NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Revised Notice is hereby given that the 22nd Annual General Meeting of the Members of Halonix Limited will be held on Tuesday, the 23rd day of July, 2013 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, 2013, Statement of 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. Padmanabh P. Vora, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shomik Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S.R. Batliboi & Co. LLP, 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

5. To appoint Mr. Jaideep Wadhwa, as Director, liable 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. Jaideep Wadhwa, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To approve the revised 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, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to increase and fix the Remuneration of Mr. Gurvikram Singh, Managing Director of the Company with effect from 01.04.2012 for his remaining period of Services, i.e. upto 28.09.2014:

   Fixed pay (inclusive of salary, allowance and retirement benefits) to be paid monthly:

   Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed Rs 1.00 Crore per annum.

   Variable Pay (Performance linked incentive) to be paid annually after the end of the financial year:

   Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed Rs. 25.00 lacs per annum.

   Perquisites:

   a) Company provided car and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said car.

   b) Leave Encashment as per the Company policy and rules.

   RESOLVED FURTHER THAT The aggregate remuneration inclusive of fixed pay, variable pay, perquisites, allowances and other benefits payable to Mr. Gurvikram Singh as Managing Director shall be in compliance with the provisions of Sections 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 or any other law for the time being in force, if any.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify the terms and conditions of appointment including designation, remuneration/ remuneration structure of Mr. Gurvikram Singh within the limits prescribed as above without being required to seek any fresh approval of the members of the Company in this regard.

For HALONIX LIMITED

Authorised Signatory

RESOLVED FURTHER THAT the above remuneration payable 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.

RESOLVED FURTHER THAT in the event 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 be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution."

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 2012-2013.

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."

8. 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 2012-2013.

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."

9. To approve Change of name of Company from Halonix Limited to Phoenix Lamps Limited.

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

"**RESOLVED THAT** pursuant to Section 21, 31 and other applicable provision, if any, of the Companies Act, 1956 and subject to approval of Central Government, the name of the Company be changed from **"Halonix Limited"** to **"Phoenix Lamps Limited".**

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government the Clause I of the Memorandum of Association be substituted as under:

I. The name of the Company is Phoenix Lamps Limited

RESOLVED FURTHER THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, the name of Halonix Limited be substituted with Phoenix Lamps Limited wherever appearing in the Articles of Association of the Company.

RESOLVED FURTHER THAT wherever the name of the Company appears as Halonix Limited be substituted with Phoenix Lamps Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all the necessary steps in this regard."

10. To approve waiver of excess remuneration paid to Mr. Rajiv Prasad

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

"**RESOLVED THAT** pursuant to the provisions of Section 309(5A), 309(5B) of the Companies Act, 1956 (Act) and any other applicable provisions of the Act, if any, and subject to the approval of Central Government, the consent of the Shareholders of the Company be and is hereby accorded for the waiver of excess Remuneration of Rs. 86,34,437/- for the period 01-04-2008 to 16-11-2009 paid to Mr. Rajiv Prasad, the then Managing Director of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to execute and sign necessary applications, documents, to give any statement, declaration, undertaking, to follow-up the same with the Ministry of Corporate Affairs, to appoint any consultants, professionals and to take all the necessary steps to avail the aforesaid approval in this regard."

11. To approve waiver of remuneration paid to Mr. Rajesh Kochhar

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

"**RESOLVED THAT** pursuant to the provisions of Section 309(5A), 309(5B) of the Companies Act, 1956 (Act) and any other applicable provisions of the Act, if any, and subject to the approval of Central Government, the consent of the Shareholders of the Company be and is hereby accorded for the waiver of excess Remuneration of Rs. 83,32,508/- for the period 16-11-2010 to 30-06-2011 paid to Mr. Rajesh Kochhar, the then Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute and sign necessary applications, documents, to give any statement, declaration, undertaking, to follow-up the same with the Ministry of Corporate Affairs, to appoint any consultants, professionals and to take all the necessary steps to avail the aforesaid approval in this regard."

By Order of the Board

Place : Noida
Dated : June 27, 2013

Gurvikram Singh
Managing Director

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 14th June, 2013.
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 23rd July, 2013 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 Register and Share Transfer Agent, 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 and has not been transferred to Investor Education and Protection Fund 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 declaration 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. Padmanabh P. Vora

Mr. Padmanabh P. Vora, an Indian national, aged about 69 years, is Bachelor of Commerce, a qualified Chartered Accountant and CAIIB, Mr. Vora has worked with organizations like State Bank of India as Financial Advisor, General Manager (Development Banking) and Executive Director (Finance) of Gujarat Industrial Investment Corporation Limited; as Director (Finance) with Fertilizers & Chemicals Travancore Limited, Kerala 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. Post retirement 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., NSDL e-Governance Infrastructure Ltd. and NSDL Database Management Ltd. Mr. Vora Chairman and Member of Audit Committee of National Securities Depository Ltd., Reliance Home Finance Ltd., NSDL Database Management Ltd. and National e-governance Infrastructure Ltd. He is member in Audit Committee of J.Kumar Infraprojects Ltd., Omaxe Ltd., Reliance Capital Trustee Co. Ltd. and Sterling Add Life India Limited. Mr. Vora is Member of Shareholders Investors Grievance Committee of Nakoda Limited.

Mr. Vora is Chairman of Audit Committee and member of Remuneration Committee of the Company. Mr. Vora is not holding any shares in the Company.

Mr. Shomik Mukherjee

Mr. Shomik Mukherjee, aged about 41 years, is an MBA from the London Business School. Mr. Mukherjee has worked as an Engagement Manager on Strategic and operational matters with McKinsey & Co., London, as consultant with Accenture and as sales and marketing manager with Unilever in India. Currently Mr. Mukherjee is a partner with Actis, where he supports the India team on portfolio management issues.

Mr. Mukherjee is Director on the Board of, Nilgiri Dairy Farm Pvt. Ltd., Tigaksha Mettallics Pvt. Ltd. and Sterling Addlife India Limited. He is Chairman of Share Committee of Nilgiri Dairy Farm Pvt. Ltd. and member of Audit Committee of Sterling Addlife India Limited.

Mr. Mukherjee is member of Audit Committee, Remuneration Committee and Share Transfer and Investor's Grievance Committee of the Company. Mr. Mukherjee is Chairman of Share Transfer and Investor's Grievance Committee of the Company.

Mr. Mukherjee is not holding any shares in the Company.

Mr. Jaideep Wadhwa

Mr. Jaideep Wadhwa, aged about 50 years, has a BA in Mathematics from the University of Delhi and an MBA from the Darden School at the University of Virginia.

Mr. Wadhwa began his career working for his family's business and subsequently formed a joint venture with Ingersoll Rand and worked with them as a joint venture partner and then an employee for over 14 years in different capacities in both India and China. Mr. Wadhwa joined Tomkins in 2010 as President for the Industrial & Automotive Group responsible for group companies manufacturing components for the automotive industry. Mr. Wadhwa joined Actis in early 2012 the firm's Value Creation Group

Mr. Jaideep Wadhwa is not holding any shares in the Company.

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

Item No. 5

Mr. Jaideep Wadhwa, aged about 50 years, (nominee of Argon India Limited and Argon South Asia Limited) has been appointed as an Additional Director of the Company with effect from 18th January, 2013. As per the provisions of section 260 of the Companies Act, 1956, Mr. Jaideep Wadhwa holds office of Director only upto the date of ensuing Annual General Meeting.

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

None of the Directors of the Company except Mr. Jaideep Wadhwa is concerned or interested in the said resolution.

Item No. 6

Mr. Gurvikram Singh

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 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. He has total working experience of more than 28 years for various companies like Pepsi, Whirlpool, and 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 proposes 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. 45,078.90 lacs as against Rs. 46,512.10 lacs in 2011-2012, a decrease of 3.08 % over 2011-12. Sales for the Automotive Business in 2012-2013 have decreased from Rs. 24,086.87 lacs in 2011-2012 to Rs. 21,466.88 lacs i.e. a fall of 10.88% and the Earnings before interest, depreciation and taxes has decreased from Rs. 5,048.77 lacs to Rs. 4,379.15 lacs i.e. a decrease of 13.26% over 2011-2012. In case of General Lighting Business, the sales in 2012-2013 have increased from Rs. 22,425.23 lacs in 2011-2012 to Rs. 23,612.02 lacs i.e. by 5.29% and the Loss before interest, depreciation and taxes has increased from Rs. (708.29) lacs in 2011-2012 to Rs. (1,818.69) lacs in 2012-2013. Profit /(Loss) before tax was Rs. (855.45) lacs against Rs. 754.46 lacs and Net Loss after tax at Rs. 855.45 lacs as against profit of Rs. 570.67 lacs in 2011-2012.
Export performance and net foreign exchange collaborations	The Foreign Exchange Earnings for financial year ended on 2013 is Rs. 8,810.14 lacs as against Rs. 9,941.31 lacs on 2012. 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, 2013 foreign shareholders hold 2,16,44,958 equity shares representing 77.25% holding in the Company.

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

Background details	Mr. Gurvikram Singh, aged 51 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. 65,86,898/- (for the financial year 2012-2013)
Job Profile and his suitability	Mr. Gurvikram Singh is associated with the Company since July, 2011. Mr. Gurvikram Singh is looking after all the day to day managerial activities. The Company, under his knowledge and experience of a number of years and his industrial background help the management to manage the business with better profits and professionalism.

Remuneration Proposed:

The proposed remuneration has been mentioned in the Notice dated 28.05.2013 at item number 6 with the authority to the Board of Directors of the Company on the recommendation of the Remuneration Committee to revise the remuneration within the limit as approved by the Shareholders at the General Meeting.

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.

III. OTHER INFORMATION:

(i) Reasons of loss or inadequate profit	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. 7

Presently, Mr. Padmanabh P. Vora is an Independent and Non-Executive Director and Chairman of the Board of the Company. He is Chairman of Audit Committee and member of Remuneration Committee of the Company. The Company is taking valuable guidance and support from Mr. Vora from time to time and to compensate Mr. Vora, the management has decided to pay a lump sum remuneration of Rs. 10.00 lacs for the year 2012-2013 subject to the approval of the Central Government.

The Company has paid a lump sum remuneration to Mr. Vora of an amount of Rs. 10.00 lacs for the financial year 2011-2012 after obtaining your approval and Central Government approval.

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.

Item No. 8

Presently, Mr. Gurdeep Singh is an Independent and Non-Executive Director of the Board of the Company. He is Member of the Audit Committee and Chairman of Remuneration Committee of the Company. The Company is taking valuable guidance and support from Mr. Singh from time to time and to compensate Mr. Singh, the management has decided to pay a lump sum remuneration of Rs. 10.00 lacs for the year 2012-2013 subject to the approval of the Central Government.

The Company has paid a lump sum remuneration to Mr. Singh of an amount of Rs. 10.00 lacs for the financial year 2011-2012 after obtaining your approval and Central Government approval.

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.

Item No. 9

Change of Name of Company from Halonix Limited to Phoenix Lamps Limited

The Company was incorporated in year 1991 named as Phoenix Lamps India Limited. In the year 2003 the name was changed to Phoenix Lamps Limited by dropping the name India. Subsequently in the year October, 2008, it was resolved to change the name of the Company from Phoenix Lamps Limited to Halonix Limited. This was done with a view that the Company actively wanted to promote the brand Halonix in respect of its products in Automotive Lighting Division as well as General Lighting Division. The name change was approved in January, 2009 and since then the brand name Halonix is being used.

Since incorporation, Company is manufacturing and trading in brand Phoenix and Halonix. Both the brand are registered with Trade Mark Registry. Company brand Phoenix and Halonix are registered both for Auto Lighting Lamps and General Lighting Lamps.

As part of the restructuring of operations of the Company the General Lighting Business is proposed to be transferred to Halonix Technologies Limited along with the Brand Halonix.

Though Halonix Limited will continue to have a license to use the brand Halonix it is proposed to change the name of the Company from Halonix Limited to Phoenix Lamps Limited.

As per the provisions of the Companies Act, 1956 the change of name of the Company requires your approval by way of a Special Resolution and approval from the Central Government.

The Board recommends the Resolution as a Special Resolution.

None of the Directors is concerned or interested in proposed Resolution.

Item No. 10

To approve Waiver of Excess Remuneration Paid to Mr. Rajiv Prasad

Mr. Rajiv Prasad was appointed as Director and Managing Director of the Company for a period of three years from 10-05-2007 to 09-05-2010.

Due to insufficient profits during the financial year 2008-2009, the Company applied to the Central Government for payment of Remuneration of Rs. 1,92,41,717/- for the period 01/04/2008 to 09/05/2010.to Mr. Rajiv Prasad.

The Company received the approval letter dated April 13, 2010 approving a total annual remuneration of Rs. 1,19,19,000/- for the period April 01, 2009 to May 09, 2010. The Company approached the Central Government vide its letter dated May 05, 2010 to amend the approval letter in respect to the period of grant of approval as the application was made for the period 01/04/2008 to 09/05/2010. Subsequently, the Company also made representation before the Central Government to reconsider the application and to give the approval of payment of remuneration as approved by the Shareholders. After several reminders also, the Company has not received any reply from the Central Government against our representation. Therefore, the Board of Directors in its meeting held on 4th March, 2013 had decided to file an application with the Central Government for the excess remuneration paid to Mr. Rajiv Prasad. Based on our application, the Company has received letter from the Central Government asking Shareholders approval in support of waiver application. Therefore, the Board of Directors has decided to seek your approval as a Special Resolution.

Mr. Rajiv Prasad resigned as Managing Director with effect from August 17, 2009. The Company paid Mr. Rajiv Prasad remuneration till 16th November' 2009 as per terms of appointment.

Detail of excess remuneration paid to Mr. Rajiv Prasad during the period 01-04-2008 to 16-11-2009, for which the application of waiver need to be filed is as under:-

Period	Remuneration including the Retirement Benefits* (paid by Halonix Limited)	Remuneration allowed as per Central Government approval	Excess remuneration sought to be waived
01st April 2008 to 31st March 2009	Rs. 1,92,41,717/-	Rs. 1,19,19,000/-	Rs. 73,22,717/-
01 April 2009 to 17th August 2009	Rs. 52,10,510/-	Rs. 45,39,016/-	Rs. 6,71,494/-
18th Aug'2009 to 16th Nov'2009	Rs. 35,50,585/-	Rs. 29,10,359/-	Rs. 6,40,226/-
Total	Rs. 2,80,02,812/-	Rs. 1,93,68,375/-	Rs. 86,34,437/-

*Retirement Benefits stands for Employers contribution to Provident fund, Leave Encashment at the end of tenure and other benefits specifically excluded for computation of Managerial remuneration under Schedule XIII of Companies Act 1956. The company paid total retirement benefits of Rs. 12,42,000/- in the period 1st April'2008 to 31st March'2009, Rs. 4,70,758/- in the period 1st April'2009 to 17th Aug'2009 and Rs. 3,08,942/- in the period 18th Aug'2009 to 16th Nov'2009.

None of the Directors is concerned or interested in proposed Resolution.

Item No. 11

To approve Waiver of Remuneration Paid to Mr. Rajesh Kochhar

Mr. Rajesh Kochhar was appointed as Director and Managing Director of the Company for a period of three years from 16-11-2009 to 15-11-2012.

Due to insufficient profits during the financial year 2009-2010, the Company applied to the Central Government for payment of Remuneration of Rs.1,33,63,720/- for the period 16/11/2009 to 15/11/2010 to Mr. Rajesh Kochhar.

The Company received the approval letter dated February 22, 2011 approving a total annual remuneration of Rs.1,20,60,192/- for the period 16/11/2009 to 15/11/2010. Excluding the Joining Fees of Rs 33,50,000/- and retrials amounting to Rs. 10,81,125/- for the period, the Company was in receipt of approval for the sufficient amount.

On the recommendation of Remuneration Committee, the Board on March 25, 2011 had approved payment of Performance Bonus of Rs. 15,00,000/- to Mr. Rajesh Kochhar.

Due to payment of performance Bonus and insufficient profits, the Company had again applied for Central Govt. approval for the payment of Performance Bonus and remuneration for the subsequent period i.e. 16-11-2010 to 30-06-2011. Subsequently, Mr. Rajesh Kochhar resigned and left the organization on 30-06-2011. During the period Halonix Limited paid a remuneration of Rs. 83,32,508/-.

The Company last approached the Central Government vide its letter dated November 30, 2012 seeking approval for the remuneration paid of an amount of Rs. 83,32,508/- for the period 16-11-2010 to 30-06-2011 which will include the bonus, provident fund and Gratuity of an amount of Rs. 15,00,000/-, Rs. 4,16,235/- and Rs.5,45,769/- respectively paid for the period 16-11-2010 to 30-06-2011.

Company is in receipt of letter dated 17-05-2013, received on 24-05-2013 , informing that Central Government has considered the application and having regard to the remuneration already been paid to Mr. Rajesh Kochhar, the Company needs to make application for waiver of recovery of excess remuneration.

Therefore, now it is proposed to move an application for the waiver of the excess remuneration paid to Mr. Rajesh Kochhar for the period 16-11-2010 to 30-06-2011.

Detail of excess remuneration paid to Mr. Rajesh Kochhar during the period 16-11-2009 to 30-06-2011 for which the application of waiver need to be filed is as under:-

Period	Remuneration	Approval obtained upto an amount
16.11.2009 – 15.11.2010	Rs. 1,33,37,727/-*	Rs. 1,20,60,192/-
16.11.2010 – 30.06.2011	Rs. 83,32,508/-	Approval Sought

*amount includes retirals.

None of the Directors is concerned or interested in proposed Resolution.

By Order of the Board

Place : Noida
Dated : June 27, 2013

Gurvikram Singh
Managing Director

22nd ANNUAL REPORT 2012 - 2013

HALONIX LIMITED

BOARD OF DIRECTORS

Mr. Padmanabh P. Vora	—	Chairman
Mr. Gurvikram Singh	—	Managing Director
Mr. Gurdeep Singh	—	Director
Mr. Shomik Mukherjee	—	Director
Mr. Ganapati Rathinam	—	Director
Mr. Jaideep Wadhwa	—	Director

AUDITORS
M/s. Arun K. Gupta & Associates
D-58, East of Kailash, New Delhi - 110 065
M/s. S.R. Batliboi & Co. LLP
Golf View Corporate Tower B, Second Floor, Sector-42
Sector Road, Gurgaon - 122002

SECRETARIAL AUDITORS
M/s. Chandrasekaran Associates
11-F, Pocket-IV, Mayur Vihar Phase-I
Delhi - 110091

INTERNAL AUDITORS
M/s. Profaids Consulting
Oms Court, Level 3, No.1, Nathamani Street
Off G. N. Chetty Road, T. Nagar, Chennai - 600017

REGISTERED OFFICE
59-A, Noida Special Economic Zone
Phase-II Noida, District Gautam Budh Nagar
Uttar Pradesh - 201305

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NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Members of Halonix Limited will be held on Tuesday, the 23rd day of July, 2013 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, 2013, Statement of 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. Padmanabh P. Vora, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Shomik Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s. S.R. Batliboi & Co. LLP, 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

5. To appoint Mr. Jaideep Wadhwa, as Director, liable 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. Jaideep Wadhwa, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To approve the revised 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, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to increase and fix the Remuneration of Mr. Gurvikram Singh, Managing Director of the Company with effect from 01.04.2012 for his remaining period of Services, i.e. upto 28.09.2014:

   Fixed pay (inclusive of salary, allowance and retirement benefits) to be paid monthly:

   Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed Rs 1.00 Crore per annum.

   Variable Pay (Performance linked incentive) to be paid annually after the end of the financial year:

   Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed Rs. 25.00 lacs per annum.

   Perquisites:

   a) Company provided car and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said car.

   b) Leave Encashment as per the Company policy and rules.

   RESOLVED FURTHER THAT The aggregate remuneration inclusive of fixed pay, variable pay, perquisites, allowances and other benefits payable to Mr. Gurvikram Singh as Managing Director shall be in compliance with the provisions of Sections 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 or any other law for the time being in force, if any.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify the terms and conditions of appointment including designation, remuneration/ remuneration structure of Mr. Gurvikram Singh within the limits prescribed as above without being required to seek any fresh approval of the members of the Company in this regard.

RESOLVED FURTHER THAT the above remuneration payable 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.

RESOLVED FURTHER THAT in the event 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 be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution."

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 2012-2013.

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."

8. 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 2012-2013.

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."

9. To approve Change of name of Company from Halonix Limited to Phoenix Lamps Limited.

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

"RESOLVED THAT pursuant to Section 21, 31 and other applicable provision, if any, of the Companies Act, 1956 and subject to approval of Central Government, the name of the Company be changed from **"Halonix Limited"** to **"Phoenix Lamps Limited".**

RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government the Clause I of the Memorandum of Association be substituted as under:

I. The name of the Company is Phoenix Lamps Limited

RESOLVED FURTHER THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, the name of Halonix Limited be substituted with Phoenix Lamps Limited wherever appearing in the Articles of Association of the Company.

RESOLVED FURTHER THAT wherever the name of the Company appears as Halonix Limited be substituted with Phoenix Lamps Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all the necessary steps in this regard."

10. To approve waiver of excess remuneration paid to Mr. Rajiv Prasad

    "RESOLVED THAT pursuant to the provisions of Section 309(5A), 309(5B) of the Companies Act, 1956 (Act) and any other applicable provisions of the Act, if any, and subject to the approval of Central Government, the consent of the Shareholders of the Company be and is hereby accorded for the waiver of excess Remuneration of Rs. 86,34,437/- for the period 01-04-2008 to 16-11-2009 paid to Mr. Rajiv Prasad, the then Managing Director of the Company.

    RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to execute and sign necessary applications, documents, to give any statement, declaration, undertaking, to follow-up the same with the Ministry of Corporate Affairs, to appoint any consultants, professionals and to take all the necessary steps to avail the aforesaid approval in this regard."

