	206.77
Provisions	1,171.80	149.35
Total	1,457.04	356.12
Net Deferred Tax Liabilities/(Assets)	(498.94)	205.64
Net Deferred Tax Liabilities/(Assets) for the year	(205.64)	(158.68)

The Company has significant unabsorbed depreciation / carry forward losses amounting to Rs.3,090.48 lacs. (PY Rs.3,468.63 lacs), including the losses disputed in appeal and / or pending assessment, as per the tax laws. In view of absence of virtual certainty of realisation of carried forward tax losses / unabsorbed depreciation in the foreseeable future, Deferred Tax Asset has been recognised only to the extent of Deferred Tax Liability.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

NOTE 7 - LONG-TERM PROVISIONS

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
Provision for Leave Encashment	190.34	165.26
Provision for Gratuity	397.33	346.66
Total	587.67	511.92

NOTE 8 - SHORT TERM BORROWINGS

Working Capital Loan from Banks-Secured		
Cash Credit Facilities	12,528.24	10,172.48
Short Term Loan	1,160.00	1,160.00
Bill Discounting	417.26	1,921.34
Total	14,105.50	13,253.82

Working Capital Loans from Scheduled Banks are secured by hypothecation of entire Current Assets of the Company both present and future and further secured by way of first pari passu on Movable & Immovable Fixed Assets of the Company.

The working capital loans are repayable on demand and carries interest @ 11.15% to 15.30%

NOTE 9 - TRADE PAYABLES

Trade Payables		
Acceptances *	1,406.13	1,435.25
Total Outstanding dues of Micro & Small Enterprises (Refer note No. 35)	303.07	107.34
Total Outstanding dues of other than Micro & Small Enterprises	3,481.83	2,954.60
Total	5,191.03	4,497.19

* Acceptance represents outstanding under Purchase Bill Discounting Facility of Rs. 1,500 Lacs under Receivable Finance Scheme of Small Industries Development Bank of India (SIDBI). The said Facility is secured by second charge on all Movable and Immovable Fixed Assets of the Company and residual charge on the Current Assets of the Company.

NOTE 10 - OTHER CURRENT LIABILITIES

Current Maturities of long term borrowings (Refer note 5)	700.00	-
Other Payables	1,027.82	1,332.81
Dues to Statutory Authorities	338.55	188.54
Advances received from Customers	103.62	342.89
Unpaid Dividends (1)	83.19	317.10
Total	2,253.18	2,181.34

(1) To be transferred to Investor Education and Protection. fund as and when due.

NOTE 11 - SHORT-TERM PROVISIONS

Leave Encashment	107.79	92.04
Gratuity	115.37	85.86
Provision for Post-sales warranties (1)	297.82	335.23
(1) Provision for Post-sales warranties	520.98	513.13

The movement in the provision for post-sales warranties is as follows :

Balance at the beginning	335.23	537.86
Provision recognized	-	27.72
Provision utilised	(37.41)	(230.35)
Balance at the end	297.82	335.23

The claims are in the nature of guaranteed sales requiring replacement /money back for defective goods within a stipulated time hence considered as sales return and accordingly adjusted from sales. Provision for post sales guarantee is expected to be utilised over a period of one year.

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)
NOTE 12 - FIXED ASSETS
(Rs. in Lacs)

Particulars	Gross Block		Depreciation and amortization				Net book value	
	As at March, 2011	Additions during the year	Deductions/Retirement during the Year	As at 31 March, 2012	For the year	Deductions during the year	As at 31 March, 2012	As at 31 March, 2011
Tangible Assets :								
Land : Free-hold Leasehold (1)	370.16	-	-	27.36	4.33	-	338.47	342.80
Buildings (2)	3,169.15	-	-	749.51	104.58	-	2,315.06	2,419.64
Plant & Machinery	22,777.32	326.61	59.93	15,740.65	984.93	59.54	6,377.95	7,036.67
Laboratory Equipments	253.25	2.90	-	83.04	11.26	-	161.84	170.21
Gas Cylinders	30.29	2.82	-	11.67	4.65	-	16.32	18.62
Office Equipment	212.54	66.47	-	91.29	11.58	-	176.13	121.25
Computers	396.69	65.79	1.83	194.25	66.93	0.68	200.16	202.45
Furniture and Fixtures	236.81	65.43	-	147.88	10.47	-	143.89	88.93
Lease Hold Improvement	-	94.02	-	-	14.00	-	80.01	-
Vehicles	155.14	34.40	57.90	79.81	13.21	17.69	56.31	75.33
Fire Fighting Equipments	90.67	5.25	-	33.23	3.90	-	58.79	57.45
Total	27,692.02	663.67	119.65	17,158.68	1,229.86	77.91	9,925.41	10,533.34
Intangible Assets :								
Computer Softwares	304.37	29.89	-	175.72	59.51	-	99.02	128.65
Research and Development Cost	598.90	-	-	239.56	119.93	-	239.41	359.34
Total	903.27	29.89	-	415.28	179.44	-	338.44	487.99
Total	28,595.29	693.56	119.65	17,573.97	1,409.30	77.91	10,263.85	11,021.33
Previous year	26,851.05	2,114.50	370.25	16,262.81	1,344.73	33.57	11,021.33	10,588.29

(1) The Company has entered into lease agreement with Noida Authority & UPSIDC & SIDCUL to acquire certain properties at A1 Noida, Sidcul Hardwar & in Selaqui Industrial Area Dehradun. In accordance with the terms of these agreements, the expiry period of lease on A1 Noida is for 78 Years & in Sidcul Hardwar & Selaqui Industrial Area Dehradun is for 99 Years. The Company has already Paid Rs. 128.11 Lacs for A1 Noida Plant, Rs. 20.16 Lacs for Selaqui Industrial Area Dehradun Plant & Rs. 221.08 Lacs for Sidcul Hardwar Plant at the time of entering into lease agreements. These amounts are disclosed as 'Land - leasehold' under 'Tangible assets' in the Financial Statements.

(2) Buildings includes Rs. 590.64 (Previous Year Rs 590.64 Lacs) on leased land belonging to Noida Special Economic Zone.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

(Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
NOTE 13 - LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	12.28	576.70
Advance to Halonix Technologies Ltd.(a wholly owned subsidiary) (Refer Note No 36)	88.74	123.64
Advances recoverable in cash or in kind or for value to be received	19.34	15.31
Security Deposit	174.72	177.18
Balance with Excise & Custom authorities	66.18	66.18
Total	361.26	959.01
NOTE 14 - TRADE RECEIVABLES		
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured		
Considered Good		
Considered Doubtful	-	429.20
Total	-	429.20
Less: Provision for Doubtful receivables	-	429.20
The Company had initiated legal proceedings and recovery is not expected within next twelve months.	Total	-
NOTE 15 - OTHER NON-CURRENT ASSETS		
Deposits with Maturity more than 12 months	9.24	-
Total	9.24	-
NOTE 16 - INVESTMENTS		
Investments in Equity Shares ,Trade, Unquoted		
Non-Current Investments– at cost		
Fully paid 50,000 Equity Shares of Halonix Technologies Limited, a Subsidiary Company Face Value @ Rs 10/-each	5.00	5.00
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. of one Euro each	-	25.04
Aggregate value of Non Current Investment	5.00	30.04
Less:- Aggregate amount Provision for dimunition in value of Non Current Investment	(5.00)	(5.00)
Total	-	25.04
Current Investment		
Non-trade, Unquoted		
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. (IHCL) of one Euro each	25.04	-
Aggregate amount of Unquoted Current Investments – at the lower of cost and fair value	25.04	-

In earlier year the Company had invested Rs 25.04 Lacs in equity /common shares of IHCL with an intention of holding the same for more than one year from the date on which such investment was made . Accordingly it classified the same as long term investment under AS-13 Accounting for Investment . The arrangement has since been rescinded and the share certificates have been kept with an Escrow Agent and therefore investment has been presented as current investment in the financial statement for the year ended 31st. March, 2012.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Details of Investments		(Rs in Lacs)	
Particulars	As At March 31,2012	As At March 31,2011	
Investments in Equity Instruments of wholly owned Subsidiaries			
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. of one Euro each (kept in Escrow account), Face value of Euro 1 each	25.04	25.04	
Fully paid 50,000 Equity Shares of Halonix Technologies Limited, a Subsidiary company Face Value @ Rs. 10/-each	5.00	5.00	
Total	30.04	30.04	
Less:- Provision for diminution in value of Non Current Investment	(5.00)	(5.00)	
Total	25.04	25.04	
NOTE 17 - INVENTORIES (valued at lower of cost or net realisable value)			
Raw Materials			
Raw Materials (Includes in transit Rs 343.20 Lacs) (Previous year Nil)	3,796.17	3,023.97	
Gases	29.90	50.26	
Consumables	82.96	75.65	
Packing Materials	177.01	169.15	
Stores & Spares	282.04	268.37	
Finished Goods	2,463.15	1,481.94	
Work in Progress	2,009.86	1,981.10	
Traded Goods	1,523.71	1,368.55	
Goods Sold in Transit	1,100.39	901.20	
Scrap	92.38	43.96	
SUB TOTAL	11,557.57	9,364.15	
Less:- Provision for obsolete inventories	(1,574.73)	(1,465.91)	
Total Inventories at lower of cost or net realisable value	9,982.84	7,898.24	
Provision for obsolete Inventories			
Periodically, the Company evaluates inventories for its usability. The Company normally provides for inventories outstanding for 1 year or longer as at the Balance Sheet date and for the inventories identified as non usable/absolute.			
NOTE 18 - TRADE RECEIVABLES			
Receivables outstanding for a period exceeding six months from the date they are due from payment			
Unsecured			
Considered Good	3,688.75	780.97	
Considered Doubtful	989.87	835.51	
	4,678.62	1,616.48	
Provision for Doubtful receivables	989.87	835.50	
Total (A)	3,688.75	780.98	
Other Receivables			
Unsecured			
Considered Good	8,625.74	9,843.61	
Considered Doubtful	205.85	198.92	
	8,831.59	10,042.53	
Provision for Doubtful receivables	205.85	198.92	
Total (B)	8,625.74	9,843.61	
Total (A+B)	12,314.49	10,624.59	

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Provision for Doubtful receivables

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for debtor's outstanding for three months or longer from the due date, as at the Balance Sheet date, as per the policy. The Company pursues the recovery of the dues.

NOTE 19 - CASH AND CASH EQUIVALENTS

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
Cash in Hand	2.90	5.44
Balances with Banks		
in Current Accounts	736.81	343.65
in Unpaid Dividend Accounts (1)	83.19	317.10
Total (A)	822.90	666.19
Other Bank Balance		
Deposits with Maturity more than 3 months but upto 12 months (2)	152.92	279.41
Deposits with Maturity more than 12 months	9.24	-
	162.16	279.41
Less : Amount disclosed under Non Current Assets	9.24	
Total (B)	152.92	279.41
Total (A+B)	975.82	945.60
(1) These balances are not available for the use by the Company as they represent corresponding Unclaimed Dividend Liabilities.		
(2) Deposits are in the nature of margin money kept with banks against Bank Guarantees given / letter of credit established by the Banks.		
NOTE 20 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Prepaid Expenses	92.79	98.07
Advance to Halonix Technologies Limited.(A wholly owned subsidiary)	1,616.50	1,580.50
Advances recoverable in cash or in kind or for value to be received	409.63	314.27
MAT Credit Entitlement	60.02	18.82
Advance Income Taxes/Tax deducted at source (Net of provision of Income Tax)	458.58	5.44
Loans and Advances to Employees	7.81	1.11
Balance with Excise & Custom Authorities	71.54	66.05
Total	2,716.87	2,084.26
NOTE 21 - OTHER CURRENT ASSETS		
Assets Held for Disposal	7.75	7.75
Interest Recievable	3.73	8.56
Security Deposits	34.45	34.40
Total	45.93	50.71

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 22 -REVENUE FROM OPERATIONS		
Finished Goods	48,576.94	46,138.15
Traded Goods	1,902.64	879.43
Scrap Sales	96.88	217.13
Gross Sales	50,576.46	47,234.71
Less: Replacement & Claims Refer Note no 11(1)	(3,909.44)	(3,965.59)
Sales Net of Replacement & Claims	46,667.02	43,269.12
Less: Excise Duty	(1,327.74)	(1,390.83)
Total	45,339.28	41,878.29
NOTE 23 - OTHER INCOME		
Interest Received on Deposits with Banks	16.17	13.86
Other Interest	5.01	73.24
Miscellaneous Income	45.31	0.72
Profit on Derivatives	-	73.77
Total	66.49	161.59
EXPENSES		
NOTE 24 - COST OF MATERIAL CONSUMED		
Raw Materials*	24,247.12	22,328.47
Gases	1,309.92	1,314.90
Consumables	387.84	494.10
Packing Materials	1,477.90	1,580.54
Increase/(Decrease) in excise duty on closing stock	24.27	5.76
*Raw Material is net of sales of Rs 3,986.67Lacs(Previous year Rs. NIL) for job work.		
Total	27,447.05	25,723.78
NOTE 25 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Opening Stock		
Finished Goods	1,481.94	1,724.47
Traded Goods	1,368.55	1,400.64
Work in Progress	1,981.10	2,216.78
Total (A)	4,831.59	5,341.89
Closing Stock		
Finished Goods	(2,463.15)	(1,481.94)
Traded Goods	(1,523.71)	(1,368.55)
Work in Progress	(2,009.86)	(1,981.10)
Total (B)	(5,996.72)	(4,831.59)
(Increase)/Decrease in inventories of Finished Goods, Work in Progress & Stock in Trade	Total (B-A)	(1,165.13)
NOTE 26 - EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	5,040.69	4,477.48
Contribution to Provident and Other Funds	333.12	336.22
Staff Welfare	304.79	290.16
Total	5,678.60	5,103.86

