

# EON ELECTRIC LIMITED

CIN: L31200HR1989PLC035580

Registered Office: 1048, Sector 14, Sonapat – 131 001 Haryana

Corporate Office: B-88, Sector 83, Noida – 201305 Dist. Gautam Budh Nagar (UP)

Phone: +91-120-3096700, Fax: +91-120-3096765

Email: investors@eonelectric.com

Website: http://www.eonelectric.com



## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **EON ELECTRIC LIMITED** will be held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 9.00 A.M at Kanak Garden Resort, 55 Mile Stone, G. T. Karnal Road, Murthal, Distt. Sonapat, Haryana - 131027, to transact the following business: -

### ORDINARY BUSINESS

#### **Item No. 1 – Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2015 along with the reports of Board of Directors' and Auditors' thereon.

#### **Item No. 2 – Appointment of Director**

To appoint a Director in place of Shri Vinay Mahendru (DIN: 00005371), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

#### **Item No. 3 - Appointment of Auditors**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Company's (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. J C Bhalla & Co., Chartered Accountants, New Delhi (Registration No.: 001111N issued by the Institute of Chartered Accountants of India), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Audit Committee /Board of Directors of the Company, plus service tax as applicable and reimbursement of actual out-of-pocket expenses as may be incurred in the performance of their duties.”

### SPECIAL BUSINESS

#### **Item No. 4 – Appointment of Dr. Rashmi Vij as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013 Dr. Rashmi Vij (DIN: 01103219), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24<sup>th</sup> April, 2015 and who holds office till the date of AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Rashmi Vij as a candidate for the office of Director of the Company, be and is hereby appointed as Independent Director, to hold office upto 23<sup>rd</sup> April, 2020, not liable to retire by rotation.”

#### **Item No. 5 – Ratification of remuneration to the Cost Auditors**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Shri Krishan Singh Berk, Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016 at a remuneration as set out in the Explanatory Statement of the Notice, be and is hereby ratified and confirmed.”

**By Order of the Board of Directors**

Place: New Delhi  
Date : 11<sup>th</sup> August, 2015

(Kumar Indramani)  
Sr. Manager (Legal) & Company Secretary

## IMPORTANT NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3.
  - a. Members/ Proxies should bring copies of the Annual Report to the Meeting, since copies of the Annual Report will not be distributed at the Meeting.
  - b. Members should bring the attendance slip duly filled in, for attending the AGM.
  - c. Members who hold shares in dematerialized form, should write their client ID and DP ID numbers and those who hold shares in physical form, should write their folio number in the attendance slip.
  - d. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of their names will be entitled to vote.
  - e. Corporate members intending to send their authorized representative to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. Pursuant to the Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22<sup>nd</sup> day of September, 2015 to Tuesday, the 29<sup>th</sup> day of September, 2015(both days inclusive).
5. The relevant documents accompanying the Notice are open for inspection to the members at the Registered Office of the Company during normal business hours of the Company upto the date of the Meeting.
6. The Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 4 & 5 of the Notice as set out above, is annexed hereto.
7. Pursuant to the requirement of the Listing Agreement of the Stock Exchanges on Corporate Governance, relating to Directors proposed to be appointed / re-appointed at the Annual General Meeting, a statement containing the required details of the concerned Director forms part of this Notice.
8. In line with the measures of Green Initiative taken by SEBI, Section 101 and other applicable provisions of the Companies Act, 2013 and the Rules made there under also provides for sending notice of the meeting and the annual report of the company and other shareholder correspondences through electronic mode to the Members.
9. **Members holding shares in physical mode are requested to register their e-mail ID's with the Share Department of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.**
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unclaimed as unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government. Special Interim Dividend declared by the Company during the financial year 2010 – 11 is still lying in the respective Unpaid Dividend Account of the Company. Members who have not encashed the said Dividend are requested to make their claim with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend to the Corporate Office of the Company at B 88, Sector 83, Noida – 201305.
11. Members having any queries on accounts of the Company are requested to intimate the Company at least 10 days in advance of the Meeting so that the required information may be made available at the Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.
13. Members desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form for this purpose to the Company.
14. **Voting through Electronic means:**
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration)Amendment Rules, 2014 as amended by the Companies(Management and Administration)Amendment Rules, 2015 and Clause 35 B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote on resolutions

proposed to be considered at the 26th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 26<sup>th</sup> AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").

- II. The facility for voting through ballot paper shall be made available at 26<sup>th</sup> AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e- voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
- IV. The remote e- voting commences on 25<sup>th</sup> September, 2015 (9.00 a.m) and ends on 28<sup>th</sup> September, 2015(5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 22<sup>nd</sup> September, 2015**, may cast their vote by remote e-voting. The remote e-voting shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

A. In case a Member receives an e mail form NSDL[for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open e-mail and open PDF file namely "EON remote e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided in PDF is an 'Initial Password'.
- (ii) Launch internet browser by typing the following URL:<https://www.evoting.nsd.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your own choice with minimum 8 digit/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting appears. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" [E- Voting Event Number] of EON ELECTRIC LIMITED.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders[ i.e other than individual, HUF, NRI etc.] are required to send scanned copy[PDF/JPG format] of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of duly authorized signatories] who are authorized to vote, to the Scrutinizer through e-mail at [mranjan123@yahoo.co.in](mailto:mranjan123@yahoo.co.in) with a copy marked to [www.evoting.nsd.com](http://www.evoting.nsd.com).

B. In case a Member receives physical copy of Notice of 26<sup>th</sup> AGM[for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

- (i) Initial Password has been provided in the following format at the bottom of the Attendance Slip being sent along with the Annual Report.

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above , to cast vote.

- VI. In case of any queries you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on Toll Free No.: 1800- 222- 990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password / PIN for casting your vote.
- VIII. You can update your mobile number and e-amil id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up capital of the Company as on the **cut-off date of 22<sup>nd</sup> September, 2015**.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of cut-off date i.e 22<sup>nd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at 26<sup>th</sup> AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e- voting as well as voting at the 26<sup>th</sup> AGM through ballot paper.
- XIII. Mr. Manish Ranjan, Practicing Company Secretary, Proprietor of Manish Ranjan & Associates (FCS 5074 & C.P. No. 3709) has been appointed as the Scrutinizer for 26<sup>th</sup> AGM by the Board of Director of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the 26<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the 26<sup>th</sup> AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the 26<sup>th</sup> Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of conclusion of the 26<sup>th</sup> AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the results of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.eonelectric.com](http://www.eonelectric.com) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

#### **EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 4**

Dr. Rashmi Vij has been appointed as Additional Director, designated as Independent Director by the Board of Directors w.e.f 24<sup>th</sup> April, 2015, pursuant to Section 161 of the Companies Act, 2013 read with Article 89 of Articles of Association of the Company.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Dr. Rashmi Vij will hold office upto the date of ensuing AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member alongwith a deposit of ₹ 1,00,000/-, proposing the candidature of Dr. Rashmi Vij for the office of Director to be appointed as under the provisions of the Section 149 of the Companies Act, 2013.

The Company has received from Dr. Rashmi Vij (i) consent in writing to act as Independent Director in DIR – 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub section 2 of the Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that she meets the criteria of independence as provided in sub section 6 of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. Rashmi Vij as an Independent Director of the Company for a period upto 23<sup>rd</sup> April, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, She will not be liable to retire by rotation.

In the opinion of the Board of Directors, Dr. Rashmi Vij, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules, made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Dr. Rashmi Vij as Independent Director setting out the terms and conditions is available for inspection without any fee by members at the Company's Registered Office during normal business hours on working days upto the date of AGM.

No Director, Key Managerial personnel or their relatives, except Dr. Rashmi Vij, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the Resolution set forth in Item no. 4 of the Notice for the approval of members as an Ordinary Resolution.

##### **Item No. 5**

The Board of Directors, on the recommendation of Audit Committee, appointed Shri Krishan Singh Berk, Cost Accountant, (Firm Registration No. 102044 & membership 2724) as Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, has to be ratified by the members of the Company.

Accordingly consent of the members is sought for ratification of Audit fees amounting to Rupees Seventy Five Thousand , payable to the Cost Auditors for conduct of audit of the Cost Records of the Company for the Financial Year ending 31<sup>st</sup> March, 2016.

No Director, Key Managerial personnel or their relatives or their relatives is in any way, concerned or interested financial or otherwise in the said Ordinary Resolution except to the extent of their shareholding in the Company

The Board recommends the Resolution set forth in Item no.5 of the Notice for the approval of the members as Ordinary Resolution.

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

**Sh. Vinay Mahendru**

Shri Vinay Mahendru is the promoter Director of the Company. He was appointed by the Shareholders at 16<sup>th</sup> AGM held on 24<sup>th</sup> June, 2005. He is a Mechanical Engineer and holds a Master degree in Management from the University of Aston, Birmingham, U.K. He is an industrialist. He is also a Director of Hausmann Elektrik Private Limited, Litheon Green Energy Private Limited, Luxtra Lighting Private Limited, IAFL Power Distribution & Infrastructure Private Limited, IAFL Switchgears Private Limited and Indo Nordex Lightings Private Limited. He is also a member of Stakeholders Relationship/Grievance Redressal Committee of the Company.

He holds 5,76,707 Equity shares of the Company.

**Dr. Rashmi Vij**

Dr. Rashmi Vij holds a Doctorate in Psychology, with a brilliant academic record and a gold medalist in MA (Psychology). She is the Principal of Police DAV Public School, Jalandhar.

She started her career as a lecturer in HMV College in November, 1987. She is the Manager of Police DAV Public School Amritsar, Patiala, Ludhiana and Ferozepur, Dayanand Model School, Dayanand Nagar and Model Town Jalandhar and Co-ordinator of all Police Schools of Punjab..

Her belief in democratic principles, administrative acumen and penchant for excellence has invited excellence from far and wide.

She has been awarded the National Teacher Award in 2007 by the Hon'ble President of India Smt. Pratibha Patil, The Best Principal Award by the DAV Management on 31<sup>st</sup> March, 2007 and Global Teacher Accreditation Award – 2012 by British Council for her action research, Management Excellence Award by Management Industrial Development Institute affiliated to the federation of Asian Business in Europe (UK) for her outstanding contribution in the field of education.

Keeping in view of her vast experience and knowledge, it will be in the interest of the Company to appoint Dr. Rashmi Vij as an Independent Director of the Company

She is not a Director of any other Company and she does not hold any shares in the Company.

**By Order of the Board of Directors**

**Place: New Delhi**  
**Date : 11<sup>th</sup> August, 2015**

**(Kumar Indramani)**  
**Sr. Manager (Legal) & Company Secretary**

**Details of Directors Proposed to be appointed/ reappointed pursuant to Secretarial Standard issued by Institute of Company Secretaries of India**

**(The following information may be treated as a part of the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for item no 2 and item no. 4 of the 26th AGM Notice)**

Particulars	Mr. Vinay Mahendru	Dr. Rashmi Vij
DIN	00005371	01103219
Date of Birth	13/03/1962 (Age: 53)	21/06/1963(Age: 52)
Date of appointment on the Board	24/06/2005	24/04/2015
Experience/ Expertise in the specific functional area	31 years of experience in management administration and manufacturing operations.	28 Years in the field of Teaching & Education Management
Qualification	Mechanical Engineer and Masters in Management from University of Aston (U.K.)	PHD (PSYCHOLOGY)
Directorship in other Companies	<ol style="list-style-type: none"> <li>1. Hausmann Elektrik Private Limited</li> <li>2. Litheon Green Energy Private Limited</li> <li>3. Luxtra Lighting Private Limited</li> <li>4. IAFL Power Distribution &amp; Infrastructure Private Limited</li> <li>5. IAFL Switchgears Private Limited</li> <li>6. Indo Nordex Lighting Private Limited</li> </ol>	She is not holding Directorship in other company
Chairmanship/ Membership of Committees of Eon Electric Limited	Member of the Stakeholder Relationship Committee	NIL
Chairmanship/ Membership of Committees of Other Companies	NIL	NIL
Shareholding in the Company	576707 Equity Shares	NIL
Relationship with other Directors and KMPs of the Company	He is the son of Shri Ved Prakash Mahendru, CMD and brother of Shri Vivek Mahendru, Executive Director. He is not related to any other KMP of the Company.	No
No. of the meeting of the Board attended during the year	5 out of 5	N.A*
Last Remuneration drawn (financial year 2014-15) (in Rupees per annum)	₹ 6,860,800	N.A*

\*Dr. Rashmi Vij has been appointed as an Additional Director of the Company and designated as an Independent Director w.e.f. 24th April, 2015.



# ROUTE MAP OF THE VENUE OF 26TH AGM

Address : Kanak Garden Resort 55 Mile Stone GT Karnal Road, Murthal , Sonapat, Haryana-131027



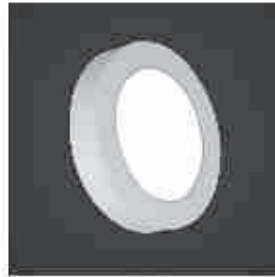
# EON LED RANGE



MAXILED



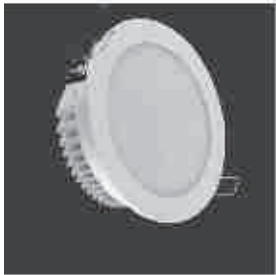
ZOOMLED



CEIL'O NEO SURFACE MOUNTED  
LED DOWNLIGHT (ROUND)



GRAFIAS  
(MEDIUM/HIGH BAY)



OPALED



TRACKLED



CEIL'O NEO SURFACE MOUNTED  
LED DOWNLIGHT (SQUARE)



FLOODLED



VENETO



LED SQUARE  
(BACKLIT 2X2 PANEL)



LED TILE  
(BACKLIT 2X2 PANEL)



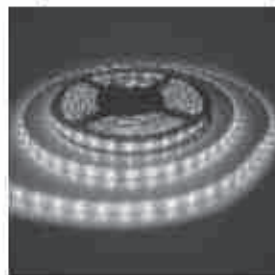
LED STREET LIGHT



SUNCOBLED



COOLED



ROPELED STRIPLIGHT



COBLED



SUPER SLIM LED TILE



LEDRIIVE ELECTRONIC  
DRIVER



# PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

## EON ELECTRIC LIMITED

CIN: L31200HR1989PLC035580

**Registered Office:** 1048, Sector 14, Sonapat – 131 001 Haryana

**Corporate Office:** B-88, Sector 83, Noida – 201305 Dist. Gautam Budh Nagar (UP)

**Phone:** +91-120-3096700, **Fax:** +91-120-3096765

**Email:** investors@eonelectric.com **Website:** http://www.eonelectric.com



Name of the member(s) :
Registered address :
E Mail Id:
Folio No. / *Client ID:
*DP ID:

I / We, being the member(s) of \_\_\_\_\_ equity shares of Rs. 5/- each of the above named Company, hereby appoint:

- 1) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature \_\_\_\_\_, Or failing him / her
- 2) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature \_\_\_\_\_, Or failing him / her
- 3) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature \_\_\_\_\_

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Tuesday, the 29th day of September, 2015 at 9.00 a.m. at the Kanak Garden Resort, 55 Mile Stone, G T Karnal Road, Murthal Dist. Sonapat - 131 027 Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional**	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial statement, Reports of the Board of Directors and Auditors for the financial year ended 31st March 2015.		
2.	Appointment of Director in place of Shri Vinay Mahendru (DIN : 00005371) who retires by rotation and being eligible offer himself for re-appointment.		
3.	Appointment of M/s J.C.Bhalla & Co., Chartered Accountants, as Auditors and fixing their remuneration.		
<b>Special Business</b>			
4.	Appointment of Dr. Rashmi Viji (DIN : 01103219) as an Independent Director.		
5.	Ratification of remuneration to Cost Auditors.		

\* Applicable for investors holding shares in electronic form

Signed this ..... day of ..... 2015.

**Signature of the shareholder**

Affix Re. 1/- Revenue Stamp
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**Signature of the Proxy holder**

**Signature of the Proxy holder**

**Signature of the Proxy holder**

**NOTE:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office at 1048, Sector 14, Sonapat - 131 001, Haryana, not less than 48 hours before the commencement of the Meeting
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
- \*\*3. It is optional to put a '✓' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

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CIN: L31200HR1989PLC035580

Registered Office: 1048, Sector 14, Sonapat – 131 001 Haryana

Corporate Office: B-88, Sector 83, Noida – 201305 Dist. Gautam Budh Nagar (UP)

Phone: +91-120-3096700, Fax: +91-120-3096765

Email: investors@eonelectric.com Website: http://www.eonelectric.com



## ATTENDANCE SLIP

26<sup>th</sup> ANNUAL GENERAL MEETING - September 29, 2015

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Name of the Member  
(In Block Letters)

Name of Proxy, If any  
(In Block Letters)  
(In case Proxy attends the meeting  
in place of member)

DP ID/Client ID/Folio No.\*

No. of Shares held

I/We hereby record my / our presence at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 29th day of September, 2015 at 9.00 A.M. at Kanak Garden Resort, 55 Mile Stone, G. T. Karnal Road, Murthal, Dist. Sonapat - 131 027, Haryana.

\* Applicable in case of shares held in physical form .

Signature of the Member ..... Signature of the Proxy Holder(s) .....

**Note:**

- Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the **ATTENDANCE VERIFICATION COUNTER** at the entrance of the Meeting Venue.
- NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.
- Electronic copy of the Annual Report or the Financial year 2014-15 & Notice of the AGM along with the attendance slip & Proxy form is being sent to all the members whose email address is registered with the Company /DP unless any member has requested for a hard copy of the same. Members receiving electronic copy & attending the AGM can print copy of the Attendance slip.
- Physical copy of the Annual Report for the Financial year 2014-15 & the Notice of the AGM along with Attendance Slip & Proxy form is being sent in the permitted mode(s) to all members whose e-mail is not registered or have requested for hard copy. Please bring your copy of the Annual Report to the Meeting.
- The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.


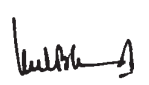

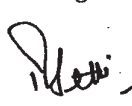
## E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

**Note :** Please read the instructions given in the Notice of AGM before casting your vote through e-voting

Date: 30<sup>th</sup> May, 2015

**FORM A**  
**(Pursuant to Clause 31(a) of the Listing Agreement for Financial year 2014-15)**

1	Name of the Company	Eon Electric Limited
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified.
4	Frequency of observation	Not Applicable.
For Eon Electric Limited		For Eon Electric Limited
 (V.P. Mahendru) Chairman & Managing Director		 (K. B. Satija) Chief Financial Officer
For Eon Electric Limited		For and on Behalf of J C Bhalla & Co. Chartered Accountants, New Delhi (Firm Registration No. 001111N)
 (R.C. Bansal) Audit Committee Chairman		 (Rajesh Sethi) Partner (Membership No. 85669)

# Energizing a New World Powering Growth

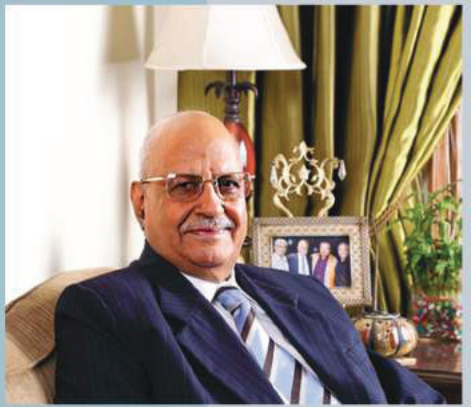


**ANNUAL REPORT 2015**

## From the Chairman's Desk

*Dear* Shareholders,  
Warm Greetings!