11. To approve waiver of remuneration paid to Mr. Rajesh Kochhar

    "RESOLVED THAT pursuant to the provisions of Section 309(5A), 309(5B) of the Companies Act, 1956 (Act) and any other applicable provisions of the Act, if any, and subject to the approval of Central Government, the consent of the Shareholders of the Company be and is hereby accorded for the waiver of excess Remuneration of Rs. 83,32,508/- for the period 16-11-2010 to 30-06-2011 paid to Mr. Rajesh Kochhar, the then Managing Director of the Company.

    RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute and sign necessary applications, documents, to give any statement, declaration, undertaking, to follow-up the same with the Ministry of Corporate Affairs, to appoint any consultants, professionals and to take all the necessary steps to avail the aforesaid approval in this regard."

By Order of the Board

Place : Noida
Dated : May 28, 2013

Gurvikram Singh
Managing Director

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 14th June, 2013.
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 23rd July, 2013 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 Register and Share Transfer Agent, 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 and has not been transferred to Investor Education and Protection Fund 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 declaration 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. Padmanabh P. Vora

Mr. Padmanabh P. Vora, an Indian national, aged about 69 years, is Bachelor of Commerce, a qualified Chartered Accountant and CAIIB, Mr. Vora has worked with organizations like State Bank of India as Financial Advisor, General Manager (Development Banking) and Executive Director (Finance) of Gujarat Industrial Investment Corporation Limited; as Director (Finance) with Fertilizers & Chemicals Travancore Limited, Kerala 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. Post retirement 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., NSDL e-Governance Infrastructure Ltd. and NSDL Database Management Ltd. Mr. Vora Chairman and Member of Audit Committee of National Securities Depository Ltd., Reliance Home Finance Ltd., NSDL Database Management Ltd. and National e-governance Infrastructure Ltd. He is member in Audit Committee of J.Kumar Infraprojects Ltd., Omaxe Ltd., Reliance Capital Trustee Co. Ltd. and Sterling Add Life India Limited. Mr. Vora is Member of Shareholders Investors Grievance Committee of Nakoda Limited.

Mr. Vora is Chairman of Audit Committee and member of Remuneration Committee of the Company. Mr. Vora is not holding any shares in the Company.

Mr. Shomik Mukherjee

Mr. Shomik Mukherjee, aged about 41 years, is an MBA from the London Business School. Mr. Mukherjee has worked as an Engagement Manager on Strategic and operational matters with McKinsey & Co., London, as consultant with Accenture and as sales and marketing manager with Unilever in India. Currently Mr. Mukherjee is a partner with Actis, where he supports the India team on portfolio management issues.

Mr. Mukherjee is Director on the Board of, Nilgiri Dairy Farm Pvt. Ltd., Tigaksha Mettallics Pvt. Ltd. and Sterling Addlife India Limited. He is Chairman of Share Committee of Nilgiri Dairy Farm Pvt. Ltd. and member of Audit Committee of Sterling Addlife India Limited.

Mr. Mukherjee is member of Audit Committee, Remuneration Committee and Share Transfer and Investor's Grievance Committee of the Company. Mr. Mukherjee is Chairman of Share Transfer and Investor's Grievance Committee of the Company.

Mr. Mukherjee is not holding any shares in the Company.

Mr. Jaideep Wadhwa

Mr. Jaideep Wadhwa, aged about 50 years, has a BA in Mathematics from the University of Delhi and an MBA from the Darden School at the University of Virginia.

Mr. Wadhwa began his career working for his family's business and subsequently formed a joint venture with Ingersoll Rand and worked with them as a joint venture partner and then an employee for over 14 years in different capacities in both India and China. Mr. Wadhwa joined Tomkins in 2010 as President for the Industrial & Automotive Group responsible for group companies manufacturing components for the automotive industry. Mr. Wadhwa joined Actis in early 2012 the firm's Value Creation Group

Mr. Jaideep Wadhwa is not holding any shares in the Company.

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

Item No. 5

Mr. Jaideep Wadhwa, aged about 50 years, (nominee of Argon India Limited and Argon South Asia Limited) has been appointed as an Additional Director of the Company with effect from 18th January, 2013. As per the provisions of section 260 of the Companies Act, 1956, Mr. Jaideep Wadhwa holds office of Director only upto the date of ensuing Annual General Meeting.

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

None of the Directors of the Company except Mr. Jaideep Wadhwa is concerned or interested in the said resolution.

Item No. 6

Mr. Gurvikram Singh

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 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. He has total working experience of more than 28 years for various companies like Pepsi, Whirlpool, and 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 proposes 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. 45,078.90 lacs as against Rs. 46,512.10 lacs in 2011-2012, a decrease of 3.08 % over 2011-12. Sales for the Automotive Business in 2012-2013 have decreased from Rs. 24,086.87 lacs in 2011-2012 to Rs. 21,466.88 lacs i.e. a fall of 10.88% and the Earnings before interest, depreciation and taxes has decreased from Rs. 5,048.77 lacs to Rs. 4,379.15 lacs i.e. a decrease of 13.26% over 2011-2012. In case of General Lighting Business, the sales in 2012-2013 have increased from Rs. 22,425.23 lacs in 2011-2012 to Rs. 23,612.02 lacs i.e. by 5.29% and the Loss before interest, depreciation and taxes has increased from Rs. (708.29) lacs in 2011-2012 to Rs. (1,818.69) lacs in 2012-2013. Profit /(Loss) before tax was Rs. (855.45) lacs against Rs. 754.46 lacs and Net Loss after tax at Rs. 855.45 lacs as against profit of Rs. 570.67 lacs in 2011-2012.
Export performance and net foreign exchange collaborations	The Foreign Exchange Earnings for financial year ended on 2013 is Rs. 8,810.14 lacs as against Rs. 9,941.31 lacs on 2012. 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, 2013 foreign shareholders hold 2,16,44,958 equity shares representing 77.25% holding in the Company.

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

Background details	Mr. Gurvikram Singh, aged 51 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. 65,86,898/- (for the financial year 2012-2013)
Job Profile and his suitability	Mr. Gurvikram Singh is associated with the Company since July, 2011. Mr. Gurvikram Singh is looking after all the day to day managerial activities. The Company, under his knowledge and experience of a number of years and his industrial background help the management to manage the business with better profits and professionalism.

Remuneration Proposed:

The proposed remuneration has been mentioned in the Notice dated 28.05.2013 at item number 6 with the authority to the Board of Directors of the Company on the recommendation of the Remuneration Committee to revise the remuneration within the limit as approved by the Shareholders at the General Meeting.

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.

III. OTHER INFORMATION:

(i) Reasons of loss or inadequate profit	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. 7

Presently, Mr. Padmanabh P. Vora is an Independent and Non-Executive Director and Chairman of the Board of the Company. He is Chairman of Audit Committee and member of Remuneration Committee of the Company. The Company is taking valuable guidance and support from Mr. Vora from time to time and to compensate Mr. Vora, the management has decided to pay a lump sum remuneration of Rs. 10.00 lacs for the year 2012-2013 subject to the approval of the Central Government.

The Company has paid a lump sum remuneration to Mr. Vora of an amount of Rs. 10.00 lacs for the financial year 2011-2012 after obtaining your approval and Central Government approval.

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.

Item No. 8

Presently, Mr. Gurdeep Singh is an Independent and Non-Executive Director of the Board of the Company. He is Member of the Audit Committee and Chairman of Remuneration Committee of the Company. The Company is taking valuable guidance and support from Mr. Singh from time to time and to compensate Mr. Singh, the management has decided to pay a lump sum remuneration of Rs. 10.00 lacs for the year 2012-2013 subject to the approval of the Central Government.

The Company has paid a lump sum remuneration to Mr. Singh of an amount of Rs. 10.00 lacs for the financial year 2011-2012 after obtaining your approval and Central Government approval.

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.

Item No. 9

Change of Name of Company from Halonix Limited to Phoenix Lamps Limited

The Company was incorporated in year 1991 named as Phoenix Lamps India Limited. In the year 2003 the name was changed to Phoenix Lamps Limited by dropping the name India. Subsequently in the year October, 2008, it was resolved to change the name of the Company from Phoenix Lamps Limited to Halonix Limited. This was done with a view that the Company actively wanted to promote the brand Halonix in respect of its products in Automotive Lighting Division as well as General Lighting Division. The name change was approved in January, 2009 and since then the brand name Halonix is being used.

Since incorporation, Company is manufacturing and trading in brand Phoenix and Halonix. Both the brand are registered with Trade Mark Registry. Company brand Phoenix and Halonix are registered both for Auto Lighting Lamps and General Lighting Lamps.

As part of the restructuring of operations of the Company the General Lighting Business is proposed to be transferred to Halonix Technologies Limited along with the Brand Halonix.

Though Halonix Limited will continue to have a license to use the brand Halonix it is proposed to change the name of the Company from Halonix Limited to Phoenix Lamps Limited.

As per the provisions of the Companies Act, 1956 the change of name of the Company requires your approval by way of a Special Resolution and approval from the Central Government.

The Board recommends the Resolution as a Special Resolution.

None of the Directors is concerned or interested in proposed Resolution.

Item No. 10

To approve Waiver of Excess Remuneration Paid to Mr. Rajiv Prasad

Mr. Rajiv Prasad was appointed as Director and Managing Director of the Company for a period of three years from 10-05-2007 to 09-05-2010.

Due to insufficient profits during the financial year 2008-2009, the Company applied to the Central Government for payment of Remuneration of Rs. 1,92,41,717/- for the period 01/04/2008 to 09/05/2010.to Mr. Rajiv Prasad.

The Company received the approval letter dated April 13, 2010 approving a total annual remuneration of Rs. 1,19,19,000/- for the period April 01, 2009 to May 09, 2010. The Company approached the Central Government vide its letter dated May 05, 2010 to amend the approval letter in respect to the period of grant of approval as the application was made for the period 01/04/2008 to 09/05/2010. Subsequently, the Company also made representation before the Central Government to reconsider the application and to give the approval of payment of remuneration as approved by the Shareholders. After several reminders also, the Company has not received any reply from the Central Government against our representation. Therefore, the Board of Directors in its meeting held on 4th March, 2013 had decided to file an application with the Central Government for the excess remuneration paid to Mr. Rajiv Prasad. Based on our application, the Company has received letter from the Central Government asking Shareholders approval in support of waiver application. Therefore, the Board of Directors has decided to seek your approval as a Special Resolution.

Mr. Rajiv Prasad resigned as Managing Director with effect from August 17, 2009. The Company paid Mr. Rajiv Prasad remuneration till 16th November' 2009 as per terms of appointment.

Detail of excess remuneration paid to Mr. Rajiv Prasad during the period 01-04-2008 to 16-11-2009, for which the application of waiver need to be filed is as under:-

Period	Remuneration including the Retirement Benefits* (paid by Halonix Limited)	Remuneration allowed as per Central Government approval	Excess remuneration sought to be waived
01st April 2008 to 31st March 2009	Rs. 1,92,41,717/-	Rs. 1,19,19,000/-	Rs. 73,22,717/-
01 April 2009 to 17th August 2009	Rs. 52,10,510/-	Rs. 45,39,016/-	Rs. 6,71,494/-
18th Aug'2009 to 16th Nov'2009	Rs. 35,50,585/-	Rs. 29,10,359/-	Rs. 6,40,226/-
Total	Rs. 2,80,02,812/-	Rs. 1,93,68,375/-	Rs. 86,34,437/-

*Retirement Benefits stands for Employers contribution to Provident fund, Leave Encashment at the end of tenure and other benefits specifically excluded for computation of Managerial remuneration under Schedule XIII of Companies Act 1956. The company paid total retirement benefits of Rs. 12,42,000/- in the period 1st April'2008 to 31st March'2009, Rs. 4,70,758/- in the period 1st April'2009 to 17th Aug'2009 and Rs. 3,08,942/- in the period 18th Aug'2009 to 16th Nov'2009.

Item No. 11

To approve Waiver of Remuneration Paid to Mr. Rajesh Kochhar

Mr. Rajesh Kochhar was appointed as Director and Managing Director of the Company for a period of three years from 16-11-2009 to 15-11-2012.

Due to insufficient profits during the financial year 2009-2010, the Company applied to the Central Government for payment of Remuneration of Rs.1,33,63,720/- for the period 16/11/2009 to 15/11/2010 to Mr. Rajesh Kochhar.

The Company received the approval letter dated February 22, 2011 approving a total annual remuneration of Rs.1,20,60,192/- for the period 16/11/2009 to 15/11/2010. Excluding the Joining Fees of Rs 33,50,000/- and retrials amounting to Rs. 10,81,125/- for the period, the Company was in receipt of approval for the sufficient amount.

On the recommendation of Remuneration Committee, the Board on March 25, 2011 had approved payment of Performance Bonus of Rs. 15,00,000/- to Mr. Rajesh Kochhar.

Due to payment of performance Bonus and insufficient profits, the Company had again applied for Central Govt. approval for the payment of Performance Bonus and remuneration for the subsequent period i.e. 16-11-2010 to 30-06-2011. Subsequently, Mr. Rajesh Kochhar resigned and left the organization on 30-06-2011. During the period Halonix Limited paid a remuneration of Rs. 83,32,508/-.

The Company last approached the Central Government vide its letter dated November 30, 2012 seeking approval for the remuneration paid of an amount of Rs. 83,32,508/- for the period 16-11-2010 to 30-06-2011 which will include the bonus, provident fund and Gratuity of an amount of Rs. 15,00,000/-, Rs. 4,16,235/- and Rs.5,45,769/- respectively paid for the period 16-11-2010 to 30-06-2011.

Company is in receipt of letter dated 17-05-2013, received on 24-05-2013 , informing that Central Government has considered the application and having regard to the remuneration already been paid to Mr. Rajesh Kochhar, the Company needs to make application for waiver of recovery of excess remuneration.

Therefore, now it is proposed to move an application for the waiver of the excess remuneration paid to Mr. Rajesh Kochhar for the period 16-11-2010 to 30-06-2011.

Detail of excess remuneration paid to Mr. Rajesh Kochhar during the period 16-11-2009 to 30-06-2011 for which the application of waiver need to be filed is as under:-

Period	Remuneration	Approval obtained upto an amount
16.11.2009 – 15.11.2010	Rs. 1,33,37,727/-*	Rs. 1,20,60,192/-
16.11.2010 – 30.06.2011	Rs. 83,32,508/-	Approval Sought

*amount includes retirals.

By Order of the Board

Place : Noida
Dated : May 28, 2013

Gurvikram Singh
Managing Director

DIRECTORS' REPORT

To the Members of the Company

Your Directors have pleasure in presenting the **Twenty-Second Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS **(Rs. in lacs)**

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Gross Sales and other Income	45,517.30	46,883.58
Profit before Interest, Depreciation & Tax	2,560.47	4,340.47
Depreciation	1,419.88	1,409.30
Gross Profit	1,140.59	2,931.18
Interest	1,996.04	2,176.71
Profit/ (Loss) Before Tax	(855.45)	754.46
Less Capital advances written off	–	389.43
Provision for Tax	–	(205.64)
Profit/ (Loss) After Tax	(855.45)	570.67
Balance of Profit / (Loss) brought forward	3,739.97	3,169.30
Balance of Profit carried forward to next year	2,884.53	3,739.97

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. 45,078.90 lacs as against Rs. 46,512.10 lacs in 2011-2012, a decrease of 3.08% over 2011-12. Sales for the Automotive Business in 2012-2013 have decreased from Rs. 24,086.87 lacs in 2011-2012 to Rs. 21,466.88 lacs i.e. a fall of 10.88% and the Earnings before interest, depreciation and taxes has decreased from Rs. 5,048.77 lacs to Rs. 4,379.15 lacs i.e. a decrease of 13.26% over 2011-2012. In case of General Lighting Business, the sales in 2012-2013 have increased from Rs. 22,425.23 lacs in 2011-2012 to Rs. 23,612.02 lacs i.e. by 5.29% and the Loss before interest, depreciation and taxes has increased from Rs. (708.29) lacs in 2011-2012 to Rs. (1,818.69) lacs in 2012-2013. Profit/ (Loss) before tax was Rs. (855.45) lacs against Rs. 754.46 lacs and Net Loss after tax at Rs. 855.45 lacs as against profit of Rs. 570.67 lacs in 2011-2012.

DIVIDEND

Your Board has not recommended any Dividend for the financial year 2012-2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors Confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they 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;
- they 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;
- they have prepared the annual accounts on a going concern basis.

BUSINESS/OPERATIONS

Auto Business:

Domestic OEM sales of the Company continued to grow in spite of flat industry level sales volumes for Passenger Vehicle and Two Wheeler. The Company's growth was achieved by gaining market share from competitors in both Passenger Vehicle and Two Wheeler segments. New customers / markets were also tapped to increase current and future business volumes. Branded sales in the aftermarket have been adversely hit, in line with the auto industry trend. However, export sales have come back strongly in the last quarter, driven by the business from the overseas subsidiaries, acquisition of which was completed in the IIIQ.

General Lighting Business:

2012-2013 was a challenging year for General Lighting Business with the overall economic slowdown reflected in low growth in retail and overall sales. The 20% depreciation in the rupee against the US Dollar over the last two financial years has resulted in huge cost escalation on account of increase in prices of imported materials. To compensate for the cost increases, the Company was forced to take price increases which impacted sales volumes and growth. The product improvement initiatives taken by the Company have resulted in some improvement in Warranty Claims. The Government business improved due to the orders executed for the CDM projects. Private labeling business continued to see declining numbers as per the strategy of the Company to move away from this business. The Company has introduced some LED lighting products during the year to capitalize on the market shift towards LEDs.

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 Passenger Vehicle and Two Wheeler Industry. The Indian auto industry went through an unexpected slowdown due to the rapid deceleration of economic growth in India. However, overall growth is positive with Passenger Vehicle segment growing by 2% and Two Wheelers growing by 3% during 2012 – 13. Periods of slow auto sales have been historically followed by 2-3 years of rapid growth. The long term outlook for the Indian automotive industry remains positive due to strong macroeconomic fundamentals, improving economic activity and easy availability of finance. India is expected to become the world's seventh-largest automobile market by 2016 and the third largest by 2030.

General Lighting Business:

The year under review was a difficult year for the economy on the whole and CFL industry in particular. The retail and institutional markets was severely affected due to the slowdown in real estate. The festive season sales were muted and the industry saw a very low double digit growth for the year. During the year, the industry was adversely affected by the depreciating rupee which led to severe cost escalation as the CFL industry is heavily dependent on imported raw materials. Going forward the rupee depreciation and commodity prices will continue to pose a major challenge.

b) Opportunities and Threats

Opportunities

Auto Business:

- Significant potential to grow the exports business through the recently acquired overseas subsidiaries
- Entry into new platforms as well as a focus on securing the business from new model launches.
- Introduction of new and higher margin products

General Lighting Business:

- Strengthening of the distribution network, especially in West and South India and a focus on increasing retail shelf presence
- LED and luminaries are fast growing segments that offer significant market potential

Threats

Auto Business:

- The business is running at full capacity utilization for some key products with market demand higher than current capacity.
- Protracted slowdown in the Indian Auto industry can impact OEM volumes. However, replacement demand from aftermarket segment will continue.

General Lighting Business:

- Volatility in commodity prices and currency movements due to high import dependence will impact raw material costs
- Warranty expenses for the overall industry are high and dependent on regional power conditions
- Continued slump in the real estate market if extended into the next year will result in muted growth

c) Financial Performance vis-a-vis Operational Performance

Your Company recorded Gross Sales of Rs. 45,078.90 lacs. Profit before tax after providing for obsolete inventories, doubtful debts and warranty claims was Rs. 117.32 lacs and the Net Loss was Rs. 855.45 lacs.

d) Segment wise or Product wise Performance

The Company has two distinct businesses, Automotive Lighting Business and General Lighting Business.

The Gross Sales was recorded at Rs. 45,078.90 lacs as against Rs. 46,512.10 lacs in 2011-2012, a decrease of 3.08% over 2011-12. Sales for the Automotive Business in 2012-2013 have decreased from Rs. 24,086.87 lacs in 2011-2012 to Rs. 21,466.88 lacs i.e. a fall of 10.88% and the Earnings before interest, depreciation and taxes has decreased from Rs. 5,048.77 lacs to Rs. 4,379.15 lacs i.e. a decrease of 13.26% over 2011-2012.

Gross Sales for the General Lighting Business in 2012-2013 have increased from Rs. 22,425.23 lacs in 2011-2012 to Rs. 23,612.02 lacs i.e. by 5.29% and the Loss before interest, depreciation and taxes has increased from Rs. (708.29) lacs in 2011-2012 to Rs. (1,818.69) lacs in 2012-2013. Profit/(Loss) before tax was Rs. (855.45) lacs against Rs. 754.46 lacs and Net Loss after tax at Rs. 855.45 lacs as against profit of Rs. 570.67 lacs in 2011-2012.

e) 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 professional agency. 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, other data and for maintaining accountability of assets.

f) Developments in Human Resources & Industrial Relations Front

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 1,896 (on company rolls) as on 31st March, 2013.

g) 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 (OSHAs, 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.

PUBLIC DEPOSITS

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

DIRECTORS

Mr. Padmanabh P. Vora and Mr. Shomik Mukherjee, are liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

Mr. Jaideep Wadhwa was appointed as an Additional Director of the Company with effect from 18th day of January, 2013. 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.

AUDITORS

M/s. Arun K. Gupta & Associates, one of the Joint Auditors of the Company has expressed their unwillingness to be appointed as Auditors of the Company.

M/s. S. R. Batliboi & Co. LLP, one of the Joint Auditors of the Company retire at the forthcoming Annual General Meeting of the Company, 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 recommends their appointment for your approval.

AUDITORS' COMMENT IN THE AUDITORS REPORT:

The Auditors Report of the Company does not carry any comment/ qualification to the Audited Financial Results for the financial year ended 31st March, 2013.