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 27 - FINANCIAL COST		
Interest on Term Loan	9.80	-
Interest Others	1,966.55	1,494.21
Bank Charges	108.22	77.07
Upfront/Processing Fee	200.36	88.28
Total	2,284.93	1,659.56
NOTE 28 - OTHER EXPENSES		
Technician Expenses	18.71	25.33
Printing and Stationery	29.37	10.85
Rent	203.83	164.66
Vehicle Running & Maintenance	55.72	61.14
Insurance Charges	131.99	122.56
Filing and Legal Charges	26.72	42.67
Travelling and Conveyance	723.27	757.76
Communication Expenses	106.72	92.95
Repairs to Building	32.42	51.20
Repairs to Plant and Machinery	66.11	106.02
Consumption of Stores and Spares	591.01	578.15
Repair & Maintenance(Others)	92.39	145.74
Auditor's Remuneration (Refer point no. 41)	22.77	24.85
Power & Fuel	907.32	941.59
Professional Charges	340.41	467.19
Advertisements, Exhibition,Sales Promotion & Other Exp.	1,279.52	927.47
Freight Outward	1,370.40	1,272.21
Miscellaneous Expenses	14.77	42.98
Selling Commission	136.30	116.00
Donation	0.09	0.88
Security Services	88.80	72.77
Loss on Sale of Fixed Assets (Net of gain Rs 25,248/- (PY Rs Nil)	9.83	86.56
Provision for Doubtful Debts	(267.89)	743.00
Debtors Written off	1,285.56	115.37
Provision for Obsolete Inventories	108.82	450.01
Obsolete Inventory Written off	116.12	153.77
Exchange Variation*	(327.78)	63.18
Prior Period Adjustments (Net)	-	81.68
Total	7,163.30	7,718.54
*Includes Rs 363.51 lacs (PY Rs 154.21 lacs exchange (gain) /loss on unrealised Foreign Currency Outstandings.		
NOTE 29 - TAX EXPENSE		
Income Tax	41.21	-
MAT Credit Entitlement	(41.21)	-
Income Taxes (Prior period)	-	34.82
Total	-	34.82

Income Taxes

The provision for taxation includes tax liabilities in India on the Company's income as reduced by exempt incomes . Income from units 59 D,E,F in NSEZ is fully tax exempt under Section 10AA of the Income Tax Act 1961 ("the Act") for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions commencing from fiscal year 2005-06. Unit at Dehradun is exempt from tax under section 80IC of the Act commencing from the financial year 2004-05. Company commenced production and for next 5 years at the rate of 30% of the profit from the unit commencing from fiscal year 2009-10 The Company calculates its tax liability under Minimum Alternate Tax (MAT). The MAT credit can be carried forward and set-off against the future tax payable. In financial year 2011, the Company calculated its tax liability under normal provisions of the Act and losses computed as per the provisions of the Act has been carried forward to be set off against future taxable income under provision of the Act.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED)

(Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Contingent Liabilities :		
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others and Standby Letter of Credit.	405.43	1,838.49
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	8.54	933.77
Claims against the Company not acknowledged as debts include demand from the Indian Tax Authorities for disputed demand of income tax for Financial Year 2005-06 , 07-08, 08-09, 09-10, 10-11	86.75	20.80
Disputed demand of Trade Tax/Sales Tax/Value Added Tax under Appeal under Delhi Sales Tax Act,1975	1.07	1.07
Uttarakhand VAT Act, 2005	36.36	35.41
U.P. Trade Tax Act, 1948	2.07	2.07
U.P. Vat Act, 2008	23.19	11.01
Bihar Value Added Tax Act	52.41	
Excise Duty under Protest	66.18	66.18
Penalty for non fulfillment of export obligation by Director General of Foreign Trade Delhi.	107.52	107.52
Penalty against Advance Licence by DGFT Delhi & Duty saved therein.	152.44	-
Claims also includes suspension period wages	49.85	51.19

Based on favourable decision in similar cases, discussions with the advocate etc, the Company believes that there is fair chance of decision in its favour and hence no provision is considered necessary against the same.

31 UNHEDGED FOREIGN CURRENCY EXPOSURE

(In Lacs)

Particulars	Currency	As at March 31,2012 (in Foreign Currency)	As at March 31,2011 (in Foreign Currency)
Import Creditors	JPY	16.55	39.25
Import Creditors	EURO	4.66	5.58
Import Creditors	USD	9.14	(2.83)
Export Debtors	EURO	101.71	80.52
Export Debtors	USD	14.65	17.09
Total		146.71	139.61

32 The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally non cancelable and are renewable by mutually agreed terms. There are no restrictions imposed by Lease Agreements There are no sub leases.

(Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Total Lease Payment for the year (Recongized in Profit & Loss Account)	203.82	132.25
Minimum Lease Payment :		
Not Later than one Year	121.46	113.40
Later than one year but not later than five years.	252.10	131.05
Later than five years.	74.23	64.34

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

33 a) Raw Material Consumed

(Rs in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Glass Tube	1,579.66	1,631.76
Lamp Base Parts	4,905.09	4,948.98
Moly Shield	1,155.62	1,084.74
Moly Wire	1,258.88	1,295.53
Tungsten Filament	1,390.96	1,293.58
PCB/PCB Components	5,056.82	4,284.59
Imported Bulb	1,309.50	1,002.03
Other	7,590.60	6,787.26
Total	24,247.12	22,328.47

b) Particulars in respect of Traded Goods

(Rs.in Lacs)

Particulars	Opening Stock		Purchases		Closing stock		Sales	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Luminaries & Fittings	1,318.67	1,363.14	1,706.55	939.27	1,427.55	1,318.67	1,847.44	839.18
Stop & Tail	19.93	-	126.71	47.92	91.24	19.93	55.13	39.64
Others	29.96	37.50	-	-	4.92	29.96	0.07	0.61
Total	1,368.55	1,400.64	1,833.26	987.19	1,523.71	1,368.55	1,902.64	879.43

c) Particulars in respect of goods dealt with by the Company

(Rs. In Lacs)

Particulars	Opening Stock		Closing stock		Sales	
	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011
Auto Lamp	368.38	174.18	685.46	368.38	24,296.47	24,791.47
General Lighting Lamps	938.73	1,121.82	1561.07	938.73	22,956.52	19,101.02
Other	174.82	428.47	216.62	174.82	1,323.95	2,245.67
Total	1,481.94	1,724.47	2,463.15	1,481.94	48,576.94	46,138.15

d) Particulars of Inventory of Work In Progress(WIP)

(Rs in Lacs)

Particulars	Closing Stock	
	As At March 31,2012	As At March 31,2011
Auto Lamp	919.23	1,256.18
General Lighting Lamps	1,067.92	699.02
Other	22.71	25.90
Total	2,009.86	1,981.10

e) Value of Imported and Indigeneous Raw Material & Stores and Spares Consumed

(Rs in Lacs)

Items	March 31,2012	%	March 31,2011	%
Raw Material				
Imported	14,431.49	59.52%	12,215.91	54.71%
Indigenous	9,815.63	40.48%	10,112.56	45.29%
Total	24,247.12	100.00%	22,328.47	100.00%
Spares Parts				
Imported	172.32	29.16%	251.07	43.43%
Indigenous	418.69	70.84%	327.08	56.57%
Total	591.01	100.00%	578.15	100.00%
Packing Material, Consumables & Others				
Imported	50.00	1.57%	12.12	0.36%
Indigenous	3,125.66	98.43%	3,377.42	99.64%
Total	3,175.66	100.00%	3,389.54	100.00%

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
f) Value of Imports on CIF Basis		
Raw Material & Gases	13,354.37	10,247.65
Capital Goods	-	1,178.94
Spare Parts/Consumable	223.83	261.01
Total	13,578.20	11,687.60
g) Expenditure in Foreign Currency		
Foreign Travelling	27.63	17.12
Professional Fees	5.32	113.11
Selling Commission	26.17	58.01
Other Expenditure	39.22	56.26
Capital Advance Written off	389.43	-
Total	487.77	244.50
h) Earnings in Foreign Currency		
FOB Value of Export of Goods	9741.31	12,661.27

34 DIVIDENDS REMITTED IN FOREIGN CURRENCIES

The Company remits the equivalent of the dividends payable to equity shareholders which are the registered shareholders on record for all owners of the Company

The particulars of dividends remitted are as follows:

(Rs in lacs)

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	As At	
			March 31,2012	March 31,2011
Final dividend for fiscal year 2003-04 to 2008-09(1) Net of dividend tax	1	18,80,000	223.72	-

35 The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act,2006 (MSMED Act,2006). Based on the information available with the Company, the details of dues to Micro, Small and Medium Enterprise as per MSMED Act,2006 are as under:-

(Rs in Lacs)

Particulars	(Rs in Lacs)	
	As At March 31,2012	As At March 31,2011
i) The Principal amount and the interest due thereon remaining unpaid to any suppliers as at end of Year Principal Amount Unpaid:	303.06	107.34
Interest Due	15.51	13.70
ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the Year.		
Payment made beyond the appointed date	1,990.16	960.98
Interest Paid beyond the appointed date		
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	12.97	13.56
iv) The amount of interest accrued and remaining unpaid at the end of the year, and	15.51	13.70
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

36 RELATED PARTY DISCLOSURE

List of Related parties with whom transactions have taken place during the year is as under:

Nature of Relationship	Name of the Person
i) Subsidiaries	a) Halonix Technologies Limited (Wholly owned subsidiary). b) International Lamps Holding Company S.A.(Wholly owned subsidiary).w.e.f. 2nd November, 2010 & ceased to exist w.e.f 20th May, 2011. c) Luxlite Lamps SARL Luxemborg (Downstream Subsidiaries) w.e.f. 2nd November, 2010 & ceased to exist w.e.f 20th May, 2011. d) Trifa Lamps Germany GmbH. (Downstream Subsidiaries) w.e.f. 2nd November, 2010 & ceased to exist w.e.f 20th May, 2011.
ii) Common Control	a) Argon South Asia Limited
iii) Holding Company	a) Argon India Limited
iv) Key Management personnel	a) Mr. Rajesh Kochhar (Managing Director)ceased w.e.f 30.06.2011 b) Mr. S.K Neogi (Executive Director) ceased w.e.f 07.09.2011 c) Mr. Gurvikram Singh (Managing Director) joined w.e.f 29.09.2011

B) Related Party Transactions

(Rs in lacs)

Nature of Transactions	Subsidiary Company	Holding Company	Common Control	Key Management Personnel	Relatives of Key Management Personnel	Total
Transactions during the Year						
I) Investments	- (25.04)	- (-)	- (-)	- -	- (-)	- (25.04)
II) Loan Given	5,406.00 (1,559.75)	- (-)	- (-)	- -	- (-)	5,406.00 (1,559.75)
Loan Repaid	5,370.00 (-)	- (-)	- (-)	- (-)	- (-)	5,370.00 (-)
III) Management Remuneration	- (-)	- (-)	- (-)	85.52 (158.43)	- (-)	85.52 (158.43)
IV) Current Account (Net of debit/credit)	34.90 (79.22)	- (-)	- (-)	- (-)	- (-)	34.90 (79.22)
V) Dividend Paid	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
VI) Bank Guarantees/Standby Letter of Credit	- (1,704.26)	- (-)	- (-)	- (-)	- (-)	- (1,704.26)
VII) Sales	5,140.01 (4,228.67)	- (-)	- (-)	- (-)	- (-)	5,140.01 (4,228.67)
Balances outstanding at the year end						
I) Investment	- (25.04)	- (-)	- (-)	- (-)	- (-)	- (25.04)
II) Loan Given	1,616.50 (1,580.50)	- (-)	- (-)	- (-)	- (-)	1,616.50 (1,580.50)
III) Advance recoverable	88.74 (123.64)	- (-)	- (-)	- (-)	- (-)	88.74 (123.64)
IV) Management Remuneration Payable	- (-)	- (-)	- (-)	- (2.38)	- (-)	- (2.38)
V) Trade Receivables	6,526.82 (3,425.33)	- (-)	- (-)	- (-)	- (-)	6,526.82 (3,425.33)

i) Previous Year figures are given in brackets.

ii) No amount has been written off or provided for in respect of transactions with the related parties except for provision for doubtful receivables of Rs. 1,012.99 lacs (Previous year Rs. 166.63 Lacs).

iii) International Lamps Holding Company of Rs. 25.04 Lacs has been Kept in Escrow a/c.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

37 RESEARCH AND DEVELOPMENT EXPENDITURE

(Rs in lacs)

Particulars	Opening Balance as at 01/04/2011	Addition during the year	Amortisation during the year	Closing Balance as at 31/03/2012
Research under Development and commercialisation	359.33	NIL	119.93	239.40

The Company has not incurred any expenditure during the financial year for the research & development of the product. The management is of the view that :-

- There is a reasonable indications that current and future research & development cost incurred on the project together with expected productions, Selling & Administration costs are likely to be more than covered by future revenue / benefits and
- The management has indicated its intention to produce and market the product
- Adequate resources exists, and are reasonably expected to be available to complete the project and market the product/ process.
- The Company has applied for patent vide application no. 1021/del/2009 date 19/05/2009.

38 SEGMENT REPORTING

Business Segments

The operating business are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are manufacturing & sale of Auto Lamps and General Lighting Lamps.