We are pleased to inform you that your Company has established its credentials effectively as a leading player in Wires & Cables and LED Lighting business in India. We continue to imbibe new technical know how to establish EON as a reputed Brand in the digital world in the field of LED based Lighting solutions, energy efficient Electrical Consumer Durables and Lithium Ion Batteries in India.



Staying true to our philosophy of consistent growth, we continue to invest in development of products and technology which focus primarily on bringing joy to our customers through new innovative products, quality performance and cost effectiveness.

As our country moves to higher level of economic and social growth, your company is also planning to match steps with the pace of growth and market demand triggered by the emerging economic realities.

**“LED ing  
the way to  
digitalize  
India”**

Looking forward to consistent growth in 2015-16, we will continue to consolidate and build higher standards of customer delight through creative innovations.

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

With kind and cordial regards

**Ved Prakash Mahendru**

Chairman & Managing Director

## Board of Directors

<b>Ved Prakash Mahendru</b>	Chairman & Managing Director
<b>Vivek Mahendru</b>	Executive Director
<b>Vinay Mahendru</b>	Executive Director
<b>Ramesh Chander Bansal</b>	Independent Director
<b>Ajoy Kumar Ghosh</b>	Independent Director
<b>Ranjan Sarkar</b>	Independent Director
<b>Dr. Rashmi Vij</b>	Independent Director
<hr/>	
<b>K.B. Satija</b>	Chief Financial Officer
<b>Kumar Indramani</b>	Sr. Manager(Legal) & Company Secretary

### Auditors

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

### Bankers

State Bank of Patiala

### Corporate Office

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

### Head Office

208, Hemkunt Tower  
98, Nehru Place, New Delhi - 110019

### Registered Office

1048, Sector-14,  
Sonapat, Haryana - 131001

### Works:

#### Unit: I

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

#### Unit: II

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

#### Unit: III

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

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## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2015.

### FINANCIAL SUMMARY

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2015 is summarised below:

Particulars	(₹/Crore)	
	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
Sales & Other Income	136.78	142.85
Operating Profit / (Loss) (EBITDA)	(18.28)	(21.63)
Finance Costs	7.40	5.61
Depreciation and Amortisation Expense	2.12	2.98
Profit/(Loss) before Exceptional items and Tax	(18.96)	(24.08)
Exceptional Items	1.23	-
Profit/(Loss) before Tax	(18.96)	(24.08)
Less: Tax Expense	1.47	(0.64)
Profit/(Loss) after Tax	(20.43)	(23.44)
Profit/(Loss) for the year	(20.43)	(23.44)
Add: Balance brought forward from previous year	(11.44)	12.00
Less: Adjustment related	0.07	-
Balance carried over to Balance sheet	(31.94)	(11.44)

Your Company has achieved Sales and Other Income of ₹ 136.78 crores during the financial year ended the 31<sup>st</sup> March, 2015 as against ₹ 142.93 crores during the previous financial year.

### DIVIDEND

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Vinay Mahendru, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

During the year under review, the members approved the appointment of Shri Ramesh Chander Bansal, Shri Ajoy Kumar Ghosh and Shri Ranjan Sarkar as Independent Directors of the Company for a period of 5 years w.e.f 30<sup>th</sup> September, 2014, who are not liable to retire by rotation. The members have also re-appointed Shri Ved Prakash Mahendru as Chairman & Managing Director and Shri Vivek Mahendru and Shri Vinay Mahendru as Executive Directors w.e.f 1<sup>st</sup> October, 2014 for a period of 3 years.

The Board of Directors has appointed Mrs. Bela Mahendru as Additional Director in the category of woman director w.e.f 31<sup>st</sup> March, 2015.

The Board of Directors has also appointed Dr. Rashmi Vij as Additional Director designated as Independent Director w.e.f 24<sup>th</sup> April, 2015 and accepted the resignation of Mrs. Bela Mahendru from the directorship of the company w.e.f 24<sup>th</sup> April, 2015.

The Company has received notice from a member for the candidature of Dr. Rashmi Vij as Independent Director of the Company alongwith prescribed fee in terms of Section 160 of the Companies Act, 2013. The Board recommends the appointment of Dr. Rashmi Vij as Independent Director.

In accordance with the requirement of Clause 49 of the Listing Agreement, brief resume of Shri Vinay Mahendru and Dr. Rashmi Vij, giving details of their expertise areas, directorship and members of various committees forms part of the Notice of Annual General Meeting.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 as extract of the Annual Return in the prescribed Form MGT 9 is appended as Annexure E to the Board Report.

#### **NUMBER OF MEETINGS OF THE BOARD**

Five meeting of the Board of Directors were held during the Financial Year 2014-15. The details of Board Meeting and attendance are given in the Corporate Governance Report.

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

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

- i. That in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed alongwith proper explanation relating to material departures in the Auditors Report and Notes to Accounts;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the company for that period;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the Annual Accounts on a going concern basis;
- v. That the Directors have laid down internal financial controls which are adequate and are operating effectively;
- vi. That the directors have devised proper systems to ensure compliances with provisions of all applicable laws and such systems are adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

During the year under review, the Board of Directors of the Company has approved a policy on Directors appointment and remuneration including criteria for determining qualification, positive attributes, independence of a Director and other matters based on the recommendation of Nomination and Remuneration Committee of the Company in terms of Section 178 of the Companies Act, 2013.

The policy on Directors appointment and remuneration to Directors/KMP etc is furnished in Annexure H.

#### **AUDITORS**

##### **STATUTORY AUDITORS**

M/s J C Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a letter from J C Bhalla & Co. to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and rules made thereunder and that they are not disqualified for such re-appointment within the meaning of Section 141 of the said

## 4 Annual Report 2015

Act. The Board of Directors recommends the re-appointment of M/s. J C Bhalla & Co. Chartered Accountants , as Statutory Auditors of the Company for the financial year 2015-16.

### **STATUTORY AUDITORS' REPORT**

The observation of Statutory Auditors in their reports on the financial statements are self- explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **COST AUDITORS**

In terms of the Cost Audit Order dated 30<sup>th</sup> June, 2014 notified by the Ministry of Corporate Affairs which exempted certain industries from the purview of Cost Audit. Accordingly the Company was not required to get the cost audit done for the financial year ended 31<sup>st</sup> March, 2015. However by virtue of Cost Audit Order notified by the Ministry of Corporate Affairs dated 31<sup>st</sup> March, 2014 the Company is again covered under the purview of Cost Audit for the financial year 2015-16.

The Board of Directors has appointed Mr. Krishan Singh Berk, Cost Accountants(Firm Registration No. 102044) to conduct the audit of cost records of the Company for the financial year 2015-16.

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors has appointed Mr. Manish Ranjan, Practising Company Secretary, to conduct Secretarial Audit for the financial year ending the 31<sup>st</sup> March, 2015.

### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report for the financial year ended March 31, 2015 in Form No. MR-3 is annexed herewith as **Annexure – D**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **RELATED PARTY TRANSACTION**

All related party transactions entered during the financial year were on arm's length basis and were in ordinary course of business. There are no material contracts, arrangements or transactions made by company with its related parties which may have a potential conflict with the interest of the Company at large. Accordingly no transactions are being reported in Form No. AOC -2 in terms of Section 134 of the Companies Act, 2013 read with Companies(Accounts) Rules, 2014. Suitable disclosure as required by the Accounting Standards(AS 18) has been made in the notes to the Financial Statements.

The Board of Directors of the Company has approved a Policy on Related Party Transaction in compliance with Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, which is uploaded on Company's website [www.eonelectric.com](http://www.eonelectric.com).

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

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year on 31<sup>st</sup> March, 2015 and the date on which this Report has been signed.

### **CHANGE OF THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March, 2015.

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

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, as amended from time to time, is given in Annexure- I and forms part of Directors' Report.

### **RISK MANAGEMENT POLICY**

The Company has adopted a Risk Management Policy and established a risk management framework to identify, mitigate and control the risks, which may threaten the existence of the Company in accordance with provisions of the Companies Act, 2013 and Listing Agreement.

### **BOARD EVALUATION**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report in this Annual Report. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

None of the independent directors are due for re-appointment.

### **INTERNAL FINANCIAL CONTROLS**

The Company has a comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and efficient use of resources.

### **VIGIL MECHANISM**

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has established a Vigil Mechanism named "Whistle Blower Policy" for the Directors and employees of the Company to report a genuine concern about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

### **COMPOSITION OF AUDIT COMMITTEE**

The Company has constituted an Audit Committee which comprises of Shri Ramesh Chander Bansal, Independent Director as the Chairman, Shri Ajoy Kumar Ghosh, Independent Director and Shri Vivek Mahendru, Executive Director as members. The Details of Audit Committee is given in Corporate Governance Report.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

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

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

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

### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

In terms of Section 2(86) of the Companies Act, 2013 IAFL Power Distribution & Infrastructure Private Limited, became a Subsidiary Company w.e.f 1<sup>st</sup> April, 2014, in which the Company was holding 26,50,000 no. of (10%) convertible Preference Share of the face value of Rs. 10/- each,.

During the year under review, IAFL Power Distribution & Infrastructure Private Limited ceased to be Subsidiary Company since the Company has divested its stake of 26.50 Lacs, 10 % convertible preference shares of the face value of Rs. 10/- each .

During the year under review, Indo Simon Electric Private Limited ceased to be Joint Venture Company since the Company has terminated its Joint Venture Agreement with Simon Holding S.L Spain on 8<sup>th</sup> September, 2014.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace(Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee(ICC) has been set up to redress complaints received regarding sexual harassment. All employees(permanent, contractual, temporary, trainees) are covered under this policy. There were no complaint received from any employee of the Company during the financial year 2014-15.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance for the year under review along with Auditors Certificate regarding Compliance of Corporate Governance is given in **Annexures B & C-1** and form part of this Report.

**PERSONNEL**

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

**LISTING OF SHARES**

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

**FIXED DEPOSITS**

The Company has not accepted any deposits during the year under review, within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**ACKNOWLEDGEMENT**

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

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

Place: New Delhi  
Dated: 11<sup>th</sup> August, 2015

**(Ved Prakash Mahendru)**  
**Chairman & Managing Director**

## ANNEXURE - A

### MANAGEMENT DISCUSSION & ANALYSIS

#### COMPANY OVERVIEW

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

The company continues to be committed towards making the best of quality products at affordable prices through technological innovation and up gradation, modernisation, adoption of best practices, global benchmarking, value proposition, and deep commitment to customer satisfaction besides ensuring human as well as environmental safety, thus enhancing the value addition for the investors and for the society as a whole.

#### Industry Structure & Development, Opportunity & Threats

The Indian Power Sector is a core component of the Indian infrastructure and its expansion is essential for the success of economic liberalization of India. This is evident from ever increasing power demand of the country's vibrant economy leading to a widening gap between the supply and demand. The Government of India has recognized the pivotal role of electric power in economic development and also the urgent and critical need to invest heavily to reduce the growing gap in power demand and supply.

During the 12th five year plan, India shall be adding a power generation capacity of 88,425 MW. The share of the private sector in the additional capacity will be 52% compared to the target of 19% in the 11<sup>th</sup> plan. This massive addition in generation capacity would also bring along with it a much bigger demand for electrical equipments and components including Cables and Wires, Switches etc.

The retail electrical industry is divided into two sub segments namely the power distribution equipment segment, which includes products such as switchgear, cables, wires and energy meters etc, and consumer durables segments, which include energy saving Compact Fluorescent Lamps (CFLs), Fluorescent Tube Lights, LEDs, Light Fittings, Luminaries, Switches etc. The growth of distribution equipment segment is linked to the growth of the power Industry and growth of Consumer durable is directly linked to infrastructure development projects like housing etc. The growing power sector and boom in construction as well as real estate industry not only in India but many other parts of the world offer huge opportunities for growth of the industry.

#### Lighting Industry:

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

The Lighting Industry in India is growing at nearly 17 to 18% per annum over the last 2-3 years to an annual turnover of Rs.7500 crore. The consumer usage pattern for light sources witnessed a distinct shift from the conventional sources towards the new Energy Efficient Lamps.

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

LEDs- the Light of the future : Today, India deals with challenges of energy deficiency, sustainability, and electrification of remote rural regions. Of the entire energy consumption in India, lighting accounts for 20 percent. A very effective solution to India's lighting challenges that has emerged is Light Emitting Diode (LED). Awareness initiatives and government programs involving support to green technologies and provision for preferential excise rates has encouraged the LED lighting penetration in India.

Street lighting, industrial, and commercial applications are currently driving the LED market growth in India. The National Electronics Policy is bearing fruit, with India expected to witness establishment of LED Fabs and LED products manufacturing in the short term. With technological advancements, reliable product performance, increased competition, and reducing LED pricing, increased market adoption is expected across both indoor and outdoor LED



lighting markets. Still, the LED market in India has its share of challenges such as relatively higher pricing, reliance on imports, and limited indigenous manufacturing.

Having tracked this highly dynamic market in India for half a decade, Frost & Sullivan expects the Indian LED market to grow over US\$ 1 billion in the next four years. The market will witness a growth rate of more than 40 percent till 2016. It is also anticipated that the LED lighting market will move towards high quality, adaptable lighting with more efficient output. The market will witness a convergence scenario with other technology areas like wireless sensors and networks, augmented reality, and flexible electronics. This will shift emphasis to the lighting system as a whole.

Keeping in mind the massive rural electrification programmed increased emphasis on conservation of energy by the Government and SEBs through the use of LEDs, and the emergence of strong middle class, a demand explosion both in quantity and types is likely to occur in near future with emphasis on energy saving light sources. The Industry is further expected to achieve high growth in the back of high growth in Housing demands, commercial space and expansion in the overall economy.

The Central and States Governments, the Bureau of Energy Efficiency and the Energy Efficiency Services Limited (EESL), which is a joint venture of the 4 PSUs of the Government of India have launched a massive drive for replacement of the existing Street Lights across the country and lights in public spaces with energy efficient LED based street lights. Besides they have also launched programmes for distribution of Led bulbs to all the households at a heavily subsidized price through the Discoms. EESL and the ministry of power are working hand in hand with industry to bring this transition and ensuring that all government procurement of LED is made in India, helping the industry to move faster, This initiative of the Government for LED based home along with the street lighting will have a great impact in providing our nation with an energy efficient lighting source. The Government has also initiated making all LED specifications. Prime Minister Narendra Modi has described the LED bulb as a "Prakash Path" – "way to light," The growing demand would also give push to 'make-in-India' initiative and would also help and support Prime Minister Narendra Modi's 'Make in India' campaign as the companies would manufacture locally here,

According to the Electric Lamp and Component Manufacturers Association (ELCOMA), the government's initiative could help propel the industry to grow five-folds in five years from its current size of Rs 4,000 crore.

As per the ELCOMA vision, LED bulbs market would grow to Rs 20,000 crore by 2020 from an estimated Rs 4,000 crore in 2014. This has been driven by government initiatives of phasing out inefficient lighting sources such as incandescent bulb, tubes and halogen lamps.

#### **Cables and Wire Industry:**

The Cables & Wire industry has shown positive trends for the last five years due to the increased activity in power sector, improved industrial climate and industry initiative to explore export markets. This upswing is likely to continue for next few years due to various favorable factors, such as Power Sector reforms, growth in infrastructure sectors and high growth rate of Indian economy. The government has also extended support to this industry as wire and cable industry is de-licensed and eligible for automatic approval for Foreign Direct Investment up to 100 per cent.

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

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

The cable industry is presently undergoing a difficult phase due to lower volume of orders for cables from various sectors like power, telecom, railways and various industrial, construction, engineering and manufacturing industries during the slowdown of economy. This coupled with the fact that various manufacturers had undertaken huge expansions to capacities, has resulted into under-utilization of their capacities.

**Lithium Ion Batteries:**

The Company has identified Lithium Ion Battery as a potential product for its expansion and growth. Currently there is no integrated manufacturer of Lithium Ion Batteries in India. In most cases, companies involved in this business import lithium ion cells from China and assemble batteries here in India. The handset manufacturers also import these batteries that are sold through their retail network. Local manufacturing is very limited. Eon Electric Limited is the first indigenous manufacturer in India.

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

The growth rate of mobile phone connections in India is in the range of 25 to 30 percent per year.

The sale of replacement batteries is currently in the hands of many standalone traders and the quality of majority of these batteries is very poor. Over 75% of batteries available in the market are of C or D grade.

There is a big thrust being given by the mobile phone OEMs and other related parties in the Indian market for improved quality batteries. This is primarily because of poor customer experience with the existing products available in the Indian market which is also likely to affect the perceived quality of a mobile hand set in which the bad quality batteries may be used. The consumers are now moving to better quality batteries and the demand for better batteries is increasing fast. The government too is contemplating putting strict regulations on the quality of the batteries which can be sold in the replacement market.

The increased emphasis on power generation and new fast developing consciousness for conservation of power and energy efficiency has hastened the process of growth of demand for the Company's products. Further with the diversification of the Company's product range which would now also include Lithium ion Batteries, Energy Efficient fans, LEDs for Lighting and Luminaries, the prospects of the Company are good.

Since power sector and infrastructure/real estate sector are main consumers of Company's products, any slowdown in these sectors can largely impact the demand for Company's products.

**Financial Performance**

Financial performance of the Company for the year 2014 – 15 as compared to the previous year is furnished in detail in the Directors' Report.

**Segment-wise performance:****Cables & Wires**

Electrical cables & wires market is growing at a steady pace as the government is investing heavily in the infrastructure development and Power Sector.

Our Cables & Wires segment recorded a turnover of Rs. 63.18 Crores for the financial year ended 31<sup>st</sup> March, 2015 as against Rs. 83.25 Crores for the financial year ended 31<sup>st</sup> March 2014. Our focussed efforts in brand building, awareness creation for acceptance of products and market penetration through a fast growing network of channel partners has helped us to become a household name amongst its user segment.

**Lighting**

The Lighting Segment achieved a turnover of Rs. 33.78 Crores for the financial year ended 31<sup>st</sup> March 2015 as against Rs. 29.26 Crores for the year ended 31<sup>st</sup> March 2014. The Company is working on new innovative strategic plans and pursuing new creative opportunities in the areas of advance LED based energy efficient and eco- friendly lighting systems which will further augment the growth of this segment during the coming years.

**Electrical Consumer Durables**

The Electrical Consumer Durables achieved a turnover of Rs.18.54 Crores for the financial year ended 31<sup>st</sup> March, 2015 as against 13.28 crores for the year ended 31<sup>st</sup> March, 2014.

