

EON ELECTRIC LIMITED

CIN: L31200HR1989PLC035580

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

Corporate Office: C-81, 2nd Floor, Hosiery Complex, Phase 2,

Noida – 201305, Uttar Pradesh, India

Phone No : 91-011-41008454

W: www.eonelectric.com E: corporate@eonelectric.com

NOTICE

NOTICE is hereby given that the **30TH ANNUAL GENERAL MEETING (AGM)** of the Members of **EON ELECTRIC LIMITED** will be held on Monday, the 30th day of September, 2019 at 09.00 A.M. at Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana, to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the Financial Year ended on 31st March, 2019, together with the Reports of the Board of Directors and Auditors' thereon.

2. Re-Appointment of Director Retiring by Rotation

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

SPECIAL BUSINESS

3. Appointment of Mr. Ashish Bansal (DIN: 00017877) as Independent Director

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the Company be and is hereby given to the appointment of Mr. Ashish Bansal (DIN: 00017877), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director of the Company with effect from 1st April 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the Company, whose term of office expires at this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the Independent Directorship as provided in Section 149(6) of the Act, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, to hold office for a term of 5 (five) consecutive years commencing from 1st April 2019 and whose office shall not, henceforth, be liable to retire by rotation.”

4. Appointment of Mr. Ashok Kumar Gupta (DIN: 07294664) as Independent Director.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies

Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the Company be and is hereby given to the appointment of Mr. Ashok Kumar Gupta (DIN: 07294664), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director of the Company with effect from 1st April 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the Company, whose term of office expires at this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the Independent Directorship as provided in Section 149(6) of the Act, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, to hold office for a term of 5 (five) consecutive years commencing from 1st April 2019 and whose office shall not, henceforth, be liable to retire by rotation.”

5. Ratification of Remuneration Payable to the Cost Auditor

To Consider and if thought fit, to pass 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 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724), appointed by the Board of Directors as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2019-20, amounting to Rs 82,500/- (Rupees Eighty Two Thousand Five Hundred only) (excluding all taxes and reimbursement of out-of-pocket expenses) be ratified and confirmed.

RESOLVED FURTHER THAT Mr. Vivek Mahendru and Mr. Vinay Mahendru Joint Managing Directors of the Company, be and are hereby severally authorised to sign and file such forms or documents as may be required to be filed with Ministry of Corporate Affairs or Registrar of Companies or such other authority as may be required, to settle any doubt or question arising with regards to the aforesaid appointment and to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution..”

6. To amend the Articles of Association for Insertion of Clause – “Chairman Emeritus”

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

“**RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013 and Articles of Association of the Company (including statutory modifications and re-enactment thereof for the time being in

force) and subject to such other approval(s) from the concerned Statutory Authority(ies), be and hereby altered, by inserting the Article 91 (3) i.e. "Chairman Emeritus" after the present Article 91 (2) of the Articles of Association of the Company which shall read as follows:

Chairman Emeritus

- (i) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
- (ii) The Chairman Emeritus shall hold office until he resigns.
- (iii) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or Committee thereof.
- (iv) The Chairman Emeritus shall not be deemed to be a Director for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of directors which the Company can appoint.
- (v) Subject to the applicable statutory provisions, the Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.

RESOLVED FURTHER THAT Mr. Vivek Mahendru, Mr. Vinay Mahendru Joint Managing Directors, KB Satija, CFO, and Shiv Kumar Jha, Company Secretary of the Company be and are hereby authorized jointly or severally to file all relevant forms, returns and other necessary documents to the concerned Registrar of Companies, Stock Exchanges and any other authority and take all necessary steps for alteration of Articles of Association of the Company."

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

By Order of the Board of Directors
Sd-
Shiv Kumar Jha
Company Secretary & Compliance Officer

Place : New Delhi
Dated : August 13, 2019

IMPORTANT NOTES:

- 1. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 23, 2019 to Monday 30, September, 2019 (both days inclusive).
- 2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which set outs details relating to Special Business at the meeting, is annexed hereto.
- 3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than 50 (fifty) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 4. A blank proxy form is being attached herewith. Members /Proxy holder must bring the attendance slip (attached herewith) duly signed, to the meeting and handover it at the entrance of the meeting hall.

- 5. The instrument appointing proxy, duly stamped, completed and signed, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies must be supported by appropriate resolution issued on behalf of the nominating companies.
- 6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
- 7. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company duly certified copy of the relevant Board resolution authorizing such representatives to attend and vote on their behalf at the meeting.
- 9. Details of Directors seeking re-appointment in Annual General Meeting pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given elsewhere in the Notice.
- 10. All documents referred to in the accompanying Notice and the Explanatory Statement, are open to inspection by the members at the Registered Office and the Corporate Office of the Company on all working days, except Saturday and Sunday, up to the date of Annual General Meeting i.e. September 30, 2018 between 11:00 AM and 1:00 PM.
- 11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under and Regulation 36(1) of the SEBI (LODR) Regulations, 2015, companies can serve Notice of AGM, Annual Report and Attendance Slip and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participants. Members who have not registered their e-mail address with Company can now register the same by sending a communication to the Company or to the RTA, M/s Alankit Assignments Limited. Members holding Shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
- 12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
- 13. Members desiring any information/clarification on the accounts are requested to write to the Company at least ten days in advance so as to enable the management to keep information ready at the Annual General Meeting.
- 14. Members are requested to note that M/s Alankit Assignments Limited, 1E/13, Jhandewalan Extension, New Delhi – 110 055, is the Registrar and Transfer Agent (RTA) to look after the work related to shares held in physical and dematerialized form.
- 15. Members are requested to immediately notify to the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their Depository Participants (DPs) in respect of shares held in the dematerialized form. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.eonelectric.com under the section 'Investors'.
17. Non-Resident Indian members are requested to inform Registrar and Transfer Agent, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number.
18. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.

19. UNCLAIMED / UNPAID DIVIDEND

Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ('IEPF Rules') all unclaimed and/ unpaid dividend, application money, debentures interest and interest on deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Accordingly, all unclaimed and unpaid dividend for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government on 10th November 2017. No claim shall be entertained against the Company for the amounts so transferred.

20. TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company had sent notice dated 18.01.2018 to all the Members whose dividends were lying unpaid / unclaimed against their name for seven consecutive years or more. Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF as per applicable regulations. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

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

21. 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 dematerialized accounts. Members holding shares in physical form can submit their PAN and Banks details to the RTA, Alankit Assignments Limited for dematerialization of shares.

22. Please bring a copy of Annual Report and duly filled in attendance slip for attending the Annual General Meeting.
23. A route map to the venue of the AGM along with prominent landmark for easy location is enclosed.

STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No. 3

The Members are informed that Mr. Ashish Bansal was appointed by the Board of Directors as an Additional Non-Executive, Independent Director, effective 1st April 2019.

Mr. Ashish Bansal aged 51 years is B.Com, FCA and has done FIAM from The Institute of Administrative Management, New Delhi. He is Chartered Accountant by profession, and has intensive experience in building successful businesses and has hands on experience of creative planning and exquisite execution.

He is a Partner of RCB & Co. a leading firm of Chartered Accountants and has diversified experience in conducting financial, management and statutory audits and rendering advisory services for corporate and individuals in the fields of accounting, tax and legal compliance.

Besides he is also a Director on the Board of Citi Cap Channels Ltd. & City Cap Print Media Pvt. Ltd. He has also rendered financial and management consultancy services for improving the internal controls, efficiency and productivity of the management and the work force, commercial planning, assessments and decision-making to various Companies.

He is an active Fellow Member of The Institute of Chartered Accountants of India, New Delhi, The Delhi Gymkhana Club, New Delhi, DDA Siri Fort Sports Complex, and Defence Colony Club. He has travelled abroad extensively in connection with various professional assignment and has gained rich and diversified experience in the areas related to his profession.

Mr. Ashish Bansal does not hold any share in the Company. He does not have any relationship with other Directors, Managers and other Key Managerial Personnel of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board, the appointment of Mr. Ashish Bansal on the Board of the Company would be beneficial to the Company considering his vast experience. Mr. Ashish Bansal fulfils the criteria of independence as specified in the Companies Act, 2013. The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

The Company has also received notice from a Member under Section 160 of the Companies Act, 2013 proposing his re-appointment as a Director.

The Board recommends the Resolution as set out in the notice for the approval of shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Ashish Bansal are, in any way, concerned or interested in the proposed resolution as set out in the Notice.

Item No. 4

The Members are informed that Mr. Ashok Kumar Gupta was appointed by the Board of Directors as an Additional Non-Executive, Independent Director, effective 1st April 2019.

Mr. Ashok Kumar Gupta aged 68 years holds Master Degree in Commerce (M. Com). Besides he is also a Certified Associate of The Indian Institute of Bankers (CAIIB). He was the former General Manager of Canara Bank. He has been an outstanding performer throughout his banking career for more than 35 years in different capacities, having worked from Branch Manager to Regional Manager, Zonal Manager & General Manager. He has worked in different parts of India and Overseas, at London, UK & Sanghai, China. He has indepth experience of financing of Industries, International Trade and Forex.

Currently Sh. Ashok Kumar Gupta is engaged in consultancy apart from being on the Interview Panel of IBPS Mumbai & Canara Bank, Bangalore for recruitment of Officers.

During his association with the Bank Mr. Ashok Kumar Gupta has travelled abroad extensively and has gained in-depth experience in the areas of Finance, Banking and General administration during the discharge of his professional responsibilities.

Mr. Ashok Kumar Gupta does not hold any share in the Company. He does not have any relationship with other Directors, Manager and other Key Managerial Personnel of the Company

In the opinion of the Nomination and Remuneration Committee and the Board, the appointment of Mr. Ashok Kumar Gupta on the Board of the Company would be beneficial to the Company considering his vast experience. Mr. Ashok Kumar Gupta fulfils the criteria of independence as specified in the Companies Act, 2013. The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

The Company has also received notice from a Member under Section 160 of the Companies Act, 2013 proposing his re-appointment as a Director.

The Board recommends the Resolution as set out in the notice for the approval of shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Ashok Kumar Gupta are, in any way, concerned or interested in the proposed resolution as set out in the Notice.

Item No. 5:

The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724) as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year(s) ending 31st March, 2020.

In accordance with the Provisions of Section 148 of the Companies Act, 2013 read with 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 passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for FY 2019-20.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company.

Item No. 6

Under Section 14 of the Companies Act, 2013 ("the Act") , the Board of Directors of a Company cannot , except with the Consent of General Meeting by a Special Resolution amend Articles of Association of the Company.

It is proposed to insert new Article 91(3) in the Articles of Association after the existing Article 91(2) so as to include provisions relating to appointment of any person who has rendered a significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as Chairman Emeritus on the terms mentioned therein. Your Directors recommend to pass this resolution as Special Resolution.

None of the Directors are concerned or interested in this resolution.

Registered Office:

1048, Sector-14,
Sonepat – 131 001,
Haryana, India

By Order of the Board of Directors

Sd-

Shiv Kumar Jha

Company Secretary & Compliance Officer

Place : New Delhi

Dated : August 13, 2019

Details of Directors seeking appointment /re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Mr. Vinay Mahendru	Mr. Ashish Bansal	Mr. Ashok Kumar Gupta
Director Identification Number	00005371	00017877	07294664
Category	Executive, Non Independent Director	Non-Executive, Independent Director	Non-Executive, Independent Director
Date of Birth	13/03/1962	14/12/1967	22/07/1951
Age	57 years	51 years	68 years
Nationality	Indian	Indian	Indian
Date of First Appointment on the Board	24/06/2005	01/04/2019	01/04/2019
Relationship with Directors and KMPs	Shri Vinay Mahendru is the son of Shri Ved Prakash Mahendru, Chairman and Managing Director and brother of Shri Vivek Mahendru Joint Managing Director of the Company	There is no relationship with other Directors on the Board	There is no relationship with other Directors on the Board
Qualifications	Masters degree in Management from the University of Aston, Birmingham, U.K	B.Com, FCA, FIAM	M. Com, CAIIB
Expertise in specific functional area	He has over 35 years of experience in senior management in industry. He has made path breaking contribution in undertaking new projects, introduction of new products and moving the organization towards growth with his professional skills and acumen	He is a Partner of RCB & Co. a leading firm of Chartered Accountants and has diversified experience in conducting financial, management and statutory audits and rendering advisory services for orporate and individuals in the fields of accounting, tax and legal compliance	He has been an outstanding performer throughout his banking career for more than 35 years in different capacities, having worked from Branch Manager to Regional Manager, Zonal Manager & General Manager. He has worked in different parts of India and Overseas, at London, UK & Sanghai, China. He has indepth experience of financing of Industries, International Trade and Forex
Details of Board/Committee Meetings attended by the Directors during the year	Four Board Meeting One Committee Meeting	Nil	Nil
Terms and Conditions of Appointment or reappointment along with remuneration	Mr. Vinay Mahendru has been appointed as Executive, Non-Independent Director. He will not be entitled to Sitting Fee(s) for attending the Meeting(s) of the Board and Committee(s) thereof.	Mr. Ashish Bansal has been appointed as Non-Executive, Independent Director. He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s).	Mr. Ashok Kumar Gupta has been appointed as Non-Executive, Independent Director. He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s).
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Nil	1 (Director in City Cap Channel Ltd.)	1 (Independent Director in Advance Metering Technology Limited)
Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including EON	Member of Stakeholders' Relationship Committee	Chairman of Audit Committee in the Company	Member of Audit Committee and Chairman of Stakeholders Relationship Committee of the Company And chairman of Audit Committee and Stakeholders Relationship Committee of Advance Metering Technology Limited
Shareholding in EON	576707	-	-