LISTING OF SHARES

The Equity Shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Listing Fees for the financial year 2013-2014 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, 2013.

SUBSIDIARY COMPANIES

The Company has following subsidiary companies.

One Indian unlisted subsidiary Company is "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.

During the year, Company completed the acquisition of 100% shareholding of International Lamps Holding Company SA, Luxembourg and with this International Lamps Holding Company SA, Luxembourg, has become a 100% wholly owned subsidiary of Halonix Limited. With this acquisition Halonix has acquired assets and business of its distributors (Luxlite Lamps Sarl and Trifa Lamps Germany GmbH) in Europe, including of brands ‘Luxlamps’ and ‘Trifa’.

In terms of General Exemption, under Section 212(8) of the Companies Act, 1956, granted by Ministry of Corporate Affairs vide its circular no. 02/2011 dated 8th February, 2011 and in compliance with the conditions enlisted therein, the Audited Statement of Accounts, Auditors’ Reports thereon and the Reports of the Board of Directors of the Company’s subsidiaries for the financial year ended 31st March, 2013 have not been annexed. The Annual Accounts and related documents of the Subsidiary Companies shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. However, as directed by the said circular, the financial data of the Subsidiaries have been furnished under ‘Subsidiary Companies Particulars’ forming part of the Annual Report (refer page no. 43). Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

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

(a) 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.

- Heavy duty 200 KVA UPS has been extended in Noida unit to take care of critical plant load during tripping of state electricity power. This will help to increase the machine efficiency and power quality.
- AC drives (VFD) has been installed for induction motors to improve power efficiency of AC motors.
- Periodical inspection and testing of DG sets and transformers has been done as per Indian electricity rule 1956 by Assistant Director Electrical Safety.
- 17.65 lac Units less consumed in comparison to the last year.

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

Electric Energy	–	119.73 (previous year 138.55) lac units supplied by Power Corporation
		16.87 (previous year 15.7) lac units generated by DG sets.
Diesel	–	5.18 (previous year 4.64) 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 Flurocent 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		A number of product adaptations and innovations have been undertaken to improve product life and lumen output as well as to develop special products for specific applications.
(ii)	Benefits derived as a result of the above efforts.	:	Stabilized Operations and improved life of lamp

(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

PARTICULARS	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
1. Foreign Exchange Earnings	8,810.14	9,741.31
2. Foreign Exchange Outgo -		
(a) Raw Materials	10,828.09	13,354.37
(b) Traded Goods	521.52	285.05
(c) Capital Goods	-	Nil
(d) Spare Parts	138.77	223.83
(e) Foreign Traveling/ Selling Expenses	536.33	487.77
(f) Dividend	-	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

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the company or write to the Compliance Officer for a copy thereof.

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 28, 2013

PADMANABH P. VORA

Chairman

CORPORATE GOVERNANCE REPORT AS ON 31ST MARCH, 2013

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 everyone in the Company.
- protect the interest of the investors, customers, employees, lenders, suppliers and the community.
- advice 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.
- 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:-

- 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, 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 being paid sitting fees as fixed by the Board of Directors within the limits prescribed under the Companies Act, 1956. There is no Stock Options in the Company.

During the year under review, the Company is in receipt of Central Government approval for the payment of Remuneration to Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, Non-Executive Directors for the financial year 2011-2012. Accordingly, the Company has paid payment of Remuneration 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.

The Board of Directors at their meeting held on May 28, 2013 has proposed, subject to the approval of the shareholders and the Central Government, payment of Remuneration of Rs. 10,00,000/-(Rupees Ten lacs only) for the financial year 2012-2013 each to Mr. Padmanbh P. Vora and Mr. Gurdeep Singh, Non-Executive Directors of the Company, for their guidance and expert advice on diverse issues affecting the Company. The same will be paid once the required approvals are obtained.

(C) Other provisions as to Board and Committees

During the year 2012-2013, eleven meetings of the Board of Directors were held on 26th May, 2012, 10th July, 2012, 30th July, 2012, 11th September, 2012, 12th October, 2012, 30th October, 2012, 12th November, 2012, 22nd November, 2012, 18th January, 2013, 12th February, 2013, and 4th March, 2013.

The 21st Annual General Meeting of your Company was held on Tuesday, the 10th July, 2012 at 11.00 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.

Details about the Director's Attendance in the Board Meetings and Annual General Meeting are given below:-

Name of Directors	Category	Board Meetings Attended During the year	Attendance at the AGM held on 10.07.2012	No. of Directorship in the Companies other than Halonix Limited	No.of Committees & Positions held as Member	as Chairman
Mr. Padmanabh P. Vora	Independent & Non-Executive Director	11	Yes	9	5	5
Mr. Gurvikram Singh	Managing Director	8	Yes	-	-	-
Mr. Gurdeep Singh	Independent & Non-Executive Director	8	No	5	1	1
Mr. Ganapati Rathinam	Non-Executive Director	11	Yes	1	1	-
Mr. Shomik Mukherjee*	Non-Executive Director	11	Yes	2	1	1
Mr. Jaideep Wadhwa**	Non-Executive Director	3	Not Applicable	-	-	-
Mr. Steven Mark Enderby***	Non-Executive Director	1	Not Applicable	-	-	-

*Representative of Argon India Limited and Argon South Asia Limited.
**Mr. Jaideep Wadhwa was inducted as Director with effect from 18th January, 2013. He is also representative of Argon India Limited and Argon South Asia Limited.
***Mr. Steven Mark Enderby resigned as Director with effect from 26th May, 2012. He was representative of Argon India Limited and Argon South Asia Limited.

Note:-

1. Directorship in Private Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 and alternate Directorship 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.

The Directors of the Board are neither a 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.

No Director is holding any shares in the Company.

(D) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. Copies of the 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.

(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, 2013. 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 31.03.2013 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 financially 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 10th day of July, 2012.

(v) The Chief Financial 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 Compliance Officer acts as the Secretary to the Committee.

(B) Meeting and Composition of Audit Committee

During the year, Five Audit Committee meetings were held on 26th May, 2012, 30th July, 2012, 11th September, 2012, 12th November, 2012 and 12th February, 2013.

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	5
Mr. Gurdeep Singh	Independent	5
Mr. Shomik Mukherjee	Non-Executive	5

The Role and Powers of the Audit Committee are as mentioned in Section 292A of the Act read with Clause 49 of the Listing Agreement. Further, the Audit Committee reviews and discuss all the matters from time to time as mentioned in the Listing Agreement and Section 292A of the Act.

III. SUBSIDIARY COMPANY

1. The Company is having one non-material unlisted Indian Subsidiary Company. During the year, with effect from 01.12.2012, the Company acquired 100% shareholding of International Lamps Holding Co. SA. Luxembourg. The said subsidiary has two subsidiaries viz. Luxlite Lamps S.a.r.l., Luxembourg and Trifa Lamps GmbH, Germany.
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 subsidiary companies, if any, 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 subsidiary companies.

IV. DISCLOSURES

(A) Basis of related party transactions

There is no material significant related party transaction(s) 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

The Company does have 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.

(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 Audit Committee and the Board of Directors review the Risk involved in the Company and appropriate measures to minimize the same from time to time.

(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 Executive Director / Managing Director 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 Managing Director of the Company during 2012-2013 is as under:-

(Amount in Rs.)

Name of the Managing Director	Salary and other Allowances	Perquisites	Contribution to Provident Fund	Service Tenure	Contract Notice Period	No. of Shares of the Company	Performance Bonus
Mr. Gurvikram Singh	25,40,588	28,67,117	2,03,247	28.09.2014	3 Months	Nil	9,75,946

- 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 being 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 and Remuneration to Non-Executive Directors for the year ended 31st March, 2013:-

Name	Sitting Fees Paid (Rs.)	Remuneration (Rs.)	Total (Rs.)
Mr. Padmanabh P. Vora	75,000	10,00,000	10,75,000
Mr. Gurdeep Singh	60,000	10,00,000	10,60,000
Mr. Ganapati Rathinam	55,000	Nil	55,000
Mr. Shomik Mukherjee	75,000	Nil	75,000
Mr. Jaideep Wadhwa	15,000	Nil	15,000

(c) The non-executive directors have disclosed that they do not hold any shares 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 except the sitting fees and Remuneration paid to them as detailed above.

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

(f) Detail of composition of the Remuneration Committee as on 31st March, 2013 is as under:-

Name of Members	Composition of the Remuneration Committee
Mr. Gurdeep Singh	Independent
Mr. Padmanabh. P. Vora	Independent
Mr. Shomik Mukherjee	Non Executive

During the year ended 31st March, 2013, the Committee held three meetings on 30th July, 2012, 11th September, 2012 and 4th March, 2013. 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	Meetings Attended
Mr. Gurdeep Singh	Independent	3
Mr. Padmanabh. P. Vora	Independent	3
Mr. Shomik Mukherjee	Non-Executive	3

(I) Management

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

(J) Shareholders Information

(i) Mr. Padmanabh P. Vora, Chairman of the Company and Mr. Shomik Mukherjee, Director of the Company are retiring by rotation at the forthcoming Annual General Meeting of the Company. The brief resume and other details of Mr. Padmanabh P Vora and Mr. Shomik Mukherjee is given with Notice of the Annual Report.

Mr. Jaideep Wadhwa has been appointed as an Additional Director on 18th day of January, 2013. As per the provisions of section 260 of the Companies Act, 1956, Mr. Jaideep Wadhwa, Director, holds the 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 to retire by rotation. The brief resume and other details of Mr. Jaideep Wadhwa is given with Notice of the Annual Report.

(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) 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 Share Transfer, Shareholders' /Investors' Grievances and to suggest the remedial and improvement measures and to redress the same.

During the year 2012-2013, Thirty meetings of the Share Transfer and Investors' Grievance Committee were held on 5th April, 2012, 19th April, 2012, 5th May, 2012, 19th May, 2012, 5th June, 2012, 19th June, 2012, 5th July, 2012, 19th July, 2012, 7th August, 2012, 20th August, 2012, 5th September, 2012, 19th September, 2012, 5th October, 2012, 15th October, 2012, 25th October, 2012, 5th November, 2012, 16th November, 2012, 26th November, 2012, 5th December, 2012, 15th December, 2012, 26th December, 2012, 5th January, 2013, 15th January, 2013, 25th January, 2013, 5th February, 2013, 15th February, 2013, 25th February, 2013, 4th March, 2013, 15th March, 2013 and 25th March, 2013.

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 Share Transfer and Investors' Grievance Committee is as under:-

Name of Members	Composition of the Share Committee	Meetings Attended
Mr. Shomik Mukherjee	Non-Executive	30
Mr. Gurvikram Singh	Executive	28
Mr. Steven Mark Enderby*	Non-Executive	-
Mr. Ganapati Rathinam	Independent	23

* Mr. Steven Mark Enderby resigned from the Board of Directors and Committee with effect from 26th May, 2012.

Mr. Shomik Mukherjee is Chairman of the Committee.

Securities and Exchange Board of India (SEBI) vide Circular no. CIR/MIRSD/8/2012 dated July 05, 2012 and CIR/CFD/DIL/6/2012 dated July 13, 2012 has issued circulars on "Reduction of Time-line for Transfer of Equity Shares"

With a view to expedite the transfer process in the interest of the investors, it has been decided, in consultation with Registrars Association of India (RAIN), Stock Exchanges and market participants to reduce the time-line for registering the transfer of shares to 15 days.

The circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets and came into force with effect from October 01, 2012.

Accordingly, to meet the requirements of revised Clauses 3 (c) and 12A(3) of the listing agreement for equity Shares of the listing agreement and SEBI Circular, Company has with effect from November, 2012, started holding the Share Transfer and Investor's Grievance Committee Meeting thrice a month, i.e. meeting at an interval of every 10 days.

Mr. Pranay Gandhi, Compliance Officer of the Company can be contacted at:

Mr. Pranay Gandhi, Compliance Officer, Halonix Limited, 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201305.
Phone: 91-11-0120-4012222,
Fax: 91-11-0120-2562943
email: investor.relations@halonix.co.in

83 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, 2013.

General Body Meetings

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

Year	Type	Date	Venue	Time	Special Resolution Passed
2010	AGM	24.09.2010	59-A, NSEZ, Phase-II Noida, Distt. Gautam Budh Nagar, U.P. – 201305	09.30 A.M.	YES
2011	AGM	02.08.2011	59-A, NSEZ, Phase-II Noida, Distt. Gautam Budh Nagar, U.P. – 201305	10.00 A.M.	YES
2012	AGM	10.07.2012	59-A, NSEZ, Phase-II Noida, Distt. Gautam Budh Nagar, U.P. – 201305	11.00 A.M.	YES

Whether Resolution were put through postal ballot last year: Yes

During the year 2013-2014, the Company has proposed two Ordinary Resolutions through Postal Ballot process, i.e.

(i) Sale and transfer of General Lighting Business to Halonix Technologies Limited (a subsidiary of Halonix Limited) and

(ii) Sale and transfer of shareholding or other interest in Halonix Technologies Limited. The Result of the Postal Ballot will be declared on 6th June, 2013.

POSTAL BALLOT:

During the year 2012-2013, in terms of the provisions of section 192A(2) read with section 224(8) (b) of the Companies Act, 1956 (the “Act”) and the Companies (Passing of the resolution by Postal Ballot)Rules, 2011, and the Memorandum and Articles of Association of the Company, the Company sought approval of members by way of an Ordinary Resolution for appointment of M/s. S. R. Batliboi & Co. as Joint Statutory Auditors of the Company Details of the same given hereunder, by voting through postal ballot:-

Related procedure for voting by postal ballot has been followed by the Company. Dr. S. Chandrasekaran, and/or failing him, Mr. Rupesh Agarwal, Practising Company Secretaries, had been appointed as scrutinizer, who conducted this postal ballot exercise in a fair and transparent manner and submitted his report to the Company.

Procedure Followed

1. The Company has issued the postal ballot notice dated 11th September, 2012 for passing the above mentioned Resolution. The draft resolutions together with the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned under certificate of posting on 25th September, 2012.
2. The Company made an advertisement regarding dispatch of postal ballot notice in The Statesman (English) and Amar Ujala (Hindi) on 28th September, 2012.
3. Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed from in the attached self-addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 29th October, 2012.
4. After due scrutiny of all the postal ballot forms received upto the close of working hours on 29th October, 2012. Dr. S. Chandrasekaran, a Practicing Company Secretary (the Scrutinizer) submitted his report on 31st October, 2012.
5. The results of the postal ballot were declared by Mr. Gurvikram Singh, Managing Director of the Company on 1st November, 2012 at 11.00 A.M. at the Company’s registered office at 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201 305. The date of declaration of results was taken as the date of passing of the Resolution. The Managing Director declared that all Resolution specified in the notice have been passed with requisite majority.

The details of voting pattern are as follows:

Particulars	No. of shares
Total number of votes received through postal ballot forms	18,515,029
Less : No. of Votes for which right is not exercised through postal ballot forms	0
Less: No. of Votes which has been rejected	75
Net valid number of votes cast through postal ballot forms	18,514,954
Total number of votes which have been cast in favour of the Resolution	18,514,954
Total number of votes which have been cast against the Resolution	Nil

Means of Communication

Quarterly report sent to each Household of shareholders	The results of the Company are published in the newspapers.The information is also sent to all Stock Exchanges via e-mail, fax and courier.
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, 2013 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, 2012	88.50	52.50	88.40	53.00
May, 2012	59.40	45.20	59.25	45.35
Jun, 2012	52.00	43.60	52.00	43.10
Jul, 2012	55.50	48.25	55.90	49.00
Aug, 2012	53.00	47.25	51.95	47.50
Sep, 2012	52.40	47.05	53.00	47.70
Oct, 2012	56.00	46.70	52.80	47.10
Nov, 2012	58.90	44.20	59.00	44.80
Dec, 2012	48.60	43.35	48.50	43.10
Jan, 2013	53.00	42.05	51.00	42.25
Feb, 2013	44.45	35.15	43.50	35.30
Mar, 2013	38.90	26.20	40.60	26.90

Performance in comparison to BSE Sensex

Month	BSE SENSEX High (Rs.)	BSE SENSEX Low (Rs.)	Bombay Stock Exchange High (Rs.)	Bombay Stock Exchange Low (Rs.)
Apr, 2012	17664.10	17010.16	88.40	53.00
May, 2012	17432.33	15809.71	59.25	45.35
Jun, 2012	17448.48	15748.98	52.00	43.10
Jul, 2012	17631.19	16598.48	55.90	49.00
Aug, 2012	17972.54	17026.97	51.95	47.50
Sep, 2012	18869.94	17250.80	53.00	47.70
Oct, 2012	19137.29	18393.42	52.80	47.10
Nov, 2012	19372.70	18255.69	59.00	44.80
Dec, 2012	19612.18	19149.03	48.50	43.10
Jan, 2013	20203.66	19508.93	51.00	42.25
Feb, 2013	19966.69	18793.97	43.50	35.30
Mar, 2013	19754.66	18568.43	40.60	26.90

General Shareholder Information

Annual General Meeting Date, Time	:	Tuesday, 23rd July, 2013 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	:	23rd July, 2013
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 thrice a month 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 15 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:investor.relations@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, 2013 is as under:-

No. of Shares	No. of Shareholders	% of Shareholders	Total No.of Shares	% of Holding
1 - 500	17480	92.99	23,91,394	8.54
501 - 1000	635	3.38	5,15,155	1.84
1001 - 2000	307	1.63	4,72,083	1.69
2001 - 3000	123	0.65	3,18,907	1.14
3001 - 4000	45	0.24	1,60,584	0.57
4001 - 5000	52	0.28	2,39,208	0.85
5001 - 10000	77	0.41	5,56,570	1.98
10001 & above	79	0.42	2,33,65,399	83.39
TOTAL	**18798**	**100.00**	**2,80,19,300**	**100.00**

(b) Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	Percentage
Promoters	18,509,587	66.06
Institutional Investors		
Mutual Funds & UTI	4,200	00.02
Banks, Financial Institutions and Insurance Companies	700	00.00
FII's	9,23,669	03.30
Others		
Private Corporate Bodies	25,58,148	09.13
Individual	56,83,294	20.28
NRIs / OCBs	3,31,702	01.18
Trust	8,000	00.03
TOTAL	**2,80,19,300**	**100.00**

Dematerialisation of Shares

87.37% of the shareholding of the Company have been dematerialised as on 31.03.2013 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	:	1. 59-A, Noida Special Economic Zone, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. – 201305;
	:	2. 59-D, Noida Special Economic Zone, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201 305;
	:	3. A-1, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.- 201305
	:	4. C-8, Selaqui Industrial Area, District Dehradun, Uttaranchal
		5. 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 : investor.relations@halonix.co.in

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND FOR THE YEAR 2005-2006 TO INVESTORS PROTECTION FUND OF CENTRAL GOVERNMENT

Your Company in the year 2006, for the financial year 2005-2006 had declared its 3rd Dividend to its Equity Shareholders at the rate of 20% i.e. Re. 2.00 for every share held.

Upon completion of 7 years of declaration, the balance lying in unclaimed dividend account will be transferred to Investor Education and Protection Fund 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, 2013.

Place : Noida
Date : May 28, 2013

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, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Listing Agreement.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
(Membership No. FCS 1644, CP715)

Place : Noida
Date : May 28, 2013

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HALONIX LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

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

Emphasis of Matter

We draw attention to Note 46 to the financial statements regarding managerial remuneration of Rs.202.44 lacs paid/ provided to Directors and erstwhile Managing Directors in current and earlier years exceeding the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Company has made applications / revision applications/ is in the process of making application for seeking approval for the excess remuneration paid. Pending receipt of the approval, no adjustments have been made in the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Noida
Date: May 28, 2013

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 000605N

Per **Gireesh Kumar Goenka**
Partner
Membership Number: 096655
Place of Signature: Noida
Date: May 28, 2013

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management during the year although the Company is having a plan to cover all the items over a fixed period of three years in a phased manner. *Certain discrepancies identified are being reconciled and the Company believes that the outcome of such reconciliation will not have a material financial impact. Reconciling differences and any adjustments will be made to the fixed asset register as and when such reconciliation is fully completed.*

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) 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.

(c) The Company is maintaining proper records of inventory. No material discrepancies were noted on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

(v) 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 the provisions of clause 4 (v) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, related to the manufacture of the products to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, made a detailed examination of the same.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the Amount relates	Forum where dispute Pending
Delhi Sales Tax Act 1975	Sales Tax demand	0.82	FY 1994-95	D.C. – Appeal IV, Delhi
U.P. Trade Tax Act 1948	Demand u/s 4B	1.04	FY 2000-01	Joint Commissioner Appeal, Noida
Uttrakhand VAT Act 2005	Demand against stock transferred	26.09	FY 2005-06	Joint Commissioner Appeals, Dehradun
U.P. VAT Act 2008	Non receipt of Form ‘C’	9.24	FY 2007-08	Deputy Commissioner Noida
Director General of Foreign Trade – Delhi	Penalty for non fulfillment of export obligation	156.50	Advance License dated – 02.02.05, 12.10.04 & 16.05.05	Additional DGFT (Appeals) New Delhi
Bihar VAT Act, 2005	Sales tax demand	32.40	FY 2008-09 & 2009-10	Commissioner Appeals, Patna
Assam VAT Act, 2003	Non receipt of Form ‘C’	2.30	FY 2009-10	Deputy Commissioner, Assam
Income Tax Act 1961	Income tax demands	5,367.59	AY 2005-06 and 2011-12	CIT Appeals, Noida

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding debentures and loan from financial institution during the year.