#### **Others**

Other products i.e Modular Switches, Wiring accessories, Home Automation, Lithium ion batteries and mobile phone accessories contributed a turnover of Rs. 13.67 Crores for the financial year ended 31<sup>st</sup> March 2015 as against Rs. 10.92 Crores for the year ended 31<sup>st</sup> March 2014.

#### **Human Resource Development**

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

#### **Research and Development**

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

#### **Internal control systems and their adequacy**

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

#### **Risks & Concern**

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

#### **Cautionary Statement**

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

**ANNEXURE - B**
**CORPORATE GOVERNANCE**
**1. Company's philosophy on the Code of Governance**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions.

In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders. The core values of the Company are based on integrity, emphasis on product quality and transparency in its dealings with all stakeholders. Good Corporate Governance provides an appropriate framework for the Board, its Committees and the Executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders.

The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company is committed to meeting the aspirations of all of its stakeholders.

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

**2. Board of Directors**
**i. Composition**

The Company has an optimum combination of Executive and Non-Executive Directors with one Woman Director.

As on 31<sup>st</sup> March, 2015, the Board consists of 7 members, out of which three are Executive Directors, three are Non – Executive Independent Directors and one Non Executive woman Director.

The composition of the Board and category of Directors are as follows:

Category	Name of Directors
Promoter Directors	Sh. Ved Prakash Mahendru, Chairman & Managing Director Sh. Vivek Mahendru, Executive Director Sh. Vinay Mahendru, Executive Director Smt. Bela Mahendru, Non- Executive(Non- Independent Director)
Independent Directors	Sh. Ramesh Chander Bansal, Non – Executive Director Sh. Ajoy Kumar Ghosh, Non – Executive Director Sh. Ranjan Sarkar, Non – Executive Director

Shri Vivek Mahendru and Shri Vinay Mahendru are sons of Shri Ved Prakash Mahendru.

Smt. Bela Mahendru is spouse of Shri Vivek Mahendru who has been appointed as Additional Director in the category of Woman Director w.e.f 31<sup>st</sup> March, 2015.

The Board of Directors of the Company has appointed Dr. Rashmi Vij as Additional Director designated as Independent Director w.e.f 24<sup>th</sup> April, 2015 and accepted the resignation of Smt. Bela Mahendru w.e.f 24<sup>th</sup> April, 2015.

None of the other Directors are related to any other Director on the Board.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(II)(D)(2) across all Companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other Companies.

None of the Independent Directors is an Independent Director on the Board of more than seven listed Companies. All the Independent Directors of the Company have been appointed as per the provisions of the

## 12 Annual Report 2015

Companies Act, 2013 ('Act') for a period of five years w.e.f. 30<sup>th</sup> September, 2014. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company.

All the Independent Directors have declared that they meet the criteria of 'Independence' mentioned under Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last AGM, and also the number of Directorships and Committee position as held by them in other Public Limited Companies as on 31<sup>st</sup> March, 2015 are given below:

Name of Director	Category	No. of Board Meeting Attended during Financial year 2014-2015	Whether attended last AGM held on 29 <sup>th</sup> September 2014	No. of Directorships in other Public Limited Companies	No. of committee** positions held in other Public Limited Companies	
					Chairman	Member
Sh. V. P. Mahendru (Chairman and Managing Director) DIN: 0005338	Promoter Executive Director	5	Yes	—	—	—
Sh. Vivek Mahendru (Executive Director) DIN: 00006014	Promoter Executive Director	4	Yes	—	—	—
Sh. Vinay Mahendru (Executive Director) DIN:00005371	Promoter Executive Director	5	Yes	—	—	—
Sh. R. C. Bansal (Independent Director) DIN: 00005387	Non Executive Independent Director	5	Yes	3	2	—
Sh. A. K. Ghosh Independent Director DIN: 00005404	Non Executive Independent Director	4	No	5	—	1
Sh. Ranjan Sarkar Independent Director DIN: 00289322	Non Executive Independent Director	4	No	—	—	—
Smt. Bela Mahendru* Additional Director DIN: 05001578	Non Executive Independent Director	Nil	No	—	—	—

\*\* Committees considered for the purpose are those prescribed under explanation to clause 49(II)(D)(2)(ii) of the Listing Agreement viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies

### Board and Director Evaluation and criteria for evaluation

During the year, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include, inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board / Committee meetings and guidance / support to management outside Board / Committee meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Executive Director. Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.

#### **Separate Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 28<sup>th</sup> March, 2015, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. At the Meeting, the Independent Directors discussed and reviewed:

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

Shri R.C. Bansal, Shri A.K. Ghosh and Shri Ranjan Sarkar attended the meeting of Independent Directors. Shri R C Bansal has chaired the meeting.

#### **Familiarisation Programme for Independent Directors**

The Independent Directors are made familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The Familiarisation Programme for Independent Directors is disclosed on the Company website at the following weblink: [http://www.eonelectric.com/joomlanew/images/investors\\_pdf/Investor/Familiarisation%20Programme%20for%20Independent%20Directors.pdf](http://www.eonelectric.com/joomlanew/images/investors_pdf/Investor/Familiarisation%20Programme%20for%20Independent%20Directors.pdf)

#### **Board Meetings, Board Committee Meeting and Procedures**

The Board of the Directors is constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders long-term interests are being served.

The Board has constituted three Committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee.

#### **Board Meetings:**

The Board met five times on the following dates during the financial year 2014-2015 and the gap between any two meetings did not exceed 120 days.

1. 30<sup>th</sup> May, 2014
2. 12<sup>th</sup> August, 2014
3. 29<sup>th</sup> September, 2014
4. 13<sup>th</sup> November, 2014
5. 14<sup>th</sup> February, 2015

#### **Code of Conduct**

The Company has adopted a Code of Conduct (the Code) as applicable to all Board Members and Senior Managerial Personnel of the Company which incorporates the duties of Independent Directors as laid down in Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, both of which are available on the Company's website.

All the Board members and Senior Managerial Personnel of the Company as on 31st March, 2015 have affirmed compliance with their respective Codes of Conduct.

A copy of the Code of Conduct has been put on the Company's website [www.eonelectric.com](http://www.eonelectric.com).



### 3. Audit Committee

#### i. Terms of reference:

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

ii. **Composition:**

The Audit Committee has been constituted as per Section Section 177 of Companies Act, 2013 and the guidelines set out in the Listing Agreement [Clause 49 III(A)] with Stock Exchanges. The Audit Committee comprises of one Executive Director and two Non-Executive independent Directors. The Chairman of the Audit Committee is an independent Director.

iii. **Attendance of Members at the meeting of the Audit Committee during 2014-15:**

Name of Members	Total Meetings Held	Meetings Attended
Sh. Ramesh Chander Bansal (Chairman)	4	4
Sh. Ajoy Kumar Ghosh	4	4
Sh. Vivek Mahendru	4	3

**4. Nomination and Remuneration Committee**

In accordance with the requirements of Section 178 of the Companies Act, 2013 and the revised Clause 49 of Listing Agreement with the Stock Exchanges, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014 has reconstituted the "Nomination and Remuneration Committee" of the Company.

i. **Terms of reference of the Committee inter alia includes the following:**

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
2. To carry out evaluation of every director's performance
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees
4. To formulate the criteria for evaluation of independent Directors and the Board
5. To devise a policy on Board diversity
6. To recommend/ review remuneration of the Managing Director and Executive Directors based on their performance and defined assessment criteria
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee has three non-executive independent Directors.

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

Name of Member	Designation	Category	Total Meetings held	Meetings attended
Sh. Ramesh Chander Bansal	Chairman	Independent Non-Executive Director	1	1
Dr. Ajoy Kumar Ghosh	Member	Independent Non-Executive Director	1	1
Sh. Ranjan Sarkar	Member	Independent Non-Executive Director	1	1

iii. **Remuneration Policy**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; as recommended by the Nomination and Remuneration Committee of the Board.

iv. **Remuneration to Directors**

The Remuneration to the Managing Director and Executive Directors is paid on the scale determined by the Nomination and Remuneration Committee as duly approved by Shareholders of the Company with in the limit prescribed under the Companies Act, 2013.

Non Executive Independent Directors are being paid sitting fees for attending meetings of the Board and its Committees within the limit as prescribed under the Companies Act, 2013 and Rules made thereunder.

**Details of remuneration/ sitting fees paid to Directors during the financial year 2014-2015 is given below:**

S.N.	Name of Directors	Service Term	No. of shares held	Sitting fee (₹)	Salary & perks (₹)	Total (₹)
1	Ved Prakash Mahendru (Chairman & Managing Director)	01.08.2012 to 30.09.2017	909413	-	77,50,000	77,50,000
2	Vivek Mahendru (Executive Director)	01.08.2012 to 30.09.2017	590660	-	68,60,800	68,60,800
3	Vinay Mahendru (Executive Director)	01.08.2012 to 30.09.2017	576707	-	68,60,800	68,60,800
4	Ramesh Chander Bansal (Independent Director)	-	800	60,000	-	60,000
5	Ajoy Kumar Ghosh (Independent Director)	-	-	40,000	-	40,000
6	Ranjan Sarkar (Independent Director)	-	-	24,000	-	24,000
7	Bela Mahendru Non Executive (Non Independent Director)	-	119978	-	-	-

- Shri Ved Prakash Mahendru, has been re-appointed as Chairman & Managing Director w.e.f 1<sup>st</sup> August, 2012 by shareholders of the Company at its meeting held on 29<sup>th</sup> August, 2012 through Postal Ballot Process for a period of 3 years and further re-appointed as Chairman & Managing Director w.e.f 1<sup>st</sup> October, 2014 for a period of 3 years by shareholders of the Company at its AGM held on 29/09/2014 prior to end of his tenure.
- Shri Vivek Mahendru, has been appointed as Executive Director w.e.f 1<sup>st</sup> August, 2012 by shareholders of the Company at its meeting held on 29<sup>th</sup> August, 2012 through Postal Ballot Process for a period of 3 years and further re-appointed as Executive Director w.e.f 1<sup>st</sup> October, 2014 for a period of 3 years by shareholders of the Company at its AGM held on 29/09/2014 prior to end of his tenure.
- Shri Vinay Mahendru, has been re-appointed as Executive Director w.e.f 1<sup>st</sup> August, 2012 by shareholders of the Company at its meeting held on 29<sup>th</sup> August, 2012 through Postal Ballot Process for a period of 3 years and further re-appointed as Executive Director w.e.f 1<sup>st</sup> October, 2014 for a period of 3 years by shareholders of the Company at its AGM held on 29/09/2014 prior to end of his tenure.
- Shri Ramesh Chander Bansal, Shri Ajoy Kumar Ghosh and Shri Ranjan Sarkar have been appointed as Independent Directors of the Company for a period of 5 years w.e.f 30<sup>th</sup> September, 2014, by the shareholders at its 25<sup>th</sup> AGM held on 29/09/2014.
- Smt. Bela Mahendru has been appointed as Additional Director w.e.f 31<sup>st</sup> March, 2015 and ceased to be Director w.e.f 24/04/2015.

## 5. Stakeholders' Relationship Committee

In terms of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the 'Stakeholders Relationship Committee' was constituted by the Board on 13<sup>th</sup> November, 2014 consequent to the dissolution of the 'Shareholders'/Investors' Grievance Committee' & Share Transfer Committee.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors' complaints. The Company has constituted Shareholders'/Investors' Grievances Committee comprising of an independent Director and an Executive Director. The Committee monitors redressal of investors' grievances.

Composition of the Stakeholders Relationship Committee:

Ramesh Chander Bansal(Chairman of the Committee)	Independent Director
Vinay Mahendru (Member)	Executive Director

### Meeting Details:

During the financial year four meetings of Stakeholders Relationship Committee (including Investors Grievance Committee) were held.

### Attendance of Members at the Meeting of the Stakeholders Relationship Committee (including investors Grievances Committee) held during 2014-15:

Name of Members	Meeting Held	Meetings attended
Sh. R. C. Bansal	4	4
Sh. Vinay Mahendru	4	4

### Compliance Officer

Mr. Kumar Indramani, Senior Manager(Legal) & Company Secretary is the Compliance officer for complying with the requirements of Securities Laws and Listing Agreement with Stock Exchanges.

### Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of shareholders during the financial year under review are as under:

Sl. No.	Type of Complaint	No. of Complaints Received	Solved	Pending
1	Non- receipt of Annual Reports	20	20	--
2	Non Receipt of Share Certificate	4	4	--
3	General	2	2	--
	Total	26	26	--

## 6. General Body Meetings

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

Year	Category	Date	Meeting Location	Time	Whether any Special Resolutions passed
2012	AGM	28.09.2012	Kanak Garden Resorts 55 Mile Stone, G. T. Karnal Road, Murthal, District Sonapat, Haryana	9.00 a.m.	No
2013	AGM	30.09.2013	As Above	9.00 a.m.	No

2014	AGM	29.09.2014	AsAbove	9.00 a.m.	<ol style="list-style-type: none"> <li>1. Adoption of new Articles of Association of the Company</li> <li>2. Re-appointment of Shri Ved Prakash Mahendru as Chairman &amp; Managing Director</li> <li>3. Re-appointment of Shri Vivek Mahendru as Executive Director</li> <li>4. Re-appointment of Shri Vinay Mahendru as Executive Director</li> <li>5. Approval of borrowing limit of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013</li> <li>6. Approval of creation of charge pursuant to Section 180(1)(a) of the Companies Act, 2013</li> </ol>
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b) Details of the Extra Ordinary General Meetings held and Special resolutions passed in the last three years:

Year	Category	Date	Meeting Location	Time	Whether any Special Resolutions passed
2011-12	EGM (Court convened Meeting)	28.01.2012	51 Kms., G. T. Karnal Road, Murthal, District Sonapat, Haryana	10.00 A.M.	No

c) **Postal Ballot:**

During the year under review none of the resolution was required to be put through postal ballot.

#### 7. **Subsidiary Company**

During the year under review, there was no material non listed subsidiary Company.

As on 31<sup>st</sup> March, 2015, IAFL Power Distribution & Infrastructure Private Limited a subsidiary company in terms of Section 2(87) of the Companies Act, 2013 ceased to be subsidiary company since the Company has divested its holding/stake of 26,50,000 10 % Convertible Preference Shares of the face value of Rs. 10/- each of IAFL Power Distribution & Infrastructure Private Limited.

#### 8. **Risk Management Policy**

The Company has adopted a Risk Management Policy and established a risk management framework to identify, mitigate and control the risks, which may threaten the existence of the Company in accordance with provisions of the Companies Act, 2013 and Listing Agreement.

The Company constantly reviews its exposure to various types of risk whether it be regulatory, operational, environmental, financial or political. The Company has identified potential risks such as business portfolio risk, financial risk, legal & statutory risk and internal process risk including ERP and IT and has put in place adequate measures for their mitigation.

#### 9. **Related Party Transactions**

The Board of Directors has approved and adopted the Policy of Related Party Transactions for the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges in India. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

During the year under review, the Company has not entered into any material related party transaction.

#### 10. **Policy on Prevention of Insider Trading**

The Company has also formulated a Policy for Prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the policy is available on the website of Company at Investor Section.

## 11. Disclosures

### i. **Disclosures on materially significant related party transactions that may have potential conflict with the interest at large**

During the financial year under review, the Company had not entered into any material transaction with any of its related parties.

No related party transaction of material nature has been entered by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company.

### ii **Details of non – compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

During the last three years, there has been no instance of non-compliance by the Company on any matter related to capital markets, however the Company had paid the penalty of Rs. 3,000/- each to NSE & BSE for delay in sending the Annual Report 2014 by 8 days.

### iii. **Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The details of the same is available on Company's website [www.eonelectric.com](http://www.eonelectric.com).

### iv. **Details of compliance with mandatory requirements and adoption of the non – mandatory requirements of this clause**

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.

## 12. Means of Communication

- The quarterly and annual financial results of the Company are published in "The Financial Express" all edition and " Jansatta" (Hindi Edition, Delhi). The Company regularly intimates un-audited and audited financial results to the Stock Exchanges immediately after are taken on record by the Board.
- All periodical compliance filings like Corporate Governance Report, Shareholding Pattern, Announcement etc. are also filed electronically on NSE NEAPS & BSE Listing Center.
- The Company's Financial Results and official press releases are displayed on the Company's web site [www.eonelectric.com](http://www.eonelectric.com)
- The Company also processes investors complaints, if any received by it through SEBI Complaint Redress Systems 'SCORES'. The investors can view on line action taken on the complaint and its current status.

## 13. General Shareholders Information

### i. **Company Registration Details**

The Company is registered in the State of Haryana, India. The Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs is L31200HR1989PLC035580.

### ii. **Date, Time & Venue of the Annual General Meeting.**

The Twenty Sixth Annual General Meeting will be held on Tuesday the 29<sup>th</sup> day of September, 2015 at 9.00 A.M at Kanak Garden Resort, 55 Mile Stone, G. T. Karnal Road, Murthal, District – Sonapat, Haryana – 131027.

### iii. **Financial Calendar**

Tentative Schedule for the year 2015 – 2016.

First Quarter Results	:	Second Week of August 2015
Second Quarter Results	:	Second Week of November 2015
Third Quarter Results	:	Second Week of February 2016
Fourth Quarter Results & Annual Results	:	Second Week of May 2016

iv. **Date of Book Closure**

From 22<sup>nd</sup> September, 2015 to 29<sup>th</sup> September, 2015 (both days inclusive).

v. **Dividend Payment Date**

During the year under review, the Company has not declared any dividend.

vi. **Listing on Stock Exchanges**1. **BSE Limited**

25<sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai – 400 001.

Telephone : 022-2272-1233-1234

Facsimile : 022-2272-2082/3132

The Company has paid listing fee to The Stock Exchange, Mumbai for the financial year 2014-2015 & 2015-16.