(Rs in lacs)

Particulars	Auto Lamps	General Lighting	Other Operations	Total
Revenue				
External Turnover	23,025.08 (23,856.40)	20,411.56 (16,939.86)	1,947.95 (1,082.03)	45,384.59 (41,878.29)
Inter Segment Sales/Income	- (-)	- (-)	- (-)	- (-)
Total	23,025.08 (23,856.40)	20,411.56 (16,939.86)	1,947.95 (1,082.03)	45,384.59 (41,878.29)
Expenses	17,883.16 (16,705.46)	22,068.65 (18,207.01)	1,678.10 (1,019.28)	41,629.91 (35,931.75)
Result	5,141.92 (7,150.94)	(1,657.09) 1,267.15	269.85 (62.75)	3,754.68 (5,946.54)
Unallocated Expenses				736.47 (5,456.64)
Operating Profit				3,018.21 (489.90)
Interest & Finance Charges				2,284.93 (1,659.56)
Exceptional Items	- (-)	389.43 (-)	- (-)	389.43 (-)
Unallocated other Income				21.18 (161.59)
Income Taxes				205.64 (123.85)
Net Profit/(Loss)				570.68 (884.22)

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Particulars	(Rs in lacs)			
	Auto Lamps	General Lighting	Other Operations	Total
Other Information				
Segment Assets	16,914.10 (15,392.34)	15,154.11 (13,353.43)	1,009.30 (1,368.55)	33,077.51 (30,114.32)
Unallocated Corporate Assets				3,657.18 (3,754.37)
Total Assets				36,734.69 (33,868.69)
Segment Liabilities	3,103.66 (2,656.40)	4,646.00 (2,498.92)	- (-)	7,749.66 (5,155.32)
Unallocated Corporate Liabilities				15,708.70 (16,007.72)
Total Liabilities				23,458.36 (21,163.04)
Capital Expenditure	126.06 (528.72)	220.01 (1,132.71)	- (-)	346.07 (1,661.43)
Unallocated Capital Expenditure				126.92 (72.70)
Total Capital Expenditure				473.00 (1,734.13)
Depreciation/Amortisation	465.91 (456.44)	803.74 (757.50)	- (-)	1,269.64 (1,213.94)
Unallocated Depreciation/Amortisation				139.66 (130.79)
Total Depreciation/Amortisation				1,409.30 (1,344.73)
Amortisation				-
Unallocable Amortisation				-
Total Amortisation				-
Non-cash expenses other than depreciation and amortisation	780.76 (580.58)	471.68 (968.13)	- (-)	1,252.44 (1,548.71)
Total Non-cash expenses other than depreciation and amortisation				1,252.44 (1,548.71)

i) Previous Year figures are given in brackets.

Geographic Segments

The Company sells its products to various customers within the country and also exports to other countries. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segment.

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Particulars	(Rs in lacs)		
	Within India	Outside India	Total
Revenue	36,755.10 (30,658.31)	9,911.93 (12,610.81)	46,667.02 (43,269.12)
Segment Assets	6,914.56 (4,601.32)	6,072.77 (6,023.27)	12,987.33 (10,624.59)
Addition to Fixed Assets	693.56 (2,114.50)	- (-)	693.56 (2,114.50)

i) Previous Year figures are given in brackets.

39 EMPLOYEE BENEFITES:

Provident Fund

Contribution to Recognised Provident Fund

The Company contributed Rs 255.88 Lacs (P.Y. Rs. 226.13 lacs) towards provident fund during the year ended March 31,2012.

Gratuity Plan

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The enterprises has funded the liability with Life Insurance Corporation (LIC). Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognized in the Profit and Loss Account and amounts recognized in the Balance Sheet for the Gratuity.

Statement of Profit & Loss

Net Employee benefit expenses recognized in the employee cost.

	(Rs in lacs)	
	31.03.2012	31.03.2011
Current Service Cost	82.77	83.45
Past Service Cost	NIL	81.66
Interest Cost	40.26	32.77
Expected Return on Plan Assets	(6.55)	(10.52)
Net Acturial (Gain) / Loss recognized in the period	(1.27)	(40.71)
Expenses recognized in the statement of Profit & Loss	115.20	146.64
Balance Sheet		
Details of Provision of Gratuity		
Present Value of Defined Benefit Obligation	572.78	509.59
Fair Value of Plan Assets	60.08	77.09
Plan Assets / (Liability)	(512.71)	(432.50)
Changes in the Present Value of defined obligation are as follows :		
Opening defined Benefit Obligation	509.59	399.61
Current Service Cost	82.77	83.45
Interest Cost	40.26	32.77
Benefits Paid	(58.91)	(45.30)
Past service cost	NIL	81.66
Acturial (Gains) / Losses on obligation	(0.93)	(42.60)
Closing Defined Benefit Obligation	572.78	509.59

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

Changes in the fair value of Plan Assets are as follows :

(Rs in lacs)

	31.03.2012	31.03.2011
Opening fair value of Plan Assets	77.09	113.75
Expected Return	6.89	8.64
Contributions by the employer	35.00	Nil
Benefits Paid	(58.91)	(45.30)
Actuarial Gains / (Losses)	NIL	Nil
Closing fair value of Plan Assets	60.08	77.09
Major categories of Plan Assets as a percentage of fair value of total Plan Assets are as follows :		
Investment with Insurer	100%	100%
The Principal assumption used in determining Gratuity obligations for the Company's plans are shown below :		
Discount Rate	8.60%	7.90%
Expected Return on Plan Assets	9.15%	8.50%
Employee Turnover	25 % for all ages	25 % for all ages
Rate of Increase in Compensation levels	6.00%	6.00%

The estimates of future salary increases, considered in Actuarial Valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The overall expected rate of return on Assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. There has been significant changes in expected rate of return on assets due to change in the market scnerio.

Amount for the current and previous four periods are as follows :

(Rs in lacs)

	31.03.2009	31.03.2010	31.03.2011	31.03.2012
Defined Benefit Obligation	271.31	399.61	509.59	572.78
Plan Assets	107.24	113.75	77.09	60.08
Surplus / (Deficit)	(164.07)	(285.86)	(432.50)	(512.71)
Experience Adjustments on plan liabilities- (loss) / Gain	(30.07)	(103.42)	198.78	(10.32)
Experience adjustments on Plan Assets- (loss) / Gain	(2.58)	(1.75)	(1.88)	0.34

40 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Particulars	31.03.2012	31.03.2011
Number of shares considered as basic weighted average shares outstanding	2,80,19,300	2,80,19,300
Add: Effect of dilutive issues of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	2,80,19,300	2,80,19,300
Earning Per Share		
A) Earnings Per Equity Share (Before Exeptional Items) (Rs.in Lacs)	960.10	(884.23)
Earning per Share (Rs) (Face value Rs. 10 Per Share)	-	-
Basic	3.43	(3.16)
Diluted	3.43	(3.16)
B) Earnings Per Equity Share (After Exeptional Items) (Rs. In Lacs)	570.67	(884.23)
Earning per Share (Rs) (Face value Rs. 10 Per Share)	-	-
Basic	2.04	(3.16)
Diluted	2.04	(3.16)
C) Weighted average number of Equity Shares (in nos)	2,80,19,300	2,80,19,300

Notes to Financial Statements for the Year ended 31st March, 2012 (Contd.)

41 AUDITOR'S REMUNERATION		(Rs in lacs)	
Particulars	31.03.2012	31.03.2011	
i) Statutory Auditor			
a) As Auditor's Fees	14.07		14.43
b) Other Capacity			
- Tax Audit	3.12		3.12
- Certification & Other Matters	4.37		6.00
- Out of Pocket Expenses	1.21		1.30
Total	22.77		24.85
ii) Cost Auditor Fee			
Total	1.81		1.23
Total	24.58		26.08

42 MANAGERIAL REMUNERATION

- a) The Company has paid remuneration to the Managing Director of Rs. 226.74 Lacs till 31.03.2012 (Current Year Rs. 73.69 Lacs and upto 31.03.2011 Rs. 153.05 Lacs) in excess of the approval received from the Central Government. The Company has made applications/ revision applications seeking approval from the Central Government for excess remuneration of the limit specified under the Companies Act, 1956 Central Government approval obtained. The said approvals are awaited.
- b) Further the Company has approved remuneration of Rs. 20 Lacs to two independent Directors U/s 309/198 for the period 2011-2012 pending shareholders and Central Government approval.
- c) The Company has charged excess remuneration to the Profit and Loss Account in view of the revision applications pending for approval of the excess remuneration paid to its Managing Director and erstwhile Managing Director before Central Government.

43 PREVIOUS YEAR FIGURES

Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March, 2012. The revised Schedule VI Notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Gireesh Kumar Goenka
Partner
M.No. 096655

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Place: Noida
Date : May 26, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary Company	Halonix Technologies Ltd.
Financial Year of the subsidiary Company ended on	31.03.2012
Number of Shares held by Halonix Limited at the end of the financial year of the Subsidiary Company.	
[i] Equity Shares	50,000
[ii] Extent of holding	100%
[iii] face value of share (Rs.)	10/-
Date from which it became subsidiary Company	02.03.2009
The net aggregate profit/(Loss) of the Subsidiary Company as far as it concerns the members of the Holding company	
[i] Not dealt with in the Holding Company's Accounts:	
[a] For the Financial Year of the Subsidiary	(Rs. 33,852)
[b] For the Previous Financial Years since it became the Holding Company's Subsidiary	(Rs. 2,03,70,277)
[ii] Dealt with in the Holding Company's Accounts:	
[a] For the Financial Year of the Subsidiary	NIL
[b] For the Previous Financial Years since it became the Holding Company's Subsidiary	NIL
Changes in the interest of Halonix Limited between the end of the Subsidiary's Financial Year ended 31st March, 2012	NIL
Number of shares acquired	NIL
Material changes between the end of the Subsidiary's Financial Year and 31st March, 2012	NIL
[i] Fixed Assets (Net Addition) (Capital Work-in-Progress)	NIL
[ii] Investments	NIL
[iii] Moneys lent by the Subsidiary	NIL
[iv] Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities	NIL

For and on behalf of the Board

Date : May 26, 2012
Place : Noida

PADMANABH P. VORA
Chairman

GURVIKRAM SINGH
Managing Director

PRANAY GANDHI
Chief Financial Officer

MUKESH KUMAR
Company Secretary

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HALONIX LIMITED (FORMERLY KNOWN AS PHOENIX LAMPS LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HALONIX LIMITED AND ITS SUBSIDIARY.

To,

The Board of Directors of Halonix Limited

1. We have audited the attached Consolidate Balance Sheet of Halonix Limited and its subsidiary as at 31st March 2012, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Halonix Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Halonix Limited Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006.
4. Without qualifying our opinion we draw attention to note no. 42 regarding managerial remuneration the company has made applications/ revision application to the Central Government seeking approval for the remuneration paid to the Managing Director & erstwhile Managing Director in excess of the limits prescribed under the Companies Act/ Central Government approval obtained amounting to Rs. 73.69 Lacs(upto 31-03-2011 Rs. 153.05Lacs) for which approval is awaited.
5. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Halonix Limited Group as at 31st March 2012.
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Halonix Limited Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Halonix Group for the year ended on that date.

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
Partner
Membership No. 096655

Place : Noida
Date : May 26, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lacs)

	Notes	As At March 31,2012	As At March 31,2011
I. Equity and Liabilities			
Shareholders Funds			
Share Capital	3	4,117.93	4,117.93
Reserves and Surplus	4	8,959.70	8,389.36
		13,077.63	12,507.29
Non-Current Liabilities			
Long Term Borrowings	5	800.00	-
Deferred Tax Liabilities (net)	6	-	205.64
Long-Term Provisions	7	587.67	512.99
		1,387.67	718.63
Current Liabilities			
Short Term Borrowings	8	14,105.50	13,253.82
Trade Payables	9	5,191.33	4,497.69
Other Current Liabilities	10	2,253.82	2,189.12
Short-Term Provisions	11	520.98	513.12
		22,071.63	20,453.75
	Total	36,536.93	33,679.67
II. Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	9,925.41	10,533.34
Intangible Assets	12	338.44	487.99
Capital Work-in-Progress		39.35	259.91
		10,303.20	11,281.24
Non- Current Investments	16	-	25.04
Long-Term Loans and Advances	13	276.72	839.57
Trade Receivables	14	-	-
Other Non-Current Assets	15	9.52	0.25
		286.24	864.86
Current Assets			
Current Investments	16	25.04	-
Inventories	17	9,982.84	7,898.24
Trade Receivables	18	12,314.49	10,624.59
Cash and Cash Equivalents	19	2,478.82	2,448.96
Short-Term Loans and Advances	20	1,100.37	511.07
Other Current Assets	21	45.93	50.71
		25,947.49	21,533.57
	Total	36,536.93	33,679.67
Significant Accounting Policies and Notes on Accounts	2		

The accompanying notes are an intergral part of the Financial Statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Gireesh Kumar Goenka
Partner
M.No. 096655

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Place: Noida
Date : May 26,2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lacs)

	Notes	Year ended March 31,2012	Year ended March 31,2011
I. Revenue from Operations	22		
Gross Sales		46,667.02	43,269.12
Less: Excise Duty		(1,327.73)	(1,390.83)
Net Sales		45,339.29	41,878.29
II. Other Income	23	66.51	161.60
III. Total Revenue (I + II)		45,405.80	42,039.89
Expenses			
Cost of Material Consumed	24	27,447.05	25,723.78
Purchase of Traded Goods	33(b)	1,833.26	987.19
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress & Stock in Trade	25	(1,165.13)	510.30
Employee Benefit Expenses	26	5,678.60	5,151.98
Financial Cost	27	2,284.95	1,659.58
Depreciation and Amortisation Expense	12	1,409.30	1,344.73
Other Expenses	28	7,163.64	7,797.62
IV. Total Expenses		44,651.67	43,175.18
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		754.13	(1,135.29)
VI. Exceptional Items(Capital Advances Written off)		389.43	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		364.70	(1,135.29)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax		364.70	(1,135.29)
Tax Expense:	29		
Current Tax		41.21	34.82
MAT Credit Entitlement		(41.21)	-
Deferred Tax Assets/(Liability)		205.64	158.67
Profit For The Year		570.34	(1,011.44)
Earnings Per Equity Share (Before Exceptional Items)			
Equity Shares of Par Value Rs. 10 /- each			
Basic		3.43	(3.61)
Diluted		3.43	(3.61)
Earnings Per Equity Share (After Exceptional Items)			
Basic		2.04	(3.61)
Diluted		2.04	(3.61)
Number of Shares used in computing Earnings Per Share			
Basic		2,80,19,300	2,80,19,300
Diluted		2,80,19,300	2,80,19,300

Significant Accounting Policies and Notes on Accounts 2

The accompanying notes are an intergral part of the Financial Statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Pranay Gandhi
Chief Financial Officer

Padmanabh P.Vora
Chairman

Gireesh Kumar Goenka
Partner
M.No. 096655

Mukesh Kumar
Company Secretary

Gurvikram Singh
Managing Director

Place: Noida
Date : May 26,2012

CONSOLIDATED CASH FLOW STATEMENT

(Rs. in Lacs)

	For the Year 31st March, 2012	For the Year 31st March, 2011
Cash Flows from Operating Activities		
Profit Before Tax	364.70	(1,135.28)
Adjustments to reconcile Profit Before Tax to Cash provided by Operating Activities		
Depreciation and Amortisation Expense	1,409.30	1,344.73
Interest Paid	1,976.35	1,494.21
Interest Received	(21.21)	(82.60)
Profit on Derivative	-	(73.77)
Loss on sale of Fixed Assets	9.83	86.56
Inventories W/Off	116.12	153.77
Bad Debts W/Off	1,285.56	115.37
Capital Advance W/Off	389.43	-
Provisions for Doubtful Debts/Obsolete Inventory and Warranty	(196.49)	990.38
Operating Profit before Working Capital changes		
Movement in Working Capital		
Trade and Other Receivables	(2,707.57)	(1,677.01)
Inventories	(2,309.54)	332.30
Loans and Advances and Other Assets	(100.98)	(25.74)
Liabilities and Provisions	(515.35)	856.53
Trade Payables	693.64	1,158.40
Cash Generated from Operations	393.80	3,537.87
Income Taxes Paid	(494.35)	362.85
Net Cash Generated from Operating Activities	(100.55)	3,900.71
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(298.01)	(1,734.13)
Investments in Subsidiaries	-	(25.04)
Interest Received	21.18	90.05
Profit on Derivative	-	73.77
Sale of Fixed Assets	31.91	250.12
Net Cash Provided by / (Used in) Investing Activities	(244.92)	(1,345.23)
Cash Flows from Financing Activities		
Proceeds from Short Term and Long Term Borrowings(Net)	2,351.68	10.33
Interest Paid	(1,976.35)	(1,494.21)
Net cash used in Financing Activities	375.33	(1,483.88)
Net Increase/(Decrease) in Cash and Cash Equivalents	29.86	1,071.60
Cash and Cash Equivalents at the beginning of the Year	2,448.96	1,377.36
Cash and Cash Equivalents at the end of the Year	2,478.82	2,448.96

CASH FLOW STATEMENT (Contd.)