NO GIFT(S) WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEEING

EON ELECTRIC LIMITED

CIN: L31200HR1989PLC035580

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

Corporate Office: C-81, 2nd Floor, Hosiery Complex, Phase 2,

Noida – 201305, Uttar Pradesh, India

Phone No : +91-011-41008454

W: www.eonelectric.com E: corporate@eonelectric.com

ATTENDANCE SLIP

S. No.....

30th Annual General Meeting, Monday, the 30th day of September, 2019 at 09:00 A.M. at Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana

NAME (IN BLOCK LETTERS)	
ADDRESS	
REGISTERED FOLIO NO. / DP ID & CLIENT ID	
SHAREHOLDER/ PROXY/ AUTHORISED REPRESENTATIVE	
MOBILE NO.	
E-MAIL ID	

I/We hereby record my/our presence at the **30th Annual General Meeting (AGM)** of the Company being held on Monday, the 30th day of September, 2019 at 09:00 A.M. at Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana.



Signature of Shareholder / Proxy / Authorised Representative

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ELECTRONIC VOTING PARTICULARS


EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN

Notes:

- 1) Each equity share of the Company carries one vote.
- 2) Please read carefully the instructions printed overleaf before exercising the vote.

INSTRUCTIONS FOR REMOTE E-VOTING

- I. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as may be amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide remote e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing remote e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional. **HOWEVER, IN CASE MEMBERS CAST THEIR VOTE BOTH VIA PHYSICAL BALLOT PAPER AND E-VOTING, THEN VOTING THROUGH E-VOTING SHALL PREVAIL AND VOTING DONE BY BALLOT PAPER SHALL BE TREATED AS INVALID NOTWITHSTANDING WHICH-EVER OPTION IS EXERCISED FIRST.**
- II. The voting period shall commence at 9.00 A.M. on Friday, the 27th day of September, 2019 and will end at 5.00 P.M. on Sunday, the 29th day of September, 2019. The remote e-voting module shall be disabled by NSDL at 5.00 P.M. on end date of the voting period.
- III. The **Cut-off date** for determining the eligibility of shareholders to exercise remote e-voting rights and attendance at the Annual General Meeting (AGM) is **Monday, September 23, 2019**. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date, shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot paper. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- IV. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, September 23, 2019, may obtain the login ID and password by sending an e-mail to investors@eonelectric.com, evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID. 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 forget your password, you can reset your password by using "Forget User Details/Password" option available on <https://www.evoting.nsdl.com> or contact NSDL at the following Toll Free no.: **1800-222-990**.
- V. The facility for voting through ballot paper will be made available by the Company at the AGM and the members attending the meeting who have not casted their vote by remote e-voting, will be able to exercise their right at the meeting through ballot paper. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.



You can also update your mobile number and e-mail id in the user profile details of the attendance slip which may be used for sending future communication(s).
- VI. Mr. Manish Ranjan [FCS –5074 & COP No. 3709] of M/s Manish Ranjan & Associates, Company Secretaries, Delhi – 110 092, has been appointed as the Scrutinizer by the Company to scrutinize the entire voting process in a fair and transparent manner.
- VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter, unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and submit the consolidated Scrutinizer's Report of the total votes casted in favor or against, if any, to the Chairman of the Meeting or to the person authorized by the Chairman, not later than three (3) days of the conclusion of the meeting. The results along with the Scrutinizer's Report shall be placed on the website of the Company at www.eonelectric.com, NSDL at <https://www.evoting.nsdl.com> and Stock Exchanges at www.bseindia.com and www.nseindia.com.

VIII. PROCESS FOR MEMBERS OPTING FOR E-VOTING

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

VALUE RESEARCH PREMIUM

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail mranjan123@yahoo.co.in to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to _____ <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VALUE RESEARCH PREMIUM

EON ELECTRIC LIMITED

CIN: L31200HR1989PLC035580

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

Corporate Office: C-81, 2nd Floor, Hosiery Complex, Phase 2,

Noida – 201305, Uttar Pradesh, India

Phone No : +91-011-41008454

W: www.eonelectric.com E: corporate@eonelectric.com

Form No. MGT-11

PROXY FORM

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

30th Annual General Meeting on Monday, 30th September, 2019 at 9.00 AM (IST)

Name of the Member(s):	
Address of the members:	
E-mail Id:	
Folio No/ Client Id:	
*DP Id:	

I/We, being the member(s) holding shares of Eon Electric Limited, hereby appoint

Name: Address:

E-mail Id: Signature:, or failing him

Name: Address:

E-mail Id: Signature:, or failing him

Name: Address:

E-mail Id: Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting to be held on Monday, the 30th day of September, 2019 at 09:00 A.M. at Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana, and at any adjournment thereof in respect of the following resolutions:

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
Ordinary Business				
1.	Adoption of Audited Financial Statements (both Standalone and Consolidated) of the Company for the Financial Year 2018-19 including Reports of Board of Directors and Auditors thereon			
2.	Re-appointment of Mr. Vinay Mahendru (DIN: 00005371), as Director, liable to retire by rotation			
Special Business				
3.	Appointment of Mr. Ashish Bansal (DIN: 00017877) as an Independent Director.			
4.	Appointment of Mr. Ashok Kumar Gupta (DIN: 07294664) as an Independent Director			
5.	Ratification of remuneration payable to the Cost Auditors For Financial Year 2019-20			
6.	To amend the Articles of Association for Insertion of Clause "Chairman Emeritus"			

Signed this..... day of, 2019.

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Affix
Re.1/-
Revenue
Stamp

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy, to be effective, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

3. A proxy need not be a member of the Company.

*Applicable for Investors holding shares in demat form.

www.valueresearchonline.com, www.valueresearchstocks.com





ANNUAL REPORT

2018-2019

CORPORATE INFORMATION

Chairman & Managing Director

Mr. Ved Prakash Mahendru

Joint Managing Directors

Mr. Vivek Mahendru

Mr. Vinay Mahendru

Independent Directors

Mr. Ashish Bansal

Mr. Ashok Kumar Gupta

Dr. Rashmi Vij

Chief Financial Officer

Mr. K.B. Satija

Company Secretary & Compliance Officer

Mr. Shiv Kumar Jha

Statutory Auditors

M/s. Bansal & Co. LLP

Chartered Accountants

Bankers

State Bank of India

RBL Bank Limited

Registrar and Transfer Agent

M/s Alankit Assignments Limited

Alankit Heights, 1E/13, Jhandewalan Extn.