2. **National Stock Exchange of India Limited**

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

Telephone : 022-26598235/36

Facsimile : 022-26598237/38

The Company has paid listing fee to National Stock Exchange of India Limited for the financial year 2014-2015 & 2015-16.

vii. **Stock Code/ ISIN Code**

The Bombay Stock Exchange Limited : **532658**

National Stock Exchange of India Ltd. : **EON**

ISIN No. - NSDL/ CDSL : **INE076H01025**

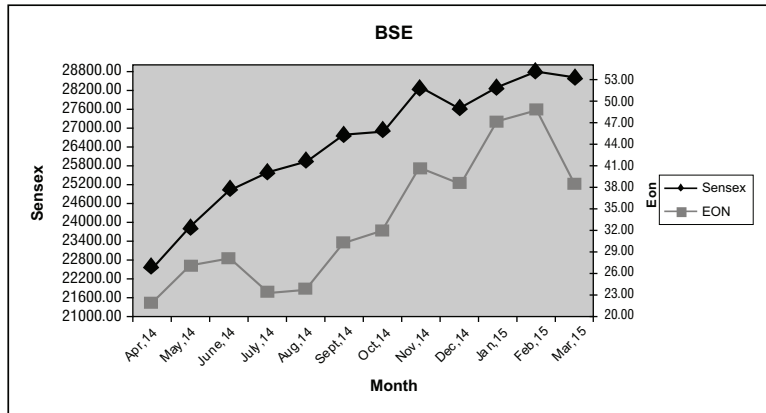
viii. **Stock Price and Volume**

Monthly high and low quotation as also the volume of shares traded on BSE Limited and National Stock Exchange of India Limited from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March, 2015

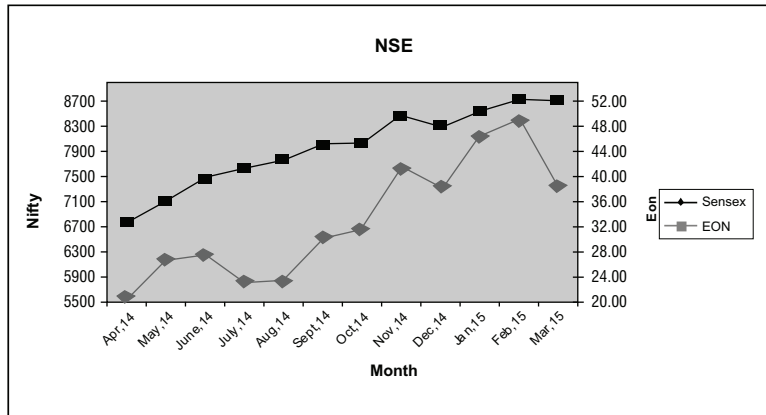
Financial year 2014 – 15	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	Highest (₹)	Lowest (₹)	Volume (Nos.)	Highest (₹)	Lowest (₹)	Volume (Nos.)
April	24.40	19.20	15886	22.00	19.15	97737
May	34.90	19.25	112618	33.75	19.70	299935
June	30.80	25.05	518244	30.15	25.00	255928
July	26.00	20.90	51747	26.10	20.45	91796
August	26.85	20.50	78436	26.80	20.10	152510
September	37.65	22.70	1163196	37.65	22.75	1314263
October	38.05	25.75	555636	38.00	25.10	570957
November	50.00	31.00	656784	50.70	32.10	1135595
December	42.45	34.60	201284	42.50	34.20	439340
January	57.30	36.70	1031389	57.40	35.40	1411489
February	55.00	42.50	238731	55.00	43.05	379256
March	45.70	31.25	112580	45.90	31.15	192755



**a) Stock Price Movement at BSE.**



**b) Stock Price Movement at NSE.**



**ix) Share Transfer System**

The shares of the Company are traded in the compulsory dematerialized mode for all investors. The shares sent for transfer in physical form are registered within a 15days (if in order and complete in all respects) and the share certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

The Company has appointed M/s. Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi – 110 055 as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of investor servicing relating to shares.

**x) Distribution of Shareholding as on 31<sup>st</sup> March, 2015**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
UP TO 500	13239	90.47	2028895	12.64
501 to 1000	671	4.59	562697	3.50
1001 to 2000	334	2.28	518257	3.23
2001 to 3000	117	0.80	296776	1.85
3001 to 4000	71	0.49	251311	1.56
4001 to 5000	53	0.36	247369	1.54
5001 to 10000	81	0.55	564622	3.52
10001 and above	68	0.46	11587539	72.16
Total	14634	100.00	16057466	100.00

**xi) Dematerialization of Shares and Liquidity**

The shares of the Company are in Compulsory Demat mode and 95.60% of the Company's share capital is dematerialized as on 31<sup>st</sup> March 2015.

**xii) Outstanding GDRs/ADRs/Warrants : Nil****xiii) Plant Locations:**

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

**xiv) Address for Correspondence with the Company**

Kumar Indramani  
Senior Manager(Legal) & Company Secretary  
Eon Electric Limited  
(Legal & Secretarial Department)  
B 88 Sector 83 Noida – 201305  
Tel: (0120) 3096724 Fax: (0120) 3096765  
email:kumar.indramani@eonelectric.com  
Website: [www.eonelectric.com](http://www.eonelectric.com)

**xv) Address for Correspondence with the Registrar and Transfer Agents**

M/s. Alankit Assignments Ltd.  
1E/ 13, Alankit Heights, Jhandewalan Extn.,  
New Delhi – 110 055.  
Tel : 011-41540060-63 Fax: 011-41540064  
e-mail: [alankit@alankit.com](mailto:alankit@alankit.com)

**14. Other Information:****Update E-mails for receiving notice/ documents in e-mode:**

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavour.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

**15. Auditors Certificate on Corporate Governance**

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

**16. Certificate from Chief Executive Officer/ Chief Financial Officer**

In terms of Clause 49(IX) of the Listing Agreement, the Chairman and Managing Director and the Chief Financial Officer of the Company have given a certification on the financial reporting and internal controls for the financial year ended 31<sup>st</sup> March, 2015 to the Board. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer of the Company is published in this Annual Report as Annexure C-2.

**DECLARATION**

I hereby confirm that the Company has obtained from all the members of Board and Senior Managerial Personnel affirmation that they have complied with the Code of Conduct for the financial year ended March 31, 2015.

(V. P. MAHENDRU)  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE - C-1****AUDITORS' CERTIFICATE****TO THE MEMBERS OF EON ELECTRIC LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Eon Electric Limited for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of company.

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

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

**Rajesh Sethi**  
Partner  
M. No. 85669

For and on behalf of  
**JC Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No: 001111N

Place : New Delhi  
Dated: 11<sup>th</sup> August, 2015

**CEO/CFO CERTIFICATION ON ANNUAL ACCOUNTS**

To  
The Board of Directors  
Eon Electric Limited  
B 88, Sector 83, Noida

**Sub: Certification in respect of Annual Accounts for the year ended the 31<sup>st</sup> March, 2015 under Clause 49(IX) of the Listing Agreement with Stock Exchange.**

We hereby certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended on the 31<sup>st</sup> March 2015 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting, and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit Committee
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi  
Date : 30/05/2015

(V.P. MAHENDRU)  
CHAIRMAN & MANAGING DIRECTOR

(K.B. SATIJA)  
CHIEF FINANCIAL OFFICER

## ANNEXURE - D

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended As On 31<sup>st</sup> March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended As On 31<sup>st</sup> March, 2015

To  
The Members  
**Eon Electric Limited**  
**House No. 1048, Sector-14,**  
**Sonepat , Haryana-131001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eon Electric Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ( 'SCRA') and the rules made thereunder; **(Not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation , 2009; **(Not applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008; **(Not applicable to the Company during the audit period)**

## 26 Annual Report 2015

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993, regarding the Companies Act, 2013 and dealing with the clients.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and; **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

We further report that Secretarial Standards issued by the Institute of Company Secretaries were not applicable for the Financial Year ended as on 31<sup>st</sup> March, 2015.

We further report that based on the information provided by the Company its officers and authorized representative and departmental heads during the conduct of the audit and also on the review of the quarterly compliance report by the department heads/ Company Secretary/ Chief Financial Officer and the Chairman cum Managing Director, taken on record by the Board of Director, in my opinion, adequate system and process and control mechanism exist in the Company to monitor and ensure compliance with the applicable general laws which are Labour Laws, Environmental Laws and Competition Laws.

We further report that the compliance of the applicable financial laws like the Direct and Indirect Tax laws, by the Company, has not been reviewed for the period under the audit, as the same are the subject to review by the statutory auditors and other designated professionals.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as evident from the minutes of the meeting of the Board and other Committees recorded and duly signed by the Chairman, there were no dissenting members' view during the audit period.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there were no specific events /actions in pursuance of the above referred laws, rules, regulations and guidelines etc having a major bearing on the company's affairs.

For **Manish Ranjan & Associates**

Place: New Delhi  
Date: 11<sup>th</sup> August 2015

**(Manish Ranjan)**  
FCS No: 5074  
C. P. No.:3709

**ANNEXURE - E**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L31200HR1989PLC035580
ii	Registration Date	6 <sup>th</sup> November-1989
iii	Name of the Company	Eon Electric Limited
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	1048, Sector 14, Sonapat, Haryana
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignment Limited 1E/13, Alankit Heights, Jhandewalan Extn. New Delhi - 110055 Tel: 011 -41540060-63 Fax: 011- 41540064 Email: alankit@alankit.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Cables & Wires	3130	48.90%
2	Lighting	3150	26.15%
3	Electrical Consumer Durables	2930	14.36%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES - N.A**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-



## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## (i) Category-wise Shareholding

Category code	Category of Shareholder	No. of shares held at the beginning of the year April 1, 2014				No. of shares held at the end of the year March 31, 2015				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)			
<b>(A)</b>	<b>Shareholding of Promoter and Group<sup>1</sup></b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	2332230	-	2332230	14.52	2332230	-	2332230	14.52	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	6461433	-	6461433	40.24	7261433	-	7261433	45.22	4.98
(e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(f)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>8793663</b>	<b>-</b>	<b>8793663</b>	<b>54.76</b>	<b>9593663</b>	<b>-</b>	<b>9593663</b>	<b>59.74</b>	<b>4.98</b>
<b>2</b>	<b>Foreign</b>									
a	Individuals (NRI/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Other Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoters A = (A)(1) + (A)(2)</b>	<b>8793663</b>	<b>-</b>	<b>8793663</b>	<b>54.76</b>	<b>9593663</b>	<b>-</b>	<b>9593663</b>	<b>59.74</b>	<b>4.98</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	-	-	0	-	-	-	0	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	0	-	-	-	0	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	989953	900	990853	6.17	1029092	900	1029992	6.41	0.24
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	3316947	721338	4038285	25.15	3578569	706277	4284846	26.68	1.54
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1995882	-	1995882	12.43	886560	-	886560	5.52	-6.91
(c)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(c-i)	Non Resident Indian	238283	500	238783	1.49	261905	500	262405	1.63	0.15
	<b>Sub-Total (B)(2)</b>	<b>6541065</b>	<b>722738</b>	<b>7263803</b>	<b>45.24</b>	<b>5756126</b>	<b>707677</b>	<b>6463803</b>	<b>40.25</b>	<b>-4.98</b>
<b>(B)</b>	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>6541065</b>	<b>722738</b>	<b>7263803</b>	<b>45.24</b>	<b>5756126</b>	<b>707677</b>	<b>6463803</b>	<b>40.25</b>	<b>-4.98</b>
	<b>TOTAL (A) + (B)</b>	<b>15334728</b>	<b>722738</b>	<b>16057466</b>	<b>100.00</b>	<b>15349789</b>	<b>707677</b>	<b>16057466</b>	<b>100.00</b>	<b>0.00</b>
<b>(c)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>15334728</b>	<b>722738</b>	<b>16057466</b>	<b>100.00</b>	<b>15349789</b>	<b>707677</b>	<b>16057466</b>	<b>100.00</b>	<b>0.00</b>

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	VPM Electricals Pvt. Ltd	3632177	22.62	-	5017177	31.24	-	8.62
2	VPM Industrial Services Corporation LLP	2829256	17.62	-	2244256	13.98	-	-3.64
3	V P Mahendru	909413	5.66	-	909413	5.66	-	0.00
4	Vivek Mahendru	590660	3.68	-	590660	3.68	-	0.00
5	Vinay Mahendru	576707	3.59	-	576707	3.59	-	0.00
6	Ratna Mahendru	133932	0.83	-	133932	0.83	-	0.00
7	Bela Mahendru	119978	0.75	-	119978	0.75	-	0.00
8	Keshav Mahendru	1540	0.01	-	1540	0.01	-	0.00
	Total	8793663	54.76	-	9593663	59.74	-	4.98

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl.No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VPM Electricals Pvt. Ltd				
	At the beginning of the year	3632177	22.62	3632177	22.62
	Transaction(Purchase/sale) during the year				
	20/05/2014	380000	2.37	4012177	24.99
	24/06/2014	415000	2.58	4427177	27.57
	15/09/2014	475000	2.96	4902177	30.53
	13/10/2014	115000	0.72	5017177	31.24
	At the end of the year as on 31/03/2015			<b>5017177</b>	<b>31.24</b>
2	VPM Industrial Services Corporation LLP				
	At the beginning of the year	2829256	17.62	2829256	17.62
	Transaction(Purchase/sale) during the year				
	24/06/2014	-415000	-2.58	2414256	15.04
	07/07/2014	420000	2.62	2834256	17.65
	15/09/2014	-475000	-2.96	2359256	14.69
	14/10/2014	-115000	-0.72	2244256	13.98
	At the end of the year as on 31/03/2015			<b>2244256</b>	<b>13.98</b>
3	V P Mahendru				
	At the beginning of the year	909413	5.66	909413	5.66
	At the end of the year as on 31/03/2015			909413	5.66
4	Vivek Mahendru				
	At the beginning of the year	590660	3.68	590660	3.68
	At the end of the year as on 31/03/2015			590660	3.68
5	Vinay Mahendru				
	At the beginning of the year	576707	3.59	576707	3.59
	At the end of the year as on 31/03/2015			576707	3.59
6	Ratna Mahendru				
	At the beginning of the year	133932	0.83	133932	0.83
	At the end of the year as on 31/03/2015			133932	0.83
7	Bela Mahendru				
	At the beginning of the year	119978	0.75	119978	0.75
	At the end of the year as on 31/03/2015			119978	0.75
8	Keshav Mahendru				
	At the beginning of the year	1540	0.01	1540	0.01
	At the end of the year as on 31/03/2015			1540	0.01

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Ashish Dhawan</b>				
	At the beginning of the year	1350000	8.41	1350000	8.41
	Sold on 20/05/2014	-380000	-2.37	970000	6.04
	Sold on 13/06/2014	-58673	-0.37	911327	5.68
	Sold on 20/06/2014	-13103	-0.08	898224	5.59
	Sold on 30/06/2014	-40454	-0.25	857770	5.34
	Sold on 04/07/2014	-179	0.00	857591	5.34
	Sold on 07/07/2014	-420000	-2.62	437591	2.73
	Sold on 29/08/2014	-68409	-0.43	369182	2.30
	Sold on 05/09/2014	-369182	-2.30	0	0.00
	At the End of the year 31/03/2015			0	0.00
2	<b>M to M Traders Pvt Ltd</b>				
	At the beginning of the year	150000	0.93	150000	0.93
	Sold on 30/06/2014	150000	0.93	0	0
	At the End of the year 31/03/2015			0	0
3	<b>My Money Securities Limited</b>				
	At the beginning of the year	133619	0.83	133619	0.83
	Sold on 11/04/2014	-8258	-0.05	125361	0.78
	Sold on 18/04/2014	-27358	-0.17	98003	0.61
	Sold on 16/05/2014	-3248	-0.02	94755	0.59
	Sold on 23/05/2014	-13000	-0.08	81755	0.51
	Sold on 30/05/2014	-27825	-0.17	53930	0.34
	Sold on 06/06/2014	-22389	-0.14	31541	0.20
	Sold on 13/06/2014	-12802	-0.08	18739	0.12
	Sold on 20/06/2014	-2000	-0.01	16739	0.10
	Purchased on 30/06/2014	1626	0.01	18365	0.11
	Purchased on 04/07/2014	4129	0.03	22494	0.14
	Purchased on 11/07/2014	250	0.00	22744	0.14
	Purchased on 01/08/2014	2015	0.01	24759	0.15
	Purchased on 08/08/2014	640	0.00	25399	0.16
	Purchased on 29/08/2014	1487	0.01	26886	0.17
	Purchased on 05/09/2014	315559	1.97	342445	2.13
	Sold on 12/09/2014	-13750	-0.09	328695	2.05
	Sold on 19/09/2014	-90879	-0.57	237816	1.48
	Sold on 30/09/2014	-57185	-0.36	180631	1.12
	Sold on 17/10/2014	-11014	-0.07	169617	1.06
	Sold on 31/10/2014	-1482	-0.01	168135	1.05
	Sold on 07/11/2014	-12000	-0.07	156135	0.97
	Sold on 14/11/2014	-117370	-0.73	38765	0.24
	Sold on 21/11/2014	-11295	-0.07	27470	0.17
	Purchased on 12/12/2014	2477	0.02	29947	0.19
	Purchased on 31/12/2014	22793	0.14	52740	0.33
	Sold on 02/01/2015	-1506	-0.01	51234	0.32
	Sold on 09/01/2015	-34194	-0.21	17040	0.11

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) (Contd..)

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sold on 06/02/2015	-1000	-0.01	16040	0.10
	Purchased on 13/02/2015	5000	0.03	21040	0.13
	Purchased on 27/02/2015	15354	0.10	36394	0.23
	Purchased on 06/03/2015	27645	0.17	64039	0.40
	Purchased on 13/03/2015	22243	0.14	86282	0.54
	Purchased on 20/03/2015	10257	0.06	96539	0.60
	Purchased on 27/03/2015	18921	0.12	115460	0.72
	Purchased on 27/03/2015	1	0.00	115461	0.72
	At the End of the year 31/03/2015			115461	0.72
4	<b>Isha Securities Limited</b>				
	At the beginning of the year	102139	0.64	102139	0.64
	At the End of the year 31/03/2015	—		102139	0.64
5	<b>Religare Finvest Ltd</b>				
	At the beginning of the year	72790	0.45	72790	0.45
	Sold on 30/05/2014	-2813	-0.02	69977	0.44
	Sold on 21/11/2014	-42577	-0.27	27400	0.17
	Sold on 19/12/2014	-27400	-0.17	0	0.00
	At the End of the year 31/03/2015			0	0.00
6	<b>Sangita Balwant Jain</b>				
	At the beginning of the year	67602	0.42	67602	0.42
	At the End of the year 31/03/2015			67602	0.42
7	<b>My Money Capital Services P Ltd</b>				
	At the beginning of the year	65851	0.41	65851	0.41
	Sold on 30/05/2014	-6110	-0.04	59741	0.37
	Sold on 06/06/2014	-7332	-0.05	52409	0.33
	Sold on 13/06/2014	-6425	-0.04	45984	0.29
	Sold on 20/06/2014	-1000	-0.01	44984	0.28
	Purchased on 05/09/2014	205	0.00	45189	0.28
	Sold on 12/09/2014	-3500	-0.02	41689	0.26
	Sold on 19/09/2014	-31668	-0.20	10021	0.06
	Purchased on 30/09/2014	17032	0.11	27053	0.17
	Sold on 17/10/2014	-1000	-0.01	26053	0.16
	Sold on 07/11/2014	-2160	-0.01	23893	0.15
	Sold on 14/11/2014	-19617	-0.12	4276	0.03
	Purchased on 06/03/2015	9132	0.06	13408	0.08
	Purchased on 31/03/2015	11190	0.07	24598	0.15
	At the End of the year 31/03/2015			24598	0.15
8	<b>Vijay Hotani</b>				
	At the beginning of the year	65425	0.41	65425	0.41
	Sold on 09/05/2014	-500	0.00	64925	0.40
	Sold on 16/05/2014	-1000	-0.01	63925	0.40
	Sold on 23/05/2014	-2700	-0.02	61225	0.38
	Sold on 30/05/2014	-1500	-0.01	59725	0.37
	Sold on 15/08/2014	-1500	-0.01	58225	0.36

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) (Contd..)