(Rs. in Lacs)

	For the Year 31st March, 2012	For the Year 31st March, 2011
Components of Cash and Cash Equivalents		
Cash on Hand	3.10	5.69
Balance with Scheduled Banks - Current Accounts	2,239.61	1,846.76
Term Deposit	152.92	279.41
Unpaid Dividend Accounts *	83.19	317.10
Cash And Bank Balances	2,478.82	2,448.96
Less:- Fixed Deposits non considered as cash and cash equivalents		
Deposits having maturity period of more than 3 Months and pledged with banks	152.92	279.41
	2,325.90	2,169.55

*These Balances are not available for the use by the Company

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
Partner
M.No. 096655

Place: Noida
Date : May 26,2012

Pranay Gandhi
Chief Financial Officer

Mukesh Kumar
Company Secretary

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012

1 PRINCIPLES OF CONSOLIDATION

- (a) The consolidated financial statements relate to Halonix Limited and its wholly owned Subsidiary Company. The consolidated financial statements have been prepared on the following basis:
- (i) The financial statements of the Parent company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full as per Accounting Standard-21, Consolidated Financial Statements, as notified by Companies Accounting Standards Rules, 2006. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.
 - (ii) The financial statements of the subsidiary Company used in the consolidation are drawn for the same period as that of the Parent Company i.e year ended March 31, 2012.
- (b) List of subsidiary Company which is considered in the consolidation and the Parent Company holding therein is as under:

S No	Name of the Subsidiary Company	Country of Incorporation	Extent of Holding (%) as on March 31,2012
1	Halonix Technologies Limited	India	100

As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company separate financial statements.

B. Significant Accounting Policies & Notes to Accounts

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements are in conformity with generally accepted accounting principles & it requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing cost relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Expenditure for addition, improvement and renewal are capitalized and expenditure for repairs and maintenance are charged to Profit & Loss Account. Expenses specifically attributable to completion of project are considered as part of project cost.

d) Borrowing Cost

Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Profit & Loss Account.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)**e) Depreciation**

- i) Depreciation on fixed assets (other than lease hold improvements) is provided on Straight Line Method as prescribed in Schedule XIV of the Companies Act, 1956.
- ii) Lease hold land is amortized over the period of lease.
- iii) Depreciation on the amount of addition made to fixed assets due to up gradation/improvement is provided at the rate applied to the existing assets.
- iv) Intangible assets are accounted for at their cost of acquisition & amortized over their estimated economic life not exceeding 5 years.
- v) Depreciation on lease hold improvement is amortised over the primary period of lease.

f) Employee Benefits**(a) Short-term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

(b) Post-employment benefits:

- (i) Retirement benefits in the form of the Company's contribution to Provident Fund are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial Gains and Losses are recognized immediately in the Profit & Loss Account.

(c) Other Long-term employment benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are provided for on the basis of actuarial valuation made at the end of each financial year.

g) Foreign Exchange Transaction**Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency transactions.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Difference:

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward Exchange Contracts : (Derivative Instruments)

not intended for trading or speculation purposes:-

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit & loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

h) Inventory Valuation:

Inventories are valued as follows:

Raw Materials & Others:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on transaction moving weighted average.

Work in Progress and Finished Goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty where ever applicable.

By Products and Waste – Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

i) Leases:

Where the Company is lessee:- Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and are disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

It there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)**j) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured. Sale of Goods revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are net of return, volume discount and sales/vat tax but including excise duty.

- i) Claims in the nature of guaranteed sales requiring replacement /money back are adjusted against sales.
- ii) Interest: Interest is recognized on a time proportion basis taking into account the amount outstanding at the applicable date.
- iii) Dividend: Dividend is recognized when the shareholder's right to receive payment is established by the balance sheet date.

k) Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments and investments held for sale are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

l) Income Tax

Tax expense comprises of Current Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier year.

Deferred taxes are measured based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date. Deferred assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier year are reassessed and recognized to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax assets be realised.

Minimum Alternative Tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accounts of India, the said asset is created by way of a Credit to the Profit & Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

m) Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

n) Impairment of Fixed Assets

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

o) Intangible Assets

Research and Development Costs

Research & development costs which relate to the design and testing of new or improved materials, products or processes which are recognized as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of a capital nature is added to fixed assets. Development costs carried forward is amortised over the period of expected future sales from the related project, not exceeding five years.

Other Research and development costs, incurred for development of products are expensed as incurred.

p) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

q) Segment Reporting Policies**Identification of segments:****Primary Segment:****Business Segment**

During the year the Company has bifurcated its business in two separate segments. Accordingly operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of Auto Lamps and General Lighting Lamps.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Secondary Segment**Geographical Segment**

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 3 - SHARE CAPITAL		
Authorized Shares		
41,000,000 Equity Shares of Rs. 10/-each	4,100.00	4,100.00
2,900,000 Redeemable Preference Shares of Rs. 100/- each	2,900.00	2,900.00
Issued, Subscribed and Paid-Up Shares		
2,80,19,300 (P.Y. 2,80,19,300) Equity Shares of Rs. 10/-Each fully paid up	2,801.93	2,801.93
13,16,000 (P.Y. 13,16,000) 0% Redeemable Preference Shares of Rs. 100/- each	1,316.00	1,316.00
Total	4,117.93	4,117.93

Out of the Equity Share Capital :

1,48,07,670 Equity shares held by Argon India Limited, a holding company.

The Company has equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled for one vote per share and also entitle for dividend per share.

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. This distribution will be in proportion to the number of equity shares held by the shareholder.

Holder of Redeemable Preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to Redeemable Preference Shares - all Preference shares are held by Phoenix Electric Co., Japan.

As per the schemes of Arrangement of Share Capital u/s 391 of Companies Act, 1956 approved by Hon'ble Allahabad High Court vide order dated 22.02.2000 & 22.04.2002, the Company had converted 13,16,000 equity shares of face value of Rs. 10/- each aggregating to Rs. 1,316 Lacs into 1,316,000 Redeemable Preference shares of Rs. 100/- each aggregating to Rs. 1,316 Lacs. Redeemable Preference shares do not carry any dividend rights. Out of 1,316,000 Redeemable Preference shares 550,000 redeemable preference shares are to be redeemed at par after 1st April' 2012 and 766,000 redeemable preference shares are to be redeemed at par after 31st March, 2007 on such date as the Board of Directors may determine after the Preference shares held by Industrial Development Bank of India Limited have been redeemed in full and their liability have been fully discharged. The Preference Shares held by Industrial Development Bank of India Limited have since been redeemed. The Board of Directors of the Company has not exercised its option to redeem the Preference Shares.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Reconciliation of the number of Equity Shares Outstanding

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
Number of shares at the beginning	2,80,69,300	2,80,69,300
Add: Shares issued during the year	-	-
Number of shares at the end	2,80,69,300	2,80,69,300

Shares held by Holding / Ultimate Holding Company and/or their Subsidiaries/Associates. (Rs. in Lacs)

Particulars		(Rs. in Lacs)	
		As At March 31,2012	As At March 31,2011
Argon India Limited 14,807,670 (P.Y.14,807,670) Equity Shares of Rs. 10 each fully paid up	Holding Company	1,480.77	1,480.77
	Total	1,480.77	1,480.77

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Details of shareholders holding more than 5% Share in the Company

Particulars		As At March 31,2012	As At March 31,2011
Argon India Limited	Foreign Promoter	1,48,07,670	1,48,07,670
Argon South Asia Limited	Foreign Promoter	37,01,917	37,01,917
Official Liquidator-Soei Tsusho Company Limited	Foreign Corporate Body	18,80,000	18,80,000
Redeemable Preference Shares of Rs.100 each			
Phoenix Electric Co., Japan	Foreign Corporate Body	13,16,000	13,16,000

NOTE 4 - RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Securities Premium Reserve	3,733.86	3,733.86
Capital Subsidy	40.00	40.00
Capital Redemption Reserve	1,621.00	1,621.00
General Reserve	23.57	23.57
Surplus/(Deficit)in the Statement of Profit & Loss- Opening Balance	2,970.93	3,982.37
Add: Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	570.34	(1,011.44)
Amount available for Appropriation	3,541.27	2,970.93
Balance in Profit and Loss Account	3,541.27	2,970.93
Total	8,959.70	8,389.36

NOTE 5 - LONG TERM BORROWINGS

Term Loan

Indian Rupees Loan from Axis Bank Limited (Secured)	800.00	-
Total	800.00	-

During the year under review the Axis Bank Limited sanctioned to the Company a Term Loan of Rs. 3,500 Lacs against which till March 31st 2012, the Company has availed a disbursement of Rs. 1,500 Lacs. The Term Loan carries interest of 13.25% P.A. and repayable in ten equated quarterly installments of Rs. 350 Lacs each commencing from October 1st, 2012. Installments of Term Loan falling due within next 12 months is Rs. 700 Lacs.

Term Loan from Axis Bank Limited is secured by first pari-passu charge on movable & immovable fixed assets of the Company.

NOTE 6 - DEFERRED TAXES

Deferred Tax Liabilities

Timing difference on account of depreciation (Difference as per books & as per Income Tax Act)	958.10	561.76
Total	958.10	561.76

Deferred Tax Assets

On account of Disallowance u/s 43B	285.24	206.77
Provisions	1,171.80	149.35
Total	1,457.04	356.12
Net Deferred Tax Liabilities/(Assets)	(498.94)	205.64
Net Deferred Tax Liabilities/(Assets) for the year	(205.64)	(158.68)

The Company has significant unabsorbed depreciation / carry forward losses amounting to Rs.3,090.48 lacs. (PY Rs. 3,468.63 lacs), including the losses disputed in appeal and / or pending assessment, as per the tax laws. In view of absence of virtual certainty of realisation of carried forward tax losses / unabsorbed depreciation in the foreseeable future, Deferred Tax Asset has been recognised only to the extent of Deferred tax Liability.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

NOTE 7 - LONG-TERM PROVISIONS

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
Provision for Leave Encashment	190.34	165.85
Provision for Gratuity	397.33	347.14
Total	587.67	512.99

NOTE 8 - SHORT TERM BORROWINGS

Working Capital Loan from Banks-Secured		
Cash Credit Facilities	12,528.24	10,172.48
Short Term Loan	1,160.00	1,160.00
Bill Discounting	417.26	1,921.34
Total	14,105.50	13,253.82

Working Capital Loans from Scheduled Banks are secured by hypothecation of entire Current Assets of the Company both present and future and further secured by way of first pari passu on Movable & immovable Fixed Assets of the Company.

The working capital loans are repayable on demand and carries interest @ 11.15% to 15.30%

NOTE 9 - TRADE PAYABLES

Trade Payables		
Acceptances *	1,406.13	1,435.26
Total Outstanding dues of Micro & Small Enterprises (Refer note No. 35)	303.06	107.34
Total Outstanding dues of other than Micro & Small Enterprises	3,482.14	2,955.09
Total	5,191.33	4,497.69

* Acceptance represents outstanding under Purchase Bill Discounting Facility of Rs. 1,500 Lacs under Receivable Finance Scheme of Small Industries Development Bank of India (SIDBI). The said Facility is secured by second charge on all Movable and Immovable Fixed Assets of the Company and residual charge on the Current Assets of the Company.

NOTE 10 - OTHER CURRENT LIABILITIES

Current Maturities of Long Term Borrowings (Refer note 5)	700.00	-
Other Payables	1,027.82	1,339.77
Dues to Statutory Authorities	339.19	189.35
Advances Received from Customers	103.61	342.89
Unpaid Dividends (1)	83.20	317.10
Total	2,253.82	2,189.12

(1) To be transferred to Investor Education and Protection. Fund as and when due.