New Delhi-110055, India

Registered Office

1048, Sector-14,

Sonepat, Haryana - 131001

Corporate Office

C-81, 2nd Floor, Hosiery Complex

Phase-2, Noida - 201305, (U.P)

Head Office

208, Hemkunt Tower

98, Nehru Place, New Delhi - 110019

Plant Locations

Unit : I

Plot No. 10, Sector 4, SIDCUL,

Haridwar, Uttarakhand - 249403

Unit : II

Plot No. 28-29, Sector 6B, SIDCUL,

Haridwar, Uttarakhand - 249403



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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2019 is summarized below

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2019	Financial Year ended 31.03.2018	Financial Year ended 31.03.2019	Financial Year ended 31.03.2018
Revenue from Operations	77.32	158.68	77.32	158.68
Other Income	6.66	5.14	6.66	5.14
Operating Profit (EBITDA)	(13.08)	14.31	(13.08)	14.31
Finance Costs	10.31	11.37	10.31	11.37
Depreciation and Amortisation Expense	1.99	2.16	1.99	2.16
Profit / (Loss) before Exceptional items and Tax	(25.38)	0.88	(25.38)	0.88
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	(25.38)	0.88	(25.38)	0.88
Less: Tax Expense	(1.39)	0.44	(1.39)	0.44
Profit/(Loss) after Tax	(23.99)	0.44	(23.99)	0.44
Profit/(Loss) for the year	(23.99)	0.44	(23.99)	0.44
Other Comprehensive Income	0.20	0.09	0.20	0.09
Total Comprehensive Income	(23.79)	0.53	(23.79)	0.53
Earnings per Share (In Rupees) (Face Value of Rs.5/- per Equity Share)	(14.19)	0.27	(14.19)	0.27

FINANCIAL HIGHLIGHTS

During the financial year under review, your Company has achieved Sales and Other Income of Rs.83.98 Crores as against Rs.163.82 Crores in the previous financial year 2017-18

The Loss before Interest Taxes and Depreciation for the year ended March 31, 2019 stood at Rs. 13.08 Crores as against an EBITDA of Rs. 14.31 Crores during the previous year.

The Loss before Tax for the financial year ended March 31, 2019 stood at Rs. 25.38 Crore as against a profit of Rs.0.88 Crores earned during the previous financial year ended March 31, 2018. The Loss after Tax for the current year stood at Rs. 23.99 Crore against a Profit after Tax Rs. 0.44 Crores earned during the previous year ended 31st March, 2018.

The decline in the operations of the Company during the year under review has been due to the liquidity crunch being experienced by your Company during the past one year or so on account of delay in realization of receivables from one of its major customers for whom the Company has executed orders during the previous year. As the payments from the customers was considerably delayed beyond the expected realization period this resulted in an acute pressure on the Company's cash flows which affected the operations of the Company resulting in shortfall in turnover and operating loss during 2018-19.

Your Directors are fully seized of the Company's performance related issues and have also initiated proactive measures by initiating steps in the following directions:-

- Consolidation of operations and implementation of cost control measures to reduce fixed costs and thereby curtail losses
- Disposal of Investments in Mutual Funds and Bonds and thereby repaying loans raised against these investments from Standard Chartered Bank and RBL Bank Limited leading to reduction in interest and thereby improving the profitability and cash flows of the Company.
- Strengthening Relationship Management with all stake holders including potential customers.

Efforts are also afoot to further strengthen the Company's internal Management in areas of Marketing, Sales and Recoveries.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2018-19, have been prepared in compliance with the applicable provisions of the Companies Act, 2013, Indian Accounting Standards and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIVIDEND AND RESERVES

In light of the loss incurred by the Company during the year, your Directors do not recommend any Dividend for the year under review.

The Company has not transferred any amount to General Reserve during the financial year 2018-19.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**Appointments / resignations**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Vinay Mahendru, Joint Managing Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Appropriate resolution seeking your approval to his re-appointment as Director is included in the Notice. The Board recommends his re-appointment.

Mr. Ashish Bansal was appointed as an additional Non-Executive Independent Director on 1st April, 2019 and is proposed to be appointed as Non-Executive Independent Director of the Company at the ensuing Annual General Meeting (AGM). His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company. Appropriate resolution seeking your approval to his appointment as Independent Director is included in the Notice.

Mr. Ashok Kumar Gupta was appointed as an additional Non-Executive Independent Director on 1st April, 2019 and is proposed to be appointed as Non-Executive Independent Director of the Company at the ensuing Annual General Meeting (AGM). His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company. Appropriate resolution seeking your approval to his appointment as Independent Director is included in the Notice.

During the year Mr. Ajoy Kumar Ghosh, Independent Director resigned from the Board and all committees w.e.f. January 25, 2019 due to his ill health. Mr. Ramesh Chander Bansal and Mr. Ranjan Sarkar on having attained the age of 75 years resigned from the Board w.e.f 1st April, 2019. Dr (Mrs.) Rashmi Vij resigned from the Company w.e.f 30th May, 2019 due to her preoccupation.

There was no material reason for resignation of the Directors other than the one mentioned in their Resignation letters.

Key Managerial Personnel

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

BOARD EVALUATION

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

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

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

MEETINGS OF THE BOARD AND COMMITTEES

Four meetings of the Board of Directors were held during the Financial Year 2018-19. The details of number of Meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report. Besides in term of requirements of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on March 02, 2019 for the Financial Year 2018-19.

DECLARATION BY INDEPENDENT DIRECTORS

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

REMUNERATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Nomination and Remuneration of Directors, KMPs and Senior Management of your Company is uploaded on the website of the Company: <http://www.eonelectric.com/investor10.php>

AUDIT COMMITTEE

As at 31st March, 2019, the Audit Committee of the Board of Directors of the Company comprised of 3 members namely Shri Ramesh Chander Bansal, Independent Director, Shri Ranjan Sarkar, Independent Director and Shri Vivek Mahendru, Joint Managing Director. Shri Ramesh Chander Bansal is Chairman of the Audit Committee.

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

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

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

STATUTORY AUDITORS' REPORT

The Board has duly examined the Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 by M/s Bansal and Co. LLP, Chartered Accountants. The Company has already initiated steps to deposit the undisputed statutory dues as mentioned in the Auditors' Report with the respective authorities.

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

COST AUDITORS

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made there under, Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724), 365, Sector – 15, Faridabad – 121 007 Haryana, was appointed as the Cost Auditor of the Company for the financial year ended March 31, 2019.