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sold on 22/08/2014	-500	0.00	57725	0.36
	Sold on 29/08/2014	-500	0.00	57225	0.36
	Sold on 05/09/2014	-1000	-0.01	56225	0.35
	Sold on 12/09/2014	-500	0.00	55725	0.35
	Sold on 19/09/2014	-500	0.00	55225	0.34
	Sold on 30/09/2014	-500	0.00	54725	0.34
	Sold on 17/10/2014	-500	0.00	54225	0.34
	Sold on 31/10/2014	-1400	-0.01	52825	0.33
	Sold on 07/11/2014	-600	0.00	52225	0.33
	Sold on 14/11/2014	-400	0.00	51825	0.32
	Sold on 21/11/2014	-100	0.00	51725	0.32
	Sold on 05/12/2014	-200	0.00	51525	0.32
	Sold on 12/12/2014	-500	0.00	51025	0.32
	Sold on 19/12/2014	-400	0.00	50625	0.32
	Sold on 31/12/2014	-1700	-0.01	48925	0.30
	Sold on 02/01/2015	-200	0.00	48725	0.30
	Sold on 09/01/2015	-900	-0.01	47825	0.30
	Sold on 30/01/2015	-400	0.00	47425	0.30
	Sold on 06/02/2015	-250	0.00	47175	0.29
	At the End of the year 31/03/2015			47175	0.29
9	<b>Chittiprolu Venkata Koteswara Rao</b>				
	At the beginning of the year	61187	0.38	61187	0.38
	Purchased on 30/05/2014	6236	0.04	67423	0.42
	Purchased on 06/06/2014	170	0.00	67593	0.42
	Purchased on 13/06/2014	4000	0.02	71593	0.45
	Purchased on 20/06/2014	259	0.00	71852	0.45
	Purchased on 12/09/2014	550	0.00	72402	0.45
	Purchased on 19/09/2014	2000	0.01	74402	0.46
	Sold on 24/10/2014	-1000	-0.01	73402	0.46
	Sold on 31/12/2014	-1000	-0.01	72402	0.45
	Sold on 02/01/2015	-500	0.00	71902	0.45
	Sold on 09/01/2015	-500	0.00	71402	0.44
	At the End of the year 31/03/2015			71402	0.44
10	<b>Varsha Bhavesh Shah</b>				
	At the beginning of the year	59943	0.37	59943	0.37
	Purchased on 12/12/2014	3684	0.02	63627	0.40
	Sold on 09/01/2015	-3927	-0.02	59700	0.37
	Purchased on 31/03/2015	3750	0.02	63450	0.40
	At the End of the year 31/03/2015			63450	0.40
11	<b>Adani Properties Pvt Ltd</b>				
	At the beginning of the year	0	0.00	0	0.00
	Purchased on 30/06/2014	150000	0.93	150000	0.93
	At the End of the year 31/03/2015			150000	0.93

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) (Contd..)

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
12	<b>B.P. Equities Pvt Ltd</b>				
	At the beginning of the year	0	0.00	0	0.00
	Purchased on 10/10/2014	3816	0.02	3816	0.02
	Purchased on 17/10/2014	21900	0.14	25716	0.16
	Purchased on 24/10/2014	-200	0.00	25516	0.16
	Purchased on 31/10/2014	24532	0.15	50048	0.31
	Purchased on 07/11/2014	-25	0.00	50023	0.31
	Purchased on 14/11/2014	28977	0.18	79000	0.49
	Purchased on 21/11/2014	4000	0.02	83000	0.52
	Purchased on 28/11/2014	6000	0.04	89000	0.55
	Purchased on 05/12/2014	5500	0.03	94500	0.59
	Purchased on 19/12/2014	4059	0.03	98559	0.61
	Purchased on 31/12/2014	-7000	-0.04	91559	0.57
	Purchased on 09/01/2015	2000	0.01	93559	0.58
	Purchased on 16/01/2015	-500	0.00	93059	0.58
	Purchased on 23/01/2015	-2500	-0.02	90559	0.56
	Purchased on 06/02/2015	-400	0.00	90159	0.56
	Purchased on 20/02/2015	300	0.00	90459	0.56
	Purchased on 27/02/2015	-6902	-0.04	83557	0.52
	Purchased on 13/03/2015	-1000	-0.01	82557	0.51
	Purchased on 20/03/2015	0	0.00	82557	0.51
	Purchased on 27/03/2015	-600	0.00	81957	0.51
	Purchased on 31/03/2015	-300	0.00	81657	0.51
	At the End of the year 31/03/2015			81657	0.51
13	<b>Dr. Ramesh Chimanlal Shah</b>				
	At the beginning of the year	0	0.00	0	0.00
	Purchased on 09/01/2015	12000	0.07	12000	0.07
	Purchased on 16/01/2015	88000	0.55	100000	0.62
	Sold on 20/02/2015	-10000	-0.06	90000	0.56
	Sold on 13/03/2015	-16000	-0.10	74000	0.46
	Sold on 20/03/2015	-5000	-0.03	69000	0.43
	Sold on 27/03/2015	-8050	-0.05	60950	0.38
	At the End of the year 31/03/2015			60950	0.38
14	<b>Divyesh Ambalal Shah</b>				
	At the beginning of the year	50696	0.32	50696	0.32
	Purchased on 11/04/2014	2139	0.01	52835	0.33
	Purchased on 18/04/2014	10558	0.07	63393	0.39
	Purchased on 25/04/2014	154	0.00	63547	0.40
	Purchased on 02/05/2014	2131	0.01	65678	0.41
	Purchased on 09/05/2014	8459	0.05	74137	0.46
	Purchased on 16/05/2014	109	0.00	74246	0.46
	Purchased on 13/06/2014	100	0.00	74346	0.46
	Purchased on 30/09/2014	555	0.00	74901	0.47
	Purchased on 30/01/2015	17535	0.11	92436	0.58
	Purchased on 27/03/2015	4000	0.02	96436	0.60
	At the End of the year 31/03/2015			96436	0.60
15	<b>Ravi Saxena</b>				
	At the beginning of the year	50000	0.31	50000	0.31
	At the End of the year 31/03/2015			50000	0.31

## (v) Shareholding of Directors &amp; KMP

Sl.No.	For Each of the Top Directors and KMP	Shareholding at the end of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sh. V P Mahendru				
	At the beginning of the year	909413	5.66	909413	5.66
	At the end of the year as on 31/03/2015			909413	5.66
2	Sh. Vivek Mahendru				
	At the beginning of the year	590660	3.68	590660	3.68
	At the end of the year as on 31/03/2015			590660	3.68
3	Sh. Vinay Mahendru				
	At the beginning of the year	576707	3.59	576707	3.59
	At the end of the year as on 31/03/2015			576707	3.59
4	Sh. Ramesh Chand Bansal				
	At the beginning of the year	800	0.00	800	0.00
	At the end of the year as on 31/03/2015			800	0.00
5	Sh. Ajoy Kumar Ghosh				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2015			0	0.00
6	Sh. Ranjan Sarkar				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2015			0	0.00
7	Smt. Bela Mahendru				
	At the beginning of the year	119978	0.75	119978	0.75
	At the end of the year as on 31/03/2015			119978	0.75
8	Sh. K. B. Satija				
	At the beginning of the year	5	0.00	5	0.00
	At the end of the year as on 31/03/2015			5	0.00
9	Sh. Kumar Indramani				
	At the beginning of the year	10	0.00	10	0.00
	At the end of the year as on 31/03/2015			10	0.00

## V INDEBTEDNESS

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

(In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	520918432	39487500	-	560405932
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	520918432	39487500	-	560405932
<b>Change in Indebtedness during the financial year</b>				
Additions	107900082	-	-	107900082
Reduction	-	15795000	-	15795000
<b>Net Change</b>	107900082	15795000	-	92105082
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	628818514	23692500	-	652511014
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	628818514	23692500	-	652511014



**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager:**

(In ₹)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	<b>Gross salary</b>	Sh. Ved Prakash Mahendru	Sh. Vivek Mahendru	Sh. Vinay Mahendru	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,650,000	5,760,000	5,760,000	16,170,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	799,600	664,600	664,600	2,128,800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	5,449,600	6,424,600	6,424,600	18,298,800

**B. Remuneration to other directors:**

(In ₹)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Sh. Ramesh Chander Bansal	Sh. Ajoy Kumar Ghosh	Sh Ranjan Sarkar	
	(a) Fee for attending board committee meetings	60,000	40,000	24,000	1,24,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	60,000	40,000	24,000	1,24,000
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	60,000	40,000	24,000	1,24,000
	<b>Total Managerial Remuneration</b>	60,000	40,000	24,000	1,24,000

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary (Mr. Kumar Indramani)	CFO (Mr. K.B. Satija)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1118480	3451584	4570064
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	21600	-	21600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	1140080	3451584	4591664

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

## ANNEXURE - F

**A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Relevant Clause u/r5(1)	Prescribed Requirement	Particulars		
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Ratio of the remuneration of Shri Ved Prakash Mahendru, Chairman & Managing Director to the median remuneration of the employees - 25.52:1 Ratio of the remuneration of Shri Vivek Mahendru, Executive Director to the median remuneration of the employees - 21.07:1 Ratio of the remuneration of Shri Vinay Mahendru, Executive Director to the median remuneration of the employees - 21.07:1		
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Shri Ved Prakash Mahendru, CMD - 9.89% Shri Vivek Mahendru, WTD/ED - 13.19%, Shri Vinay Mahendru, WTD/ED - 13.19% Shri K.B. Satija, CFO - 9.55%, Shri Kumar Indramani, CS - 10.00%		
(iii)	Percentage increase in the median remuneration of employees in the financial year	2.92%		
(iv)	Number of permanent employees of the Company	300		
(v)	Explanation on the relationship between average increase in remuneration and company performance	On an average, employees received an increase of 13.12%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organisation performance.		
		(Rs. In Lacs)		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	<b>KMP</b>	<b>Remuneration</b>	<b>Company Performance (Revenue from operations)</b>
		Shri Ved Prakash Mahendru, Chairman and Managing Director	77.50	12917.10
		Shri Vivek Mahendru, Executive Director,	68.61	12917.10
		Shri Vinay Mahendru, Executive Director	68.61	12917.10
		Shri K.B. Satija, CFO,	36.13	12917.10
		Shri Kumar Indramani, CS	12.97	12917.10
(vii)	Variation in the market capitalisation of the company price earning ration as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variation in the net worth of the company as at the close of the current financial year and previous financial year	Variation in the market capitalisation - Market Capitalisation as at 31st March, 2014 : 56.36 crores - Market Capitalisation as at 31st March, 2015: 31.55 crores		

(viii)	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of Managerial Personnel - 11.98% - Average increase in remuneration of employees other than the Managerial Personnel - 13.92%
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Covered in sub clause (vi) above
(x)	Key parameters for any variable component of remuneration availed by the directors	Financial and operating performance of the Company - Industry/Sector trends for the remuneration paid to executive directorate
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid directors during the year	Not applicable. There is no such employee who received remuneration in excess of the highest paid director during the year
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the Section 178 of the Companies Act, 2013

**B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Persons employed for the full year ended 31st March, 2015 who were in receipt of remuneration which in the aggregate was not less than Rs. 60,00,000 per annum

S.N	Employee Name	Designation	Gross Remuneration (Rs.)	Qualification	Total Exp. In yrs.	Date of Commencement of Employment	Age in Yrs.	Last Employer & Designation Held
1	Shri Ved Prakash Mahendru	Chairman and Managing Director	77,50,000	B.Sc	56	24.06.2005	82	Indo Asian Fusegear Limited Chairman and Managing Director
2	Shri Vivek Mahendru	Executive Director	68,60,800	B.Com, M.B.A	33	24.06.2005	54	Indo Asian Fusegear limited President(Operations)
3	Shri Vinay Mahendru	Executive Director	68,60,800	B.E, MBA	31	24.06.2005	53	Indo Asian Fusegear Limited Executive Director

## ANNEXURE - G

## Form AOC -1

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

**Statement containing salient features of the financial statement of subsidiaries/joint ventures**

<b>Part "A" Subsidiaries</b>		
(Information in respect of each of subsidiary to be presented with amount in Rs.)		
<b>Sl.No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N.A
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of relevant financial year in case of foreign subsidiaries	N.A
4	Share Capital	N.A
5	Reserves & Surplus	N.A
6	Total assets	N.A
7	Total liabilities	N.A
8	Investments	N.A
9	Turnover	N.A
10	Profit before taxation	N.A
11	provision for taxation	N.A
12	profit after taxation	N.A
13	Proposed Dividend	N.A
14	% of shareholding	N.A
<b>Note:</b>	Name of subsidiary which has been liquidated/ sold during the year :	IAFL Power Distribution & Infrastructure Private Limited
<b>Part "B" Associates and Joint Ventures</b>		
<b>Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures</b>		
<b>S.I</b>	<b>Name of Joint Venture</b>	<b>Luxtra Lighting Private Limited</b>
1	Latest Balance Sheet Date	31/03/2014
2	Share of Joint Venture held by the company on the year end	Equity Share
	No.	969203
	Amount of Investment in Associates/Joint Venture	₹ 9,692,030
	Extend of holding %	49%
3	Description of how there is significant influence	Voting Power
4	Reason why the joint venture is not consolidated	Ministry of Corporate Affairs vide Notification No. G.S.R 723(E) dated 14/10/2014 has waived the consolidation of financial statement for the financial year 2014-15 of a company which does not have a subsidiary but has one or more associate companies or joint ventures or both.

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5	Networth attributable to Shareholding as per latest audited	Balance Sheet-172376
6	Profit/Loss of the year	
	i. considered in consolidation	N.A
	ii. Not considered in consolidation	-66322
<b>Note:</b>	Name of joint venture which has been sold/liquidatd during the year :	During the year, the Company has terminated its JV Agreement with M/s Simon Holding S.L of Spain and accoringly Indo Simon Electric Private Limited ceased to be its JV.

**ANNEXURE - H****NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time.

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**DEFINITIONS:**

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income - tax Act, 1961;

**“Key Managerial Personnel”** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole - time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

**“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

**OBJECTIVE:**

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long - term performance objectives appropriate to the working of the company and its goals.

**ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.



**APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole - time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**TERM / TENURE**

**a) Managing Director/Whole - time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole - time Director of a listed company or such other number as may be prescribed under the Act.

**EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

**REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

**1) Remuneration to Managing Director / Whole - time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors after taking into consideration industry benchmarks, company's performance vis a vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organization etc.

**2) Remuneration to Non - Executive / Independent Directors:**

- a) The Non - Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be approved by the Board of Directors.
- b) All the remuneration of the Non - Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.
- d) The remuneration of all KMP (excluding Managing Director/Whole Time Directors) such as Chief Financial Officer, Company Secretary or such other officer as may be prescribed under the statute from time to time and Senior Management of the Company shall be determined by the Human Resources Department of the Company in consultation with Managing Director and/or Whole Time Director. The remuneration shall be in line with Company's philosophy to provide fair compensation to KMP and Senior Management based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long term commitment to the Company and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

**ANNEXURE - I**

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015.

**A. CONSERVATION OF ENERGY**

Steps taken or impact on conservation of energy and the steps taken by the company for utilizing alternate sources of energy:

Energy conservation measures have been implemented in the Works as well as in the Company's entire offices nation wide. These measures have resulted in cost savings for the Company. Some of these include the following:

- management of energy efficient resources
- energy audit cells
- Light optimization through lux mapping & changing over to higher efficiency lighting solution such as LED.
- Replacement of conventional lamps with LED lamps.
- Rain water harvesting system at all manufacturing sites.
- Replacement of old and inefficient utilities such as DG sets pumps and motors and production equipment's etc.

**B. TECHNOLOGY ABSORPTION**

The following efforts are being made in technology absorption: Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company:

- Continuous efforts are being made for integration of R&D activities with business needs so as to offer better value added products and services to our customers.

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

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

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

3. Expenditure on R&D:

- a) Capital
- b) Recurring
- c) Total
- d) Total R & D expenditure as a percentage of total turnover



The development work is carried on by the concerned departments on an ongoing basis. The expenses and the costs of assets are grouped under the respective heads.

**Technology absorption, adaptation and innovation:**

- i) Efforts, in brief, made towards technology absorption, adaptations and innovation:
  - Efforts to improve productivity and reduce raw material, power and electricity consumption continue.
- ii) Benefits derived as a result of the above efforts:
  - Cost reduction.

- iii) In case of imported technology (imported during the last 3 years reckoned the beginning of the financial year), following information may be furnished:
- a) Technology imported:
  - b) Year of import:
  - c) Has technology been fully absorbed?:
  - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:

**- NOT APPLICABLE-**

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

VI) Activities relating to exports:

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

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

- (b) Total foreign exchange used : ₹ 1439.37 Lacs  
Total foreign exchange earned : -

for and on behalf of the Board of Directors

Ved Prakash Mahendru  
Chairman & Managing Director

## Independent Auditors' Report

### To The Members of

#### Eon Electric Ltd

We have audited the accompanying financial statements of Eon Electric Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the company does not have any pending litigations which would impact its financial position.
  - (ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) there were no amounts which were required to be transferred to Investor Education and Protection Fund by the company.