NOTE 11 - SHORT-TERM PROVISIONS

Leave Encashment	107.79	92.04
Gratuity	115.37	85.85
Provision for Post-sales warranties (1)	297.82	335.23
Total	520.98	513.12

(1) Provision for Post-sales warranties

The movement in the provision for post-sales warranties is as follows :

Balance at the beginning	335.23	537.86
Provision recognized	-	27.72
Provision utilised	(37.41)	(230.35)
Balance at the end	297.82	335.23

The claims are in the nature of guaranteed sales requiring replacement /money back for defective goods within a stipulated time hence considered as sales return and accordingly adjusted from sales. Provision for post sales guarantee is expected to be utilised over a period of one year.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

NOTE 12 - FIXED ASSETS

(Rs. in Lacs)

Particulars	Gross Block		Depreciation and amortization				Net book value		
	As at March, 2011	Additions during the year	Deductions/ Retirement during the Year	As at 31 March, 2012	As at 31 March, 2011	For the year	Deductions during the year	As at 31 March, 2012	As at 31 March, 2011
Tangible Assets :									
Land : Free-hold Leasehold (1)	370.16	-	-	370.16	27.36	4.33	-	338.47	342.80
Buildings (2)	3,169.15	-	-	3,169.15	749.51	104.58	-	2,315.06	2,419.64
Plant & Machinery	22,777.32	326.61	59.93	23,044.00	15,740.65	994.93	59.54	6,377.95	7,036.67
Laboratory Equipments	253.25	2.90	-	256.15	83.04	11.26	-	161.84	170.21
Gas Cylinders	30.29	2.82	-	33.11	11.67	4.65	-	16.32	18.62
Office Equipment	212.54	66.47	-	279.01	91.29	11.58	-	176.13	121.25
Computers	396.69	65.79	1.83	460.66	194.25	66.93	0.68	260.49	202.45
Furniture and Fixtures	236.81	65.43	-	302.24	147.88	10.47	-	158.35	88.93
Leases Hold Improvement	-	94.02	-	94.02	-	14.00	-	80.01	-
Vehicles	155.14	34.40	57.90	131.65	79.81	13.21	17.69	56.31	75.33
Fire Fighting Equipments	90.67	5.25	-	95.92	33.23	3.90	-	58.79	57.45
Total	27,692.02	663.67	119.65	28,236.05	17,158.68	1,229.86	77.91	9,925.41	10,533.34
Intangible Assets :									
Computer Softwares	304.37	29.89	-	334.26	175.72	59.51	-	99.02	128.65
Research and Development Cost	598.90	-	-	598.90	239.56	119.93	-	239.41	359.34
Total	903.27	29.89	-	933.16	415.28	179.44	-	338.44	487.99
Total	28,595.29	693.56	119.65	29,169.21	17,573.97	1,409.30	77.91	10,263.85	11,021.33
Previous year	26,851.05	2,114.50	370.25	28,595.29	16,262.81	1,344.73	33.57	11,021.33	10,588.29

(1) The Company has entered into lease agreement with Noida Authority & UPSIDC & SIDCUL to acquire certain properties at A1 Noida, Sidcul Haridwar & in Selauqi Industrial Area Dehradun. In accordance with the terms of these agreements, the expiry period of lease on A1 Noida is for 78 Years & in Sidcul Haridwar & Selauqi Industrial Area Dehradun is for 99 Years. The Company has already Paid Rs. 128.11 Lacs for A1 Noida Plant, Rs. 20.16 Lacs for Selauqi Industrial Area Dehradun Plant & Rs. 221.08 Lacs for Sidcul Haridwar Plant at the time of entering into lease agreements. These amounts are disclosed as 'Land - leasehold' under 'Tangible assets' in the Financial Statements.

(2) Buildings includes Rs. 590.64 (Previous Year Rs 590.64 Lacs) on leased land belonging to Noida Special Economic Zone.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 13 - LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	12.28	576.70
Advances recoverable in cash or in kind or for value to be received	19.34	15.31
Security Deposit	178.92	181.38
Balance with Excise & Custom authorities	66.18	66.18
Total	276.72	839.57
NOTE 14 - TRADE RECEIVABLES		
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured		
Considered Good		
Considered Doubtful	-	429.20
Total	-	429.20
Less: Provision for Doubtful receivables	-	429.20
Total	-	-
The Company had initiated legal proceedings and recovery is not expected within next twelve months.		
NOTE 15 - OTHER NON-CURRENT ASSETS		
Deposits with Maturity more than 12 months	9.49	0.25
Interest Receivable on deposits	0.03	-
Total	9.52	0.25
NOTE 16 - INVESTMENTS		
Investments in Equity Shares ,Trade, Unquoted		
Non-Current Investments– at cost		
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. of one Euro each	-	25.04
Aggregate value of Non Current Investment	-	25.04
Less:- Aggregate amount Provision for dimunition in value of Non Current Investment	-	-
Total	-	25.04
Current Investment		
Non-trade, Unquoted		
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. (IHCL) of one Euro each	25.04	-
Aggregate amount of Unquoted Current Investments – at the lower of cost and fair value	25.04	25.04

In earlier year the Company had invested Rs. 25.04 Lacs in equity /common shares of IHCL with an intention of holding the same for more than one year from the date on which such investment was made. Accordingly it classified the same as Long Term Investment under AS-13 Accounting for Investment. The arrangement has since been rescinded and the share certificates have been kept with an Escrow Agent and therefore investment has been presented as current investment in the financial statement for the year ended 31st March, 2012.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Details of Investments		(Rs. in Lacs)	
Particulars	As At March 31,2012	As At March 31,2011	
Investments in Equity instruments of wholly owned subsidiaries			
Investments in Equity instruments of wholly owned subsidiaries			
Fully paid 40,000 Equity Shares of International Lamps Holding Company S.A. of one Euro each (kept in Escrow account), face value of Euro 1 each	25.04	25.04	
Fully paid 50,000 Equity Shares of Halonix Technologies Limited, a Subsidiary company face value @ Rs 10/-each	5.00	5.00	
Total	30.04	30.04	
Less:- Provision for dimunition in value of Long Term Investment	(5.00)	(5.00)	
Total	25.04	25.04	
NOTE 17 - INVENTORIES (valued at lower of cost or net realisable value)			
Raw Materials			
Raw Materials (Includes in transit Rs. 343.20 Lacs. (Previous year Nil)	3,796.17	3,023.97	
Gases	29.90	50.26	
Consumables	82.96	75.65	
Packing Materials	177.01	169.15	
Stores & Spares	282.04	268.37	
Finished Goods	2,463.15	1,481.94	
Work in Progress	2,009.86	1,981.10	
Traded Goods	1,523.71	1,368.55	
Goods Sold in Transit	1,100.39	901.20	
Scrap	92.38	43.96	
SUB TOTAL	11,557.57	9,364.15	
Less:- Provision for Obsolete Inventories	(1,574.73)	(1,465.91)	
Total Inventories at lower of cost or net realisable value	9,982.84	7,898.24	
Provision for absolute Inventories			
Periodically, the Company evaluates inventories for its usability. The Company normally provides for inventories outstanding for 1 year or longer as at the Balance Sheet date and for the inventories identified as non usable/absolute.			
NOTE 18 - TRADE RECEIVABLES			
Receivables outstanding for a period exceeding six months from the date they are due from payment			
Unsecured			
Considered Good	3,688.75	780.97	
Considered Doubtful	989.87	835.51	
	4,678.62	1,616.48	
Provision for Doubtful Receivables	989.87	835.50	
Total (A)	3,688.75	780.98	
Other Receivables			
Unsecured			
Considered Good	8,625.74	9,843.61	
Considered Doubtful	205.85	198.92	
	8,831.59	10,042.53	
Provision for Doubtful receivables	205.85	198.92	
Total (B)	8,625.74	9,843.61	
Total (A+B)	12,314.49	10,624.59	

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Provision for Doubtful Receivables

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for debtor's outstanding for three months or longer from the due date, as at the Balance Sheet date, as per the policy. The Company pursues the recovery of the dues.

NOTE 19 - CASH AND CASH EQUIVALENTS

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
Cash in Hand	3.10	5.69
Balances with Banks		
in Current Accounts	2,239.61	1,846.76
in Unpaid Dividend Accounts (1)	83.19	317.10
Total (A)	2,325.90	2,169.55
Other Bank Balance		
Deposits with Maturity more than 3 months but upto 12 months (2)	152.92	279.41
Deposits with Maturity more than 12 months	9.49	0.25
	162.41	279.66
Less : Amount disclosed under Non Current Assets	9.49	0.25
Total (B)	152.92	279.41
Total (A+B)	2,478.82	2,448.96
(1) These balances are not available for the use by the Company as they represent corresponding Unclaimed Dividend Liabilities.		
(2) Deposits are in the nature of margin money kept with banks against Bank Guarantees given / letter of credit established by the Banks.		
NOTE 20 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Prepaid Expenses	92.78	98.33
Advance to Halonix Technologies Ltd.(A wholly owned subsidiary)	-	-
Advances recoverable in cash or in kind or for value to be received	409.63	321.09
MAT Credit Entitlement	60.02	18.82
Advance Income Taxes/Tax deducted at source (Net of provision of Income Tax)	458.58	5.44
Loans and Advances to Employees	7.82	1.34
Balance with Excise & Custom Authorities	71.54	66.05
Total	1,100.37	511.07
NOTE 21 - OTHER CURRENT ASSETS		
Assets held for Disposal	7.75	7.75
Interest Recievable	3.72	8.57
Security Deposits	34.45	34.40
Total	45.93	50.71

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 22 -REVENUE FROM OPERATIONS		
Finished Goods	48,576.94	46,138.15
Traded Goods	1,902.64	879.43
Scrap Sales	96.88	217.13
Gross Sales	50,576.46	47,234.71
Less: Replacement & Claims Refer Note no 11(1)	(3,909.44)	(3,965.59)
Sales Net of Replacement & Claims	46,667.02	43,269.12
Less: Excise Duty	(1,327.73)	(1,390.83)
Total	45,339.29	41,878.29
NOTE 23 - OTHER INCOME		
Interest received on deposits with banks	16.20	13.87
Other Interest	5.01	73.24
Miscellaneous Income	45.30	0.72
Profit on Derivatives	-	73.77
Total	66.51	161.60
EXPENSES		
NOTE 24 - COST OF MATERIAL CONSUMED AND MANUFACTURING EXPENSES		
Raw Materials*	24,247.12	22,328.47
Gases	1,309.92	1,314.90
Consumables	387.84	494.10
Packing Materials	1,477.90	1,580.54
Increase/(Decrease) in excise duty on closing stock	24.27	5.77
*Raw Material is net of sales of Rs 3,986.67 Lacs (Previous year Rs. NIL) for job work.		
Total	27,447.05	25,723.78
NOTE 25 - CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS & STOCK IN TRADE		
Opening Stock		
Finished Goods	1,481.94	1,724.47
Traded Goods	1,368.55	1,400.64
Work in Progress	1,981.10	2,216.78
Total (A)	4,831.59	5,341.89
Closing Stock		
Finished Goods	(2,463.15)	(1,481.94)
Traded Goods	(1,523.71)	(1,368.55)
Work in Progress	(2,009.86)	(1,981.10)
Total (B)	(5,996.72)	(4,831.59)
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress & Stock in Trade	Total (B-A)	(1,165.13)
NOTE 26 - EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	5,040.69	4,521.02
Contribution to Provident and Other Funds	333.12	339.65
Staff Welfare	304.79	291.31
Total	5,678.60	5,151.98

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 27 - FINANCIAL COST		
Interest on Term Loan	9.80	-
Interest Others	1,966.55	1,494.21
Bank Charges	108.24	77.09
Upfront/Processing Fee	200.36	88.28
Total	2,284.95	1,659.58
NOTE 28 - OTHER EXPENSES		
Technician Expenses	18.71	25.33
Printing and Stationery	29.37	10.85
Rent	203.83	223.20
Vehicle Running & Maintenance	55.72	62.98
Insurance Charges	131.99	123.88
Filing and Legal Charges	26.72	42.67
Travelling and Conveyance	723.27	766.33
Communication Expenses	106.72	93.69
Repairs to Building	32.42	51.20
Repairs to Plant and Machinery	66.11	106.02
Consumption of Stores and Spares	591.01	578.15
Repair & Maintenance(Others)	92.39	145.74
Auditor's Remuneration (Refer point no. 41)	23.10	25.41
Power & Fuel	907.32	946.72
Professional Charges	340.41	468.62
Advertisements, Exhibition, Sales Promotion & Other Exp.	1,279.52	927.74
Freight Outward	1,370.40	1,272.21
Miscellaneous Expenses	14.77	43.66
Selling Commission	136.30	116.00
Donation	0.09	0.88
Security Services	88.81	72.77
Loss on Sale of Fixed Assets (Net of gain Rs. 25248/- (PY Rs. Nil)	9.83	86.56
Provision for Doubtful Debts	(267.89)	743.00
Debtors Written off	1,285.56	115.37
Provision for Obsolete Inventories	108.82	450.01
Obsolete Inventory Written off	116.12	153.77
Exchange Variation *	(327.78)	63.18
Prior Period Adjustments (Net)	-	81.68
Total	7,163.64	7,797.62
*Includes Rs. 363.51 lacs (PY Rs. 154.21 lacs exchange (gain) /loss on unrealised Foreign Currency Outstandings.		
NOTE 29 - TAX EXPENSE		
Income Tax	41.21	-
MAT Credit Entitlement	(41.21)	-
Income Taxes (Prior Period)		34.82
Total	-	34.82

Income Taxes

The provision for taxation includes tax liabilities in India on the Company's income as reduced by exempt incomes. Income from units 59 D,E,F in NSEZ is fully from tax exempt under Section 10AA of the Income Tax Act 1961 ("the Act") for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions commencing from fiscal year 2005-06. Unit at Dehradun is exempt from tax under section 80IC of the Act commencing from the financial year 2004-05 company commenced production and for next 5 years at the rate of 30% of the profit from the unit commencing from fiscal year 2009-10. The Company calculates its tax liability under Minimum Alternate Tax (MAT). The MAT credit can be carried forward and set-off against the future tax payable. In financial year 2011, the Company calculated its tax liability under normal provisions of the Act and losses computed as per the provisions of the Act has been carried forward to be set off against future taxable income under provision of the Act.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED)

(Rs. in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Contingent Liabilities :		
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others and Standby Letter of Credit.	405.43	1,838.49
Commitments :		
Estimated amount of unexecuted capital contracts(net of advances and deposits)	8.54	933.77
Claims against the Company not acknowledged as debts include demand from the Indian Tax Authorities for disputed demand of Income Tax for Financial Year 2005-06, 07-08, 08-09, 09-10, 10-11	86.75	20.80
Disputed demand of Trade Tax/Sales Tax/Value Added Tax under Appeal under Delhi Sales Tax Act,1975	1.07	1.07
Uttarakhand VAT Act 2005	36.36	35.41
U.P. Trade Tax Act 1948	2.07	2.07
U.P. Vat Act 2008	23.19	11.01
Bihar Value Added Tax Act	52.41	
Excise Duty under Protest	66.18	66.18
Penalty for non fulfillment of export obligation by Director General of Foreign Trade Delhi.	107.52	107.52
Penalty against Advance Licence by DGFT Delhi & Duty saved therein.	152.44	-
Claims also includes suspension period wages	49.85	51.19

Based on favourable decision in similar cases, discussions with the advocate etc, the Company believes that there is fair chance of decision in its favour and hence no provision is considered necessary against the same.