Your Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained in the prescribed manner.

Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724), carried out the cost audit during the year. The Board of Directors have appointed Mr. Krishan Singh Berk, Cost Accountants as Cost Auditors for the financial year 2019-20.

The remuneration proposed to be paid to the cost auditors for 2019-20 is subject to ratification by members at the ensuing Annual General Meeting.

SECRETARIAL AUDITORS & THEIR REPORT

The Company had appointed M/s Navneet K Arora & Co LLP, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws except delay in deposit of monthly statutory dues under Employee Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 and applicable rule made thereunder, which have since been deposited by the Company. The Secretarial Audit Report for FY 2018-19 is annexed as **Annexure - A** to this report.

A Secretarial Compliance Report for the financial year ended 31st March, 2019 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Navneet Arora & Co. LLP Secretarial Auditors, and submitted to both the stock exchanges.

The Board has re-appointed M/s Navneet K Arora & Co. LLP Company Secretaries, New Delhi as Secretarial Auditors of the Company for Financial Year 2019-20.

EXTRACT OF THE ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

In terms of Section 134(3)(h), there is no information to be provided regarding the particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, except the transactions as stated in Note No. 43 of the Financial Statements. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

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

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year on March 31, 2019 to which these Financial Statements relate and the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

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

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

The report on the Internal Financial Control issued by the M/s. Bansal & Co. LLP Chartered Accountants, (FRN: 001113N/N500079), the Statutory Auditors of the Company, forms part of the Annual Report. In the opinion of the Board, the existing Internal Financial Control framework is adequate and commensurate with the size and nature of the business of the Company.

WHISTLE BLOWER AND VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2018-19, the provisions of Section 186 of the Companies Act, 2013 were not applicable on the Company

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the Financial year ended on 31st March, 2019.

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards and Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

OTHER INFORMATION

Management Discussion and Analysis Report

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

Certificate on Corporate Governance

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

The requisite certificate from M/s. Bansal & Co. LLP, Chartered Accountants, (FRN: 001113N/N500079), Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed herewith to this Report.

Prevention of Sexual Harassment at Workplace

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

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

Transfer to Investor Education and Protection Fund

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

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

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

Listing of Shares

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

The Company has paid annual Listing fee for the Financial Year 2019-20 to the BSE Limited and the National Stock Exchange of India Limited.

Acknowledgements

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

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

Secretarial Audit Report

[For the Financial Year ended on 31st March, 2019]

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board- Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on **31st March 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. No Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company was not engaged in the activities relating to Registrar to an issue and also not acting as Share Transfer Agent hence the said regulations were not applicable to the Company during the audit period;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- vi) Other labour, environment and specific applicable Acts/Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon the documents provided to us and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the Company has complied with the following Acts/ Laws applicable to the Company during the audit period;
- (a) Factories Act, 1948;
 - (b) The Industries (Development and Regulation) Act, 1951;
 - (c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;
 - (d) Employees State Insurance Act, 1948 and Employees State Insurance (Central) Rules, 1950
 - (e) The Contract Labour (Regulations and Abolition) Act, 1970;
 - (f) Maternity Benefit Act, 1961;
 - (g) Minimum Wages Act, 1948;
 - (h) Payment of Bonus Act, 1965;
 - (i) Environment (Protection) Act, 1986 read with The Environment (Protection) Rules, 1986 and other Environment Laws;
 - (j) Indian Stamp Act, 1899; and
 - (k) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

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

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

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

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above *except delay in deposit of various monthly dues under Employees Provident Fund & Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948 and applicable rules made thereunder.*

We further report that:

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

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

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

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

For Navneet K Arora & Co LLP
Company Secretaries

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

Place: New Delhi
Date: 11th June, 2019

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



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

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

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

For Navneet K Arora & Co LLP

Company Secretaries

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

Place: New Delhi
Date: 11th June, 2019

ANNEXURE - B

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS

i)	CIN	L31200HR1989PLC035580
ii)	Registration Date	November 06, 1989
iii)	Name of the Company	Eon Electric Limited
iv)	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office & Contact details	House No. 1048, Sector 14, Sonapat – 131001, Haryana Tel: 011-41008454 Email: corporate@eonelectric.com Website: www.eonelectric.com
vi)	Whether Listed Company Yes / No	Yes
vii)	Name, Address & Contact details of the Registrar & Transfer Agent, if any	M/s Alankit Assignments Limited Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi-110 055 Tel: 011-4254 1234, 011-23541234 Fax: 011-2355 2001 Email: info@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Lighting	3150	52.68%
2.	Cables & Wires	3130	42.29%
3.	Electrical Consumer Durables	2930	4.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	23,30,690	-	23,30,690	13.79	23,30,690	-	23,30,690	13.79	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corporate	81,06,433	-	81,06,433	47.96	81,06,433	-	81,06,433	47.96	
e) Banks/FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
Sub - Total (A)(1):-	1,04,37,123	-	1,04,37,123	61.75	1,04,37,123	-	1,04,37,123	61.75	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
Sub - Total (A)(2):-	-	-	-	-	-	-	-	-	
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	1,04,37,123	-	1,04,37,123	61.75	1,04,37,123	-	1,04,37,123	61.75	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub - Total (B)(1):-	-	-	-	-	-	-	-	-	
2. Non-Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	
i) Indian	7,05,732	800	7,06,532	4.18	477249	800	478049	2.83	(1.35)
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	39,14,309	6,50,829	45,65,138	27.01	4285390	608905	4894295	28.96	1.95
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9,44,142	-	9,44,142	5.59	819792	-	819792	4.85	(0.74)
c) Others (specify)									
Trust	237	-	237	-	1452	-	1452	-	-
Foreign Individuals or NRI	2,48,794	500	2,49,294	1.47	266868	500	267368	1.58	0.11
NBFC Registered with RBI	-	-	-	-	4387	-	4387	0.02	0.02
Sub - Total (B)(2):-	58,13,214	6,52,129	64,65,343	38.25	58,55,138	610,205	64,65,343	38.25	
Total Public Shareholding (B)=(B)(1)+(B)(2)	58,13,214	6,52,129	64,65,343	38.25	58,55,138	610,205	64,65,343	38.25	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,62,50,337	6,52,129	1,69,02,466	100.0	1,62,92,261	610,205	1,69,02,466	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s VPM Electricals Pvt. Ltd.	58,62,177	34.68	40.91	58,62,177	34.68	40.91	
2	M/s VPM Industrial Services Corporation LLP	22,44,256	13.29	75.75	22,44,256	13.29	75.75	
3	Mr. Ved Prakash Mahendru	9,09,413	5.38	-	9,09,413	5.38	-	
4	Mr. Vivek Mahendru	5,90,660	3.50	-	5,90,660	3.50	-	
5	Mr. Vinay Mahendru	5,76,707	3.41	-	5,76,707	3.41	-	
6	Mrs. Ratna Mahendru	1,33,932	0.79	-	1,33,932	0.79	-	
7	Mrs. Bela Mahendru	1,19,978	0.71	-	1,19,978	0.71	-	
	Total	1,04,37,123	61.75	39.26	1,04,37,123	61.75	39.26	