Place : New Delhi  
Dated: 30<sup>th</sup> May, 2015

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

## Annexure to the Independent Auditors' Report

### Annexure to the Independent Auditors' Report on the accounts of Eon Electric Ltd. for the year ended March 31, 2015 as referred under the heading "Report on other Legal and Regulatory requirements" of our report of even date.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) The fixed assets have been physically verified by the management at the year-end. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the Company.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventories lying with the third parties, these have been substantially confirmed by them. In our opinion frequency of verification is reasonable.
- (b) The procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us and in our opinion the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act. Accordingly, clauses (iii) (a) & (iii) (b) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, in our opinion, there is no continuing failure to correct major weaknesses in internal control.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) On the basis of the records produced, we are of the opinion that, prima facie, the cost accounting records prescribed by the Central Government under section 148(1) of the Companies Act, 2013 have been maintained by the Company. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, Excise Duty, Custom Duty and other statutory dues applicable to it and there are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of disputed dues of Excise Duty, Income Tax Case and Sales tax/VAT aggregating to Rs. 54,136,865/- , Rs.109,426/- and Rs. 5,374,917/- as at March 31, 2015 which have not been deposited on account of disputed matters are as follows:

Nature of Dues	Demand in Dispute (₹)	Amount deposited (₹)	Period to which amount relates	Forum where pending
<b>Excise Duty Cases</b>				
Excise Duty including penalty	1,810,652	515,000	August 1998 to December 1998	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Excise Duty including penalty	10,450,866	2,500,000	2007-2008	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Excise Duty including penalty	39,484,604	-	May-04	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Excise Duty including penalty	568,024	-	April, 2001 to August, 2004	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Penalty	1,822,719	136,704	July 2008 to September 2008	Commissioner(Appeals)Noida
<b>Total</b>	<b>54,136,865</b>	<b>3,151,704</b>		

Nature of Dues	Demand in Dispute (₹)	Amount deposited (₹)	Period to which amount relates	Forum where pending
<b>Income Tax Case</b>				
Penalty	109,426	-	2010-11	Commissioner of Income Tax (Appeals), New Delhi
<b>Total</b>	<b>109,426</b>	<b>-</b>		

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

Appeal filed by Central Excise Department as at March 31, 2015

Nature of Dues	Demand in Dispute (₹)	Amount deposited (₹)	Period to which amount relates	Forum where pending
Excise Duty including penalty	2,065,676	-	December 2007 to September 2008	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Excise Duty including penalty	6,024,073	-	May 1990 to July 1998	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Service Tax including education cess	119,921	-	July 2004 to March, 2007	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
<b>Total</b>	<b>8,209,670</b>	<b>-</b>		

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company does not have accumulated losses as at March 31, 2015. The Company has incurred cash losses during the financial year covered by the audit as well as in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The company has not raised any term loans during the year.
- (xii) During the course of examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**Rajesh Sethi**

Partner

M. No. 85669

For and on behalf of

**J C Bhalla & Co.**

Chartered Accountants

Firm Regn. No : 001111N

Place : New Delhi

Dated: 30<sup>th</sup> May, 2015



**EON ELECTRIC LIMITED**  
**Balance Sheet as at 31st March, 2015**

Particulars	Note No.	31-Mar-15 Amount ( ₹ )	31-Mar-14 Amount ( ₹ )
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	80,287,330	80,287,330
Reserves and Surplus	2	1,087,501,780	1,292,575,867
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	7,897,500	23,692,500
Deferred Tax Liabilities (Net)	4	22,353,443	7,699,440
Other Long Term Liabilities	5	24,387,815	20,734,785
Long Term Provisions	6	13,270,746	9,853,640
<b>Current Liabilities</b>			
Short Term Borrowings	7	628,818,514	520,918,432
Trade Payables	8	196,969,156	154,612,725
Other Current Liabilities	9	84,639,274	72,679,000
Short Term Provisions	10	1,380,473	1,303,134
<b>TOTAL</b>		<b>2,147,506,031</b>	<b>2,184,356,853</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	11	406,550,410	364,404,022
- Intangible Assets	11	12,617	18,917
- Capital Work-in-Progress	11	2,166,710	4,933,590
Non - Current Investments	12	108,462,015	362,706,635
Long Term Loans and Advances	13	26,875,722	12,864,584
<b>Current Assets</b>			
Current Investments	14	602,924,937	612,413,997
Inventories	15	343,606,448	317,378,243
Trade Receivables	16	439,517,611	368,713,198
Cash and Bank Balances	17	144,682,457	85,119,311
Short Term Loans and Advances	18	67,052,218	50,568,761
Other Current Assets	19	5,654,886	5,235,595
<b>TOTAL</b>		<b>2,147,506,031</b>	<b>2,184,356,853</b>
Significant Accounting Policies Notes on Financial Statements	1 to 47		

As per our report of even date annexed.

Rajesh Sethi  
Partner  
Membership No. 085669

For and on behalf of Board of Directors

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

Vinay Mahendru  
Executive Director

Vivek Mahendru  
Executive Director

V. P. Mahendru  
Chairman & Managing Director

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2015

Kumar Indramani  
Sr. Manager(Legal) &  
Company Secretary

K. B. Satija  
Chief Financial Officer

**EON ELECTRIC LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2015**

Particulars	Note No.	31-Mar-15 Amount ( ₹ )	31-Mar-14 Amount ( ₹ )
<b>INCOME</b>			
Revenue from Operations	20	1,291,709,823	1,367,202,189
Other Income	21	76,127,781	61,373,195
<b>Total Revenue</b>		<b>1,367,837,604</b>	<b>1,428,575,384</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	22	617,680,618	687,620,042
Purchases of Stock-in-Trade	23	396,817,123	328,980,004
Changes in Inventories of Finished Goods, Work-in- Progress & Stock-in-Trade	24	13,651,592	51,620,073
Employee Benefits Expense	25	180,569,830	202,346,496
Finance Costs	26	74,020,355	56,119,691
Depreciation and Amortization Expense	27	21,236,681	29,854,294
Other Expenses	28	265,798,596	312,796,424
<b>Total Expenses</b>		<b>1,569,774,795</b>	<b>1,669,337,024</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(201,937,191)</b>	<b>(240,761,640)</b>
<b>Exceptional Items (Net)</b>	29	<b>12,320,761</b>	-
<b>Profit/(Loss) before tax</b>		<b>(189,616,430)</b>	<b>(240,761,640)</b>
<b>Tax Expenses</b>			
Deferred Tax		(1,099,107)	(1,284,775)
Deferred Tax charge on Exceptional Items		15,753,110	-
Wealth Tax		79,550	94,845
Prior Period Tax Adjustments		-	(5,178,124)
<b>Profit/(Loss) for the year</b>		<b>(204,349,983)</b>	<b>(234,393,586)</b>
<b>Earnings per Equity Share (Face Value of ₹ 5/- each)</b>	30		
- Basic		(12.73)	(14.60)
- Diluted		(12.73)	(14.60)
Significant Accounting Policies Notes on Financial Statements	1 to 47		

As per our report of even date annexed.

Rajesh Sethi  
Partner  
Membership No. 085669

For and on behalf of Board of Directors

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

Vinay Mahendru  
Executive Director

Vivek Mahendru  
Executive Director

V. P. Mahendru  
Chairman & Managing Director

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2015

Kumar Indramani  
Sr. Manager(Legal) &  
Company Secretary

K. B. Satija  
Chief Financial Officer

**EON ELECTRIC LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2015**

Particulars	31-Mar-15 Amount ( ₹ )	31-Mar-14 Amount ( ₹ )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	(189,616,430)	(240,761,640)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	21,236,681	29,854,294
Assets written off	686,362	-
Provision for Doubtful Debts	-	2,798,407
Interest Income	(9,462,286)	(9,162,013)
Interest Expenses	74,020,355	56,119,691
Loss/(Profit) on Sale of Fixed Assets	(51,613)	3,023,583
Loss/(Profit) on Sale of Investments	(53,874,351)	(48,905,993)
Exceptional Items	(12,320,761)	-
<b>Operating Profit before Working Capital Changes</b>	<b>(169,382,043)</b>	<b>(207,033,671)</b>
<b>Movements in Working Capital :</b>		
(Increase) / Decrease in Trade Receivables	(70,804,413)	28,313,431
(Increase) / Decrease in Inventories	(26,228,205)	24,481,933
(Increase) / Decrease in Long Term Loans and Advances	(14,011,138)	43,290,103
(Increase) / Decrease in Short Term Loans and Advances	(15,645,045)	(9,176,900)
Increase /(Decrease) in Trade Payables and Other Current Liabilities	54,316,705	27,707,015
Increase /(Decrease) in Long Term Provisions	3,417,106	231,929
Increase /(Decrease) in Short Term Provisions	92,634	(608,284)
Increase /(Decrease) in Other Long Term Liabilities	3,653,030	6,265,406
<b>Cash generated from / (used in) Operations</b>	<b>(234,591,369)</b>	<b>(86,529,038)</b>
Direct Taxes Paid	933,257	327,218
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(235,524,626)</b>	<b>(86,856,256)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work-in-progress	(10,497,697)	(158,798,310)
Proceeds from sale of Fixed Assets	234,000	48,567,300
Purchase of Current Investments	(483,334,045)	(679,072,749)
Purchase of Non - Current Investments	(750,000)	(224,812,230)
Proceeds from sale of Non-Current Investments in Joint Venture	182,441,256	-
Proceeds from sale of Non-Current Investments in Subsidiary	1,325,000	-
Proceeds from sale of Current Investments	578,541,536	870,579,110
Interest Received	9,042,995	9,503,280
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>277,003,045</b>	<b>(134,033,599)</b>

## Cash Flow Statement (Cont'd)

Particulars	31-Mar-15 Amount ( ₹ )	31-Mar-14 Amount ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(15,795,000)	(15,795,000)
Proceeds from Short Term Borrowings	107,900,082	246,991,904
Interest Paid	(74,020,355)	(56,119,691)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>18,084,727</b>	<b>175,077,213</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>59,563,146</b>	<b>(45,812,642)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>85,119,311</b>	<b>130,931,953</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>144,682,457</b>	<b>85,119,311</b>

Cash and cash equivalents include ₹ 75,810,607/- (Previous Year ₹ 19,368,169/-) on account of Margin Money and Fixed Deposits which are held for more than three months and are not available for use by the Company.

As per our report of even date annexed.

Rajesh Sethi  
Partner  
Membership No. 085669

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

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2015

For and on behalf of Board of Directors

Vinay Mahendru  
Executive Director

Kumar Indramani  
Sr. Manager(Legal) &  
Company Secretary

Vivek Mahendru  
Executive Director

K. B. Satija  
Chief Financial Officer

V. P. Mahendru  
Chairman & Managing Director

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## Significant Accounting Policies

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### Company Overview :

Eon Electric Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The company is engaged in the manufacturing and selling of Cables and Wires, Energy Efficient Lighting, Wiring accessories, Fans, Geysers, Lithium-ion Batteries, Mobile phone accessories and other electrical products. The Company's manufacturing facilities are located at Haridwar in Uttarakhand.

### Significant Accounting Policies :-

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

The financial statements are prepared under the historical cost convention as a going concern on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards notified under The Companies (Accounts) Rules, 2014 to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

#### 2. **Use of Estimates :-**

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

#### 3. **Fixed Assets :-**

##### (a) **Tangible Assets**

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

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

##### (b) **Intangible Assets**

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

#### 4. **Depreciation / Amortisation :-**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except in respect of Premium on Leasehold Land and Leasehold Improvements which are amortized over the period of lease term.

Computer Software is amortised over a period of five years.

#### 5. **Investments :-**

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

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

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

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

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## Significant Accounting Policies

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### 6. Inventories :-

Inventories are valued as under :-

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

### 7. Transactions in Foreign Currency :-

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

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

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

### 8. Employee Benefits :-

#### (a) Short Term Employee Benefits

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

#### (b) Long Term Employee Benefits

##### (i) Defined Contribution plan

###### Provident Fund and Employees' State Insurance schemes

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

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

##### (ii) Defined benefit plan

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

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

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

### 9. Revenue Recognition :-

#### Sales :

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

#### Investing and other Activities :

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

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**Significant Accounting Policies**

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**10. Segment Reporting :-**

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

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

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

**11. Earnings Per Share :-**

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

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

**12. Taxation :-**

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

**13. Impairment of Assets :-**

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

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

**14. Leases :-**

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

**15. Borrowing Costs:-**

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

**16. Pre-operative Expenditure :-**

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

**17. Provisions, Contingent Liabilities and Contingent Assets:-**

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

## Notes on Financial Statements for the year ended 31st March, 2015

1 SHARE CAPITAL	31-Mar-15		31-Mar-14	
	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 5/- each (Previous year ₹ 5/- each)	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each (Previous year ₹ 5/- each)	6,000,000	30,000,000	6,000,000	30,000,000
	<b>25,000,000</b>	<b>125,000,000</b>	<b>25,000,000</b>	<b>125,000,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 5/- each fully paid up (Previous year ₹ 5/- each)	16,057,466	80,287,330	16,057,466	80,287,330
<b>TOTAL</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

The Company has bought back and extinguished 17,84,162 Equity Shares of ₹ 10/- each from the existing owners of Equity Shares other than the Promoters / Persons in Control from the open market through the Stock Exchange(s) in the year 2011-12.

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

Equity Shares	31-Mar-15		31-Mar-14	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,057,466	80,287,330	16,057,466	80,287,330
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,057,466</b>	<b>80,287,330</b>	<b>16,057,466</b>	<b>80,287,330</b>

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

Name of Shareholder	31-Mar-15		31-Mar-14	
	Nos.	%age holding	Nos.	%age holding
<b>Equity Shares of ₹ 5/- each</b>				
VPM Industrial Services Corpn. LLP	2,244,256	13.98%	2,829,256	17.62%
VPM Electricals Private Limited	5,017,177	31.25%	3,632,177	22.62%
Shri Ashish Dhawan	-	-	1,350,000	8.41%
Shri V.P. Mahendru	909,413	5.66%	909,413	5.66%

### 1.4 Terms/rights attached to Equity Shares

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

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



## Notes on Financial Statements for the year ended 31st March, 2015

2 RESERVES AND SURPLUS	31-Mar-15 Amount (₹)		31-Mar-14 Amount (₹)	
	Non Current	Current	Non Current	Current
<b>Capital Reserve</b>				
As per last Balance Sheet		36,891,000		36,891,000
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		17,841,620		17,841,620
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		307,090,220		307,090,220
<b>Merger Adjustment Account</b>				
As per last Balance Sheet	-		14,068,298	
Less: Amount transferred from Statement of Profit & Loss as reduction from Depreciation (Refer Note No. 27)	-		55,226	
Less: Loss on Disposal of Fixed Assets previously revalued	-		14,013,072	
		-		-
<b>General Reserve</b>				
As per last Balance Sheet		1,045,129,775		1,045,129,775
<b>Surplus</b>				
As per last Balance Sheet	(114,376,748)		120,016,838	
Net Loss After Tax transferred from Statement of Profit & Loss	(204,349,983)		(234,393,586)	
Adjustment relating to Fixed Assets (Refer Note No. 27)	(724,104)		-	
<b>Amount available for Appropriation</b>		(319,450,835)		(114,376,748)
<b>TOTAL</b>		<b>1,087,501,780</b>		<b>1,292,575,867</b>
<b>3 LONG TERM BORROWINGS</b>	<b>31-Mar-15 Amount (₹)</b>		<b>31-Mar-14 Amount (₹)</b>	
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>Unsecured</b>				
Deferred payment liability	7,897,500	15,795,000	23,692,500	15,795,000
<b>TOTAL</b>	<b>7,897,500</b>	<b>15,795,000</b>	<b>23,692,500</b>	<b>15,795,000</b>

Note :

Deferred payment liability is due to Haryana State Industrial & Infrastructure Development Corporation Limited against land purchased from them and is payable in 8 equal half yearly instalments alongwith interest thereon.

**Notes on Financial Statements for the year ended 31st March, 2015**

4 DEFERRED TAX LIABILITIES (Net)	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Deferred Tax Liabilities</b>		
Differences in Depreciation & Amortisation for Accounting and Income Tax purposes	27,720,796	11,982,284
	<u>27,720,796</u>	<u>11,982,284</u>
<b>Deferred Tax Assets</b>		
Provision for Gratuity	2,576,287	1,817,575
Provision for Compensated Absences	1,926,358	1,600,561
Provision for Doubtful Trade Receivables	864,708	864,708
	<u>5,367,353</u>	<u>4,282,844</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>22,353,443</u>	<u>7,699,440</u>
<b>5 OTHER LONG TERM LIABILITIES</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Security Deposits	24,387,815	20,734,785
<b>TOTAL</b>	<u>24,387,815</u>	<u>20,734,785</u>
<b>6 LONG TERM PROVISIONS</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	8,113,204	5,696,514
Provision for Compensated Absences	5,157,542	4,157,126
<b>TOTAL</b>	<u>13,270,746</u>	<u>9,853,640</u>
<b>7 SHORT TERM BORROWINGS</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
<b>Secured</b>		
Loan from Banks		
- Cash Credit	301,537,850	210,121,080
- Others	327,280,664	310,797,352
<b>TOTAL</b>	<u>628,818,514</u>	<u>520,918,432</u>

**Notes :**

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

## Notes on Financial Statements for the year ended 31st March, 2015

8 TRADE PAYABLES	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Micro, Small and Medium Enterprises	-	-
Others	196,969,156	154,612,725
<b>TOTAL</b>	<b>196,969,156</b>	<b>154,612,725</b>

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

Particulars	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

9 OTHER CURRENT LIABILITIES	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Current maturities of Long Term Borrowings (Refer Note No. 3)	15,795,000	15,795,000
Unpaid Dividend	3,420,950	3,420,950
Other Payables		
- Advances from Customers	6,766,742	4,274,309
- TDS Payable	3,978,808	3,486,803
- CST / VAT / Service Tax Payable	6,165,193	6,654,251
- Book Overdraft	5,937,719	-
- Other Liabilities	42,574,862	39,047,687
<b>TOTAL</b>	<b>84,639,274</b>	<b>72,679,000</b>

10 SHORT TERM PROVISIONS	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	224,298	185,605
Provision for Compensated Absences	1,076,625	1,022,684
<b>Others</b>		
Provision for Wealth Tax	79,550	94,845
<b>TOTAL</b>	<b>1,380,473</b>	<b>1,303,134</b>

## Notes on Financial Statements for the year ended 31st March, 2015

### 11. FIXED ASSETS

Description	Gross Block			Depreciation/ Amortisation			Net Block				
	As at 01-Apr-14	Additions	Sale / Adjustments	As at 31-Mar-15	As at 01-Apr-14	For the year	Adjustment Depreciation Written Back	Others	Upto 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15
<b>TANGIBLE ASSETS</b>											
Land - Free Hold	84,240,000	-	-	84,240,000	-	-	-	-	-	-	84,240,000
Land - Lease Hold	85,142,270	-	-	85,142,270	1,880,557	1,018,288	-	-	2,898,845	2,898,845	82,243,425
Buildings	120,863,438	1,365,966	-	122,229,404	32,387,748	4,188,150	18,692,203	-	17,883,695	104,345,709	88,475,690
Buildings (Road)	-	2,042,797	-	2,042,797	-	78,354	-	-	78,354	1,964,443	-
Plant and Equipment	147,210,996	7,746,568	951,609	154,005,955	60,822,361	9,647,031	24,997,344	457,125	44,814,923	109,191,032	86,588,635
Furniture and Fixtures	15,695,042	1,601,210	1,132,265	16,163,987	10,831,220	1,406,272	2,485,458	1,064,998	8,687,036	7,476,951	4,863,822
Vehicles	23,259,639	-	522,465	22,737,174	16,355,230	2,493,919	3,930,154	516,756	14,402,239	8,334,935	6,904,409
Office equipment	4,389,686	191,385	1,568,904	3,012,167	2,814,504	793,872	(123,940)	1,445,453	2,286,863	725,304	1,575,182
Fans, Coolers and A.C.	6,525,890	77,700	1,002,794	5,600,796	3,913,206	352,779	1,121,261	869,877	2,274,847	3,325,949	2,612,684
Computers	8,636,989	173,701	493,353	8,317,337	6,505,321	1,342,704	254,856	469,774	7,123,395	1,193,942	2,131,668
Electrical Fittings	6,685,497	65,250	76,903	6,673,844	2,935,278	633,116	347,709	55,561	3,165,124	3,508,720	3,750,219
Lease Hold Improvements	9,301,242	-	-	9,301,242	9,301,242	-	-	-	9,301,242	-	-
<b>Total (A)</b>	511,950,689	13,264,577	5,748,293	519,466,973	147,546,667	21,954,485	51,705,045	4,879,544	112,916,563	406,550,410	364,404,022
<b>INTANGIBLE ASSETS</b>											
Computer Software	603,500	-	-	603,500	584,583	6,300	-	-	590,883	12,617	18,917
<b>Total (B)</b>	603,500	-	-	603,500	584,583	6,300	-	-	590,883	12,617	18,917
<b>Total (A + B)</b>	512,554,189	13,264,577	5,748,293	520,070,473	148,131,250	21,960,785	51,705,045	4,879,544	113,507,446	406,563,027	364,422,939
<b>Previous Year</b>	442,258,032	168,211,030	97,914,873	512,554,189	150,532,648	29,909,520	-	32,310,918	148,131,250	364,422,939	2,166,710
<b>Capital Work In Progress</b>											4,933,590

11.1 Pursuant to notification of Schedule II to the Companies Act, 2013, with effect from 1st April, 2014 as further amended on 29th August, 2014 which prescribes the charge of depreciation on the basis of useful lives of fixed assets as prescribed in the said Schedule, the management believes that the same will result in more appropriate presentation and will give a systematic basis of depreciation charge in which the economic benefits will be derived from the use of these assets. Accordingly the Company has with effect from 1st April, 2014 changed its method of providing depreciation from "Written Down Value" method, at the rates prescribed in Schedule XIV to the Companies Act, 1956 being followed upto 31st March, 2014 to "Straight Line" method on the basis of useful lives of fixed assets as prescribed in Schedule II to the Companies Act, 2013.