31 UNHEDGED FOREIGN CURRENCY EXPOSURE

(In Lacs)

Particulars	Currency	As at March 31,2012 (in Foreign Currency)	As at March 31,2011 (in Foreign Currency)
Import Creditors	JPY	16.55	39.25
Import Creditors	EURO	4.66	5.58
Import Creditors	USD	9.14	(2.83)
Export Debtors	EURO	101.71	80.52
Export Debtors	USD	14.65	17.09
Total		146.71	139.61

32 The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally non cancelable and are renewable by mutually agreed terms. There are no restrictions imposed by Lease Agreements. There are no sub leases.

(Rs. in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Total Lease Payment for the year (Recongnized in Profit & Loss Account)	203.82	132.25
Minimum Lease Payment :		
Not Later than one year	121.46	113.40
Later than one year but not later than five years.	252.10	131.05
Later than five years.	74.23	64.34

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

33 a) Raw Material Consumed

(Rs. in Lacs)

Particulars	As At March 31,2012	As At March 31,2011
Glass Tube	1,579.66	1,631.76
Lamp Base Parts	4,905.09	4,948.98
Moly Shield	1,155.62	1,084.74
Moly Wire	1,258.88	1,295.53
Tungsten Filament	1,390.96	1,293.58
PCB/PCB Components	5,056.82	4,284.59
Imported Bulb	1,309.50	1,002.03
Other	7,590.60	6,787.26
Total	24,247.12	22,328.47

b) Particulars in respect of Traded Goods

(Rs.in Lacs)

Particulars	Opening Stock		Purchases		Closing stock		Sales	
	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011
Luminaries & Fittings	1,318.67	1,363.14	1,706.55	939.27	1,427.55	1,318.67	1,847.44	839.18
Stop & Tail	19.93	-	126.71	47.92	91.24	19.93	55.13	39.64
Others	29.96	37.50	-	-	4.92	29.96	0.07	0.61
Total	1,368.55	1,400.64	1,833.26	987.19	1,523.71	1,368.55	1,902.64	879.43

c) Particulars in respect of goods dealt with by the Company

(Rs. In Lacs)

Particulars	Opening Stock		Closing stock		Sales	
	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011
Auto Lamp	368.38	174.18	685.46	368.38	24,296.47	24,791.47
General Lighting Lamps	938.73	1,121.82	1561.07	938.73	22,956.52	19,101.02
Other	174.82	428.47	216.62	174.82	1,323.95	2,245.67
Total	1,481.94	1,724.47	2,463.15	1,481.94	48,576.94	46,138.15

(Rs. in Lacs)

Particulars	Closing Stock	
	As At March 31,2012	As At March 31,2011
d) Particulars of Inventory of Work In Progress(WIP)		
Auto Lamp	919.23	1,256.18
General Lighting Lamps	1,067.92	699.02
Other	22.71	25.90
Total	2,009.86	1,981.10

e) Value of Imported and Indigeneous Raw Material & Stores and Spares Consumed

Items	March 31,2012	%	March 31,2011	%
Raw Material				
Imported	14,431.49	59.52%	12,215.91	54.71%
Indigenous	9,815.63	40.48%	10,112.56	45.29%
Total	24,247.12	100.00%	22,328.47	100.00%
Spares Parts				
Imported	172.32	29.16%	251.07	43.43%
Indigenous	418.69	70.84%	327.08	56.57%
Total	591.01	100.00%	578.15	100.00%
Packing Material, Consumables & Others				
Imported	50.00	1.57%	12.12	0.36%
Indigenous	3,125.66	98.43%	3,377.42	99.64%
Total	3,175.66	100.00%	3,389.54	100.00%

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
f) Value of Imports on CIF Basis		
Raw Material & Gases	13,354.37	10,247.65
Capital goods	-	1,178.94
Spare Parts/Consumable	223.83	261.01
Total	13,578.20	11,687.60
g) Expenditure in Foreign Currency		
Foreign Travelling	27.63	17.12
Professional Fees	5.32	113.11
Selling Commission	26.17	58.01
Other Expenditure	39.22	56.26
Capital Advance Written off	389.43	-
Total	487.77	244.50
h) Earnings in Foreign Currency		
FOB Value of Export of Goods	9741.31	12,661.27

34 DIVIDENDS REMITTED IN FOREIGN CURRENCIES

The Company remits the equivalent of the dividends payable to equity shareholders which are the registered shareholders on record for all owners of the Company

The particulars of dividends remitted are as follows:

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	(Rs. in lacs)	
			As At March 31,2012	As At March 31,2011
Final dividend for fiscal year 2003-04 to 2008-09(1) Net of dividend tax	1	1,880,000	223.72	-

35 The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act,2006 (MSMED Act,2006). Based on the information available with the Company, the details of dues to Micro, Small and Medium Enterprise as per MSMED Act,2006 are as under:-

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
i) The Principal amount and the interest due thereon remaining unpaid to any suppliers as at end of Year Principal Amount Unpaid:	303.06	107.34
Interest Due	15.51	13.70
ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro , Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the Year.		
Payment made beyond the appointed date	1,990.16	960.98
Interest Paid beyond the appointed date		
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act , 2006	12.97	13.56
iv) The amount of interest accrued and remaining unpaid at the end of the year, and	15.51	13.70
v) The amount of further interest remaining due and payable even in the succeeding years , until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro , Small and Medium Enterprise Development Act ,2006	-	-

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

36 RELATED PARTY DISCLOSURE

List of Related parties with whom transactions have taken place during the year is as under:

Nature of Relationship	Name of the Person
i) Subsidiaries	<p>a) International Lamps Holding Company S.A.(Wholly owned subsidiary).w.e.f. 2nd November'2010 & ceased to exist w.e.f 20th May, 2011.</p> <p>b) Luxlite Lamps SARL Luxemborg(Downstream Subsidiaries) w.e.f. 2nd November'2010 & ceased to exist w.e.f 20th May, 2011.</p> <p>c) Trifa Lamps Germany GmbH. (Downstream Subsidiaries) w.e.f. 2nd November'2010 & ceased to exist w.e.f 20th May, 2011.</p>
ii) Common Control	a) Argon South Asia Limited
iii) Holding Company	a) Argon India Limited
iv) Key Management personnel	<p>a) Mr. Rajesh Kochhar (Managing Director)ceased w.e.f 30.06.2011</p> <p>b) Mr. S.K Neogi (Executive Director) ceased w.e.f 07.09.2011</p> <p>c) Mr. Gurvikram Singh (Managing Director) joined w.e.f 29.09.2011</p>

B) Related Party Transactions

(Rs. in lacs)

Nature of Transactions	Subsidiary Company	Holding Company	Common Control	Key Management Personnel	Relatives of Key Management Personnel	Total
Transactions during the Year						
I) Investments	(25.04)	(-)	(-)	(-)	(-)	(25.04)
II) Loan Given	(-)	(-)	(-)	(-)	(-)	(-)
Loan Repaid	(-)	(-)	(-)	(-)	(-)	(-)
III) Management Remuneration	(-)	(-)	(-)	85.52 (158.43)	(-)	85.52 (158.43)
IV) Current Account (Net of debit/credit)	(-)	(-)	(-)	(-)	(-)	(-)
V) Dividend Paid	(-)	(-)	(-)	(-)	(-)	(-)
VI) Bank Guarantees/Standby Letter of Credit	(1,704.26)	(-)	(-)	(-)	(-)	(1,704.26)
VII) Sales	5,140.01 (4,228.67)	(-)	(-)	(-)	(-)	5,140.01 (4,228.67)
Balances outstanding at the year end						
I) Investment	(25.04)	(-)	(-)	(-)	(-)	(25.04)
II) Loan Given	(-)	(-)	(-)	(-)	(-)	(-)
III) Advance recoverable	(-)	(-)	(-)	(-)	(-)	(-)
IV) Management Remuneration Payable	(-)	(-)	(-)	(2.38)	(-)	(2.38)
V) Trade Receivables	6,526.82 (3,425.33)	(-)	(-)	(-)	(-)	6,526.82 (3,425.33)

i) Previous Year figures are given in brackets.

ii) No amount has been written off or provided for in respect of transactions with the related parties except for provision for doubtful receivables of Rs. 1,012.99 lacs (Previous year Rs. 166.63 Lacs).

iii) International Lamps Hoalding Company of Rs. 25.04 Lacs has been kept in Escrow a/c.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

37 RESEARCH AND DEVELOPMENT EXPENDITURE

(Rs. in lacs)

Particulars	Opening Balance as at 01/04/2011	Addition during the year	Amortisation during the year	Closing Balance as at 31/03/2012
Research under Development and commercialisation	359.33	NIL	119.93	239.40

The Company has not incurred any expenditure during the financial year for the research & development of the product. The management is of the view that :-

- There is a reasonable indications that current and future research & development cost incurred on the project together with expected productions, selling & administration costs are likely to be more than covered by future revenue / benefits and
- The Management has indicated its intention to produce and market the product
- Adequate resources exists, and are reasonably expected to be available to complete the project and market the product/ process.
- The Company has applied for patent vide application no. 1021/del/2009 date 19/05/2009.

38 SEGMENT REPORTING

Business Segments

The operating business are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are manufacturing & sale of Auto Lamps and General Lighting Lamps.

(Rs. in lacs)

Particulars	Auto Lamps	General Lighting	Other Operations	Total
Revenue				
External Turnover	23,025.08 (23,856.40)	20,411.56 (16,939.86)	1,947.95 (1,082.03)	45,384.59 (41,878.29)
Inter Segment Sales/Income	- -	- -	- -	- -
Total	23,025.08 (23,856.40)	20,411.56 (16,939.86)	1,947.95 (1,082.03)	45,384.59 (41,878.29)
Expenses	17,883.16 (16,705.46)	22,068.65 (18,207.01)	1,678.10 (1,019.28)	41,629.91 (35,931.75)
Result	5,141.92 (7,150.94)	(1,657.09) 1,267.15	269.85 (62.75)	3,754.68 (5,946.54)
Unallocated Expenses				736.80 (5,583.84)
Operating Profit				3,017.87 (362.70)
Interest & Finance Charges				2,284.95 (1,659.58)
Exceptional Items	- (-)	389.43 (-)	- (-)	389.43 (-)
Unallocated other Income				21.21 (161.61)
income Taxes				205.64 (123.85)
Net Profit/(Loss)				570.34 (1011.43)

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in lacs)			
	Auto Lamps	General Lighting	Other Operations	Total
Other Information				
Segment Assets	16,914.10 (15,392.34)	15,154.11 (13,353.43)	1,009.30 (1,368.55)	33,077.51 (30,114.32)
Unallocated Corporate Assets				5,164.65 (5,269.49)
Total Assets				38,242.16 (35,383.81)
Segment Liabilities	3,103.66 (2,656.40)	4,646.00 (2,498.92)	- (-)	7,749.66 (5,155.32)
Unallocated Corporate Liabilities				17,414.87 (17,721.21)
Total Liabilities				25,164.53 (22,876.53)
Capital Expenditure	126.06 (528.72)	220.01 (1,132.71)	- (-)	346.07 (1,661.43)
Unallocated Capital Expenditure				126.92 (72.70)
Total Capital Expenditure				473.00 (1,734.13)
Depreciation/Amortisation	465.91 (456.44)	803.74 (757.50)	- (-)	1,269.64 (1,213.94)
Unallocated Depreciation/Amortisation				139.66 (130.79)
Total Depreciation/Amortisation				1,409.30 (1,344.73)
Amortisation				-
Unallocable Amortisation				-
Total Amortisation	- (-)	- (-)	- (-)	- (-)
Non-cash expenses other than depreciation and amortisation	780.76 (580.58)	471.68 (968.13)	- (-)	1,252.44 (1,548.71)
Unallocated Non-cash expenses other than depreciation and amortisation	- (-)	- (-)	- (-)	- (-)
Total Non-cash expenses other than depreciation and amortisation				1,252.44 (1,548.71)

i) Previous Year figures are given in brackets.

Geographic Segments

The Company sells its products to various customers within the country and also exports to other countries. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segment.

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in lacs)		
	Within India	Outside India	Total
Revenue	36,755.10 (30,658.31)	9,911.93 (12,610.81)	46,667.02 (43,269.12)
Segment Assets	6,914.56 (4,601.32)	6,072.77 (6,023.27)	12,987.33 (10,624.59)
Addition to Fixed Assets	693.56 (2,114.50)	- (-)	693.56 (2,114.50)

i) Previous Year figures are given in brackets.

39 EMPLOYEE BENEFITES:

Provident Fund

Contribution to Recognised Provident Fund

The Company contributed Rs. 255.88 Lacs (P.Y. Rs. 226.13 lacs) towards provident fund during the year ended March 31,2012.

Gratuity Plan

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The enterprises has funded the liability with Life Insurance Corporation (LIC). Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognized in the Profit and Loss Account and amounts recognized in the Balance Sheet for the Gratuity.

Statement of Profit & Loss

Net Employee benefit expenses recognized in the employee cost.