(xii) 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.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor’s Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor’s Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loan taken by a subsidiary company from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that 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.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Noida
Date: May 28, 2013

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 000605N

Per **Gireesh Kumar Goenka**
Partner
Membership Number: 096655
Place of Signature: Noida
Date: May 28, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(Rs. in Lacs)

PARTICULARS	NOTES	As At March 31, 2013	As At March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**4,117.93**	4,117.93
Reserves and Surplus	4	**8,302.95**	9,158.40
		12,420.88	13,276.33
Non-Current Liabilities			
Long Term Borrowings	5	**1,050.00**	800.00
Trade Payable	6	**9.16**	9.76
Long-Term Provisions	7	**494.02**	397.34
		1,553.18	1,207.10
Current Liabilities			
Short Term Borrowings	8	**11,211.71**	14,105.50
Trade Payables	9	**8,095.39**	6,132.56
Other Current Liabilities	9	**1,744.50**	1,312.74
Short-Term Provisions	7	**1,585.76**	711.31
		22,637.36	22,262.11
	Total	**36,611.42**	36,745.54
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	**8,904.88**	9,925.41
Intangible Assets	11	**179.92**	338.44
Capital Work-in-Progress		-	39.35
Non- Current Investments	12	**28.69**	-
Long-Term Loans and Advances	13	**310.73**	357.59
Trade Receivables	14	**51.13**	-
Other Non-Current Assets	15	**102.04**	9.24
		9,577.39	10,670.03
Current Assets			
Inventories	16	**8,877.21**	9,982.84
Trade Receivables	14	**16,322.26**	12,320.76
Cash and Bank balances	17	**696.65**	975.82
Short-Term Loans and Advances	13	**1,137.91**	2,784.62
Other Current Assets	15	-	11.47
		27,034.03	26,075.51
	Total	**36,611.42**	36,745.54
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

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

Gireesh Kumar Goenka
Partner
M.No. 096655

For and on behalf of the Board of Directors of Halonix Limited

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

Place : Noida
Date : May 28, 2013

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

(Rs. in Lacs)

PARTICULARS	Notes	Year Ended March 31, 2013	Year Ended March 31, 2012
Income			
Revenue from Operations (gross)	18	**45,078.90**	46,512.10
Less: Excise Duty		**(1,352.85)**	(1,327.74)
Revenue from Operations (net)		**43,726.05**	45,184.36
Other income	19	**438.41**	371.48
Total Revenue		**44,164.46**	45,555.84
Expenses			
Cost of materials consumed	20	**27,291.78**	27,530.86
Purchase of traded goods	21	**2,234.80**	1,833.26
Decrease / (Increase) in inventories	21	**472.23**	(1,414.83)
Employee benefit expenses	22	**5,902.02**	5,668.71
Finance cost	23	**1,996.04**	2,176.71
Depreciation and amortization expense	24	**1,419.88**	1,409.30
Other expenses	25	**5,703.16**	7,597.37
Total expenses		**45,019.91**	44,801.38
(Loss) / Profit before exceptional items and tax		**(855.45)**	754.46
Exceptional items		-	389.43
(Loss) / Profit Before Tax	26	**(855.45)**	365.03
Tax expense:			
Current Income tax		-	41.21
MAT Credit Entitlement		-	(41.21)
Deferred tax charge		-	205.64
(Loss) / Profit for the year		**(855.45)**	570.67
Earnings Per Equity Share [nominal value of each shares Rs 10 each, (March 31, 2012: Rs. 10 each)]			
Basic and diluted (Rs.)	27	**(3.05)**	2.04
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
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For and on behalf of the Board of Directors of Halonix Limited

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

Place : Noida
Date : May 28, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Rs. in Lacs)

PARTICULARS	For the Year March 31, 2013	For the Year March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(855.45)	365.03
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,419.88	1,409.30
Interest paid	1,917.83	1,976.35
Interest received	(23.27)	(21.18)
Loss on disposal of fixed assets	14.33	9.84
Irrecoverable balances written off	123.75	1,674.99
Reversal of provisions for doubtful debts / advances (net)	(541.51)	(267.89)
Provision for obsolete inventory / Reversal of provision for obsolete inventory	(478.32)	108.82
Operating Profit before Working Capital changes	1,577.25	5,255.26
Movement in Working Capital		
(Increase) in Trade Receivables	(3,397.05)	(2,713.85)
Decrease/(Increase) in Inventories	1,583.95	(2,193.42)
Decrease / (Increase) in Long term Loans and Advances	5.12	(1.57)
(Increase) in Short term Loans and Advances	(80.56)	(106.90)
(Increase) in other non-current assets	(254.01)	(9.24)
Increase in Trade Payables	1,962.24	312.31
Increase/(Decrease) in Other Current Liabilities	42.72	(89.27)
Increase in Short term provisions	874.44	32.93
Increase in Long term provisions	96.69	50.68
Cash Generated from Operations	2,410.79	536.94
Income Taxes Paid	(1.92)	(494.35)
Net Cash Generated from Operating Activities (A)	2,408.87	42.59
Cash Flows from Investing Activities		
Purchase of fixed assets, intangible assets, CWIP and capital advances	(293.86)	(210.62)
Proceeds from disposal of fixed assets	7.19	31.91
Purchase of non-current Investments in a subsidiary company	(28.69)	-
Advance received back from subsidiary (Net)	1,524.33	(1.09)
Movement in fixed deposits with banks	108.97	126.49
Interest Received	26.99	26.02
Net Cash from / (used in) Investing Activities (B)	1,344.93	(27.29)
Cash Flows from Financing Activities		
Proceeds from long term borrowings	2,000.00	1,500.00
Repayment of long term borrowings	(1,260.00)	-
Repayment of / proceeds from short term borrowings (net)	(1,733.80)	851.68
Repayment of short term borrowings	(1,160.00)	-
Interest paid	(1,917.83)	(1,976.35)
Dividend paid	(13.58)	(233.91)
Net cash (used in) / from Financing Activities (C)	(4,085.21)	141.42
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(331.41)	156.71
Cash and cash equivalents at the beginning of the Year	822.90	666.19
Cash and cash equivalents at the end of the Year	491.49	822.90
Components of cash and cash equivalents		
Cash on Hand	1.22	2.90
Balances with banks		
- In current accounts	413.65	736.81
- In cash credit account	7.01	-
- Unpaid Dividend Accounts*	69.61	83.19
Cash and cash equivalents	491.49	822.90
*These Balances are not available for the use by the Company		

As per our report of even date

For and on behalf of the Board of Directors of Halonix Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

For ARUN K. GUPTA & ASSOCIATES
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Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

Place : Noida
Date : May 28, 2013

Notes to financial statements for the year ended March 31, 2013

1. **Nature of Operation**

   Halonix Limited (hereinafter referred to as "the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. The Company is engaged in manufacturing of Auto and General Lighting Lamps and caters to both domestic and international markets.

2. **Statement of Significant Accounting Policies**

   (a) **Basis of Preparation**

   "The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. "The accounting policies adopted in the preparation of financial statements are consistent with those of previous year."

   (b) **Use of Estimates**

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

   (c) **Tangible Fixed Assets**

   Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

   Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

   Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

   (d) **Depreciation on tangible fixed assets**

   i) Lease hold land is amortized on straight line basis over the period of lease ranging from 78 to 99 years.

   ii) Lease hold improvements are amortised on a straight line basis over the primary period of lease.

   iii) Fixed assets costing Rs. 5,000 or less are depreciated in the year of purchase.

   iv) The Company has on April 1, 2012 reassessed the remaining useful life of certain plant and machinery having Gross block of Rs. 2,544.13 lacs as one year and accordingly has depreciated these assets on straight line basis over their remaining useful life of one year.

   v) Depreciation on all other tangible fixed assets is provided on straight line basis using the rates arrived at based on the useful lives estimated by the Management which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

   (e) **Intangible Assets**

   Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life not exceeding five years.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use.

Development costs carried forward is amortised over the period of expected future sales from the related project, not exceeding five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Impairment of Tangible and Intangible Fixed Assets

The Company assesses at each reporting date whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists or when annual impairement testing is required, 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 using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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.

(g) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit (PUC) method at the end of each year. The Company has formed a Gratuity Fund, maintained by the Life Insurance Corporation of India (LIC). The difference between actuarial valuation of gratuity of employees and fund balance with LIC at year end is provided in books. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(h) 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 at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. 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 entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(i) Inventory Valuation:

Inventories are valued as follows:

Raw materials, stores and spares, consumables, packing materials and fuels:

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 basis.

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. Cost is determined on weighted average basis.

Traded goods:

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on transaction moving weighted average basis.

Scrap: 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.

(j) 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

(k) 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 reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year."

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

(l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and 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 the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(m) Income Taxes

Tax expense comprises current and 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 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the

Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Provisions:

A provision is recognized when the Company 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 best estimates.

Warranty Provisions

Provisions for warranty related costs are recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually.

(o) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(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 Earnings 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

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

(r) Contingent liabilities

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

(s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to financial statements for the year ended March 31, 2013

Note 3 - Share Capital **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Authorized Shares		
41,000,000 (Previous year 41,000,000) equity shares of Rs. 10/- each	**4,100.00**	4,100.00
2,900,000 (Previous year 2,900,000) redeemable preference shares of Rs. 100/- each	**2,900.00**	2,900.00
	7,000.00	7,000.00
Issued, Subscribed and Paid-Up Shares		
28,019,300 (Previous year 28,019,300) equity shares of Rs 10/- each fully paid up	**2,801.93**	2,801.93
1,316,000 (Previous year 1,316,000) 0% redeemable preference shares of Rs 100/- each fully paid up	**1,316.00**	1,316.00
Total	**4,117.93**	4,117.93

Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

Terms/ rights attached to preference shares:

Holder of Redeemable Preference shares is entitled to one vote per share only on resolution placed before the Company which directly affect the rights attached to Redeemable Preference shares.

As per the scheme 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. 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 redeemable at par after April 1, 2012 and 766,000 Redeemable Preference Shares are redeemable at par after March 31, 2007 on such date as the Board of Directors may determine. The Board of Directors of the Company has not yet exercised its option to redeem the preference shares.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	**(Rs. in lacs)**	No. of shares	(Rs. in lacs)
At the beginning of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93
Outstanding at the end of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93

Preference Shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	**(Rs. in lacs)**	No. of shares	(Rs. in lacs)
At the beginning of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00
Outstanding at the end of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00

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

Particulars	As At March 31, 2013	As At March 31, 2012
Argon India Limited, the holding company 14,807,670 (Previous year 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

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
(i) Argon India Limited, Foreign holding company	14,807,670	52.85	14,807,670	52.85
(ii) Argon South Asia Limited, Foreign Promoter	3,701,917	13.21	3,701,917	13.21
(iii) Official liquidator - Soei Tsusho Company Limited, Foreign Corporate Body	1,880,000	6.71	1,880,000	6.71
Redeemable preference shares of Rs.100 each fully paid				
(i) Phoenix Electric Co., Japan, Foreign Corporate Body	1,316,000	100.00	1,316,000	100.00

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.

Note 4 - Reserves And Surplus **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Securities premium account (As per the last financial statements)	3,733.86	3,733.86
Capital subsidy (As per the last financial statements)	40.00	40.00
Capital redemption reserve (As per the last financial statements)	1,621.00	1,621.00
General reserve (As per the last financial statements)	23.57	23.57
Surplus in the Statement of profit and loss		
Credit balance as per the last financial statements	3,739.97	3,169.30
Add: Net profit/(loss) after tax transferred from Statement of profit and loss	(855.45)	570.67
Net surplus in the Statement of profit and loss	2,884.52	3,739.97
Total	8,302.95	9,158.40

Note 5 -Long Term Borrowings **(Rs. in Lacs)**

Particulars	Non-current portion		Current maturities	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Term Loan				
Indian rupee loan from a bank (secured)	1,050.00	800.00	1,190.00	700.00
	1,050.00	800.00	1,190.00	700.00
The above amount includes				
Secured borrowings	1,050.00	800.00	1,190.00	700.00
Amount disclosed under the head “other current liabilities” (refer note 9)	-	-	(1,190.00)	(700.00)
Net amount	1,050.00	800.00	-	-

The long term loan from Axis Bank Limited is secured by first pari passu charge on movable and immovable fixed assets of the Company. The loan is repayable in 10 equated quarterly installments of Rs. 350 lacs from September 30, 2012 and carries interest of 13.25% during the year.

Note 6 - Other Non Current Liabilities **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Trade Payables	9.16	9.76
Total	9.16	9.76

Note 7 - Provisions **(Rs. in Lacs)**

Particulars	Long Term		Short Term	
	As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31,2012
Provision for employee benefits				
Leave Encashment	**-**	-	**154.95**	298.13
Gratuity (Refer note 40)	**494.02**	397.34	**129.58**	115.37
	494.02	397.34	**284.53**	413.50
Other provision				
Provision for Post-sales warranties*	**-**	-	**1,301.23**	297.81
	-	-	**1,301.23**	297.81
Total	**494.02**	397.34	**1,585.76**	711.31

* Provision for post-sales warranties is recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within 12 months after the reporting date.

The movement in the provision for post-sales warranties is as follows : **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Balance at the beginning of the year	**297.81**	335.23
Recognized during the year*	**3,733.82**	3,026.05
Utilised during the year	**(2,730.40)**	(3,063.47)
Balance at the end of the year	**1,301.23**	297.81

*Rs. 854.30 lacs (March 31, 2012: Rs. 1,394.05 lacs) debited in sales and Rs. 2,879.51 lacs (March 31, 2012: Rs. 1,669.42 lacs) debited in raw material consumption.

Note 8 : Short Term Borrowings **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Working Capital facilities from banks (secured)		
Cash credit facilities from banks	**9,132.07**	12,528.24
Working capital loan from a banks	**-**	1,160.00
Bill Discounting from a bank	**2,079.64**	417.26
	11,211.71	14,105.50
The above amount includes:		
Secured borrowings	**11,211.71**	14,105.50
Unsecured borrowings	**-**	-

Working capital facilities from 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 and immovable fixed assets of the Company. These loans are repayable on demand and carry interest varied from 10.75% to 14.60% during the year.

Note 9- Trade Payable and Other Current Liabilities **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Trade payable (refer note 37 for details of dues to micro and small enterprises)		
(including Acceptances* of Rs. 1,389.46 lacs, Previous year: Rs. 1,406.13 lacs)	**8,095.39**	6,132.56
	8,095.39	6,132.56
Other current liabilities:		
Current maturities of long term borrowings (Refer note 5)	**1,190.00**	700.00
Payable towards capital goods	-	87.40
Advances from customers	**200.99**	103.61
Sales tax/ VAT/Entry Tax payable	**119.09**	198.50
Excise Duty/Custom Duty Payable	**28.73**	48.59
Service tax payable	**4.06**	0.13
Provident Fund Payable/ ESI Payable	**51.54**	49.50
TDS payable	**80.48**	41.82
Investor Education and Protection Fund will be credited by following amount(as and when due)		
Unpaid dividend	**69.61**	83.19
	1,744.50	1,312.74
Total	**9,839.89**	7,445.30

* Acceptances represent amount 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 - Tangible assets **(Rs. in Lacs)**

Particulars	LEASE HOLD LAND	BUILDINGS	PLANT & MACHINERY	FURNITURE & FIXTURES	LEASED HOLD IMPROVEMENT	OFFICE EQUIPMENT	COMPUTERS	VEHICLES	Total
Cost									
At 1 April 2011	**370.16**	**3,169.15**	**23,151.53**	**236.81**	**-**	**212.54**	**396.69**	**155.14**	**27,692.02**
Additions	-	-	337.57	65.43	94.02	66.47	65.79	34.40	663.68
Disposals	-	-	59.93	-	-	-	1.83	57.90	119.66
At 31 March 2012	**370.16**	**3,169.15**	**23,429.17**	**302.24**	**94.02**	**279.01**	**460.65**	**131.64**	**28,236.04**
Additions	-	-	194.79	-	-	3.43	11.78	0.63	210.63
Disposals	-	-	7.19	10.66	-	3.03	2.37	11.92	35.17
At 31 March 2013	**370.16**	**3,169.15**	**23,616.77**	**291.58**	**94.02**	**279.41**	**470.06**	**120.35**	**28,411.50**
Depreciation									
At 1 April 2011	**27.36**	**749.51**	**15,868.59**	**147.88**	**-**	**91.29**	**194.25**	**79.81**	**17,158.69**
Charge for the year	4.33	104.59	1,004.74	10.47	14.00	11.58	66.93	13.21	1,229.85
Disposals	-	-	59.67	-	-	-	0.68	17.56	77.91
At 31 March 2012	**31.69**	**854.10**	**16,813.66**	**158.35**	**14.00**	**102.87**	**260.50**	**75.46**	**18,310.63**
Charge for the year	4.33	104.58	980.99	12.09	23.51	11.94	68.55	11.39	1,217.39
Disposals	-	-	5.57	3.56	-	0.77	1.90	9.59	21.40
At 31 March 2013	**36.02**	**958.68**	**17,789.08**	**166.88**	**37.51**	**114.04**	**327.15**	**77.26**	**19,506.62**
Net Block									
At 31 March 2012	**338.47**	**2,315.05**	**6,615.51**	**143.89**	**80.02**	**176.14**	**200.15**	**56.18**	**9,925.41**
At 31 March 2013	**334.14**	**2,210.47**	**5,827.69**	**124.70**	**56.51**	**165.37**	**142.91**	**43.09**	**8,904.88**

(1) The Company has entered into lease agreement with Noida Authority & UPSIDC & SIDCUL to acquire certain properties at A1 Noida, Sidcul Haridwar & 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 Haridwar & 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 Haridwar Plant at the time of entering into lease agreements. These paid amounts are disclosed as 'Land - leasehold' under 'Tangible assets' in the financial statements.

(2) Buildings include building of gross block Rs. 590.64 lacs, wdv Rs.263.33 lacs (March 31, 2012: gross block of Rs 590.64 lacs, wdv of Rs.281.79 lacs) constructed on leased land belonging to Noida Special Economic Zone. During the year, depreciation of Rs.18.46 lacs (March 31, 2012: Rs.18.46 lacs) has been charged on this building.

Note 11 - Intangible assets **(Rs. in Lacs)**

Particulars	DEVELOPMENT COST	COMPUTER SOFTWARE	TOTAL
Gross block			
At 1 April 2011	**598.90**	**304.37**	**903.27**
Addition	-	29.89	29.89
At 31 March 2012	**598.90**	**334.26**	**933.16**
Addition	-	43.98	43.98
At 31 March 2013	**598.90**	**378.24**	**977.14**
Amortization			
At 1 April 2011	**239.56**	**175.72**	**415.28**
Charge for the year	119.93	59.51	179.44
At 31 March 2012	**359.49**	**235.23**	**594.72**
Charge for the year	119.93	82.57	202.50
At 31 March 2013	**479.42**	**317.80**	**797.22**
Net block			
At 31 March 2012	**239.41**	**99.03**	**338.44**
At 31 March 2013	**119.48**	**60.44**	**179.92**

Note 12 - Non Current Investments **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
50,000 (March 31,2012: 50,000) Equity shares of Rs 10 each fully paid up in Halonix Technologies Limited	-	-
(At cost less provision for other than temporary diminution in value Rs. 5.00 lacs (March 31, 2012: Rs. 5.00 lacs)		
40,000 (March 31, 2012: Nil) Equity shares of EURO 1 each fully paid up in International Lamps Holding Company S.A. Luxembourg	**25.04**	-
5,000 (March 31, 2012: Nil) Equity shares of EURO 1 each fully paid up in Trifa Lamps Germany, GMBH	**3.65**	-
Total	**28.69**	-
Aggregate amount of unquoted investments	**28.69**	**-**
Aggregate provision for diminution in value of investments	**5.00**	5.00

Note 13 - Loans And Advances (Unsecured) **(Rs. in Lacs)**

Particulars	Non-Current		Current	
	As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31, 2012
Capital advances				
Considered Good	**3.50**	12.28	**-**	-
(A)	**3.50**	12.28	**-**	-
Security Deposits				
Considered Good	**163.86**	174.72	**53.44**	34.45
Considered Doubtful	**7.93**	-	**-**	-
	171.79	174.72	**53.44**	34.45
Provision for doubtful Security Deposits	**(7.93)**	-	**-**	-
(B)	**163.86**	174.72	**53.44**	34.45
Loan and advances to related parties (Refer note 38)				
Considered Good	**-**	-	**-**	1,705.24
Considered Doubtful	**-**	-	**205.94**	-
	-	-	**205.94**	1,705.24
Provision for doubtful loans and advances	**-**	-	**(205.94)**	-
(C)	**-**	-	**-**	1,705.24
Advances recoverable in cash or in kind				
Considered Good	**-**	5.06	**206.11**	341.69
Considered Doubtful	**-**	-	**23.95**	-
	-	5.06	**230.06**	341.69
Provision for doubtful loans and advances	**-**	-	**(23.95)**	-
(D)	**-**	5.06	**206.11**	341.69
Other loans and advances				
Considered Good				
Advance income taxes/tax deducted at source (Net of provision of Income tax)	**-**	-	**460.50**	458.58
Prepaid expenses	**-**	-	**176.83**	92.79
MAT credit entitlement	**60.03**	60.03	**-**	-
Loans and advances to employees	**-**	-	**10.36**	7.81
Advance for Long term investments	**-**	25.04	**-**	-
Balances with statutory / government authorities	**83.34**	80.46	**230.67**	144.06
(E)	**143.37**	165.53	**878.36**	703.24
Total	**310.73**	357.59	**1,137.91**	2,784.62

Note 14 -Trade Receivables (Unsecured) **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Non Current		
Outstanding for a period not exceeding six months from the date they are due for payment		
Considered Good	51.13	-
	51.13	-
Current		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	6,317.21	3,688.75
Considered Doubtful	376.37	989.87
	6,693.58	4,678.62
Provision for doubtful receivables	376.37	989.87
	6,317.21	3,688.75
Other Receivables*		
Considered Good	10,005.05	8,632.01
Considered Doubtful	40.02	205.85
	10,045.07	8,837.87
Provision for doubtful receivables	40.02	205.85
	10,005.05	8,632.01
Total	16,322.26	12,320.76

*net of debts amounting to Rs. 306.99 lacs (March 31,2012: Rs. 378.71 lacs) discounted from a bank against bill discounting facility taken by a customer with the bank.