As prescribed under Accounting Standard (AS) 6 "Depreciation Accounting", the said change has been made with retrospective effect and the surplus on account of depreciation written back due to the change in the method for the period upto 31st March, 2014 amounting to ₹ 51,705,045/- and deferred tax of ₹ 15,753,110/- have been shown as Exceptional Items and credited/charged to the Statement of Profit & Loss.

As a result of the above change, the charge on account of depreciation and loss for the year ended 31st March, 2015 is lower by ₹ 5,534,943/- as compared to the method being followed earlier.

11.2 Pursuant to the provisions of Schedule II to the Companies Act, 2013, the Written Down Value of fixed assets whose useful lives have expired as at 1st April, 2014 amounting to ₹ 724,104/- has been charged to the opening balance of Retained Earnings.

## Notes on Financial Statements for the year ended 31st March, 2015

12 NON CURRENT INVESTMENTS (Long Term Investments)	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>OTHER INVESTMENTS (valued at cost unless stated otherwise)</b>		
<b>Investment in Joint Ventures - Unquoted, fully paid up</b>		
969,203 (Previous Year 969,203) Equity Shares of ₹10/- each of Luxtra Lighting Private Limited	9,692,030	9,692,030
Nil (Previous Year 22,849,462) Equity Shares of ₹10/- each of Indo Simon Electric Private Limited	-	228,494,620
<b>Investments in Preference Shares - Unquoted, fully paid up</b>		
Nil (Previous Year 2,650,000) 10% Convertible Preference Shares of ₹10/-each of IAFL Power Distribution & Infrastructure Private Limited	-	26,500,000
<b>Investments in Bonds - Quoted, fully paid up</b>		
29,669 (Previous Year 29,669) Nos. of Tax Free Secured Reedemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000/- each of National Highways Authority of India	29,669,000	29,669,000
14,239 (Previous Year 14,239) Nos. of Tax Free Bonds Tranche-1Series 1 of Face Value of ₹1000/- each of Power Finance Corporation Limited	14,239,000	14,239,000
48,991 (Previous Year 48,991) Nos. of Tax Free Secured Reedemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹ 1000/- each of Rural Electrification Corporation Limited	48,991,000	48,991,000
<b>Investments in Others - Unquoted</b>		
Zephyr Peacock India III Fund	5,870,985	5,120,985
<b>TOTAL</b>	<b>108,462,015</b>	<b>362,706,635</b>
Aggregate amount of quoted investments	92,899,000	92,899,000
Market Value of quoted investments	101,792,829	96,765,092
Aggregate amount of unquoted investments	15,563,015	269,807,635
Aggregate provision for diminution in value of Investments	-	-
<b>13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
Capital Advances	17,712,098	4,000,000
Security Deposits	6,427,368	6,117,684
Balance with Statutory/Government Authorities	2,500,000	2,500,000
Prepaid Expenses	236,256	246,900
<b>TOTAL</b>	<b>26,875,722</b>	<b>12,864,584</b>

**Notes on Financial Statements for the year ended 31st March, 2015**

14 CURRENT INVESTMENTS	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Current portion of Long-Term Investments (valued at cost unless stated otherwise)</b>		
<b>Investments in Shares - Un-quoted, fully paid up</b>		
3,884,408 (Previous Year Nil) Equity Shares of ₹10/- each of Indo Simon Electric Private Limited*	38,844,080	-
<b>Investments in Mutual Funds - Quoted, fully paid up</b>		
Nil (Previous Year 3,000,000) Units of Reliance Mutual Fund - Fixed Horizon FD XXIII SR1 Growth	-	30,000,000
Nil (Previous Year 5,000,000) Units of Birla Sun Life Fixed Term Plan-Series KN (366Days)-Growth Regular	-	50,000,000
Nil (Previous Year 6,000,000) Units of State Bank of India-Debt Fund Series-366 Days 54-Direct Plan-Growth	-	60,000,000
<b>Investments in Mutual Funds - Unquoted, fully paid up</b>		
3,391,592.226 (Previous Year 3,391,592.226) Units of Franklin India Income Opportunities Fund-Growth	46,300,000	46,300,000
16,500.072 (Previous Year 16,500.072) Units of Franklin India Short Term Income Plan-Retail Plan-Growth	40,000,000	40,000,000
<b>Current Investments (valued at cost)</b>		
<b>Investments in Mutual Funds - Unquoted, fully paid up</b>		
Nil (Previous Year 2,406,898.170) Units of Reliance Dynamic Bond Fund - Direct Plan - Growth Plan - Growth Option	-	40,000,000
Nil (Previous Year 2,308,014.695) Units of HDFC Liquid Fund-Growth	-	56,695,881
Nil (Previous Year 2,782,404.788) Units of Kotak Floater Long Term-Growth	-	55,076,868
Nil (Previous Year 2,218,121.163) Units of Reliance Short Term Fund-Direct Growth Plan-Growth Option	-	50,000,000
146.720 (Previous Year 146.720) Units of State Bank of India-Premier Liquid Fund-Regular Plan-Growth	252,587	252,587
8,540.714 (Previous Year 45,321.797) Units of Reliance Liquid Fund-Treasury Plan-Direct Growth Plan-Growth Option	27,821,835	129,685,440
443.895 (Previous Year 443.895) Units of State Bank of India-Premier Liquid Fund-Direct Plan-Growth	889,390	889,390
22,851.654 (Previous Year 27,172.831) Units of State Bank of India-Premier Liquid Fund-Direct Plan-Growth	50,000,000	53,513,831
2,494,987.412 (Previous Year Nil) Units of Axis Income Fund-Growth (IFGPG)	33,100,000	-
1,780,698.123 (Previous Year Nil) Units of Birla Sun Life Dynamic Bond Fund - Retail - Growth - Direct Plan	40,000,000	-
2,466,339.039 (Previous Year Nil) Units of Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	54,000,000	-
1,013,341.363 (Previous Year Nil) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan	35,000,000	-
1,887,594.076 (Previous Year Nil) Units of IDFC Super Saver Income Fund-Investment Plan-Growth-Regular Plan	62,200,000	-
1,563,329.344 (Previous Year Nil) Units of Kotak Bond Scheme Plan A-Growth (Regular Plan)	60,517,045	-

## Notes on Financial Statements for the year ended 31st March, 2015

Contd.

**CURRENT INVESTMENTS**

30,348.265 (Previous Year Nil) Units of Franklin India Short Term Income Plan-Retail Plan-Growth

31-Mar-15  
Amount (₹)

81,000,000

31-Mar-14  
Amount (₹)

-

2,512,215.649 (Previous Year Nil) Units of UTI Short Term Income Fund-Institutional Option-Growth

40,000,000

-

**TOTAL**

609,924,937

612,413,997

Less : Provision for diminution in the value of Investments\*

7,000,000

-

**Total Current Investments**

602,924,937

612,413,997

Aggregate amount of quoted investments

-

140,000,000

Market Value of quoted investments

-

144,013,100

Aggregate amount of unquoted investments

609,924,937

472,413,997

Aggregate provision for diminution in value of Investments

7,000,000

-

**15 INVENTORIES**31-Mar-15  
Amount (₹)31-Mar-14  
Amount (₹)

Raw Material

89,246,214

49,366,417

Work-in-Progress

7,405,371

14,995,745

Finished Goods

108,225,854

130,269,328

Stock-in-Trade

138,729,009

122,746,753

**TOTAL**

343,606,448

317,378,243

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

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

**16 TRADE RECEIVABLES**31-Mar-15  
Amount (₹)31-Mar-14  
Amount (₹)**Outstanding due for a period exceeding six months from the date they are due for payment**

Unsecured, considered good

80,028,145

71,071,025

Unsecured, considered doubtful

2,798,407

2,798,407

82,826,552

73,869,432

Less : Provision for doubtful receivables

2,798,407

2,798,407

**Sub-Total**

80,028,145

71,071,025

**Other receivables**

Unsecured, considered good

359,489,466

297,642,173

Unsecured, considered doubtful

-

-

**Sub-Total**

359,489,466

297,642,173

**TOTAL**

439,517,611

368,713,198

**Notes on Financial Statements for the year ended 31st March, 2015**

<b>17 CASH AND BANK BALANCES</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
<b>Cash and cash equivalents</b>		
a) Balances with Banks		
On Current Accounts	<b>16,769,388</b>	25,613,191
Fixed Deposits with maturity of upto 12 months	<b>218,679</b>	208,775
On Unpaid Dividend Account	<b>3,420,950</b>	3,420,950
b) Cheques/Drafts on hand	<b>48,017,266</b>	35,549,020
c) Cash on hand	<b>664,246</b>	1,167,981
<b>Other Bank Balances</b>		
a) Fixed Deposits with maturity of over 12 months	<b>117,367</b>	100,000
b) Margin Money Deposits	<b>75,474,561</b>	19,059,394
<b>TOTAL</b>	<b>144,682,457</b>	<b>85,119,311</b>
<b>17.1</b> Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
<b>18 SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good)</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Advances to Suppliers for goods and services	<b>47,767,726</b>	34,967,634
Loans and advances to employees	<b>4,204,072</b>	2,077,057
TDS Recoverable	<b>3,626,022</b>	2,787,610
Balance with Customs, Central Excise and VAT Authorities	<b>8,797,779</b>	9,102,360
Prepaid Expenses	<b>2,656,619</b>	1,634,100
<b>TOTAL</b>	<b>67,052,218</b>	<b>50,568,761</b>
<b>19 OTHER CURRENT ASSETS</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Interest Receivable on Fixed Deposits with Banks	<b>987,974</b>	568,683
Interest accrued on Investments	<b>4,666,912</b>	4,666,912
<b>TOTAL</b>	<b>5,654,886</b>	<b>5,235,595</b>
<b>20 REVENUE FROM OPERATIONS</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Sale of Products		
- Finished Goods	<b>795,742,036</b>	891,693,479
- Stock in Trade	<b>495,967,787</b>	475,508,710
Gross Revenue from Sale of Products	<b>1,291,709,823</b>	1,367,202,189
Less : Excise Duty	-	-
<b>TOTAL</b>	<b>1,291,709,823</b>	<b>1,367,202,189</b>



## Notes on Financial Statements for the year ended 31st March, 2015

20.1 PARTICULARS OF SALE OF PRODUCTS	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Finished Goods</b>		
Wires	625,435,728	825,958,388
Lighting Products	25,419,136	9,932,975
Electrical Consumer Durables	72,781,409	17,303,934
Others	72,105,763	38,498,182
	<u>795,742,036</u>	<u>891,693,479</u>
<b>Stock in Trade</b>		
Wires	6,376,649	6,568,533
Lighting Products	312,344,145	282,686,937
Electrical Consumer Durables	112,644,870	115,533,479
Others	64,602,123	70,719,761
	<u>495,967,787</u>	<u>475,508,710</u>
<b>TOTAL</b>	<u>1,291,709,823</u>	<u>1,367,202,189</u>
<b>21 OTHER INCOME</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Interest Income	9,462,286	9,162,013
Net Gain on Sale of Investments	53,874,351	48,905,993
Profit on Sale of Fixed Assets	51,613	35,746
Rental Income	4,545,500	208,469
Miscellaneous Income	5,585,894	1,044,359
Sundry Balances Written Back	1,944,897	1,253,573
Provisions no longer required written back	-	342,501
Gain on Foreign Currency Transactions (Net)	663,240	420,541
<b>TOTAL</b>	<u>76,127,781</u>	<u>61,373,195</u>
<b>22 COST OF MATERIALS CONSUMED</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Inventory at the beginning of the year	49,366,417	22,228,277
Add : Purchases	657,560,415	714,758,182
	<u>706,926,832</u>	<u>736,986,459</u>
Less : Inventory at the end of the year	89,246,214	49,366,417
<b>TOTAL</b>	<u>617,680,618</u>	<u>687,620,042</u>
<b>22.1 PARTICULARS OF MATERIALS CONSUMED</b>	<b>31-Mar-15 Amount (₹)</b>	<b>31-Mar-14 Amount (₹)</b>
Copper	424,127,177	562,112,284
Poly Vinyl Chloride (PVC)	42,049,597	57,974,541
Others (including Semi-Finished Components)	151,503,844	67,533,217
<b>TOTAL</b>	<u>617,680,618</u>	<u>687,620,042</u>

## Notes on Financial Statements for the year ended 31st March, 2015

22.2 PERCENTAGE OF CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS	31-Mar-15 Amount (₹)	%age	31-Mar-14 Amount (₹)	%age
Indigenous	580,541,876	93.99%	670,539,920	97.52%
Imported	37,138,742	6.01%	17,080,122	2.48%
<b>TOTAL</b>	<b>617,680,618</b>	<b>100.00%</b>	<b>687,620,042</b>	<b>100.00%</b>

23 PURCHASE OF STOCK-IN-TRADE	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Wires	5,609,265	8,715,218
Lighting Products	245,482,096	204,592,074
Electrical Consumer Durables	103,571,602	80,922,507
Others	42,154,160	34,750,205
<b>TOTAL</b>	<b>396,817,123</b>	<b>328,980,004</b>

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Inventories (at close)</b>		
Finished goods	108,225,854	130,269,328
Stock-in-Trade	138,729,009	122,746,753
Work-in-Progress	7,405,371	14,995,745
	<b>254,360,234</b>	<b>268,011,826</b>
<b>Inventories (at commencement)</b>		
Finished goods	130,269,328	131,526,916
Stock-in-Trade	122,746,753	172,868,748
Work-in-Progress	14,995,745	15,236,235
	<b>268,011,826</b>	<b>319,631,899</b>
<b>(INCREASE) / DECREASE</b>	<b>13,651,592</b>	<b>51,620,073</b>

25 EMPLOYEE BENEFITS EXPENSE	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Salaries, Wages and Bonus	160,199,050	181,236,478
Contribution to Provident and other Funds	7,620,324	7,949,217
Gratuity	2,812,787	1,989,501
Leave Encashment	3,397,450	3,679,596
Staff Welfare expenses	6,540,219	7,491,704
<b>TOTAL</b>	<b>180,569,830</b>	<b>202,346,496</b>

### 25.1. Disclosure under Accounting Standard 15 (Revised)

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

#### (a) Defined Contribution Plans

	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Employer's Contribution to Provident Fund *	7,162,335	7,428,645
Employer's Contribution to ESI *	457,989	520,572

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

## Notes on Financial Statements for the year ended 31st March, 2014

## (b) Defined Benefit Plans

(Amount ₹)

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Current service cost	1,653,958	1,232,088	1,778,712	1,413,429
Interest cost	458,217	666,624	403,507	362,822
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain) / loss	700,612	90,789	1,215,231	1,903,345
Past service cost	-	-	-	-
Curtailment and Settlement Cost / (credit)	-	-	-	-
<b>Total Cost</b>	<b>2,812,787</b>	<b>1,989,501</b>	<b>3,397,450</b>	<b>3,679,596</b>

## (c) Actuarial Assumptions

(Amount ₹)

	Gratuity		Compensated Absences	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Discount Rate	7.79%	9.00%	7.79%	9.00%
Expected Rate of increase in Compensation Levels	7.00%	7.00%	7.00%	7.00%
Expected Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	22.90	22.53	22.62	22.23

## (d) Reconciliation of opening and closing balances of Projected Benefit Obligations.

(Amount ₹)

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Change in Projected Benefit Obligation (PBO)</b>				
Projected benefit obligation at beginning of year	5,882,119	7,406,929	5,179,810	4,031,355
Current service cost	1,653,958	1,232,088	1,778,712	1,413,429
Interest cost	458,217	666,624	403,507	362,822
Benefits paid	(357,404)	(3,514,311)	(2,343,093)	(2,531,141)
Curtailment and Settlement cost	--	-	-	-
Contribution by plan participants	-	-	-	-
Past services cost	-	-	-	-
Actuarial (gain) / loss	700,612	90,789	1,215,231	1,903,345
<b>Projected Benefit Obligation at year end</b>	<b>8,337,502</b>	<b>5,882,119</b>	<b>6,234,167</b>	<b>5,179,810</b>

## 26 FINANCE COSTS

	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Interest Expenses	70,738,910	50,776,994
Other Borrowing Costs	325,403	1,345,139
Bank Charges	2,956,042	3,997,558
<b>TOTAL</b>	<b>74,020,355</b>	<b>56,119,691</b>

## Notes on Financial Statements for the year ended 31st March, 2015

27 DEPRECIATION AND AMORTISATION EXPENSE	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Depreciation and Amortisation	21,960,785	29,909,520
Less : Transferred from Merger Adjustment Account	-	55,226
Less : Charged to Retained Earnings (Refer Note 11.2)	724,104	-
<b>TOTAL</b>	<b>21,236,681</b>	<b>29,854,294</b>

28 OTHER EXPENSES	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Manufacturing Expenses</b>		
Power and Fuel	8,868,941	10,306,749
Labour Work Charges	2,791,288	2,274,518
Testing Charges	1,393,652	371,067
Building Repairs	703,959	578,459
Machinery Repairs	3,410,169	3,868,075
	<b>17,168,009</b>	<b>17,398,868</b>
<b>Administration Expenses</b>		
Rent	14,256,549	16,545,463
Rates and Taxes	4,797,620	3,703,422
Travelling and Conveyance	38,992,738	42,448,236
Printing and Stationery	1,812,485	2,066,115
Postage, Telegram & Telephone	6,240,194	6,642,902
Insurance	2,208,395	2,737,914
Other Repairs	7,078,914	5,372,997
Provision for Doubtful Trade Receivables	-	2,798,407
Bad Debts written off	535,060	1,805,989
Assets written off	686,362	-
Net Loss on Sale of Fixed Assets	-	3,059,329
Directors Sitting fees	124,000	100,000
Vehicle Maintenance	2,851,452	1,557,400
Legal & Professional Charges	17,932,592	16,671,200
Payment to Auditors		
- As Auditor	1,710,000	1,650,000
- For other services	208,875	318,875
- Service Tax	237,173	243,353
Miscellaneous Expenses	11,078,630	10,059,720
	<b>110,751,039</b>	<b>117,781,322</b>
<b>Selling and Distribution Expenses</b>		
Freight and Cartage Outwards	36,585,219	39,585,986
Advertisement	16,472,843	28,660,191
Selling Commission	32,425,395	35,211,316
Sales Discount	35,006,026	57,918,354
Business Promotion	11,265,773	13,442,891
Samples	2,941,809	1,930,612
Tender Charges	6,149	14,766
Sales Tax Assessed	3,176,334	852,118
	<b>137,879,548</b>	<b>177,616,234</b>
<b>TOTAL</b>	<b>265,798,596</b>	<b>312,796,424</b>

### Notes on Financial Statements for the year ended 31st March, 2015

29. EXCEPTIONAL ITEMS	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>Income</b>		
Surplus on account of Depreciation written back (Refer Note 11.1)	51,705,045	-
<b>Expenditure</b>		
Loss on sale of Non Current Investments (Refer Note 41 and 42)	32,384,284	-
Diminution in the value of Investments (Refer Note 41)	7,000,000	-
<b>Income (Net of Expenditure)</b>	<b>12,320,761</b>	<b>-</b>

### 30. Earnings Per Share (EPS)

#### Basic and Diluted Earnings Per Share

	Unit	31-Mar-15	31-Mar-14
Net Profit attributable to Equity Shareholders	₹	(204,349,983)	(234,393,586)
Weighted Average number of Equity Shares outstanding during the year	Nos.	16,057,466	16,057,466
Face Value	₹	5	5
Basic Earnings Per Share	₹	(12.73)	(14.60)
Diluted Earnings Per Share	₹	(12.73)	(14.60)

### 31. Contingent Liabilities and Commitments:-

#### a. Contingent Liabilities

- i) Bank Guarantees ₹ 98,237,090/- (Previous year ₹ 49,965,592/-).
- ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty ₹ 72,500,000/- (Previous year ₹ 70,000,000/-).
- iii) Excise duty demands against which the company has preferred appeals ₹ 54,136,865/- (Previous year ₹ 52,314,146/-). The Company has already deposited a sum of ₹ 3,151,704/- (Previous year ₹ 3,015,000/-) against the aforesaid demand.
- iv) Central Excise and Service Tax Appeals filed by the Department ₹ 8,089,749/- (Previous year ₹ 2,065,676/-) for excise duty and ₹ 119,921/- (Previous year ₹ 119,921/-) for service tax.
- v) Sales Tax / Value Added Tax Demands against which the company has preferred appeals ₹ 5,374,917/- (Previous year ₹ 15,967,682/-). The company has already deposited a sum of ₹ 806,702/- (Previous year ₹ 5,664,955/-) against the aforesaid demand.
- vi) Income Tax demands against which the company has preferred appeals ₹ 109,426/- (Previous year Nil).