(Rs. in lacs)

	31.03.2012	31.03.2011
Current Service Cost	83.63	82.77
Past Service Cost	81.66	NIL
Interest Cost	33.02	40.26
Expected Return on Plan Assets	(10.52)	(6.55)
Net Acturial (Gain) / Loss recognized in the period	(43.70)	(1.27)
Expenses recognized in the statement of Profit & Loss	144.08	115.20
Balance Sheet		
Details of Provision of Gratuity		
Present Value of Defined Benefit Obligation	510.07	572.78
Fair Value of Plan Assets	77.09	60.08
Plan Assets / (Liability)	(432.98)	(512.71)
Changes in the Present Value of defined obligation are as follows :		
Opening defined benefit Obligation	402.65	509.59
Current Service Cost	83.63	82.77
Interest Cost	33.02	40.26
Benefits Paid	(45.30)	(58.91)
Past service cost	81.66	NIL
Acturial (Gains) / Losses on obligation	(45.59)	(0.93)
Closing Defined Benefit Obligation	510.06	572.78

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

Changes in the fair value of Plan Assets are as follows :

(Rs. in lacs)

	31.03.2012	31.03.2011
Opening fair value of Plan Assets	113.75	77.09
Expected Return	8.64	6.89
Contributions by the employer	Nil	35.00
Benefits Paid	(45.30)	(58.91)
Acturial Gains / (Losses)	Nil	NIL
Closing fair value of Plan Assets	77.09	60.08
Major categories of Plan Assets as a percentage of fair value of total Plan Assets are as follows :		
Investment with Insurer	100%	100%
The Principal assumption used in determining Gratuity obligations for the Company's plans are shown below :		
Discount Rate	7.90%	8.60%
Expected Return on Plan Assets	8.50%	9.15%
Employee Turnover	25 % for all ages	25 % for all ages
Rate of Increase in Compensation levels	6.00%	6.00%

The estimates of future salary increases, considered in Acturial Valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The overall expected rate of return on Assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. There has been significant changes in expected rate of return on assets due to change in the market scnerio.

Amount for the current and previous four periods are as follows :

(Rs. in lacs)

	31.03.2009	31.03.2010	31.03.2011	31.03.2012
Defined Benefit Obligation	271.31	402.65	510.07	572.78
Plan Assets	107.24	113.75	77.09	60.08
Surplus / (Deficit)	(164.07)	(288.90)	(432.98)	(512.71)
Experience Adjustments on plan liabilities- (loss) / Gain	(30.07)	(103.42)	201.77	(10.32)
Experience adjustments on Plan Assets- (loss) / Gain	(2.58)	(1.75)	(1.88)	0.34

40 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE (Rs. in lacs)

	31.03.2012	31.03.2011
Number of shares considered as basic weighted average shares outstanding	2,80,19,300	2,80,19,300
Add: Effect of dilutive issues of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	2,80,19,300	2,80,19,300
Earning Per Share		
A) Earnings Per Equity Share (Before Exceptional Items)	959.77	(1,011.44)
Earning Per Share (Rs.) (Face value Rs. 10 Per Share)		
Basic	3.43	(3.61)
Diluted	3.43	(3.61)
B) Earnings Per Equity Share (After Exceptional Items)	570.34	(1,011.44)
Earning Per Share (Rs.) (Face value Rs. 10 Per Share)		
Basic	2.04	(3.16)
Diluted	2.04	(3.16)
C) Weighted average number of Equity Shares (in nos)	2,80,19,300	2,80,19,300

Notes to Consolidated Financial Statements for the Year ended 31st March, 2012 (contd.)

41 AUDITOR'S REMUNERATION		(Rs. in lacs)	
Particulars	31.03.2012	31.03.2011	
i) Statutory Auditor			
a) As Auditor's Fees	14.40	14.98	
b) Other Capacity			
- Tax Audit	3.12	3.12	
- Certification & Other Matters	4.37	6.00	
- Out of Pocket Expenses	1.21	1.30	
Total	23.10	25.40	
ii) Cost Auditor Fee			
Total	1.81	1.23	
Total	24.91	26.63	

42 MANAGERIAL REMUNERATION

- a) The Company has paid remuneration to the Managing Director of Rs. 226.74 Lacs till 31.03.2012 (Current Year Rs. 73.69 Lacs and upto 31.03.2011 Rs. 153.05 Lacs) in excess of the approval received from the Central Government. The Company has made applications/ revision applications seeking approval from the Central Government for excess remuneration of the limit specified under the Companies Act, 1956/ Central Government approval obtained. The said approvals are awaited.
- b) Further the Company has approved remuneration of Rs. 20 Lacs to two independent Directors U/s 309/198 for the period 2011-2012 pending shareholders and Central Government approval.
- c) The Company has charged excess remuneration to the Profit and Loss Account in view of the revision applications pending for approval of the excess remuneration paid to its Managing Director and erstwhile Managing Director before Central Government.

43 PREVIOUS YEAR FIGURES

Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March'2012, The revised Schedule VI Notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's.

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
Partner
M.No. 096655

Place: Noida
Date : May 26, 2012

Pranay Gandhi
Chief Financial Officer

Mukesh Kumar
Company Secretary

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

HALONIX TECHNOLOGIES LIMITED

DIRECTORS' REPORT

To the Members of the Company

Your Directors have pleasure in presenting their **Third Annual Report** together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

OPERATIONS AND FUTURE PROSPECTS

The Company was incorporated on 2nd March, 2009. The Company has not yet started its commercial activities and has accounted the loss of Rs. 33,852/- as against previous year figure of Rs. 1,27,20,698. The Company is looking forward to start its business operations in the near future.

DIRECTORS

Mr. Madhusudan Sharma retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year, the Company has appointed Mr. Pranay Gandhi as Additional Director in the meeting of the Board of Directors held on 12th April, 2012 and therefore, he holds the office only upto the date of the forthcoming Annual General Meeting. The Company has received notices U/s 257 of the Companies Act, 1956 from the Shareholders of the company proposing the candidature of Mr. Pranay Gandhi as a Director at the forthcoming Annual General Meeting. The Board recommends the same for your approval.

During the year Mr. Sanjeev Pandiya, Director of the Company resigned from the directorship w.e.f. 28.03.2012.

The Board of Directors of the Company has noted that none of the Director is disqualified under Section 274(1)(g) of the Companies Act, 1956 during the year.

AUDITORS

The term of M/s. Arun K. Gupta & Associates, Chartered Accountants, the Statutory Auditors of the Company will come to an end at the conclusion of the ensuing Annual General Meeting. The Company has received their willingness for being re-appointed as the Statutory auditors of the Company, which also provides for the eligibility, in pursuant to section 224(1B) of the Companies Act, 1956 that the appointment, if made, will be in accordance with the limits. The Board of Directors recommends the same for your approval.

AUDITORS REPORT

As per the Auditors Report provided by the Auditors for the period ended 31.03.2012, there is no adverse remark in the Auditors Report.

HOLDING COMPANY

The Company is a wholly owned subsidiary of M/s. Halonix Limited, which holds 100% shares in the Company. The Company has also availed loan of Rs. 36.00 lacs from the

holding company during the year. The total availed upto 31-03-2012 amounts to Rs. 1616.50 lacs.

FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975.

PARTICULARS OF EMPLOYEES

There is no employee covered under section 217(2A) of Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended during the period ended 31.03.2012.

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

In terms of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 your directors furnish the information as mentioned below:

Conservation of Energy	The Company has taken all the measures / steps to conserve the energy in the company.
Technology Absorption	The company has not absorbed any technology from any source.
Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	Presently the Company has no Exports activity.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Year ended 31.03.2012 (Rs.)
Earning	Nil
Outflow	Nil

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards has been followed.

HALONIX TECHNOLOGIES LIMITED

2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for the safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the continued co-operation and assistance received from the banker and all the stakeholder of the Company.

For and on behalf of the Board of
Halonix Technologies Limited

Place : Noida **(Amar Singh Saini) (Pranay Gandhi)**
Date : May 26, 2012 Director Director

HALONIX TECHNOLOGIES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF HALONIX TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of Halonix Technologies Limited as at March 31, 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the state of the affairs of the Company, as at March 31, 2012
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ARUN K GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
Partner
Membership No. 096655

Place : Noida
Date : May 26, 2012

HALONIX TECHNOLOGIES LIMITED

Annexure referred to in paragraph (3) of our report of even date

- i) The Company has no fixed assets hence this clause is not applicable to the Company.
- ii) The Company has no stock of raw material, spare parts & finished goods. Hence this clause is not applicable to the Company.
- iii) (a) As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (herein referred to as the Order), are not applicable.
(b) As informed, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (e), (f) and (g) of the order, are not applicable.
- iv) There are no purchases or sale of inventory & fixed assets during the year. Hence this clause is not applicable to the Company.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us the Company has not made any transaction in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year.
- vi) The Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA of the Companies Act, 1956 and Rules framed there under are not applicable for the year under audit.
- vii) In our opinion, the internal audit is not applicable to the Company.
- viii) In our opinion and according to the information & explanation given to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (i) of section 209 of the Act.
- ix) (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues as applicable to the Company including Provident Fund, Investor Education and Protection Funds, Employee's State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Custom duty, Excise Duty, Cess, Service-tax and other statutory dues with the appropriate authorities during the year.
(b) According to the information & explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth-Tax, Sales-Tax, Customs Duty, Service-tax and Cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
(c) According to the records of the Company and information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Service-tax, which have not been deposited on account of any dispute.
- x) The company has accumulated losses at the end of the financial year, which is more than fifty percent of its net worth. Further the Company has incurred cash losses during the financial year ended 31.03.2012.
- xi) Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions & banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us. The nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / securities.
- xiv) The Company is not dealing in shares, debentures and other securities hence this clause is not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks & financial institutions.
- xvi) The company has not taken any term loan during the year; hence this clause is not applicable to the Company.
- xvii) According to the records examined by us and according to the information and explanations given to us & on overall examination of the balance sheet of the Company, we report that prima facie no funds raised on short term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act. 1956.

HALONIX TECHNOLOGIES LIMITED

xix) According to the information and explanation given to us and the records examined by us, the Company has not issued debentures.

xx) The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on

or by the Company was noticed or reported during the year.

For ARUN K GUPTA & ASSOCIATES

Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka

Partner

Membership No. 096655

Place : Noida

Date : May 26, 2012

HALONIX TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lacs)

	Notes	As At March 31,2012	As At March 31,2011
Equity and Liabilities			
Shareholder's Funds			
Share Capital	3	5.00	5.00
Reserves and Surplus	4	(203.70)	(203.36)
		(198.70)	(198.36)
Non-Current Liabilities			
Long Term Borrowings	5	88.74	123.64
Long-Term Provisions	6	-	1.08
		88.74	124.72
Current Liabilities			
Short Term Borrowings	7	1,616.50	1,580.50
Trade Payables	8	0.30	0.50
Other Current Liabilities	9	0.64	7.77
Short-Term Provisions			
		1,617.45	1,588.77
	Total	1,507.48	1,515.13
Assets			
Non-Current Assets			
Fixed Assets		-	-
Tangible Assets		-	-
Intangible Assets		-	-
Capital Work-in-Progress		-	-
Long-Term Loans and Advances	10	4.20	4.20
Other Non-Current Assets	11	0.28	0.25
		4.48	4.45
Current Assets			
Cash and Cash Equivalents	12	1,503.00	1,503.36
Short-Term Loans and Advances	13	-	7.31
		1,503.00	1,510.67
	Total	1,507.48	1,515.13
Significant Accounting Policies and Notes on Accounts	2		

The accompanying notes are an intergral part of the Financial Statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
M.No. 096655
Partner

Amar Singh Saini
Director

Pranay Gandhi
Director

Place : Noida
Date : May 26,2012

HALONIX TECHNOLOGIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

(Rs. in Lacs)

Notes	Year ended March 31,2012	Year ended March 31,2011
I. Revenue from Operations		
Revenue from Operations		
Gross Sales		
Less: Excise Duty		
Net Sales		
II. Other Income	14	0.02
III. Total Revenue (I + II)	0.02	0.02
Expenses		
Cost of Material Consumed		
Purchase of Traded Goods		
(Increase)/Decrease in Inventories of Finished Goods		
Work in Progress & Stock in Trade		
Financial Cost	15	48.13
Depreciation and Amortisation Expense	16	0.02
Other Expenses	17	79.08
IV. Total Expenses	0.36	127.22
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)	(0.34)	(127.21)
VI. Exceptional Items(Capital Advances Written off)	-	-
VII. Profit Before Extraordinary Items and Tax (V - VI)	(0.34)	(127.21)
VIII. Extraordinary Items	-	-
IX. Profit/(Loss) Before Tax	(0.34)	(127.21)
Tax Expense:		
Current Tax		
Deferred Tax		
PROFIT FOR THE YEAR	(0.34)	(127.21)
Earnings Per Equity Share		
Equity Shares of Par Value Rs. 10 /- each		
Basic	(0.68)	(254.41)
Diluted	(0.68)	(254.41)
Number of Shares used in Computing Earnings Per Share		
Basic	50,000	50,000
Diluted	50,000	50,000

Significant Accounting Policies and Notes on Accounts 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES

Chartered Accountants

Firm Registration No. 000605N

Gireesh Kumar Goenka

M.No. 096655

Partner

Amar Singh Saini

Director

Pranay Gandhi

Director

Place : Noida

Date : May 26,2012

HALONIX TECHNOLOGIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2012

(Rs. in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Cash Flows from Operating Activities		
1 Cash Flow from Operating Activities		
Net Profit/(Loss) before tax & Prior Period Items	(0.34)	(127.21)
Operating Profit Before Working Capital Changes	(0.34)	(127.21)
Adjustment for Changes in Working Capital		
Increase in Current Assets		(7.21)
Increase in Non Current Assets	(0.02)	(4.20)
Increase in Current Liabilities		76.26
Decrease in Current Assets	7.31	
Decrease in Current Liabilities	(7.33)	
Decrease in Non Current Liabilities	(1.08)	4.65
Net Cash Flow from Operating Activities	(1.45)	(57.71)
2 Cash Flow From Investing Activities	-	
Net Cash Flow from Investing Activities	-	-
3 Cash Flow from Financing Activities		
Proceed from Issue of Equity Share Capital	-	-
Repayment of Long Term Borrowings	(34.91)	-
Proceed from Short term Borrowings	36.00	1,559.75
Net Cash Flow from Financing Activities	1.09	1,559.75
4 Net Increase or Decrease in Cash and Cash Equivalents	(0.36)	1,502.04
Cash and cash Equivalent (Opening Balance)	1,503.36	1.57
Cash and cash Equivalent (Closing Balance)	1,503.00	1,503.61
Components of cash and cash equivalents		
Cash on Hand	0.20	0.25
Balance with schedule banks - Current Accounts	1,502.80	1,503.11
Term Deposit	0.25	0.25
Cash And Bank Balances	1,503.25	1,503.61
Less:- Fixed Deposits non considered as cash and cash equivalents	0.25	0.25
Deposits having maturity period of more than 3 Months and pledged with banks	1,503.00	1,503.36

Note:

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 on cash flow statements issued by the Institute of Chartered Accountants of India.
- Negative figures have been shown in brackets.