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of total Shares of the Company
1	M/s VPM Electricals Pvt. Ltd.				
	At the beginning of the year	58,62,177	34.68		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			58,62,177	34.68
2	M/s VPM Industrial Services Corporation LLP				
	At the beginning of the year	22,44,256	13.28		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			22,44,256	13.28
3	Mr. Ved Prakash Mahendru				
	At the beginning of the year	9,09,413	5.38		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			9,09,413	5.38
4	Mr. Vivek Mahendru				
	At the beginning of the year	5,90,660	3.50		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			5,90,660	3.50
5	Mr. Vinay Mahendru				
	At the beginning of the year		5,76,707	3.41	
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			5,76,707	3.41
6	Mrs. Ratna Mahendru				
	At the beginning of the year	1,33,932	0.79		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			1,33,932	0.79
7	Mrs. Bela Mahendru				
	At the beginning of the year	1,19,978	0.71		
	Increase / (Decrease) in Shareholding during the year			(No Change)	
	At the end of the year			1,19,978	0.71

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Smita Divyesh Shah				
	At the beginning of the year	130444	0.77	130444	0.77
	Sold on 18/09/2018	1	-	130443	0.77
	At the end of year 31/03/2019			130443	0.77
2	Rajasthan Global Securities Pvt. Ltd.				
	At the beginning of the year	128194	0.76	128194	0.76
	Sold on 06/07/2018	32612	0.19	95582	0.56
	Sold on 13/07/2018	19082	0.11	76500	0.45
	Sold on 27/07/2018	54034	0.31	22466	0.13
	Sold on 03/08/2018	13334	0.08	9132	0.05
	Sold on 31/08/2018	9132	0.05	-	-
	At the end of the year 31/03/2019			-	-
3	Rakesh Ramesh Jain				
	At the beginning of the year	97367	0.58	97367	0.58
	Purchased on 27/07/2018	26133	0.15	123500	0.73
	Sold on 10/08/2018	3038	0.02	120462	0.71
	Sold on 21/12/2018	2	-	119460	0.71
	Sold on 28/12/2018	2000	0.01	117460	0.69
	Sold on 04/01/2019	6000	0.04	111460	0.66
	Sold on 11/01/2019	4000	0.02	107460	0.64
	At the end of the year 31/03/2019			107460	0.64
4	Divyesh Ambalal Shah				
	At the beginning of the year	96595	0.57	96595	0.57
	At the end of the year 31/03/2019			96595	0.57
5	Isha Securities Limited				
	At the beginning of the year	96527	0.57	96527	0.57
	At the end of the year 31/03/2019			96527	0.57
6.	Varsha Bhavesh Shah				
	At the beginning of the year	93707	0.58	93707	0.55
	At the end of the year 31/03/2019			93707	0.55
7	Amir Ali P				
	At the beginning of the year	65652	0.39	65652	0.39
	Purchased on 06/04/2018	4680	0.03	70332	0.42
	Purchased on 13/04/2018	1242	0.01	71574	0.42
	Purchased on 04/05/2018	496	-	72070	0.43
	Purchased on 11/05/2018	3757	0.02	75827	0.45
	Purchased on 18/05/2018	2289	0.01	78116	0.46
	Purchased on 25/05/2018	1400	0.01	79516	0.47
	Purchased on 08/06/2018	1350	0.01	80866	0.48
	Purchased on 22/06/2018	700	-	81566	0.48
	Purchased on 29/06/2018	1939	0.01	83505	0.49
	Purchased on 06/07/2018	2688	0.02	86193	0.51
	Purchased on 27/07/2018	44	-	86237	0.51
	At the end of the year 31/03/2019			86237	0.51

8	Sangita Balwant Jain				
	At the beginning of the year	67384	0.42	67384	0.40
	At the end of the year 31/03/2019			67384	0.40
9.	Dheeraj Kumar Lohia				
	At the beginning of the year	55696	0.33	55696	0.33
	Sold on 06/04/2018	10000	0.06	45696	0.27
	Sold on 01/06/2018	9358	0.06	36338	0.21
	Sold on 06/07/2018	36338	0.21	-	-
	At the end of the year 31/03/2019			-	-
10.	Digish Ramesh Pandit				
	At the beginning of the year	50000	0.30	50000	0.30
	At the end of the year 31/03/2019			50000	0.30
11.	Shirish Goyal				
	At the beginning of the year	50000	0.30	50000	0.30
	At the end of the year 31/03/2019			50000	0.30
12.	Nitin Kapil Tandon				
	At the beginning of the year	69000	0.40	69000	0.40
	Sold on 15-03-2019	39000	0.23	30000	0.17
	At the end of the year 31/03/2019			30000	0.17

* Note: List of Top 10 shareholders were taken cumulatively as on 1st April, 2018 and as on 31st March, 2019. The increase / (decrease) in shareholding as stated above is based on details of beneficial ownership furnished by the depository.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Ved Prakash Mahendru, Chairman & Managing Director				
	At the beginning of the year	9,09,413	5.38		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			9,09,413	5.38
2	Mr. Vivek Mahendru, Joint Managing Director				
	At the beginning of the year	5,90,660	3.50		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			5,90,660	3.50
3	Mr. Vinay Mahendru, Joint Managing Director				
	At the beginning of the year		5,76,707	3.41	
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			5,76,707	3.41
4	Mr. Ramesh Chander Bansal, Director (Resigned w.e.f 1st April 2019)				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
5	Mr. Ajoy Kumar Ghosh, Director (Resigned w.e.f 25th January 2019)				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-

6	Mr. Ranjan Sarkar, Director (Resigned w.e.f 1st April 2019)				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
7	Dr. (Mrs.) Rashmi Vij, Director (Resigned w.e.f 30 May, 2019)				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
8	Mr. Ashish Bansal, Additional Director (Appointed w.e.f 1st April, 2019)				
	At the beginning of the year	-	-		
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
9	Mr. Ashok Kumar Gupta, Additional Director (Appointed w.e.f 1st April, 2019)				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year			-	-
10	Mr. K B Satija, CFO				
	At the beginning of the year	05	-		
	Increase / (Decrease) in Shareholding during the year				
	At the end of the year			05	-
11	Mr. Shiv Kumar Jha, Company Secretary				
	At the beginning of the year			-	-
	Increase / (Decrease) in Shareholding during the year	(No Change)			
	At the end of the year	-	-		