#### b. Commitments

- i) Capital commitments (net of advance) ₹ 170,016/- (Previous year Nil).
- ii) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund ₹ 6,629,015/- (Previous Year ₹ 7,379,015/-)

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

## Notes on Financial Statements for the year ended 31st March, 2014

33. In the opinion of Board, the current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
34. The Statement of Profit and Loss includes previous year debit adjustments amounting to ₹ 173,910/- (Previous year ₹ 284,155/-) on account of following :-

Particulars	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Testing Charges	143,910	-
Interest	-	181,338
Legal & Professional Charges	30,000	-
Business Promotion	-	102,817
<b>Total</b>	<b>173,910</b>	<b>284,155</b>

35. The balances of Debtors, Advances and Creditors are subject to confirmation.
36. The company has paid annual listing fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited where its equity shares are listed.
37. **Information on Segment Reporting of the Company for the year ended 31<sup>st</sup> March 2015**

### Business Segments

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

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

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

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

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

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

The above business segments have been identified considering :

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

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

Notes:-

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

## Notes on Financial Statements for the year ended 31st March, 2015

	Information about Business Segments												(Amount ₹)
	Cable & Wires		Lighting		Electrical Consumer Durables		Others		Total				
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15		
<b>1. Segment Revenue</b>													
a) External Revenue	631,812,377	832,526,921	337,763,281	292,619,912	185,426,279	132,837,413	136,707,886	109,217,943	1,291,709,823	1,367,202,189			
b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-			
Total Revenue	631,812,377	832,526,921	337,763,281	292,619,912	185,426,279	132,837,413	136,707,886	109,217,943	1,291,709,823	1,367,202,189			
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-			
Revenue from Operations (Gross)	631,812,377	832,526,921	337,763,281	292,619,912	185,426,279	132,837,413	136,707,886	109,217,943	1,291,709,823	1,367,202,189			
Less: Excise Duty	-	-	-	-	-	-	-	-	-	-			
<b>Revenue from Operations (Net)</b>	631,812,377	832,526,921	337,763,281	292,619,912	185,426,279	132,837,413	136,707,886	109,217,943	1,291,709,823	1,367,202,189			
<b>2. Segment Results (Profit / Loss)</b>	(134,391,068)	(136,703,149)	4,926,446	5,477,760	(43,817)	(20,704,233)	4,466,820	(24,088,755)	(125,041,619)	(175,998,377)			
Finance Costs										74,020,355			56,119,691
Unallocated Corporate Expenses/ (Income)										2,875,217			8,643,572
<b>Profit/(Loss) before Exceptional Items and Tax</b>										(201,937,191)			(240,761,640)
Exceptional Items (Net)										12,320,761			-
<b>Profit/(Loss) before Tax</b>										(189,616,430)			(240,761,640)
Tax Expense										14,733,553			(6,368,054)
<b>Profit/(Loss) after Tax</b>										(204,349,983)			(234,393,586)
<b>3. Other Information</b>													
Segment Assets	515,269,537	542,243,707	268,288,500	203,013,127	247,424,261	204,607,827	184,733,461	107,803,814	1,215,715,759	1,057,668,475			
Unallocated Corporate Assets									931,790,272	1,126,688,378			
<b>Total Assets</b>	515,269,537	542,243,707	268,288,500	203,013,127	247,424,261	204,607,827	184,733,461	107,803,814	2,147,506,031	2,184,356,853			
Segment Liabilities	111,085,544	127,657,240	84,699,867	61,578,633	46,428,835	23,635,451	45,104,123	13,715,731	287,318,369	226,587,055			
Unallocated Corporate Liabilities									692,398,552	584,906,601			
<b>Total Liabilities</b>	111,085,544	127,657,240	84,699,867	61,578,633	46,428,835	23,635,451	45,104,123	13,715,731	979,716,921	811,493,656			
Capital Expenditure (including Capital Work in Progress)	2,068,298	59,886,172	2,247,347	401,300	4,242,419	97,288,524	1,939,633	1,222,314	10,497,697	156,798,310			
Depreciation & Amortization expense	13,598,074	18,911,952	99,248	214,498	2,520,717	4,033,548	5,018,642	6,694,296	21,236,681	29,854,294			
Other Non-cash expenses	847,973	3,350,909	6,845	267,422	2,654	10,643	363,950	975,422	1,221,422	4,604,396			

## Notes on Financial Statements for the year ended 31st March, 2015

### 38. Related Party Disclosure

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

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

1. Indo Simon Electric Private Limited (#)  
(#) Ceased to be a Joint Venture during the year.
2. Luxtra Lighting Private Limited

#### B. Directors, Key Managerial Personnel

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

#### C. Relatives of Directors & Key Managerial Personnel

1. Mr.Vimal Mahendru
2. Ms.Ridhi Mahendru

#### D. Key Managerial Personnel

1. Mr. K.B.Satija
2. Mr. Kumar Indramani

#### E. Subsidiary Company

1. IAFL Power Distribution & Infrastructure Pvt. Ltd. (\*)  
(\*) Ceased to be a Subsidiary during the year.

#### F. Group Company

1. IAFL Switchgears Private Limited

#### G. LLP firms in which Directors and their relatives are partners

1. VPM Industrial Services Corporation LLP

#### H. Company in which Directors and their relatives are Directors

1. VPM Electricals Private Limited

### ii) Related Party Transactions

Nature of Transaction	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>1 Purchases of Stock-in-Trade</b>		
a. Indo Simon Electric Private Limited	-	26,423,763
b. Luxtra Lighting Private Limited	246,137	5,587,422
<b>Total</b>	<b>246,137</b>	<b>32,011,185</b>
<b>2 Purchase Return</b>		
a Indo Simon Electric Private Limited	508,397	-
<b>Total</b>	<b>508,397</b>	<b>-</b>
<b>3 Sale of Fixed Assets</b>		
a Mr. Vimal Mahendru	-	1,000,000
<b>Total</b>	<b>-</b>	<b>1,000,000</b>



## Notes on Financial Statements for the year ended 31st March, 2015

Nature of Transaction	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>4 Remuneration paid to Directors and their relatives</b>		
a. Mr. V.P.Mahendru	7,750,000	7,058,165
b. Mr. Vinay Mahendru	6,860,800	6,040,569
c. Mr. Vivek Mahendru	6,860,800	6,033,803
d. Mr. Vimal Mahendru	-	2,638,076
e. Ms. Ridhi Mahendru	358,256	-
<b>Total</b>	<b>21,829,856</b>	<b>21,770,613</b>
<b>5 Remuneration paid to Key Managerial Personnel</b>		
a. Mr. K.B.Satija	3,613,003	3,289,404
b. Mr. Kumar Indramani	1,297,407	1,138,342
<b>Total</b>	<b>4,910,410</b>	<b>4,427,746</b>
<b>6 Rent paid</b>		
a. Mr. V.P.Mahendru	149,292	617,760
<b>Total</b>	<b>149,292</b>	<b>617,760</b>
<b>7 Share Application Money given</b>		
a. Luxtra Lighting Private Limited	-	3,322,030
b. Indo Simon Electric Private Limited	-	24,815,200
<b>Total</b>	<b>-</b>	<b>28,137,230</b>
<b>8 Conversion of Share Application Money to Share Capital</b>		
a. Luxtra Lighting Private Limited	-	3,322,030
b. Indo Simon Electric Private Limited	-	24,815,200
<b>Total</b>	<b>-</b>	<b>28,137,230</b>
<b>9 Services rendered</b>		
a. Indo Simon Electric Private Limited	3,685,855	-
<b>Total</b>	<b>3,685,855</b>	<b>-</b>
<b>10 Balance outstanding at the year end</b>		
<b>Payable</b>		
a. Mr. V.P.Mahendru	1,211,390	1,301,613
b. Mr. Vinay Mahendru	81,687	99,514
c. Mr. Vivek Mahendru	55,559	464,057
d. Mr. Kumar Indramani	21,977	-
e. Luxtra Lighting Private Limited	28,328	24,862
f. IAFL Switchgears Private Limited	22,991	22,991
<b>Total</b>	<b>1,421,932</b>	<b>1,913,037</b>
<b>11 Receivable</b>		
a. Indo Simon Electric Private Limited	558,371	4,578,369
<b>Total</b>	<b>558,371</b>	<b>4,578,369</b>

## Notes on Financial Statements for the year ended 31st March, 2015

39. Lease Payments under an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Accordingly ₹ 14,256,549/- has been charged to Statement of Profit and Loss during the year (Previous year ₹ 16,545,463/-).

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

Particulars	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Not later than one year	13,019,877	18,101,328
Later than one year and not later than five years	21,714,482	19,673,525
Later than five years	-	-

### 40. Financial Reporting of Interest in Joint Ventures

Investments include ₹ 9,692,030/- (Previous year ₹ 238,186,650/-) representing Company's interest in the following jointly controlled entities as at 31.03.2015

Name of the Company	Contribution towards Equity (₹)	Country of Residence	%age Holding of Eon
Luxtra Lighting Private Limited	9,692,030 (9,692,030)	India	49% (49%)
Indo Simon Electric Private Limited (*)	Nil (228,494,620)	India	N.A (50%)
<b>Total</b>	<b>9,692,030</b> (238,186,650)		

(\*) The Company has terminated its Joint Venture Agreement with Simon Holding S.L., Spain on 8th September, 2014

The financial data in respect of Luxtra Lighting Private Limited for year ended 31<sup>st</sup> March, 2015 is based on its Provisional Accounts whereas the figures for the previous year are based on its Audited Accounts.

## Notes on Financial Statements for the year ended 31st March, 2015

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

### LUXTRA LIGHTING PRIVATE LIMITED

#### BALANCE SHEET AS AT MARCH 31, 2015

Particulars	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	9,692,033	9,692,033
Reserves and surplus	(9,930,731)	(9,864,409)
Current liabilities		
Other current liabilities	481,306	304,618
<b>TOTAL</b>	<b>242,608</b>	<b>132,242</b>
<b>ASSETS</b>		
Non-current assets		
Fixed assets		
Tangible assets	50,207	76,136
Other non-current assets	45,162	42,676
<b>Current assets</b>		
Trade receivables	13,881	5,542
Cash and Bank Balances	133,358	13
Short term loans and advances	-	7,875
<b>TOTAL</b>	<b>242,608</b>	<b>132,242</b>

#### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
Revenue From Operations	117,999	2,369,321
Other income	7,987	2,479
<b>Total Revenue</b>	<b>125,986</b>	<b>2,371,800</b>
<b>Expenses:</b>		
Purchase of stock in trade	92,670	1,590,992
Decrease/ (increase) in inventories	-	131,608
Employee benefits expense	7,838	1,915,082
Finance costs	484	3,530
Depreciation and amortization expense	16,730	18,339
Other expenses	74,586	534,976
<b>Total expenses</b>	<b>192,308</b>	<b>4,194,527</b>
<b>Profit / (Loss) before tax</b>	<b>(66,322)</b>	<b>(1,822,727)</b>
Tax expense		
Current Tax	-	-
<b>Profit / (Loss) after tax</b>	<b>(66,322)</b>	<b>(1,822,727)</b>

## Notes on Financial Statements for the year ended 31st March, 2015

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

During the year ended 31<sup>st</sup> March, 2015, the Company has transferred 18,965,054 Shares of the face Value of ₹10/- each aggregating to ₹ 189,650,540/- held by it in the said Joint Venture Company for a total consideration of ₹ 182,441,256/-. The loss of ₹ 7,209,284/- arising on the transfer of the above shares has been considered as an Exceptional Item. Further the Company has made a provision of ₹ 7,000,000/- towards diminution in the value of the remaining shares held by it in the said company which too has been considered as an Exceptional Item.

42. With a view to enhance management focus and provide undivided attention to the LED based Lighting business which is one of the core business activities of the company and has immense potential for growth and development, the Company has during the year ended 31<sup>st</sup> March, 2015, dis-invested its stake of 2,650,000 10% Convertible Preference Shares of the face Value of ₹10/- each aggregating to ₹ 26,500,000/- held by it in IAFL Power Distribution & Infrastructure Private Limited, which is a subsidiary company as per Section 2(87) (ii) of the Companies Act, 2013 for a total consideration of ₹ 1,325,000/-. The loss of ₹ 25,175,000/- arising from the sale of the above shares has been considered as an Exceptional Item.

With the sale of the above shares, IAFL Power Distribution & Infrastructure Private Limited ceases to be subsidiary of the Company.

### 43. CIF Value of Imports :

	31-Mar-15 Amount (₹)	31-Mar-14 Amount (₹)
1 Raw Material (including components stores & spares)	70,077,334	23,669,192
2 Stock-in-trade	73,638,576	56,788,287
3 Capital Goods	220,818	-

### 44. Expenditure in Foreign Currency (on accrual basis)

- Travelling	2,809,167	3,700,696
- Others	-	874,846

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

Foreign Currency	As on 31-Mar-15			As on 31-Mar-14		
	Payables	Advances (*)	Net (#)	Payables	Advances (*)	Net (#)
USD	98,338.77	378,493.37	(280,154.60)	84,772.95	156,972.96	(72,200.01)
(INR Equivalent)	(6,243,080)	(23,346,894)	(17,103,814)	(5,691,674)	(9,410,250)	(3,718,576)
Euro	1173.35	21,562.50	-20389.15	-	-	-
(INR Equivalent)	(80,551.00)	(1,436,978)	(1,356,427)	-	-	-

(\*) Advances is Advance to Suppliers

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

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

47. Figures for the previous year have been re-arranged / re-grouped where ever necessary to make them comparable with the current year.

As per our report of even date annexed.

Rajesh Sethi  
Partner  
Membership No. 085669

For and on behalf of Board of Directors

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

Vinay Mahendru  
Executive Director

Vivek Mahendru  
Executive Director

V. P. Mahendru  
Chairman & Managing Director

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2015

Kumar Indramani  
Sr. Manager(Legal) &  
Company Secretary

K. B. Satija  
Chief Financial Officer



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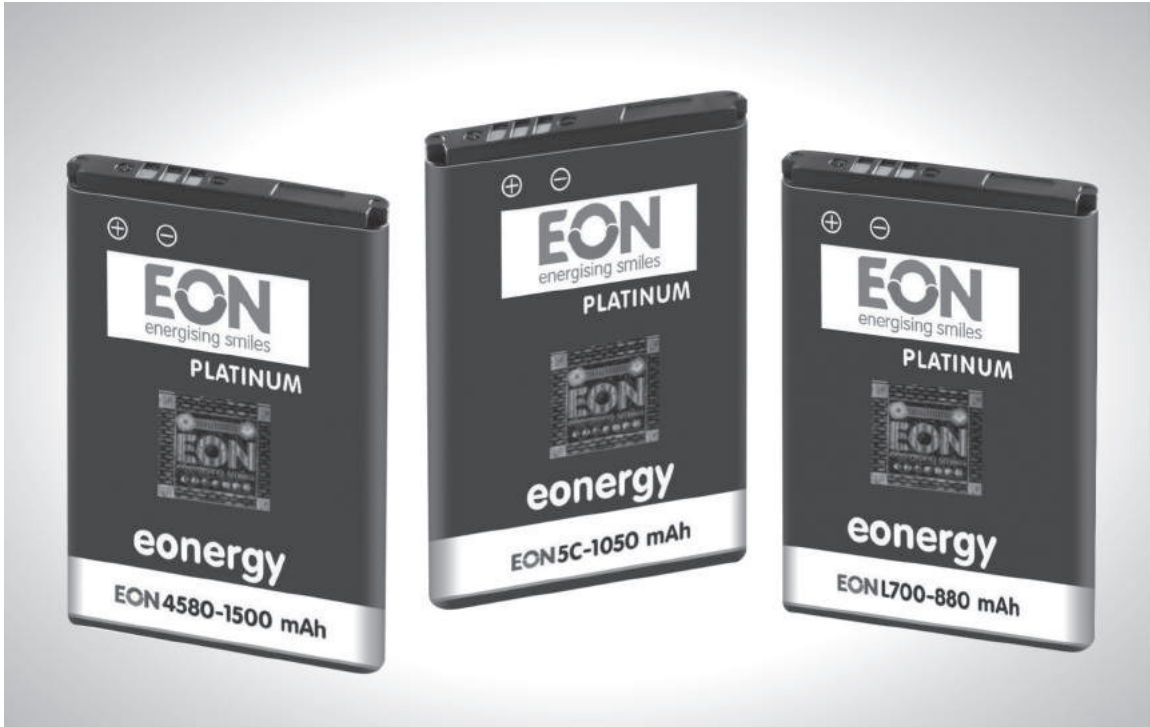
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