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
M.No. 096655
Partner

Amar Singh Saini
Director

Pranay Gandhi
Director

Place : Noida
Date : May 26,2012

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012

1 NATURE OF OPERATION

Halonix Technologies Limited (hereinafter referred to as “the Company”) is at present exploring the possibility of manufacturing and trading in energy saving devices.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(Forming part of the Accounts for the year ended 31st March, 2012)

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Income Tax

Tax expense comprises of current deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier year.

c) Foreign Exchange Transaction

Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency transactions.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Difference:

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company’s monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

e) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured. Sale of Goods Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are net of return, volume discount and sales/vat tax but including excise duty.

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

- i) Warranty claims settled including replacements are adjusted against sales.
- ii) Interest: Interest is recognized on a time proportion basis taking into account the amount outstanding at the applicable date.
- iii) Dividend: Dividend is recognized when the shareholder's right to receive payment is established by the Balance Sheet date.

f) **Borrowing Cost**

Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Profit & Loss Account.

g) **Employee Benefits**

(a) **Short-Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

(b) **Post-Employment Benefits:**

- (i) Retirement benefits in the form of the Company's contribution to Provident Fund are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit & loss account.

(c) **Other Long-Term Employment Benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are provided for on the basis of actuarial valuation made at the end of each financial year.

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 3 - SHARE CAPITAL		
Authorized Shares		
15,00,000 Equity shares of Rs. 10/- each	150.00	150.00
	150.00	150.00
Issued, Subscribed and Paid-Up Shares		
50,000 (P.Y. 50,000) Equity shares of Rs. 10/- Each fully paid up	5.00	5.00
Total	5.00	5.00

Out of the Equity share Capital :

1) 49,994 Equity shares held by Halonix Limited, a holding company.

Shares referred to as equity shares having a par value of Rs. 10/- .Each holder of equity shares is entitled to one vote per share.

The company has only one class of equity share having a par value of Rs. 10 per share. Each equity shareholder is entitled for one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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. This distribution will be in proportion to the number of equity shares held by the shareholder.

Reconciliation of the number of Equity shares outstanding

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
Number of shares at the beginning	50,000	50,000
Add: Shares issued during the year	-	-
Number of shares at the end	50,000	50,000
Shares held by Holding / Ultimate Holding company and/or their subsidiaries		
Halonix Limited	49,994	49,994
	49,994	49,994
Details of shareholders holding more than 5% Share in the company		
Equity shares of Rs. 10 each fully paid		
Halonix Limited	49,994	99.99%
NOTE 4 - RESERVES AND SURPLUS		
Capital Reserve - Opening Balance	-	-
Add: Transferred from Profit and Loss Account	-	-
Securities Premium Reserve - Opening Balance	-	-
	-	-
Capital Subsidy - Opening Balance	-	-
Additions	-	-
	-	-
Capital Redemption Reserve - Opening Balance	-	-
Add: Transferred from Profit and Loss Account	-	-
	-	-
General Reserve - Opening balance	-	-
Add: Transferred from Profit and Loss Account	-	-
Surplus/(Deficit)in the Statement of Profit & Loss- Opening Balance	(203.36)	(76.16)
Add: Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	(0.34)	(127.21)
Amount available for appropriation	(203.70)	(203.36)
Appropriations:	-	-
Final dividend	-	-
Dividend tax	-	-
Amount Transferred to General Reserve	-	-
Balance in Profit and Loss Account	-	-
	(203.70)	(203.36)

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31,2012	As At March 31,2011
NOTE 5 - LONG TERM BORROWINGS		
Due to Parent Company	88.74	123.64
Total	88.74	123.64
NOTE 6 - LONG-TERM PROVISIONS		
Leave Encashment	-	0.59
Gratuity	-	0.49
Total	-	1.08
SHORT TERM BORROWINGS, TRADE PAYABLES AND OTHER CURRENT LIABILITIES		
NOTE 7 - SHORT TERM BORROWINGS		
Unsecured		
Interest Free Loan from Holding Company	1,616.50	1,580.50
Total	1,616.50	1,580.50
NOTE 8 - TRADE PAYABLES		
Trade Payables		
Total Outstanding dues of Micro & Small Enterprises	-	-
Total Outstanding dues of other than Micro & Small Enterprises	0.30	0.50
Total	0.30	0.50
NOTE 9 - OTHER CURRENT LIABILITIES		
Other Payables	-	6.97
Statutory Liabilities	0.64	0.81
Total	0.64	7.77
NOTE 10 - LONG-TERM LOANS AND ADVANCES		
Security Deposits	4.20	4.20
Total	4.20	4.20
NOTE 11 - OTHER NON-CURRENT ASSETS		
Deposits Pledged with maturity more than 12 months	0.25	0.25
Interest Recievable on Deposits	0.03	0.00
Total	0.28	0.25
NOTE 12 - CASH AND CASH EQUIVALENTS		
Cash in hand	0.20	0.25
Balances with banks		
In current accounts and deposit accounts	1,502.80	1,503.11
Total (A)	1,503.00	1,503.36
Deposits Pledged with maturity more than 12 months	0.25	0.25
Less : Amount disclosed under non current assets	0.25	0.25
Total (B)	-	-
Total (A+B)	1,503.00	1,503.36

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

Particulars	(Rs. in Lacs)	
	As At March 31, 2012	As At March 31, 2011
NOTE 13 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans to subsidiary	-	-
Others	-	-
Advances	-	6.82
Prepaid expenses	-	0.25
	-	7.08
Interest accrued but not due	-	-
Loans and advances to employees	-	0.24
	-	7.31
Unsecured, considered doubtful		
Loans and advances to employees		
	-	7.31
Less: Provision for doubtful loans and advances to employees	-	-
Total	-	7.31
NOTE 14 - OTHER INCOME		
Interest received on deposits with banks	0.02	0.02
Total	0.02	0.02
EXPENSES		
NOTE 15 - EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus including overseas staff expenses	-	43.55
Contribution to provident and other funds	-	3.43
Staff welfare	-	1.15
Total	-	48.13
NOTE 16 - FINANCIAL CHARGES		
Bank Charges	0.02	0.02
Net Exchange (Gain)/Loss on Foreign Currency		
Total	0.02	0.02
NOTE 17 - OTHER EXPENSES		
Technician Expenses	-	-
Printing and Stationery	-	-
Rent	-	58.54
Vehicle Running & Maintenance	-	1.84
Insurance charges	-	1.32
Filing and Legal Charges	-	-
Travelling and conveyance	-	8.57
Communication expenses	-	0.75
Auditor's Remuneration	0.34	0.55
Power & Fuel	-	5.13
Professional Charges	-	1.44
Advertisements, Exhibition, Sales Promotion & Other Exp.	-	0.27
Miscellaneous Expenses	-	0.68
Prior Period Adjustments (Net)	-	-
Total	0.34	79.08

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

- 18 Contingent Liabilities not Provided for Rs. Nil (P.Y. - Rs. Nil)
- 19 Estimated Amount of Contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (P.Y.- Rs. Nil)
- 20 In the opinion of the Board, all the Current Assets , Loans & Advances have value on the realization which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess / short of the amount considered reasonably necessary.

21 AUDITOR'S REMUNERATION

(Rs. in Lacs)

Particulars	As At March 31, 2012	As At March 31, 2011
Statutory Auditor		
As Auditor's	0.34	0.55
Other Capacity	-	-
Tax Audit	-	-
Certification & other matters	-	-
Out of Pocket Expenses	-	-
Total	0.34	0.55
22 EARNING PER SHARE (EPS)		
a) Net Loss available for the equity shareholders	(0.34)	(127.21)
b) Weighted average number of Equity Shares in no's	50,000	50,000
c) Earning per share (in Rs) (Face value of Rs. 10/- per share)		
Basic	(0.68)	(254.41)
Diluted	(0.68)	(254.41)

23 RELATED PARTY DISCLOSURE

List of Related parties with whom transactions have taken place during the year is as under:

Nature of Relationship	Name of the Person
i) Holding Company	i) Halonix Limited

b) RELATED PARTY TRANSACTIONS

Nature of Transactions	Subsidiary Company	Holding Company	Total
Transactions during the Year :			
I) Loan taken	- (-)	5,406.00 (1,559.75)	5,406.00 (1,559.75)
II) Loan Reapid	(-)	5,370.00 (-)	5,370.00 (-)
III) Borrowings (Net of Debit / Credit)	- (-)	34.91 (79.22)	34.91 (79.22)
Balances outstanding at the year end :			
I) Loan	- (-)	1,616.50 (1,580.50)	1,616.50 (1,580.50)
II) Borrowings	- (-)	88.74 (123.64)	88.74 (123.64)

- i) Previous Year figures are given in brackets.
- ii) No amount has been written off or provided in respect of transactions with the related parties.

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

24 GRATUITY PLAN

a) Contribution to Provident Fund

Amount of Rs. 0.00063 Lacs (P.Y. Rs. 4.01 Lacs) is recognized as an expense & included in Payment and Benefits to employees in the Profit & Loss account.

The following table set out the status of the Gratuity Plan as required under AS 15.

Particulars	(Rs. in Lacs)		
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
I Present value of Obligations as at the beginning of the period	-	3.04	-
Acquisition Adjustment	-	-	-
Interest Cost	-	0.25	-
Past Service Cost	-	-	-
Current Service Cost	-	0.19	3.04
Curtailement Cost / (Credit)	-	-	-
Settlement Cost / (Credit)	-	-	-
Benefit Paid	-	-	-
Actuarial (Gain) / loss on obligations	-	(2.99)	-
Present value of Obligations as at the end of the period	-	0.49	3.04
II The amounts recognized in Balance Sheet and Statement of Profit & Loss			
Present Value of Obligations as at the end of the period	-	0.49	3.04
Fair value of Plan Assets as at the end of the period	-	-	-
Funded Status	-	(0.49)	(3.04)
Unrecognized Actuarial (gains) / losses	-	-	-
Unrecognized Past Service Cost (Non Vested Benefits)	-	-	-
Net liability recognized in Balance Sheet	-	0.49	3.04
III Expenses Recognized in the statements of Profit & Loss for the period ended 01.04.2011 to 31.03.2012			
Current Service Cost	-	0.19	3.04
Past Service Cost	-	-	-
Interest Cost	-	0.25	-
Expected Return on Plan Assets	-	-	-
Curtailement Cost / (Credit)	-	-	-
Settlement Cost / (Credit)	-	-	-
Net Actuarial (gain) / Loss recognized in the period	-	(2.99)	-
Expenses recognized in the statement of Profit & Loss	-	(2.55)	3.04
IV Assumptions :			
Discount Rate	-	8.20%	8.20%
Rate of Increase in compensation levels	-	6.00%	6.00%
Rate of return on plan assets	-	-	-
Average outstanding service of employees up to retirement	-	24 years	28.23 years

HALONIX TECHNOLOGIES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2012 (contd.)

- 25 Unhedged derivatives instruments outstanding as on the Balance Sheet date : Nil
- 26 The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). However, identification of the Micro, Small and Medium Enterprises in terms of MSMED Act, 2006 could not be made as the company does not have any information in its possession. Further interest payable during the year if any under the terms of MSMED Act, 2006 could not be ascertained
- 27 Additional information pursuant to the provision of part II of schedule VI to the Companies Act, 1956 is either Nil or Not Applicable.
- 28 Expenditure in Foreign Currency - Nil
- 29 Earning in Foreign Currency - Nil
- 30 Previous year figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date

For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants
Firm Registration No. 000605N

Gireesh Kumar Goenka
M.No. 096655
Partner

Amar Singh Saini
Director

Pranay Gandhi
Director

Place : Noida
Date : May 26,2012

HALONIX LIMITED

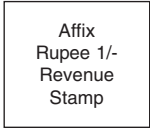
Regd. Office: 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, U.P.-201305

PROXY

Folio No./DP ID. & Client ID.:-

I/We of
..... being a member of **Halonix Limited**, hereby
appoint
of or failing him
..... of
as my/our proxy to attend and vote on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on
Tuesday, 10th day of July, 2012 at 11:00 A.M. and at any adjournment thereof.

Signature



Signed this day of , 2012

Note: The Proxy must be returned so as to reach at the Registered Office of the Company not less than Forty Eight hours before the time of holding the aforesaid meeting.

----- Tear here -----

HALONIX LIMITED

Regd. Office: 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, U.P.-201 305

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip on request.

PARTICULARS OF THE SHAREHOLDER/PROXY

Name:

Address:

Folio No./DP ID. & Client ID.:-

I hereby record my presence at the Twenty First Annual General Meeting of the Company being held on Tuesday, 10th day of July, 2012 at 11:00 A.M. at 59-A, NSEZ, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305

(SIGNATURE OF THE SHAREHOLDER/PROXY)

HALONIX LIMITED

59- A, NSEZ, PHASE -II, NOIDA
DISTRICT:-GAUTAM BUDH NAGAR,
UTTAR PRADESH - 201305

Telephone No.: +91 120 4012222

Fax No.: +91 120 2562943

E mail: halonix@halonix.co.in

Website: www.halonix.co.in