Note 15 - Other Assets (Unsecured ,Considered Good) **(Rs. in lacs)**

Particulars	Non Current		Current	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Fixed Assets held for disposal	-	-	-	7.75
Deposits with maturity more than 12 months	102.04	9.24	-	-
Interest Receivable	-	-	-	3.72
Total	102.04	9.24	-	11.47

Note 16 - Inventories (valued at lower of cost or net realizable value) **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Raw Materials (includes in transit Rs 514.85 lacs (March 31,2012: Nil) (Refer note 20)	2,767.94	3,796.17
Fuels	35.40	29.90
Consumables	62.88	82.96
Packing Materials	158.95	177.01
Stores and Spares	231.19	282.04
Finished Goods	3,423.74	3,563.54
Work in Progress	2,311.76	2,009.86
Traded Goods	885.58	1,523.71
Scrap	96.18	92.38
	9,973.62	11,557.57
Less:- Provision for obsolete inventories	(1,096.41)	(1,574.73)
Total	8,877.21	9,982.84

Note 17 - Cash and Bank balances **(Rs. in Lacs)**

Particulars	Non Current		Current	
	As At March 31, 2013	As At March 31,2012	**As At March 31, 2013**	As At March 31,2012
Cash and cash equivalents				
Balances with banks				
in current accounts	-	-	**413.65**	736.81
in cash credit accounts	-	-	**7.01**	-
in unpaid dividend accounts*	-	-	**69.61**	83.19
Cash in hand	-	-	**1.22**	2.90
Total (A)	-	-	**491.49**	822.90
Other bank balances				
Deposits with original maturity of more than 3 months but upto 12 months **	-	-	-	152.92
Deposits with original maturity of more than 12 months**	**102.04**	9.24	**205.16**	-
	102.04	9.24	**205.16**	152.92
Less : Amount disclosed under non current assets (Refer note 15)	**(102.04)**	(9.24)	**-**	-
Total (B)	-	-	**205.16**	152.92
Total (A+B)	-	-	**696.65**	975.82

*These balances are not available for the use by the Company as they represent corresponding unclaimed dividend liabilities.
**Deposits are in the nature of margin money kept with banks against Bank Guarantees given / letters of credit established by the banks.

Note 18 - Revenue from operations **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Revenue from operations		
Sale of products:		
Finished Goods	**42,121.98**	44,489.79
Traded Goods	**2,804.87**	1,902.64
Other operating revenue		
Scrap Sales	**152.05**	119.67
Revenue from operations (gross)	**45,078.90**	46,512.10
Less: Excise Duty	**(1,352.85)**	(1,327.74)
Revenue from operations (net) Total	**43,726.05**	45,184.36

Sales is net of credit notes amounting to Rs. 854.30 lacs (March 31, 2012: Rs. 1,394.05 lacs) issued/to be issued towards warranty claims.

Excise duty on sales amounting to Rs.1,352.84 lacs (March 31,2012: Rs. 1,327.74 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to (Rs. 4.25 lacs) (March 31,2012: Rs. 24.27 lacs) has been considered as (income)/expense in note 25 of financial statements.

Detail of products sold

(Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Finished Goods		
Auto	**21,306.61**	23,996.01
General Lighting Lamps	**20,815.37**	20,493.78
	42,121.98	44,489.79
Traded Goods		
Luminaries & Fittings	**2,699.36**	1,847.44
Others	**105.51**	55.20
	2,804.87	1,902.64

Note 19 Other Income **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Interest income		
Fixed Deposits	19.19	16.17
Others	4.07	5.01
Foreign exchange gain (net)	196.14	327.78
Unspent Liabilities Written back	193.48	-
Miscellaneous income	25.53	22.52
Total	438.41	371.48

EXPENSES

Note 20 Cost of materials consumed **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Raw Materials*	24,449.87	24,367.06
Fuels	1,165.86	1,309.92
Consumables	300.99	367.23
Packing Materials	1,375.06	1,486.65
Total	27,291.78	27,530.86

*Raw materials consumed includes cost of material issued/to be issued amounting to Rs. 2,879.51 lacs (March 31,2012: Rs. 1,669.42 lacs) as free replacement against warranty claims.

*Net of Raw materials sales of Rs. 3,758.31 lacs (March 31,2012 Rs. 3,986.67 lacs) for job work. **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Details of raw materials consumed		
Lamp Base Parts	4,451.01	4,905.09
PCB/PCB Components	6,119.07	5,056.82
Others	13,879.79	14,405.15
	24,449.87	24,367.06
Details of inventory		
Glass Tube	398.98	432.08
Lamp Base Parts	417.88	471.94
PCB/PCB Components	502.61	926.74
Imported Bulb	312.89	427.14
Others	1,135.58	1,538.27
	2,767.94	3,796.17

Note 21 Decrease / (Increase) in inventories **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012	(Increase) / decrease
Opening Stock			
Finished Goods	3,563.54	2,381.04	1,182.50
Traded Goods	1,523.71	1,368.55	155.16
Work in Progress	2,009.86	1,981.10	28.76
Scrap	92.38	43.97	48.41
Total (A)	7,189.49	5,774.66	1,414.83
Closing stock			
Finished Goods	(3,423.74)	(3,563.54)	139.80
Traded Goods	(885.58)	(1,523.71)	638.13
Work in Progress	(2,311.76)	(2,009.86)	(301.90)
Scrap	(96.18)	(92.38)	(3.80)
Total (B)	(6,717.26)	(7,189.49)	472.23
Decrease / (Increase) in inventories Total (B-A)	472.23	(1,414.83)	

(Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Details of purchase of traded goods		
Luminaries & Fittings	2,164.95	1,706.55
Others	69.85	126.71
	2,234.80	1,833.26
Details of inventory		
Finished goods		
Auto Lamp	1,217.40	1,785.85
General Lighting Lamps	2,206.34	1,777.69
	3,423.74	3,563.54
Traded goods		
Luminaries & Fittings	823.18	1,432.47
Others	62.40	91.24
	885.58	1,523.71
Work in progress		
Auto Lamp	1,812.19	919.23
General Lighting Lamps	499.57	1,090.63
	2,311.76	2,009.86

Note 22 Employee benefit expenses (Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Salaries, wages and bonus	5,118.87	4,896.92
Contribution to provident and other funds	336.67	333.12
Gratuity expense (refer note 40)	135.02	115.20
Staff welfare	311.46	323.47
Total	5,902.02	5,668.71

Note 23 Finance Cost (Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Interest on term loan	344.75	9.80
Interest others (including Rs.0.64 lacs, March 31, 2012: Rs.0.56 lacs on income tax)	1,573.08	1,966.55
Other finance costs	78.21	200.36
Total	1,996.04	2,176.71

Note 24 Depreciation and amortization expense (Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Depreciation of tangible assets	1,217.38	1,229.86
Amortization of intangible assets	202.50	179.44
Total	1,419.88	1,409.30

Note 25 Other Expenses **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Consumption of stores and spares	436.70	591.01
Power and fuel	928.82	907.32
Rent	283.12	201.08
Rates and taxes	109.07	75.65
Increase/(Decrease) in excise duty on closing stock	(4.25)	24.27
Job work charges	507.38	403.96
Technician expenses	38.68	18.71
Printing and stationery	53.79	59.40
Vehicle running and maintenance	30.32	55.72
Insurance charges	126.80	131.99
Filing and legal charges	39.69	26.72
Travelling and conveyance	781.54	723.55
Communication expenses	101.96	106.72
Repair and maintenance		
Plant and machinery	45.94	66.11
Building	16.62	32.42
Others	107.06	93.53
Auditor's remuneration	50.34	22.77
Professional charges	609.39	340.41
Advertisement and sales promotion	500.61	913.10
Freight outward	1,436.02	1,297.50
Selling commission	113.02	136.30
Donation	0.10	0.09
Security services	95.59	88.81
Loss on disposal of fixed assets (Net)	14.33	9.83
Irrecoverable balances written off	123.75	1,285.56
Reversal of provision for doubtful debts / advances	(541.51)	(267.89)
Provision for obsolete inventories / reversal of provision for obsolete inventories	(478.32)	108.82
Bank charges	80.90	108.22
Miscellaneous expenses	95.70	35.69
Total	5,703.16	7,597.37

Payment to Auditor **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
As Auditor:		
Audit fee	36.77	14.07
Tax audit fee	3.12	3.12
Limited Review	5.00	-
In other capacity:		
certification etc.	3.74	4.37
Out of pocket expenses	1.71	1.21
Total	50.34	22.77

Note 26 Exceptional item **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Capital advances written off	-	389.43
Total	-	389.43

Note 27 Earnings per equity share (EPS) **(Rs. in Lacs)**

Particulars	March 31, 2013	March 31, 2012
Profit / (Loss) after tax (Rs. In lacs)	**(855.45)**	570.67
Weighted average number of equity shares for calculating basic and diluted EPS (in Nos.)	**28,019,300**	28,019,300
Basic and Diluted earnings per share (in Rs.)	**(3.05)**	2.04
Nominal value of share (In Rs.)	**10.00**	10.00

Note 28 : Capital and other commitments **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Estimated amount of unexecuted capital contracts (net of advances and deposits)	**12.85**	8.54

Note 29 Contingent Liabilities (To The Extent Not Provided) **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
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.	**153.20**	405.43
Demands from the Indian tax authorities for disputed demands of income tax. The said amount includes mainly addition in sales, disallowance of purchases and other expenses and benefits for the assessment year 2010-11.*	**5,436.34**	86.75
VAT/Sales Tax demands*	**115.06**	115.09
Excise duty paid under Protest*	**66.18**	66.18
Penalty for non fulfillment of export obligation by Director General of Foreign Trade Delhi.*	**13.44**	13.44
Penalty against Advance License by DGFT Delhi & Duty saved therein.*	**156.50**	152.44
Corporate Guarantee given to step down wholly owned subsidiary company	**695.44**	-
Standby Letter of credit in favour of a bank towards loan taken by a subsidiary company	**1,252.34**	-
Claims also includes suspension period wages*	**113.80**	99.69

*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.

Note 30 Unhedged Foreign Currency Exposure **(Figures in Lacs)**

Particulars		As At March 31, 2013		As At March 31, 2012	
	Currency	(In Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
Import Creditors	JPY	**13.95**	**8.06**	16.55	10.33
Import Creditors	EURO	**8.26**	**574.40**	4.66	318.54
Import Creditors	USD	**11.17**	**607.77**	9.14	467.78
Loans and advances	EURO	**0.16**	**11.42**	0.02	1.18
Loans and advances	USD	**4.44**	**241.62**	2.25	114.87
Export Debtors	EURO	**128.03**	**8,994.89**	101.71	6,940.19
Export Debtors	USD	**7.14**	**388.42**	14.65	752.57

Note 31 The Company has taken various residential , office and warehouse premises under operating lease agreements. These are generally cancelable and are renewable by mutually agreed terms. There are no restrictions imposed by Lease Agreements There are no sub leases. The disclosure in respect of non cancellable operating leases is given below:

(Rs. in Lacs)

Particulars	**As At March 31, 2013**	As At March 31, 2012
Total Lease Payment for the year (Recognized in the statement of profit and loss)	**84.85**	162.99
Total Lease Payment :-		
Not Later than one Year	**88.63**	102.93
Later than one year but not later than five years.	**115.74**	212.51
Later than five years.	-	-

Note 32 **Value of Imported and Indigenous Raw Materials, fuels, consumables, packing materials, stores and spares consumed.**

(Rs. in Lacs)

Items	**March 31, 2013**	**%**	March 31, 2012	%
Raw Materials				
Imported	**12,840.99**	**52.52**	14,431.49	59.23
Indigenous	**11,608.88**	**47.48**	9,935.57	40.77
Total	**24,449.87**	**100.00**	24,367.06	100.00
Fuels, consumables, packing materials and stores and spares				
Imported	**157.87**	**4.82**	222.32	5.92
Indigenous	**3,120.76**	**95.18**	3,532.50	94.08
Total	**3,278.63**	**100.00**	3,754.82	100.00

Note 33 Value of Imports on CIF basis **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Raw Materials	**10,828.09**	13,354.37
Spare Parts/Consumable	**138.77**	223.83
Traded Goods	**521.52**	285.05
Total	**11,488.38**	13,863.25

Note 34 Expenditure in Foreign Currency **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Foreign Travel	**37.59**	27.63
Professional Fees	**235.21**	5.32
Selling Commission	**66.12**	26.17
Other expenses	**197.40**	39.22
Capital advances written off	**-**	389.43
Total	**536.32**	487.77

Note 35 Earnings in foreign currency **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
FOB Value of Export of Goods	**8,810.14**	9,741.31

Note 36 Dividends Remitted In Foreign Currencies

The particulars of dividends remitted are as follows: **(Rs. in lacs)**

Particulars	Number of Non-resident shares holders	Number of shares to which the dividends relate	As At March 31, 2013	As At March 31, 2012
Final dividend for fiscal year 2003-04 to 2008-09(1)	1	1,880,000	-	223.72
(1) Net of dividend tax				

Note 37 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 and Small Enterprise as per MSMED Act, 2006 are as under:-

Particulars	As At March 31, 2013	As At March 31, 2012
I) The Principal amount and the interest due thereon remaining unpaid to any suppliers as at end of Year Principal Amount Unpaid:	**471.54**	303.06
Interest Due	**-**	15.51
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
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
iv) The amount of interest accrued and remaining unpaid at the end of the year, and	**-**	15.51
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	**-**	-

Note 38 Related Party Disclosure

Nature of Relationship	Name of the Person
Related parties where control exists	
i) Subsidiaries	a) Halonix Technologies Limited ("HTL") (Subsidiary Company) b) International Lamps Holding Company S.A. (Wholly owned subsidiary w.e.f. December 3, 2012) c) Luxlite Lamps S.a.r.l Luxembourg ("Luxlite") (Downstream subsidiary w.e.f. December 3, 2012) d) Trifa Lamps Germany GmbH ("Trifa") (Downstream subsidiary w.e.f. December 3, 2012)
ii) Common Control	a) Argon South Asia Limited
iii) Holding Company	a) Argon India Limited
Related parties with whom transactions have taken place during the year	
iv) Key Management personnel	a) Mr. S.K Neogi (Executive Director) ceased w.e.f September 7, 2011 b) Mr. Rajesh Kochhar (Managing Director) ceased w.e.f. June 30, 2011 c) Mr. Gurvikram Singh (Managing Director) joined w.e.f September 29, 2011

B) Related Party Transactions **(Rs in lacs)**

Nature of Transactions	Subsidiary Company			Key Management Personnel	Total
Transactions during the Year	**HTL**	**Luxlite**	**Trifa**		
I) Investments	-	25.04	3.66	-	28.70
	(-)	(-)	(-)	(-)	(-)
II) Loan Given	6,880.00	-	-	-	6,880.00
	(5,406.00)	(-)	(-)	(-)	(5,406.00)
Loan Repaid	8,380.00	-	-	-	8,380.00
	(5,370.00)	(-)	(-)	(-)	(5,370.00)
III) Managerial Remuneration	-	-	-	65.86	65.86
	(-)	(-)	(-)	(85.52)	(85.52)
IV) Current Account (Net of debit/credit)	-	-	-	-	-
	(-)	(-)	(-)	(-)	-
V) Bank Guarantees/Standby Letter of Credit	-	-	1,947.23	-	1,947.23
	(-)	(-)	(-)	(-)	(-)
VI) Sales	-	799.05	1,140.20	-	1,939.25
	(-)	(-)	(-)	(-)	(-)

Balances outstanding at the year end **(Rs in lacs)**

I) Investments	5.00	25.04	3.66	-	33.70
	(5.00)	(-)	(-)	(-)	(5.00)
II) Loan Given	205.94	-	-	-	205.94
	(1,705.24)	(-)	(-)	(-)	(1,705.24)
III) Trade Payable	-	13.85	-	-	13.85
	(-)	(-)	(-)	(-)	-
IV) Managerial Remuneration Payable	-	-	-	2.87	2.87
	(-)	(-)	(-)	(2.38)	(2.38)
V) Trade Receivables	-	7,490.94	1,230.90	-	8,721.85
	(-)	(-)	(-)	(-)	-
VI) Bank Guarantees/Standby Letter of Credit	-	-	1,947.23	-	1,947.23
	(-)	(-)	(-)	(-)	-

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 made for doubtful receivables of Rs. 205.94 lacs in respect of Halonix Technologies Limited (Previous year Rs. Nil).

iii) Provision for Doubtful debts of Rs. 1,153.40 lacs made in respect of Luxlite lamp s.a.r.l, a downstream subsidiary in current and earlier years has been written back during the year post acquisition of International Lamps Holding Company S.A, its holding company.

iv) The investment of Rs.5 lacs made in Halonix Technologies Limited is fully provided in books.

v) Managerial remuneration figures for previous year include Rs.29.39 lacs for Mr. Rajesh Kocchar, Rs.31.83 lacs for Mr. S. K Neogi and Rs.24.30 lacs for Mr. Gurvikram Singh.

Note 39 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	Total
Revenue			
External Turnover	20,361.86	23,779.33	44,141.19
	(23,171.14)	(22,363.52)	(45,534.66)
Inter Segment Sales/Income	-	-	-
	-	-	-
Total	20,361.86	23,779.33	44,141.19
	(23,171.14)	(22,363.52)	(45,534.66)
Expenses	15,989.09	26,234.64	42,223.73
	(18,062.55)	(24,114.22)	(42,176.76)
Result	4,372.77	(2,455.31)	1,917.46
	(5,108.59)	1,750.70	(3,357.90)
Unallocated Expenses net off Unallocated Other Income			776.87
			(816.15)
Operating Profit			1,140.59
			(2,541.75)
Interest & Finance Charges			1,996.04
			(2,176.71)
income Taxes			-
			(205.64)
Net Profit* /(Loss)			(855.45)
			(570.67)*

Segment Reporting (Contd.....)

Other Information			
Segment assets	20,647.99 (17,011.62)	14,541.19 (16,076.74)	35,189.18 (33,088.36)
Unallocated Corporate assets			1,422.24 (3,657.18)
Total Assets			36,611.42 (36,745.54)
Segment Liabilities	4,546.70 (3,109.94)	6,099.65 (4,650.58)	10,646.35 (7,760.52)
Unallocated Corporate liabilities			13,544.19 (15,708.69)
Total Liabilities			24,190.54 (23,469.21)
Capital Expenditure	140.70 (126.06)	65.77 (220.01)	206.47 (346.07)
Unallocated Capital Expenditure			- (-)
Total Capital Expenditure			206.47 (346.07)
Depreciation/Amortization	574.45 (465.91)	751.56 (803.74)	1,326.01 (1,269.64)
Unallocated Depreciation/Amortization			93.87 (139.66)
Total Depreciation/Amortization			1,419.88 (1,409.30)
Non-cash expenses other than depreciation and amortization	- (-)	- (-)	- (-)
Unallocated Non-cash expenses other than depreciation and amortization	- (-)	- (-)	- (-)
Total Non-cash expenses other than depreciation and amortization	- (-)	- (-)	- - (-)

i) Previous Year figures are given in brackets.

Geographic Segments

The following table shows the distribution of the Company's consolidated sales by geographical market regardless of where the goods were produced and the carrying amount of trade receivable by geographical market.

(Rs in lacs)

Particulars	Within India	Outside India	Total
Sales	36,437.09 (36,600.17)	8,641.81 (9,911.93)	45,078.90 (46,512.10)
Trade receivables	6,989.01 (6,247.99)	9,384.38 (6,072.77)	16,373.39 (12,320.76)

The Company has common fixed assets located in India for producing goods for domestic as well as overseas markets. Hence separate figures for fixed assets/additions to fixed assets have not been furnished.

i) Previous Year figures are given in brackets.

Note 40 Gratuity and other post employment benefit plans

Defined contribution plan

Contribution to Recognised Provident Fund

The Company contributed Rs 263.74 lacs (March 31, 2012 Rs. 255.88 lacs) towards provident fund during the year ended March 31, 2013.

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 summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the Gratuity.

Statement of Profit and Loss

Net Employee benefit expenses recognized in the employee cost. **(Rs. in Lacs)**

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Current Service Cost	**82.19**	82.77
Past Service Cost	**-**	-
Interest Cost	**49.26**	40.26
Expected Return on Plan Assets	**(5.50)**	(6.55)
Curtailment credit	**(22.44)**	-
Net Actuarial (Gain) / Loss recognized during the year	**31.51**	(1.27)
Expenses recognized in the statement of profit and Loss	**135.02**	115.20
Actual Return on Plan Assets	**3.61**	6.89

Balance Sheet

Details of Provision of Gratuity **(Rs in lacs)**

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Present Value of Defined Benefit Obligation	**647.14**	572.78
Fair Value of Plan Assets	**23.54**	60.08
Plan Assets / (Liability)	**(623.60)**	(512.70)

Changes in the Present Value of defined benefit obligation are as follows : **(Rs in lacs)**

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Opening defined benefit Obligation	**572.78**	509.59
Current Service Cost	**82.19**	82.77
Interest Cost	**49.26**	40.26
Benefits Paid	**(64.26)**	(58.91)
Curtailment Credit	**(22.44)**	-
Past service cost	**NIL**	NIL
Actuarial (Gains) / Losses on obligation	**29.61**	(0.93)
Closing Defined Benefit Obligation	**647.14**	572.78

* Rs 4.13 Lacs paid directly by the Company.