V. INDEBTEDNESS

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
(i)	Principal Amount	96,52,77,682	78,40,945		97,31,18,627
(ii)	Interest due but not paid	-	-		-
(iii)	Interest accrued but not due	-	28,261		28,261
Total (i+ii+iii)		96,52,77,682	78,69,206		97,31,46,888
Change in Indebtedness during the financial year					
* Addition		-	5,66,65,000		5,66,65,000
* Reduction		50,88,75,111	1,96,49,822		52,85,24,933
Net Change		(50,88,75,111)	3,70,15,178		(47,18,59,933)
Indebtedness at the end of the financial year					
(i)	Principal Amount	45,64,02,571	4,48,61,955		50,12,64,526
(ii)	Interest due but not paid	-			
(iii)	Interest accrued but not due	-	22,429		22,429
Total (i+ii+iii)		45,64,02,571	4,48,84,384		50,12,86,955

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Mr. Ved Prakash Mahendru, CMD	Mr. Vivek Mahendru, JMD	Mr. Vinay Mahendru, JMD	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,40,000	80,10,000	80,10,000	2,19,60,000
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,600	39,600	39,600	1,18,800
(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	-	-	-	-
	Total (A)	5,979,600	8,049,600	8,049,600	2,20,78,800
	Ceiling as per the Act	Rs.84 lakhs per annum can be paid to each Director (Whole-time/ Managing Director) (Maximum Remuneration payable as per Part -A, Section II of Schedule V to the Companies Act, 2013). This limit shall be double if the resolution passed by the shareholders of the company is a special resolution. The remuneration paid above is within the said limits and was approved by the shareholders of the Company at their AGM held on September 27, 2017.			

B. Remuneration to other Directors:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Ramesh Chander Bansal	Mr. Ajoy Kumar Ghosh	Mr. Ranjan Sarkar	Dr. Rashmi Vij	
1.	Independent Directors					
	Fee for attending Board / Committee meetings	1,10,000	60,000	60,000	40,000	2,70,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,10,000	60,000	60,000	40,000	2,70,000
2.	Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,10,000	60,000	60,000	40,000	2,70,000
	Total Managerial Remuneration (A) + (B)					2,23,48,800
	Overall Ceiling as per the Act	Rs.84 lakhs per annum can be paid to each Director (Whole-time/ Managing Director) (Maximum Remuneration payable as per Part -A, Section II of Schedule V to the Companies Act, 2013). This limit shall be double if the resolution passed by the shareholders of the company is a special resolution. The remuneration paid above is within the said limits and was approved by the shareholders of the Company at their AGM held on September 27, 2017. Maximum amount of Rs.1 Lakh for each Director as sitting fee for attending each meeting of the Board or its Committee is allowed under the Act and the remuneration paid above is within this said limit.				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shiv Kumar Jha, Company Secretary*	Mr. K B Satija, CFO	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,99,992	45,54,732	48,54,724
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961		-	
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	2,99,992	45,54,732	48,54,724

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

ANNEXURE - C

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

A. CONSERVATION OF ENERGY

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

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

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

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

The above initiatives undertaken by the Company have resulted in

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

B. TECHNOLOGY ABSORPTION

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

Efforts made toward the Technology absorption

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

- Continuous development of new products & process for improvement in business efficiency by reduction in cost, cycle time which leads to energy conservation also.
- Development of Import substitution for products & material.
- Value Engineering in products & process to reduce wastages.
- Continuously absorb new technologies to improve the testing procedures for products, process & materials for enhancing the quality of products, safety to persons concerned & environment.
- Special focus on development of in-house products which are compatible to new technology specially interface with computers.

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

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

In case of imported technology (imported during the last 3 years reckoned the beginning of the financial year), following information may be furnished:

- Technology imported:
- Year of import: N. A.
- Has technology been fully absorbed?:
- If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:
- The Company has not imported any Technology

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

(Rs. in Lacs)

S. No.	Particulars	2018-19	2017-18
1	Earnings in Foreign Currency	-	-
2	Expenditure in Foreign Currency	4.78	52.94
3	CIF Value of Imports	80.82	1002.98

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

ANNEXURE - D

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Directors and Company Secretary during the Financial Year 2018-19:

S. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2018-19 (INR in Lakhs)	% increase in Remuneration in Financial Year 2018-19	Ratio of Remuneration of Director to Median Remuneration of employees
1.	Mr. Ved Prakash Mahendru, Chairman & Managing Director	89.10	-	25.90:1
2.	Mr. Vivek Mahendru, Joint Managing Director	86.51	-	23.28:1
3.	Mr. Vinay Mahendru, Joint Managing Director	86.51	-	23.28:1
4.	Mr. K B Satija, Chief Financial Officer	47.38	-	13.62:1
5.	Mr. Shiv Kumar Jha Company Secretary and Compliance Officer	3.12	-	0.87:1

- (ii) The number of permanent employees on the rolls of the Company as on March 31, 2019 was 215 and the median remuneration was Rs.28,667/- only.
- (iii) Average of remuneration of employees excluding above Directors and KMPs has increased by 1.79%. The increase in remuneration is in line with the market trends and performance of the Company.
- (iv) The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company provided under the section "Corporate Governance Report" which forms part of the Board Report.
- (v) No employee's remuneration for the year 2018-19 exceeded the remuneration of any of the Directors.
- (vi) Company's performance has been provided in the Board Report which forms part of the Annual Report.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

Form AOC -1

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

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

Part "A" Subsidiaries		
(Information in respect of each of subsidiary to be presented with amount in INR)		
S. No.	Particulars	Details
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N.A
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of relevant financial year in case of foreign subsidiaries	N.A
4	Share Capital	N.A
5	Reserves & Surplus	N.A
6	Total assets	N.A
7	Total liabilities	N.A
8	Investments	N.A
9	Turnover	N.A
10	Profit before Tax	N.A
11	Provision for taxation	N.A
12	Profit after Tax	N.A
13	Proposed Dividend	N.A
14	% of shareholding	N.A
Part "B" Associates and Joint Ventures		
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
S. No.	Name of Joint Venture	Luxtra Lighting Private Limited
1	Latest Audited Balance Sheet Date	March 31, 2019
2	Share of Joint Venture held by the Company on the year end	Equity Shares
	No. of Equity Shares	969203
	Amount of Investment in Associates/Joint Venture	Rs.9692030
	Extent of holding %	49.00%
3	Description of how there is significant influence	Due to %age of Share Capital held
4	Reason why the joint venture is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Nil
6	Profit/Loss of the year	
	i. Considered in consolidation	Nil
	ii. Not considered in consolidation	N.A.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company for the financial year (FY) 2018-19, financial statements of which have been prepared in compliance with requirements of the provisions of the Companies Act, 2013 ("Act") read with applicable rules, guidelines issued by the Securities and Exchange Board of India and the Indian Accounting Standards. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state-of-affairs, profits and cash flows for the year.