Changes in the fair value of Plan Assets are as follows : **(Rs in lacs)**

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Opening fair value of Plan Assets	**60.08**	77.09
Expected Return	**5.50**	6.55
Contributions by the employer	**20.00**	35.00
Benefits Paid	**(60.14)**	(58.91)
Actuarial Gains / (Losses)	**(1.89)**	0.34
Closing fair value of Plan Assets	**23.55**	60.07

The major categories of Plan Assets as a percentage of fair value of total Plan Assets are as follows :

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Investment with Insurer	**100%**	100%

The Principal assumption used in determining Gratuity obligations for the Company's plans are shown below:

PARTICULARS	As At March 31, 2013	As At March 31, 2012
Discount Rate	**8.00%**	8.60%
Expected Return on Plan Assets	**9.15%**	9.15%
Employee Turnover	**20 % for all ages**	25 % for all ages
Rate of Increase in Compensation levels	**8.00%**	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. The Company expects to contribute Rs 129.58 lacs to Gratuity Fund in the next year. (March 31, 2012: Rs. 175.45 lacs).

Amount for the current and previous four years are as follows : **(Rs in lacs)**

PARTICULARS	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013
Defined Benefit Obligation	271.31	399.61	509.59	572.78	**647.14**
Plan Assets	107.24	113.75	77.09	60.08	**23.54**
Surplus / (Deficit)	(164.07)	(285.86)	(432.50)	(512.71)	**(623.60)**
Experience Adjustments on plan liabilities- (loss) / Gain	(30.07)	(103.42)	198.78	(10.32)	**(3.12)**
Experience adjustments on Plan Assets- (loss) / Gain	(2.58)	(1.75)	(1.88)	0.34	**(1.89)**

Note 41 The Board of directors of the Company, vide resolution dated April 12, 2013 subject to shareholders' approval and such other approvals / sanctions as may be required in this connection, approved the sale / transfer of the undertaking pertaining to General Lighting business of the Company to Halonix Technologies Limited, a wholly owned subsidiary of the Company by way of slump sale. In the opinion of the management realised value would be higher than the book value of the net assets of the said undertaking. Hence, no adjustment is required to be made in the financial statements.

Note 42 The asset of Rs 60.02 lacs (Previous Year Rs.60.02 lacs) recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

Note 43 In accordance with Accounting Standard 22 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, the Company would have a net deferred tax asset. However, in view of the tax losses incurred by the Company during the current and earlier years, deferred tax assets on timing differences and on unabsorbed depreciation and business losses and other items have not been accounted for in the books since it is not virtually certain that they will be realized against future profits.

Note 44 Change in accounting estimate

a. During the year, the Company has revised the estimated useful life of certain plant and machinery based on technical estimates made by the management. Accordingly, additional depreciation of Rs 188.27 lacs has been accounted for in the financial statements.

   Had the Company continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by Rs. 188.27 lacs and the net block of fixed assets would correspondingly have been higher by Rs. 188.27 lacs.

b. During the year, the Company has changed its method of recognizing provision for warranty from actual claim basis to expected cost based on past trends. The additional charge of Rs. 972.77 lacs due to the change of method has been disclosed under Raw materials consumed.

Note 45 During the year, the Company acquired 100% shareholding by investing Rs 25.04 lacs in International Lamps Holding Company S.A (ILHC). The Company has trade receivable of Rs. 7,490.68 lacs outstanding from Luxlite Lamps Sarl, Luxembourg, wholly owned subsidiary of ILHC. As per the latest audited financial statement of ILHC, net worth of the company is fully eroded . This being long term strategic investment of the Company and also in view of the fact that the fair value of ILHC is substantially high, no provision has been considered necessary against the investment made and the outstanding trade receivable. Accordingly, provision of Rs. 1,153.40 lacs made against the trade receivable till the date of acquisition has been reversed during the year.

Note 46 Managerial Remuneration

a) The Company has paid managerial remuneration of Rs. 202.44 lacs to Directors and erstwhile Managing Directors in current and earlier years in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Company has made applications / revision applications / is in the process of making application for seeking approval for the excess remuneration. Director's commission to non-executive directors provided during the year of Rs. 20 lacs (Previous year: Rs. 20 lacs) is subject to further approval of shareholders in the ensuing annual general meeting. Pending receipt of the approval, no adjustments have been made in the financial statements.

b) The Company has charged excess remuneration to the statement of profit and loss in view of the revision applications pending for approval of the excess remuneration paid to its Directors and erstwhile Managing Directors before Central Government.

Note 47 Loans and advances in the nature of loans given to subsidiaries

Halonix Technologies Limited

Balance as at 31 March 2013: Rs. 205.94 lacs (31 March 2012: Rs. 1,705.24 lacs)

Maximum amount outstanding during the year Rs. 4,405.93 lacs (31 March 2012: Rs. 2,131.51 lacs)

There is no repayment schedule in respect of this loan. It is repayable on demand.

Note 48 Previous Year's Figures

Previous year figures have been reclassified to conform to this year's figures.

As per our report of even date		For and on behalf of the Board of Directors of Halonix Limited
For S.R. Batliboi & Co. LLP Chartered Accountants	For ARUN K. GUPTA & ASSOCIATES Chartered Accountants	
Firm Registration No. 301003E	Firm Registration No. 000605N	**Padmanabh P.Vora** Chairman
Anil Gupta Partner	Gireesh Kumar Goenka Partner	**Gurvikram Singh** Managing Director
M.No. 87921	M.No. 096655	**Pranay Gandhi**
Place : Noida Date : May 28, 2013		Chief Financial Officer

STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956
HALONIX LIMITED

Particulars	Halonix Technologies Limited	International Lamps Holding Company S.A.	Luxlite Lamps SARL	Trifa Lamps Germany Gmbh
Date from which they became subsidiary	March 29, 2009	December 3, 2012	December 3, 2012	December 3, 2012
Financial year/period of the subsidiary ended on	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Extent of holding Company's interest at the end of financial year of the company	A subsidiary of Halonix Limited, holder of 50,000 Equity Shares of Rs. 10 each fully paid up	A wholly owned subsidiary of Halonix Limited, holder of 40,000 Equity Share of Euro 1 each fully paid up	A wholly owned subsidiary of International Lamps Holding Company S.A., holder of 125 Equity Share of Euro 100 each fully paid up	A wholly owned subsidiary by way of Luxlite Lamps SARL, holder of 25,000 Equity Shares of Euro 1 each fully paid up and remaining 5,000 Equity Shares of Euro 1 each fully paid up are held by Halonix Limited
Extent of Holding	99.80%	100.00%	100.00%	100.00%
Net aggregate Profit/ (Loss) for the current year/period (in Rs.)	(76,535)	(294,055)	(67,604,735)	(14,203,132)
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company:				
1. For the financial year ended March 31, 2013 of the subsidiary since it became its subsidiary	Nil	Nil	Nil	Nil
2. for the previous financial years of the subsidiary since it became its subsidiary	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company:				
1. for the financial year of the subsidiary	(76,535)	(294,055)	(67,604,735)	(14,203,132)
2. for the previous financial years of the subsidiary since it became its subsidiary	(20,370,277)	Not Applicable	Not Applicable	Not Applicable

For and on behalf of the Board of Directors

Padmanabh P. Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

CONSOLIDATED FINANCIALS MARCH 31, 2013

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF HALONIX LIMITED

To,

The Board of Directors of Halonix Limited

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at March 31, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 41 to the financial statements regarding managerial remuneration of Rs.202.44 lacs paid / provided to Directors and erstwhile Managing Directors in current and earlier years exceeding the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Parent Company has made applications / revision applications/ is in the process of making application for seeking approval for the excess remuneration. Pending receipt of the approval, no adjustments have been made in the financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of Rs.2,272.17 lacs as at March 31, 2013, total revenues of Rs.4,684.02 lacs and net cash outflows amounting to Rs.978.89 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Noida
Date: May 28, 2013

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 000605N

Per **Gireesh Kumar Goenka**
Partner
Membership Number: 096655
Place of Signature: Noida
Date: May 28, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Rs. in Lacs)

PARTICULARS	NOTES	As At March 31, 2013	As At March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**4,117.93**	4,117.93
Reserves and Surplus	4	**6,539.18**	8,959.70
		10,657.11	13,077.63
Minority Interest	5	**–**	–
Non-Current Liabilities			
Long Term Borrowings	6	**1,050.00**	800.00
Other Non Current Liabilities	7	**9.16**	9.75
Long-Term Provisions	8	**509.58**	397.34
		1,568.74	1,207.09
Current Liabilities			
Short Term Borrowings	9	**13,265.76**	14,105.50
Trade Payable	10	**11,089.25**	6,132.83
Other Current Liabilities	10	**2,823.52**	1,313.37
Short Term Provisions	8	**1,748.50**	711.32
		28,927.03	22,263.02
		41,152.88	36,547.74
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**8,944.58**	9,925.41
Intangible Assets	12	**1,410.63**	338.44
Capital Work-in-Progress		**-**	39.35
Goodwill on Consolidation	2(b)	**2,269.28**	-
		12,624.49	10,303.20
Non- Current Investment	16	**-**	-
Long Term Loans and Advances	13	**325.32**	361.78
Trade Receivables	15	**51.13**	-
Other Non-Current Assets	17	**102.34**	9.52
		13,103.28	10,674.50
Current Assets			
Inventories	14	**13,310.00**	9,982.84
Trade Receivables	15	**10,392.64**	12,320.75
Cash and Bank balances	16	**2,711.68**	2,478.82
Short Term Loans and Advances	13	**1,635.28**	1,079.36
Other Current Assets	17	**-**	11.47
		28,049.60	25,873.24
		41,152.88	36,547.74
Significant Accounting Policies and Notes on Accounts	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

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

Gireesh Kumar Goenka
Partner
M.No. 096655

Place : Noida
Date : May 28, 2013

For and on behalf of the Board of Directors of Halonix Limited

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

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

(Rs. in Lacs)

PARTICULARS	Notes	Year Ended March 31, 2013	Year Ended March 31, 2012
Income			
Revenue from Operations (gross)	18	**49,667.04**	46,512.11
Less: Excise Duty		**(1,352.84)**	(1,327.75)
Revenue from Operations (net)		**48,314.20**	45,184.36
Other income	19	**534.28**	371.50
Total Revenue		**48,848.48**	45,555.86
Expenses			
Cost of materials consumed	20	**27,291.80**	27,530.86
Purchase of traded goods	21	**5,953.21**	1,833.26
Decrease / (Increase) in inventories	21	**83.52**	(1,414.83)
Employee benefit expenses	22	**6,365.95**	5,668.71
Finance cost	23	**2,061.34**	2,176.71
Depreciation and amortization expense	24	**1,588.38**	1,409.30
Other expenses	25	**7,861.31**	7,597.73
Total expenses		**51,205.51**	44,801.74
(Loss) / Profit before tax		**(2,357.03)**	754.12
Exceptional items	26	-	389.43
Profit/(Loss) Before Tax		**(2,357.03)**	364.69
Tax expense:			
Current Income tax		**50.38**	41.21
MAT Credit Entitlement		–	(41.21)
Deferred tax charge		–	205.64
(Loss) / Profit for the year before minority interest		**(2,407.41)**	570.33
Loss: Amounts allocated to Minority Intrest		–	–
(Loss/Profit) for the Year		**(2,407.41)**	570.33
Earnings Per Equity Share			
[nominal value of each shares of Rs. 10/- each (March 31,2012 Rs.10/- each)			
Basic and diluted (Rs.)	27	**(8.59)**	2.04
Significant Accounting Policies and Notes on Accounts	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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For and on behalf of the Board of Directors of Halonix Limited

Padmanabh P.Vora
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Managing Director

Pranay Gandhi
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lacs)

PARTICULARS	For the Year 31st, March, 2013	For the Year 31st, March, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(2,357.03)	364.69
Adjustments for:		
Foreign Currency Translation Reserve	10.11	–
Depreciation and amortisation Expense	1,588.38	1,409.30
Interest paid	1,983.13	1,976.35
Interest received	(23.29)	(21.21)
Loss on Disposal of Fixed Assets (net)	14.33	9.83
Reversal of provision for doubtful debts / advances	-	(267.89)
Irrecoverable balances written off	123.75	1,674.99
Provision for doubtful debts/ advances (Net)	405.95	–
Provision for obsolete inventories / reversal of provision for obsolete inventories	(478.32)	108.82
Operating Profit before Working Capital changes	1,267.01	5,254.89
Movement in Working Capital		
(Increase) in Trade receivables	(1,452.83)	(2,709.27)
Decrease/(Increase) in Inventories	1,362.42	(2,193.42)
Decrease/(Increase) in Long term Loans and Advances	4.66	(1.57)
(Increase) in Long Term Trade Receivables	(51.13)	–
(Increase) in Short term Loans and Advances	(319.44)	(90.17)
(Increase) in Other Current Assets	–	(9.24)
Increase in Long Term Provisions	96.16	50.68
Increase/(Decrease) in Other Current Liabilities	12.62	(89.27)
Increase in Short Term Provisions	879.63	32.93
(Decrease) in Long term Trade Payables	(0.59)	–
Increase in Trade Payables	1,581.03	148.24
Cash Generated from Operations	3,379.54	393.80
Income Taxes Paid	(6.92)	(494.35)
Net Cash Generated from / (used in) operating activities	3,372.62	(100.55)
Cash Flows (used in) Investing Activities		
Purchase of fixed assets	(294.80)	(298.01)
Proceeds from disposal of fixed assets	7.20	31.91
(Investment in)/Proceeds from deposits	(128.04)	126.49
Interest Received	26.99	21.18
Net Cash (Used in) Investing Activities	(388.65)	(118.43)
Cash Flows (used in) Financing Activities		
Proceeds from long term borrowings	2,000.00	1,500.00
Repayment of long term borrowings	(1,277.00)	–
Proceeds from issue of share capital by a subsidiary company	0.01	–
(Repayment of) / Proceeds from Short term Borrowings (Net)	(1,495.25)	851.68
Repayment of Short term Borrowings	(1,525.32)	
Dividend Paid	(13.58)	–
Interest Paid	(1,983.13)	(1,976.35)
Net cash (used in) / from financing activities	(4,294.27)	375.33

CONSOLIDATED CASH FLOW STATEMENT (CONTD.....)

PARTICULARS		For the Year 31st, March, 2013	For the Year 31st, March, 2012
Net (Decrease) / Increase in cash and cash equivalents		**(1,310.30)**	156.34
Cash and cash equivalents at the beginning of the year		**2,325.90**	2,169.55
Cash acquired on acquisition of subsidiary		**453.29**	–
Less: Foreign exchange translation reserve		**(7.32)**	–
Cash and cash equivalents at the end of the year		**1,461.57**	2,325.89
Components of cash and cash equivalents as at end of the year			
Cash on Hand		**3.01**	3.10
Balance with schedule banks –	Current Accounts	**1,292.47**	2,239.61
Balance with schedule banks –	Cash Credit Accounts	**7.01**	–
	Fixed Deposit Accounts	**89.47**	–
	Unpaid Dividend Accounts*	**69.61**	83.19
		1,461.57	2,325.90
***These Balances are not available for the use by the Group.**			

Notes: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

2. Negative Figures have been shown in brackets.

As per our report of even date

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Gireesh Kumar Goenka
Partner
M.No. 096655

Place : Noida
Date : May 28, 2013

For and on behalf of the Board of Directors of Halonix Limited

Padmanabh P.Vora
Chairman

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

Notes to Consolidated financial statements for the year ended March 31, 2013.

1. **Nature of Operation**

   Halonix Limited (hereinafter referred to as “the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of Auto and General Lighting Lamps and caters to both domestic and international markets.

2. **Statement of Significant Accounting Policies**

   (a) Principles of Consolidation

   The Consolidated Financial Statements relate to Halonix Limited ("Parent Company") and its Subsidiary Companies (hereinafter referred as the "Halonix Group" or “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

   (i) The consolidated financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21, Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006.

   (ii) The subsidiary companies which are included in the consolidation and the Parent Company’s holding therein is as under:

Name of Subsidiary Company	Country of Incorporation	Percentage of Ownership as at March 31, 2013	Percentage of Ownership as at March 31, 2012
Subsidiary Company of Halonix Limited			
International Lamps Holding Company S.A	Luxembourg	100.00%	–
Halonix Technologies Limited	India	99.80%	100.00%
Subsidiary Company of International Lamps Holding Company S.A			
Luxlite Lamps SARL	Luxembourg	100.00%	–
Subsidiary Company of Luxlite Lamps SARL along with Halonix Limited			
Trifa Lamps Germany Gmbh	Germany	100.00%	–

   (iii) Goodwill represents the difference between the Parent Company’s share in the net worth of subsidiary company and the cost of acquisition at the time of making the investment in the subsidiary company. For this purpose, the Parent Company’s share of net worth of the subsidiary company is determined on the basis of the latest financial statements of the subsidiary company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill on consolidation is tested for impairment annually.

   (iv) Minorities’ interest in net profit/(loss) of consolidated Subsidiary Companies for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Minorities’ share of net assets has been identified and presented in the Consolidated Balance Sheet separately.

   (v) The Parent Company follows the financial year ending March 31, 2013. The subsidiary companies namely International Lamps Holding Company S.A, Halonix Technologies Limited, Luxlite Lamps SARL, Luxembourg and Trifa Lamps Germany Gmbh follows the same financial year. The Parent Company has acquired stake in International Lamps Holding Company S.A. on December 3, 2012. 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 Holding Company’s separate financial statements. Differences in the accounting policies, if any, have been disclosed separately.

(b) Computation of Goodwill (on Consolidation)

The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the Halonix Limited's share in the net assets of its subsidiary. **(Rs. in Lacs)**

Particulars		November 27, 2012
Consideration paid to erstwhile shareholder towards secondary purchase of equity shares of International Lamps Holding Company S.A, Luxembourg on December 3, 2012	(A)	25.04
Fresh equity shares issued by Trifa Lamps Germany GmbH, Annweiler on November 27, 2012	(B)	3.65
Halonix Limited's share in the net assets of the consolidated accounts of the subsidiary companies	(C)	(2,240.59)
Goodwill	(A+B-C)	2,269.28

The Group has recognised and is carrying forward a goodwill of Rs. 2269.28 lacs in respect of International Lamps Holding Company S.A., Luxembourg, a wholly owned subsidiary of the Parent Company and its one subsidiary. Based on the financial statements of these subsidiaries their net worth is fully eroded. In respect of these entities, such goodwill has been tested for impairment using the future cash flow projections, which are based on most recent financial budgets / forecasts approved by the management. Based on above testing, management feels no impairment provision is required. Further, provision of Rs. 1153.40 lacs made against the trade receivables till the date of acquisition has been reversed during the year.

(c) Basis of Preparation

“The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. “The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year."

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(e) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

(f) Depreciation on tangible fixed assets

(i) Leasehold land of the Parent Company is amortized on straight line basis over the period of lease ranging from 78 to 99 years.

(ii) Leasehold improvements of the Parent Company are amortised on a straight line basis over the primary period of lease.

(iii) Fixed Assets of the Parent Company costing Rs 5,000 or less are depreciated fully in the year of purchase.

(iv) The Parent Company has on April 1, 2012 reassessed the remaining useful life of certain plant and machinery having gross block of Rs. 2,544.13 lacs as one year and accordingly has depreciated these assets on straight line basis over their remaining useful life of one year.

(v) Depreciation on all other tangible fixed assets of the Parent Company is provided on straight line method at the rates computed based on estimated useful life of the assets which are equal to or higher than the corresponding rates specified in Schedule XIV to the Companies Act, 1956.

(vi) Depreciation on tangible fixed assets (net block 0.44% of total net block of Group and depreciation charged during the year 0.55% of the total depreciation charged by the group) by other subsidiary companies is provided as follows:

Particular of assets	Method	Subsidiary/Group	Depreciation Policy
Plant and Machinery	Straight Line	Luxlite Lamps SARL	Over the estimated useful life of 5 years.
Plant and Machinery	Straight Line	Trifa Lamps Germany Gmbh	Over the estimated useful life of 11 years.
Office Equipment Vehicles	Partly Straight line and partly Written Down Value Method	Trifa Lamps Germany Gmbh	Partly straight-line, between 10% and 33.3%, partly written down value method, 20% and 30%, corresponding to standard operating life of items.

Further, Fixed Assets of one of the subsidiary namely Trifa Lamps Germany Gmbh, individually costing from EUR 150.00 to EUR 1,000.00 are booked as a collective item and depreciated over five years.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life not exceeding five years.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

– The technical feasibility of completing the intangible asset so that it will be available for use or sale
– Its intention to complete the asset
– Its ability to use or sell the asset
– How the asset will generate future economic benefits
– The availability of adequate resources to complete the development and to use or sell the asset
– The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use.

Development costs carried forward is amortised over the period of expected future sales from the related project, not exceeding five years.

Patents

Costs relating to purchased patents and similar rights are amortized on a straight line basis, over their estimated useful lives of five (5) years.

Goodwill purchased from another company

Costs relating to goodwill purchased at the time of acquisition of business from another company are recognised as Intangible Assets. These assets are recorded at cost, including incidental expenses and are amortized on a straight line basis, over their estimated useful lives of five (5) years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

(h) Impairment of Tangible and Intangible Fixed Assets

The Group assesses at each reporting date whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any indication exists or when annual impairment testing is required, 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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.

(i) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Parent Company has no obligation, other than the contribution payable to the provident fund. The Parent Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit (PUC) method at the end of each year. The Parent Company has formed a Gratuity Fund, maintained by the Life Insurance Corporation of India (LIC). The difference between actuarial valuation of gratuity of employees and fund balance with LIC at year end is provided in books. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Parent Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Parent Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the PUC method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Parent Company presents the leave as a current liability in the consolidated balance sheet since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Pension is a defined benefit obligation. A Subsidiary Company registered outside India, accrues for the liability based on corresponding promises from the Subsidiary Company to employees regarding the granting of retirement and surviving dependants' pensions. Adjustments for the business year have been made in accordance with the pension evaluation reports as at year end. Evaluations followed the German Act to Modernize Accounting Law.

(j) 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 at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. 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 Groups' monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the consolidated statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either “integral foreign operations” or “non-integral foreign operations.”

The consolidated financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their consolidated statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(k) Inventory Valuation:

Inventories are valued as follows:

Raw materials, stores and spares, consumables, packing material and fuels:

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 basis.

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. Cost is determined on weighted average basis.

Traded goods:

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Scrap:

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.

(l) Leases:

"Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the consolidated statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 consolidated statement of profit and loss on a straight-line basis over the lease term.

(m) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the consolidated statement of profit and loss.

(n) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.“On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the consolidated financial statements 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 the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

(o) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax for entities incorporated in India is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income-tax for entities incorporated outside India is measured at the amount expected to be paid to the tax authorities in accordance with requirements of the respective country of incorporation.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(p) Provisions:

A provision is recognized when the Group 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 best estimates.

Warranty Provisions

Provisions for warranty related costs are recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually.

(q) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(r) 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.

(s) Segment reporting

<u>Identification of segments</u>

The Group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

(t) Contingent liabilities

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

(u) Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to financial statements for the year ended March 31, 2013

Note 3 - Share Capital **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Authorized Shares		
41,000,000 (Previous year 41,000,000) equity shares of Rs. 10/- each	**4,100.00**	4,100.00
2,900,000 (Previous year 2,900,000) redeemable preference shares of Rs. 100/- each	**2,900.00**	2,900.00
	7,000.00	7,000.00
Issued, Subscribed and Paid-Up Shares		
28,019,300 (Previous year 28,019,300) equity shares of Rs 10/- each fully paid up	**2,801.93**	2,801.93
1,316,000 (Previous year 1,316,000) 0% redeemable preference shares of Rs 100/- each fully paid up	**1,316.00**	1,316.00
Total	**4,117.93**	4,117.93

Terms/ rights attached to equity shares:

The Parent Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

Terms/ rights attached to preference shares:

Holder of Redeemable Preference shares is entitled to one vote per share only on resolution placed before the Parent Company which directly affect the rights attached to Redeemable Preference shares.

As per the scheme 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 Parent 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 redeemable at par after April 1, 2012 and 766,000 redeemable preference shares are redeemable at par after March 31,2007 on such date as the Board of Directors may determine. The Board of Directors of the Parent Company has not yet exercised its option to redeem the preference shares.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Equity Shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	**(Rs. in lacs)**	No. of shares	(Rs. in lacs)
Outstanding at the beginning of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93
Outstanding at the end of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93

Preference Shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	**(Rs. in lacs)**	No. of shares	(Rs. in lacs)
Outstanding at the beginning of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00
Outstanding at the end of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00

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

Particulars	As At March 31, 2013	As At March 31, 2012
Argon India Limited, the holding company 14,807,670 (Previous year 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

Details of shareholders holding more than 5% shares in the Company **(Rs. in Lacs)**

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
(i) Argon India Limited, Foreign Promoter	**14,807,670**	**52.85**	14,807,670	52.85
(ii) Argon South Asia Limited, Foreign Promoter	**3,701,917**	**13.21**	3,701,917	13.21
(iii) Official liquidator Soei Tsusho Company Limited, Foreign Corporate Body	**1,880,000**	**6.71**	1,880,000	6.71
Redeemable preference shares of Rs.100 each fully paid				
(i) Phoenix Electric Co., Japan, Foreign Corporate Body	**1,316,000**	**100.00**	1,316,000	100.00

As per records of the Parent 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.

Note 4 - Reserves and Surplus **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Securities premium account (As per the last financial statements)	**3,733.86**	3,733.86
Capital Subsidy (As per the last financial statements)	**40.00**	40.00
Foreign Currency Translation Reserve - Recognised during the year	**(13.12)**	–
Capital redemption reserve (As per the last financial statements)	**1,621.00**	1,621.00
General reserve (As per the last financial statements)	**23.57**	23.57
Surplus in the Statement of profit and loss	**3,541.27**	2,970.94
Add: Net (loss) / profit after tax transferred from Statement of profit and loss	**(2,407.41)**	570.33
Add: Amounts allocated to Minority Interest	**0.01**	–
Net surplus in the statement of profit and loss	**1,133.87**	3,541.27
Total	**6,539.18**	8,959.70

Note 5 - Minority Interest

Particulars	As at March 31, 2013	As at March 31, 2012
(a) **Minority Interest in Equity of Halonix Technologies Limited**		
100 Equity Shares of Rs. 10 each	**0.01**	–
b) Minority Interest in Non - Equity of Halonix Technologies Limited		
Share of (Loss) brought forward	**0.01**	–
Share of (Loss) of the current year	–	–
Total	–	–

Note 6 -Long Term Borrowings **(Rs. in Lacs)**

Particulars	Non-current portion		Current maturities	
	As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31, 2012
Term Loan				
Indian rupee loan from a bank (secured)	**1,050.00**	800.00	**1,190.00**	700.00
Loan from a bank (secured)	**–**	–	**1,044.95**	–
	1,050.00	800.00	**2,234.95**	700.00
The above amount includes				
Secured borrowings	**1,050.00**	800.00	**2,234.95**	700.00
Amount disclosed under the head “other current liabilities” (refer note 10)	**–**	–	**(2,234.95)**	(700.00)
Net amount	**1,050.00**	800.00	**–**	–

The long term loan from Axis Bank Limited is secured by first pari passu charge on movable and immovable fixed assets of the Company. The loan is repayable in 10 equated quarterly installment of Rs. 350 lacs from September 30, 2012 and carries interest of 13.25% during the year.

Note 7 - Other Non Current Liabilities **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Trade Payables	**9.16**	9.76
Total	**9.16**	9.76

Note 8 - Provisions **(Rs. in Lacs)**

Particulars	Long Term		Short Term	
	As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31, 2012
Provision for employee benefits				
Leave Encashment	**–**	–	**197.93**	298.13
Gratuity (Refer note 35)	**494.02**	397.34	**129.58**	115.37
Pension	**15.56**	–	**–**	–
	509.58	397.34	**327.51**	413.50
Other Provision				
Post-sales warranties*	**–**	–	**1,301.23**	297.82
Income tax	**–**	–	**119.76**	–
	–	–	**1,420.99**	297.82
Total	**509.58**	397.34	**1,748.50**	711.32

* Provision for post-sales warranties is recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within 12 months after the reporting date.

The movement in the provision for post-sales warranties is as follows : **(Rs. in Lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Balance at the beginning of the year	**297.82**	335.23
Recognized during the year*	**3,733.81**	3,026.06
Utilised during the year	**(2,730.40)**	(3,063.47)
Balance at the end of the year	**1,301.23**	297.82

*Rs. 854.30 lacs (March 31, 2012: Rs. 1,394.05 lacs) debited in sales and Rs. 2,879.51 lacs (March 31, 2012: Rs. 1,669.42 lacs) debited in raw material consumption.

Note 9 : Short Term Borrowings **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Working Capital facilities		
Cash Credit Facilities from banks	**9,132.07**	12,528.24
Working capital loan from a banks	**696.63**	1,160.00
Bill Discounting from a bank	**2,079.63**	417.26
Bill Discounting from others	**1,357.43**	–
	13,265.76	14,105.50
The above amount includes:		
Secured borrowings	**11,908.33**	14,105.50
Unsecured borrowings	**1,357.43**	-

Cash Credit Facilities from banks and Bill Discounting from a bank are secured by hypothecation of entire Current Assets of the Parent Company both present and future and further secured by way of first pari passu on movable and immovable fixed assets of the Parent Company. The loans are repayable on demand and carry interest varied from 10.75% to 14.60% during the year.

Working Capital Loan from a bank includes credit limit from Deustche Bank AG availed by a subsidiary company. The limit is secured against inventory and standby letter of credit from Axis Bank, New Delhi for Euro 18 lacs by the Parent Company. The loan is repayable on November 30, 2013 and carries interest @ 5.75% p.a.

Bill discounting from others represent receivables of a subsidiary company assigned to a factoring firm that does not take over the default risk.

Note 10- Trade Payable and Other Current Liabilities **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Trade payable (refer note 37 for details of dues to micro and small enterprises) (including Acceptances* of Rs. 1,389.46 lacs, Previous year: Rs. 1,406.13 lacs)	**11,089.25**	6,132.83
	11,089.25	6,132.83
Other current liabilities:		
Current maturities of long term borrowings (Refer note 7)	**2,234.95**	700.00
Payable towards capital goods	–	87.39
Advances from customers	**212.69**	103.61
Sales tax/ VAT/Entry Tax payable	**119.15**	199.14
Excise Duty/Custom Duty Payable	**28.73**	48.59
Service tax payable	**4.06**	0.13
Provident Fund Payable/ ESI Payable	**51.54**	49.50
TDS payable	**80.48**	41.82
Payroll and church tax payable	**22.31**	–
Investor Education and Protection Fund will be credited by following amount(as and when due)		
Unpaid dividend	**69.61**	83.19
	2,823.52	1,313.37
Total	**13,912.77**	7,446.20

* Acceptances 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 Parent Company and residual charge on the Current Assets of the Parent Company.

Note 11 - Tangible assets **(Rs. in Lacs)**

Particulars	LEASE HOLD LAND	BUILDINGS	PLANT & MACHINERY	FURNITURE & FIXTURES	LEASED HOLD IMPROVEMENT	OFFICE EQUIPMENT	COMPUTERS	VEHICLES	Total
Gross Block									
At 1 April 2011	**370.16**	**3,169.15**	**23,151.53**	**236.81**	**-**	**212.54**	**396.69**	**155.14**	**27,692.02**
Additions	-	-	337.57	65.43	94.02	66.47	65.79	34.40	663.68
Disposals	-	-	59.92	-	-	-	1.83	57.90	119.65
At 31 March 2012	**370.16**	**3,169.15**	**23,429.18**	**302.24**	**94.02**	**279.01**	**460.65**	**131.64**	**28,236.05**
Assets acquired upon investment in subsidiary	-	-	9.77	-	-	38.28	-	0.74	48.79
Additions	-	-	194.79	-	-	3.43	11.78	0.63	210.63
Disposals	-	-	7.19	10.66	-	3.03	2.37	11.92	35.17
Foreign Currency Translation Reserve	-	-	(0.16)	-	-	(0.61)	-	(0.01)	(0.78)
At 31 March 2013	**370.16**	**3,169.15**	**23,626.39**	**291.58**	**94.02**	**317.08**	**470.06**	**121.08**	**28,459.52**
Depreciation									
At 1 April 2011	**27.36**	**749.51**	**15,868.59**	**147.88**	**-**	**91.29**	**194.25**	**79.81**	**17,158.69**
Charge for the year	4.33	104.59	1,004.75	10.47	14.00	11.58	66.93	13.21	1,229.86
Disposals	-	-	59.67	-	-	-	0.68	17.56	77.91
At 31 March 2012	**31.69**	**854.10**	**16,813.67**	**158.35**	**14.00**	**102.87**	**260.50**	**75.46**	**18,310.64**
Accumulated depreciation acquired upon investment in subsidiary	-	-	0.34	-	-	1.24	-	0.15	1.73
Charge for the year	4.33	104.58	981.26	12.09	23.51	17.85	68.55	11.99	1,224.16
Disposals	-	-	5.57	3.56	-	0.77	1.90	9.59	21.39
Foreign Currency Translation Reserve	-	-	(0.01)	-	-	(0.17)	-	(0.02)	(0.20)
At 31 March 2013	**36.02**	**958.68**	**17,789.69**	**166.88**	**37.51**	**121.02**	**327.15**	**77.99**	**19,514.94**
Net Block									
At 31 March 2012	**338.47**	**2,315.05**	**6,615.51**	**143.89**	**80.02**	**176.14**	**200.15**	**56.18**	**9,925.41**
At 31 March 2013	**334.14**	**2,210.47**	**5,836.70**	**124.70**	**56.51**	**196.06**	**142.91**	**43.09**	**8,944.58**

(1) The Parent Company has entered into lease agreement with Noida Authority & UPSIDC & SIDCUL to acquire certain properties at A1 Noida, Selaqui Haridwar & 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 Selaqui Haridwar & Selaqui Industrial Area Dehradun is for 99 Years. The Parent 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 Haridwar Plant at the time of entering into lease agreements. These paid amounts are disclosed as 'Land - leasehold' under 'Tangible assets' in the financial statements.

(2) Buildings include building of gross block Rs. 590.64 lacs, wdv Rs.263.33 lacs (Previous Year gross block of Rs 590.64 lacs, wdv of Rs.281.79 lacs) constructed on leased land belonging to Noida Special Economic Zone. During the year, depreciation of Rs.18.46 lacs (Previous Year: Rs.18.46 lacs) has been charged on this building.

Note 12 - Intangible Assets (Rs. in Lacs)

Particulars	Goodwill Purchased from Another Company	Patents	Development Cost	Computer Software	Total
Gross block					
At 1 April 2011	-	-	598.90	304.37	903.27
Purchase	-	-	-	29.89	29.89
At 31 March 2012	**-**	**-**	**598.90**	**334.26**	**933.16**
Assets acquired upon investment in subsidiary	2,938.04	7.71	-	-	2,945.75
Purchase	-	-	-	43.98	43.98
Foreign Currency Translation Reserve	(47.04)	(0.12)	-	-	(47.16)
At 31 March 2013	**2,891.00**	**7.59**	**598.90**	**378.24**	**3,875.73**
Amortisation					
At 1 April 2011	-	-	239.56	175.72	415.28
Charge for the year	-	-	119.93	59.51	179.44
At 31 March 2012	-	-	359.49	235.23	594.72
Accumulated depreciation acquired upon investment in subsidiary	1,534.69	0.15	-	-	1,534.84
Charge for the year	161.12	0.61	119.93	82.56	364.22
Foreign Currency Translation Reserve	(28.66)	(0.02)	-	-	(28.68)
At 31 March 2013	**1,667.15**	**0.74**	**479.42**	**317.79**	**2,465.10**
Net block					
At 31 March 2012	-	-	239.41	99.03	338.44
At 31 March 2013	**1,223.85**	**6 .85**	**119.48**	**60.45**	**1,410.63**

Note 13 - Loans And Advances (Unsecured) (Rs. in Lacs)

Particulars		Non-current		Current	
		As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31, 2012
Capital Advances					
Considered good		**10.88**	12.28	**–**	–
	(A)	**10.88**	12.28	**–**	–
Security Deposits					
Considered good		**168.26**	178.92	**53.44**	34.45
Considered doubtful		**7.93**	–	**–**	–
		176.19	178.92	**53.44**	34.45
Provision for doubtful Security Deposits		**(7.93)**	–	**–**	–
	(B)	**168.26**	178.92	**53.44**	34.45
Advances recoverable in cash or in kind					
Considered good	–	**5.06**	226.60	**341.69**	
Considered doubtful	–	**–**	23.95	**–**	
	–	**5.06**	250.55	**341.69**	
Provision for doubtful loans and advances		**–**	–	**(23.95)**	–
	(C)	**–**	5.06	**226.60**	341.69

Note 13 -Loans And Advances (Unsecured) Contd. **(Rs. in Lacs)**

Particulars	Non-current		Current	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Other loans and advances				
Considered good				
Advance income taxes/tax deducted at source (Net of provision for Income tax)	2.57	-	460.50	458.58
Prepaid expenses	-	-	216.06	92.78
MAT credit entitlement	60.02	60.02	-	-
Advance for long term investments	-	25.04	-	-
Balances with Statutory / government authorities	83.59	80.46	668.32	144.05
Loans and advances to employees	-	-	10.36	7.81
(D)	146.18	165.52	1,355.24	703.22
	325.32	361.78	1,635.28	1,079.36

Note 14 : Inventories (valued at lower of cost or net realizable value) **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Raw Materials (includes in transit Rs. 514.85 lacs (March 31,2012 Rs. Nil) (Refer note 20)	2,767.94	3,796.17
Fuels	35.40	29.90
Consumables	62.88	82.96
Packing Materials	426.28	177.01
Stores and Spares	231.19	282.04
Finished Goods	4,508.80	3,563.54
Work in Progress	2,311.76	2,009.86
Traded Goods (includes in transit Rs. 238.35 lacs (March 31, 2012 Rs. Nil)	3,965.97	1,523.71
Scrap	96.18	92.38
	14,406.40	11,557.57
Less:- Provision for obsolete inventories	(1,096.40)	(1,574.73)
	13,310.00	9,982.84

Note 15 : Trade Receivables (Unsecured) **(Rs. in Lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Non Current		
Outstanding for a period not exceeding six months from the date they are due for payment		
Considered good	51.13	-
	51.13	-
Current		
Outstanding for a period exceeding six month from the date they are due for payment		
Considered good	93.75	3,688.75
Considered doubtful	376.37	989.87
	470.12	4,678.62

Trade Receivables (Unsecured) Contd.

Particulars	As At March 31, 2013	As At March 31, 2012
Provision for doubtful receivables	376.37	989.87
	93.75	3,688.75
Other Receivables*		
Considered good	10,298.89	8,632.00
Considered doubtful	40.02	205.85
	10,338.91	8,837.85
Provision for doubtful receivables	40.02	205.85
	10,298.89	8,632.00
Total	10,392.64	12,320.75

*net of debts amounting to Rs. 306.99 lacs (March 31, 2012: Rs. 378.71 lacs) discounted from a bank against bill discounting facility taken by a customer with the bank. Further, a subsidiary company has sold major part of its receivables to a factoring firm that also takes over the default risk. The selling of receivables has not been disclosed to the customers. Trade receivable above are netted of with amount received from factoring firm amounting to Rs. 1,107.89 lacs (Euro 12.20 lacs). The Parent Company has provided a corporate guarantee amounting to Rs. 696.63 lacs (Euro 10 lacs) to the factoring firm (namely Coface Finanz) for all existing or future claims of factoring firm against the factoring customers.

Note 16 - Cash and Bank balances **(Rs. in Lacs)**

Particulars	Non-current		Current	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Cash and cash equivalents				
Balances with banks				
in current accounts	-	-	1,292.47	2,239.61
in cash credit accounts	-	-	7.01	-
in unpaid dividend accounts (1)	-	-	69.61	83.19
Deposits with original maturity of less than 3 months	-	-	89.47	-
Cash in hand	-	-	3.01	3.10
Total (A)	-	-	1,461.57	2,325.90
Other Bank Balance				
Deposits with original maturity of more than 3 months but upto 12 months (2)	-	-	-	152.92
Deposits with original maturity of more than 12 months (2)	102.29	9.49	1,250.11	-
	102.29	9.49	1,250.11	152.92
Less : Amount disclosed under non current assets (note no. 17)	(102.29)	(9.49)	-	-
Total (B)	-	-	1,250.11	152.92
Total (A + B)	-	-	2,711.68	2,478.82

(1) These balances are not available for the use by the Group as they represent corresponding unclaimed dividend liabilities.

(2) Deposits are in the nature of margin money kept with banks against Bank Guarantees given / letters of credit established by the banks.

Note 17 - Other Assets (Unsecured, Considered Good) **(Rs. in lacs)**

Particulars	Non-current		Current	
	As At March 31, 2013	As At March 31, 2012	**As At March 31, 2013**	As At March 31, 2012
Fixed Assets held for disposal	**-**	-	**-**	7.75
Deposits with maturity more than 12 months	**102.29**	9.49	**-**	-
Interest Receivable	**0.05**	0.03	**-**	3.72
	102.34	9.52	**-**	11.47

Note 18 : Revenue From Operations **(Rs. in Lacs)**

Particulars		**As At March 31, 2013**	As At March 31, 2012
Revenue from operations			
Sale of products:			
Finished Goods		**42,465.59**	44,489.79
Traded Goods		**7,049.40**	1,902.64
Other operating revenue			
Scrap Sales		**152.05**	119.68
Revenue from operations (gross)		**49,667.04**	46,512.11
Less: Excise Duty		**(1,352.84)**	(1,327.75)
Revenue from operations (net)	**Total**	**48,314.20**	45,184.36

Sales is net of credit notes amounting to Rs. 854.30 lacs (March 31, 2012: Rs. 1,394.05 lacs) issued/to be issued towards warranty claims.

Excise duty on sales amounting to Rs.1,352.84 lacs (March 31,2012: Rs.1,327.74 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to (Rs. 4.25 lacs) (March 31,2012: Rs. 24.27 lacs) has been considered as expense in note 26 of consolidated financial statements.

(Rs. in Lacs)

Particulars	**As At March 31, 2013**	As At March 31, 2012
Finished Goods		
Auto	**21,650.22**	23,996.00
GLS	**20,815.37**	20,493.79
	42,465.59	44,489.79
Traded Goods		
Luminaries and Fittings	**2,699.36**	1,847.44
Auto	**4,244.53**	-
Others	**105.51**	55.20
	7,049.40	1,902.64
	49,514.99	46,392.43

Note 19 - Other Income **(Rs. in lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Interest income		
- Fixed Deposits	**19.22**	16.20
- Others	**4.07**	5.01
Foreign exchange gain(net)	**193.25**	327.78
Unspent Liabilities Written back	**251.28**	-
Miscellaneous income	**66.46**	22.51
TOTAL	**534.28**	371.50

EXPENSES

Note 20 - Cost of materials consumed **(Rs. in lacs)**

Particulars	**As At March 31, 2013**	As At March 31, 2012
Raw Materials *	**24,449.87**	24,367.06
Fuels	**1,165.86**	1,309.92
Consumables	**301.00**	367.23
Packing Materials	**1,375.07**	1,486.65
TOTAL	**27,291.80**	27,530.86

*Raw materials consumed includes cost of materials issued/to be issued amounting to Rs. 2,879.51 lacs (March 31,2012: Rs. 1,669.42 lacs) as free replacement against warranty claims.

*Net of Raw materials sales of Rs. 3,758.31 lacs (March 31,2012 Rs. 3,986.67 lacs) for job work.

(Rs. in lacs)

Particulars	**As At March 31, 2013**	As At March 31, 2012
Details of raw materials consumed		
Lamp Base Parts	**4,451.01**	4,905.09
PCB/PCB Components	**6,119.07**	5,056.82
Others	**13,879.79**	14,405.15
	24,449.87	24,367.06
Details of inventory		
Glass Tube	**398.98**	432.08
Lamp Base Parts	**417.88**	471.94
PCB/PCB Components	**502.61**	926.74
Imported Bulb	**312.89**	427.14
Others	**1,135.58**	1,538.27
TOTAL	**2,767.94**	3,796.17

Note 21 - Decrease / (Increase) in inventories **(Rs. in lacs)**

Particulars		As At March 31, 2013	As At March 31, 2012	(Increase) / Decrease
Opening Stock				
Finished Goods		**3,563.54**	2,381.04	1,182.50
Traded Goods		**1,523.71**	1,368.55	155.16
Work in Progress		**2,009.86**	1,981.10	28.76
Scrap		**92.38**	43.97	48.41
Acquired from Subsidiary				
Finished Goods		**1,107.86**	-	1,107.86
Traded Goods		**2,749.66**	-	2,749.66
	Total (A)	**11,047.01**	5,774.66	5,272.35
Closing stock				
Finished Goods		**(4,508.80)**	(3,563.54)	(945.26)
Traded Goods		**(3,965.97)**	(1,523.71)	(2,442.26)
Work in Progress		**(2,311.76)**	(2,009.86)	(301.90)
Scrap		**(96.18)**	(92.38)	(3.80)
	Total (B)	**(10,882.71)**	(7,189.49)	(3,693.22)
Foreign exchange fluctuation reserve		**(80.78)**	-	(80.78)
(Increase) in inventories	**Total (B-A)**	**83.52**	(1,414.83)	1,498.35

(Rs. in lacs)

Particulars	As At March 31, 2013	As At March 31, 2012
Details of purchase of traded goods		
Auto Lamps	**3,718.41**	-
Luminaries & Fittings	**2,164.95**	1,706.55
Others	**69.85**	126.71
	5,953.21	1,833.26
Details of inventory		
Finished goods		
Auto Lamp	**2,302.46**	1,785.85
General Lighting Lamps	**2,206.34**	1,777.69
	4,508.80	3,563.54
Traded goods		
Auto Lamp	**3,080.38**	-
Luminaries & Fittings	**823.19**	1,432.47
Others	**62.40**	91.24
	3,965.97	1,523.71
Work in progress		
Auto Lamp	**1,812.20**	919.23
General Lighting Lamps	**499.56**	1,090.63
	2,311.76	2,009.86

Note 22 - Employee benefit expenses **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Salaries, wages and bonus	**5,529.24**	4,896.92
Contribution to provident and other funds	**374.51**	333.12
Gratuity expense (refer note 35)	**135.02**	115.20
Staff welfare	**327.18**	323.47
TOTAL	**6,365.95**	5,668.71

Note 23 - Financial Cost **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Interest on Term Loans	**389.12**	9.80
Factoring Charges	**20.93**	-
Interest - others (including Rs. 0.64 lac, March 31, 2012: Rs. 0.56 lac on income tax)	**1,573.08**	1,966.55
Amortisation of ancillary borrowing costs	**78.21**	200.36
TOTAL	**2,061.34**	2,176.71

Note 24 -Depreciation and amortization expense **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Depreciation of tangible assets	**1,224.16**	1,229.86
Amortization of intangible assets	**364.22**	179.44
TOTAL	**1,588.38**	1,409.30

Note 25 - Other expenses **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Consumption of stores and spares	**436.70**	591.01
Power and fuel	**928.82**	907.32
Rent	**468.59**	201.08
Rates and taxes	**110.01**	75.65
Increase/(Decrease) in excise duty on closing stock	**(4.25)**	24.27
Job work charges	**507.38**	403.96
Technician expenses	**38.68**	18.71
Printing and stationery	**54.35**	59.40
Vehicle running and maintenance	**30.32**	55.72
Insurance charges	**151.30**	131.99
Filing and legal charges	**39.69**	26.72
Travelling and conveyance	**800.54**	723.55
Communication expenses	**129.55**	106.72
Repair and maintenance		
- Plant and Machinery	**55.00**	66.11
- Building	**25.69**	32.42
- Others	**122.32**	93.53

Other expenses contd. **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Auditor's remuneration	**50.97**	23.10
Professional charges	**757.99**	340.41
Advertisements and sales promotion	**504.82**	913.10
Freight outward	**1,584.28**	1,297.50
Selling commission	**651.88**	136.30
Donation	**0.10**	0.09
Security services	**95.59**	88.81
Loss on disposal of fixed assets (Net)	**14.33**	9.83
Provision / reversal of provision for doubtful debts/ advances (Net)	**405.95**	(267.89)
Irrecoverable balances written off	**123.75**	1,285.56
Provision / reversal of provision for obsolete inventories	**(478.32)**	108.82
Bank charges	**89.81**	108.24
Miscellaneous expenses	**165.47**	35.70
TOTAL	**7,861.31**	7,597.73

Payment to Auditor **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
As auditor:		
Audit fee	**37.39**	14.40
Tax audit fee	**3.12**	3.12
Limited Review	**5.00**	-
In other capacity:		
Certification etc.	**3.76**	4.37
Out of pocket expenses	**1.70**	1.21
TOTAL	**50.97**	23.10

Note 26 - Exceptional item **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Capital advances written off	**–**	389.43
TOTAL	**–**	389.43

Note 27 - Earnings per equity share (EPS)

	As At March 31, 2013	As At March 31, 2012
Profit / (Loss) after tax (Rs. in lacs)	**(2,407.41)**	570.33
Weighted average number of equity shares for calculating basic and diluted EPS (in Nos.)	**28,019,300**	28,019,300
Basic and Diluted earnings per share (in Rs.)	**(8.59)**	2.04
Nominal value of share (In Rs.)	**10.00**	10.00

Note 28 - Capital and other commitments: **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
Estimated amount of unexecuted capital contracts (net of advances and deposits)	**12.85**	8.54

Note 29 - Contingent Liabilities (To The Extent Not Provided for) **(Rs. in lacs)**

Particulars	As At March 31, 2013	As At March 31, 2012
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	**153.20**	405.43
Demands from the Indian tax authorities for disputed demands of income tax. The said amount includes mainly addition in sales, disallowance of purchases and other expenses and benefits for the assessment year 2010-11.*	**5,436.34**	86.75
VAT/Sales Tax demands *	**115.06**	115.09
Excise Duty under Protest *	**66.18**	66.18
Penalty for non fulfillment of export obligation by Director General of Foreign Trade Delhi *	**13.44**	107.52
Penalty against Advance Licence by DGFT Delhi & Duty saved therein *	**156.50**	152.44
Corporate Guarantee given to a factoring agent	**695.44**	-
Claims also includes suspension period wages*	**113.80**	49.85

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

Note 30 Unhedged Foreign Currency Exposure **(Figures in Lacs)**

Particulars		As At March 31, 2013		As At March 31, 2012	
	Currency	(In Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
Import Creditors	JPY	**13.95**	**8.06**	16.55	10.33
Import Creditors	EURO	**8.06**	**560.56**	4.66	318.54
Import Creditors	USD	**11.17**	**607.77**	9.14	467.78
Loans and advances	EURO	**0.16**	**11.42**	0.02	1.18
Loans and advances	USD	**4.44**	**241.62**	2.25	114.87
Export Debtors	EURO	**5.78**	**401.68**	101.71	6,940.19
Export Debtors	USD	**4.80**	**261.02**	14.65	752.57

Note 31 **"The Group has taken various residential , office and warehouse premises under operating lease agreements. These are generally cancelable and are renewable by mutually agreed terms. There are no restrictions imposed by Lease Agreements There are no sub leases."The disclosure in respect of non cancellable operating leases is given below:"**

(Rs. in Lacs)

Particulars	**As At March 31, 2013**	As At March 31, 2012
Total Lease Payment for the year (Recognized in statement of Profit and Loss)	**270.32**	203.82
Minimum Lease Payment :		
Not Later than one Year	**489.64**	121.46
Later than one year but not later than five years.	**115.74**	252.10
Later than five years.	-	74.23

Note 32 **The Parent 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 Parent Company, the details of dues to Micro and Small Enterprise as per MSMED Act, 2006 are as under:-**

(Rs. in Lacs)

Particulars	**As At March 31, 2013**	As At March 31, 2012
i) The Principal amount and the interest due thereon remaining unpaid to any suppliers as at end of Year Principal Amount Unpaid:	**471.54**	303.06
Interest Due	**-**	15.51
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
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
iv) The amount of interest accrued and remaining unpaid at the end of the year, and	**-**	15.51
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	**-**	-

Note 33 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
Related parties where control exists	
i) Common Control	a) Argon South Asia Limited
ii) Holding Company	a) Argon India Limited
Related parties with whom transactions have taken place during the year	
iv) **Key Management personnel**	a) Mr. S.K Neogi (Executive Director) ceased w.e.f 07.09.2011 b) Mr. Rajesh Kochhar (Managing Director) ceased w.e.f. 30.06.2011 c) Mr. Gurvikram Singh (Managing Director) joined w.e.f. 29.09.2011 d) Mr. P. Jaschkowitz (Director of Trifa Lamps Germany Gmbh)

B) Related Party Transactions **(Rs. in lacs)**

Nature of Transactions	Key Management Personnel	Total
Transactions during the Year		
I) Managerial Remuneration - Gurvikram Singh	**65.86**	**65.86**
	(85.52)	**(85.52)**
I) Managerial Remuneration - P. Jaschkowitz	**37.14**	**37.14**
	-	**-**
Balances outstanding at the year end		
I) Managerial Remuneration Payable - Gurvikram Singh	**2.87**	2.87
	(2.38)	(2.38)

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.

iii) Managerial Remuneration figure for previous year includes Rs. 29.39 lacs for Mr. Rajesh Kochhar, Rs. 31.83 lacs for Mr. S.K. Neogi and Rs. 24.30 lacs for Mr. Gurvikram Singh.

Note 34 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	Total
Revenue			
External Turnover	25,050.66 (23,171.14)	23,779.35 (22,363.54)	48,830.01 (45,534.68)
Inter Segment Sales/Income	- -	- -	- -
Total	25,050.66 (23,171.14)	23,779.35 (22,363.54)	48,830.01 (45,534.68)

Segment Reporting Contd. **(Rs. in Lacs)**

Particulars	Auto Lamps	General Lighting	Total
Expenses	22,113.41	26,234.63	48,348.04
	(18,062.55)	(24,114.22)	(42,176.77)
Result	2,937.25	(2,455.28)	481.97
	(5,108.59)	1,750.68	(3,357.91)
Unallocated Expenses			777.66
			(816.51)
Operating Profit			(295.69)
			(2,541.40)
Interest & Finance Charges			2,061.34
			(2,176.71)
Income Taxes			(50.38)
			(205.64)
Net Profit* /(Loss)			(2,407.41)
			(570.33)*
Other Information	-	-	-
	-	-	-
Segment assets	23,166.89	14,548.29	37,715.18
	(17,011.62)	(16,076.74)	(33,088.36)
	-	-	-
Unallocated Corporate assets	-	-	3,437.70
	-	-	(3,459.38)
	-	-	-
Total Assets	-	-	41,152.88
	-	-	(36,547.74)
Segment Liabilities	7,426.60	6,306.21	13,732.81
	(3,109.94)	(4,650.58)	(7,760.52)
	-	-	-
Unallocated Corporate liabilities	-	-	16,762.96
	-	-	(15,709.59)
	-	-	-
Total Liabilities	-	-	30,495.77
	-	-	(23,470.11)
	-	-	-
Capital Expenditure	140.70	65.77	206.47
	(126.06)	(220.01)	(346.07)
	-	-	-
Unallocated Capital Expenditure	-	-	-
	-	-	-
	-	-	-
Total Capital Expenditure	148.09	65.77	213.86
	(126.06)	(220.01)	(346.07)
	-	-	-
Depreciation/Amortisation	742.95	751.56	1,494.51
	(465.91)	(803.73)	(1,269.64)
	-	-	-
Unallocated Depreciation/Amortisation	-	-	93.87
	-	-	(139.66)
	-	-	-
Total Depreciation/Amortisation	-	-	1,588.38
	-	-	(1,409.30)
Non-cash expenses other than depreciation and amortisation	-	-	-
	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation	-	-	-
	-	-	-
	-	-	-
Total Non-cash expenses other than depreciation and amortisation	-	-	-
	-	-	-

i) **Previous Year figures are given in brackets.**

Geographic Segments

The following table shows the distribution of the Group's consolidated sales by geographical market regard less of where the goods were produced, the carrying amount of trade receivable by geographical market, carrying value of tangible / intangible assets and additions to fixed assets during current year.

(Rs in lacs)

Particulars	Within India	Outside India	Total
Sales	36,437.09	13,229.95	49,667.04
	(36,600.17)	(9,911.93)	(46,512.10)
Trade receivables	6,989.01	3,454.76	10,443.77
	(6,247.99)	(6,072.77)	(12,320.76)
Tangible / Intangible Assets *	9,084.80	1,270.41	10,355.21
	(10,310.95)	-	(10,310.95)
Addition to Tangible / Intangible Assets	206.47	7.39	213.86
	(346.07)	-	(346.07)

* including capital work in progress and fixed assets held for sale.

Note: Previous Year figures are given in brackets.

Note 35 Gratuity and other post employment benefit plans

Defined contribution plan

Contribution to Recognised Provident Fund

The Parent Company contributed Rs 263.74 lacs (March 31, 2012 Rs. 255.88 lacs) towards provident fund during the year ended March 31, 2013.

A subsidiary company has reversed pension liability towards employees of Rs. 0.27 lac during the current period. The year-end provision of pension is Rs. 15.56 lacs.

Gratuity Plan

The Parent 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). The Parent 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 Consolidated statement of profit and loss and amounts recognized in the balance sheet for the Gratuity.

Consolidated Statement of Profit and Loss

Net Employee benefit expenses recognized in the employee cost. **(Rs. in Lacs)**

	As At March 31, 2013	As At March 31, 2012
Current Service Cost	**82.19**	82.77
Past Service Cost	**-**	-
Interest Cost	**49.26**	40.26
Expected Return on Plan Assets	**(5.50)**	(6.55)
Curtailment credit	**(22.44)**	-
Net Actuarial (Gain) / Loss recognized during the year	**31.51**	(1.27)
Expenses recognized in the consolidated statement of profit and loss	**135.02**	115.21
Actual Return on Plan Assets	**3.61**	6.89

Consolidated Balance Sheet

Details of Provision of Gratuity **(Rs in lacs)**

	As At March 31, 2013	As At March 31, 2012
Present Value of Defined Benefit Obligation	**647.14**	572.78
Fair Value of Plan Assets	**23.54**	60.08
Plan Assets / (Liability)	**(623.60)**	(512.70)

Changes in the Present Value of defined benefit obligation are as follows : **(Rs in lacs)**

	As At March 31, 2013	As At March 31, 2012
Opening defined benefit Obligation	**572.78**	509.59
Current Service Cost	**82.19**	82.77
Interest Cost	**49.26**	40.26
Benefits Paid	**(64.26)**	(58.91)
Curtailment Credit	**(22.44)**	-
Past service cost	**NIL**	NIL
Actuarial (Gains) / Losses on obligation	**29.61**	(0.93)
Closing Defined Benefit Obligation	**647.14**	572.78

Changes in the fair value of Plan Assets are as follows : **(Rs in lacs)**

	As At March 31, 2013	As At March 31, 2012
Opening fair value of Plan Assets	**60.08**	77.09
Expected Return	**5.50**	6.55
Contributions by the employer	**20.00**	35.00
Benefits Paid	**(60.14)**	(58.91)
Actuarial Gains / (Losses)	**(1.89)**	0.34
Closing fair value of Plan Assets	**23.55**	60.07

The major categories of Plan Assets as a percentage of fair value of total Plan Assets are as follows :

	As At March 31, 2013	As At March 31, 2012
Investment with Insurer	**100%**	100%

The Principal assumption used in determining Gratuity obligations for the Company's plans are shown below:

(Rs in lacs)

	As At March 31, 2013	As At March 31, 2012
Discount Rate	**8.00%**	8.60%
Expected Return on Plan Assets	**9.15%**	9.15%
Employee Turnover	**20 % for all ages**	25 % for all ages
Rate of Increase in Compensation levels	**8.00%**	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. The Parent Company expects to contribute Rs 129.58 lacs to Gratuity Fund in the next year. (March 31, 2012: Rs. 175.45 lacs).

Amount for the current and previous four years are as follows : **(Rs in lacs)**

	31.03.2009	31.03.2010	31.03.2011	31.03.2012	31.03.2013
Defined Benefit Obligation	271.31	399.61	509.59	572.78	**647.14**
Plan Assets	107.24	113.75	77.09	60.08	**23.54**
Surplus / (Deficit)	(164.07)	(285.86)	(432.50)	(512.71)	**(623.60)**
Experience Adjustments on plan liabilities- (loss) / Gain	(30.07)	(103.42)	198.78	(10.32)	**(3.12)**
Experience adjustments on Plan Assets- (loss) / Gain	(2.58)	(1.75)	(1.88)	0.34	**(1.89)**

Note 36 The Board of directors of the Company, vide resolution dated April 12, 2013 subject to shareholders' approval and such other approvals / sanctions as may be required in this connection, approved the sale / transfer of the undertaking pertaining to General Lighting business of the Company to Halonix Technologies Limited, a wholly owned subsidiary of the Company by way of slump sale. Subject to the necessary approvals, the Company expects, based on the independent valuation, to realise the value of an undertaking higher than the book value of the net assets. Hence, no adjustment is required to be made in the financial statements.

Note 37 The asset of Rs. 60.02 lacs (Previous Year Rs. 60.02 lacs) recognized by the Parent Company as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Parent Company to utilize MAT credit assets.

Note 38 In accordance with Accounting Standard 22 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India, the Parent Company would have a net deferred tax asset. However, in view of the tax losses incurred by the Parent Company during the current and earlier years, deferred tax assets on timing differences and on unabsorbed depreciation and business losses and other items have not been accounted for in the books since it is not virtually certain that they will be realized against future profits.

Note 39 Change in accounting estimate

"During the year, the Parent Company has revised the estimated useful life of certain plant and machinery based on technical estimates made by the management. Accordingly, additional depreciation of Rs 188.27 lacs has been accounted for in the consolidated financial statements.

"Had the Parent Company continued to use the earlier basis of providing depreciation, the charge to the consolidated statement of profit and loss for the current year would have been lower by Rs. 188.27 lacs and the net block of fixed assets would correspondingly have been higher by Rs. 188.27 lacs.

b. During the year, the Parent Company has changed its method of recognizing provision for warranty from actual claim basis to expected cost based on past trends. The additional charge of Rs. 972.77 lacs due to the change of method has been disclosed under Raw materials consumed.

Note 40 Managerial Remuneration

a) The Parent Company has paid / provided managerial remuneration of Rs. 202.44 lacs to Directors and erstwhile Managing Director in current and earlier years in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Parent Company has made applications / revision applications / is in the process of making application for seeking approval for the excess remuneration. Director's commission to non-executive director provided during the year of Rs. 20 lacs (Previous year Rs. 20 lacs) is subject to further approval of shareholders in the ensuing general meeting. Pending receipt of the approval, no adjustments have been made in the financial statements.

b) The Parent Company has charged excess remuneration to the statement of profit and loss 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.

Note 41 Previous Year's Figures

a) International Lamp Holding Company S.A., ("ILHC") was incorporated on July 26, 2010. The Parent Company has acquired 100% shareholding of the Company from the erstwhile shareholder on December 3, 2012. The consolidated financial statement of the Group alongwith ILHC and its subsidiary companies have been included for the first time from the date of acquisition till March 31, 2013. Accordingly, these consolidated financial statements are not strictly comparable with the financial numbers of the previous year.

b) Previous year figures have been reclassified to conform to this year's figures.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP Chartered Accountants Firm Registration No. 301003E	For ARUN K. GUPTA & ASSOCIATES Chartered Accountants Firm Registration No. 000605N	For and on behalf of the Board of Directors of Halonix Limited **Padmanabh P.Vora** Chairman
Anil Gupta Partner	Gireesh Kumar Goenka Partner	**Gurvikram Singh** Managing Director
M.No. 87921	M.No. 096655	**Pranay Gandhi** Chief Financial Officer

Place : Noida
Date : May 28, 2013

HALONIX LIMITED

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

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 Second Annual General Meeting of the Company to be held on Tuesday, 23rd day of July, 2013 at 11:00 A.M. and at any adjournment thereof.

Signed this .... day of 2013

Signature

Affix Rupee 1/- Revenue Stamp

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

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 Second Annual General Meeting of the Company being held on Tuesday, 23rd day of July, 2013 at 11:00 A.M. at 59-A, NSEZ, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201 305.

(SIGNATURE OF THE SHAREHOLDER/PROXY)

Halonix Limited
59-A, NSEZ, Phase-II Noida, Uttar Pradesh – 201 305, India
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FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	**Name of the Company:**	**HALONIX LIMITED**
2.	Annual financial statements for the year ended	**31st March, 2013**
3.	Type of Audit observation	**Un-qualified Audit Report** / Matter of Emphasis.
4.	Frequency of observation	**Not Applicable**

5. To be signed by-

Gurvikram Singh

Gurvikram Singh
Managing Director

Pranay Gandhi
Chief Financial Officer

Padmanabh P Vora
Chairman Audit Committee

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E
Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Noida
Date: May 28, 2013

ARUN K. GUPTA & ASSOCIATES
For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 000605N
Per **Gireesh Kumar Goenka**
Partner
Membership Number: 096655
Place of Signature: Noida
Date: May 28, 2013