COMPANY OVERVIEW

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

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

The Company witnessed a decline in its operations during Financial year 2018-19 on account of liquidity crunch experienced by it due to delay in the realisation of its receivables from its customers which resulted in a decline in its sales and increase in loss during 2018-19.

ECONOMIC OUTLOOK

2018-19 was a year of recovery with economic environment gradually improving post the transitional impact caused during Goods and Services Tax (GST) implementation. Recent Government measures like rationalisation of GST rates, focus on availability of quality electricity and investment in infrastructure is expected to drive long term sustainable growth. Rural housing is expected to play an important role in coming years, over 1 crore rural households have been built in last 4 years, the momentum of which is likely to trigger the latent demand. Medium to long term outlook remains promising for the industry.

India's Gross Domestic Product (GDP) grew by 6.8% in 2018-19, as per the data released by the Central Statistics Office (CSO). The growth is at a 5-year low after 2013-14 when the economy grew by 6.4%. However, India still continues to be the world's fastest growing major economy. The World Bank projects India's GDP to grow by an average of 7.5% in 2019-20 and 2020-21, with investment picking up and consumption remaining strong.

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

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

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

LIGHTING INDUSTRY

Demand for lighting in India is driven by rural electrification, rapid infrastructure development, increase in manufacturing and urban housing, and consumer trends towards better light. The introduction of smart and intelligent lighting with its application in residential, commercial and industrial domains has also accelerated market growth. The key driving factors for smart lighting are modernisation, development of smart cities, demand for intelligent solutions for street lighting systems, need for energy-efficient lighting systems and increased adoption of LEDs.

LED lamps and luminaries continue to show promising growth reflective of the change in consumer preference towards energy-efficient and smart lighting. Consequently, the traditional lighting products have been on decline and LED now constitutes a substantial part of the Lighting business. GST rate rationalisation has also helped the organised players.

In consumer lighting, focus will be to get primary and secondary reach while in professional lighting, focus will be on product innovation and use latest technology for customer delight. B2B & B2G customers will be the growth driver for professional lighting.

The government is laying strong thrust on new energy efficiency measures to meet the unprecedented demand for electricity and to ensure energy security for sustainable economic growth. The World Bank has pegged India's energy efficiency market at Rs. 1.6 trillion by considering end-use energy efficiency opportunities, against the backdrop of the success of the Government's UJALA scheme and street light national programme.

The government's push promoting investments in energy efficient lighting technologies have expanded the applications of LED lights across various industrial, commercial and residential sectors. Due to their numerous advantages over conventional lighting technology, they have swiftly gained prominence in the Indian lighting market.

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

Government schemes like Integrated Power Development Scheme (IPDS) and Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY) schemes, are anticipated to positively influence the Lighting Industry.

CABLES AND WIRE INDUSTRY

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

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

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

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

ELECTRICAL CONSUMER DURABLES INDUSTRY

Demand for Electrical Consumer Durables (ECDs) is likely to remain strong with rising disposable incomes and higher market penetration. Increasing electrification of rural areas is driving demand for ECDs in India. However, the sector is also witnessing increased competitive intensity with the entry of new players and portfolio expansion by existing players. With rising incomes and aspirations, premiumisation is the buzzword in consumer durables, with premium category products growing faster than overall industry growth rate. Consumers are increasingly seeking better designed and technologically superior products for both comfort and convenience.

The domestic fan market is estimated at 50 million fans per year with volumes growing around 6-7%. Fan is a high market penetration category. Rising rural penetration with increased electrification, higher disposable incomes, faster shift to the organised sector, and the urban replacement cycle getting shorter due to premiumisation are the key growth drivers for the market. Demand for premium fans with better aesthetics has been on the rise.

FINANCIAL PERFORMANCE

Financial performance of the Company for the financial year 2018-19 as compared to the previous financial year 2017-18 is furnished in detail in the Directors' Report.

SEGMENT- WISE PERFORMANCE

Lighting

The Lighting Segment achieved a turnover of Rs. 40.73 Crores for the financial year ended 31st March 2019 as against Rs. 105.84 Crores for the financial year ended 31st March, 2018. The operations of the Company were affected on account of the liquidity crunch experienced by it due to the delay in realisation of its receivables from its customers. 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.

Cables & Wires

Our Cables & Wires segment recorded a turnover of Rs.32.69 Crores for the financial year ended 31st March, 2019 as against Rs.30.55 Crores for the financial year ended 31st March, 2018. The operations of the cables and wires segment remained under pressure during the financial year 2018-19 due to volatility in the commodity prices and weaker sentiment prevalent in the construction industry for quite sometime.

Electrical Consumer Durables

The Electrical Consumer Durables achieved a turnover of Rs.3.25 Crores for the financial year ended 31st March, 2019 as against Rs.18.33 Crores for the financial year ended 31st March, 2018. Significant reduction in the turnover of consumer durables was due to the liquidity crunch experienced by the Company on account of delay in realisation of its receivables from its customers.

Others

Other products i.e. Mobile Phone accessories contributed a turnover of Rs.0.63 Crores for the financial year ended 31st March, 2019 as against Rs.3.95 Crores for the financial year ended 31st March, 2018. The lower volume of sales in this segment has been mainly as account of the fall in the replacement demand for mobile phone batteries as most of the mobile phones are now coming with in-built non-replaceable batteries.

OPPORTUNITIES

1. **Favourable Macro Economic Levers:** With focus of Government on electrification and commitment to improve infrastructure and housing and implementation of GST, electrical space is self-assured of growth in time to come.
2. **Demography:** Emerging middle-class people aspiring for better and improved standard of living, Company expects an impressive growth in future.
3. **Distribution:** Having pan-India dealer network, Eon is in an advantageous position for better growth. On such a wider base of distribution, Company can leverage it to introduce more new products and enter new geographies.
4. **Product portfolio:** Having wide product portfolio, Eon has access to both Consumer and Professional customer category giving superior opportunity to succeed.
5. **Boost for infrastructure development:** The Government is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. Government's focus on smart city development and replacement of conventional systems with more energy savings options offers tremendous opportunities for the Company.
6. **Push for industrial growth:** Under its Make in India initiative, the government has been encouraging investment by both foreign and domestic manufacturers to set up bases in India. Recovery in capex cycle will create substantial demand for Lighting solutions. These factors will propel growth for the Company's Lighting Division basis its strong business relationship with some India's leading business houses.

THREATS

1. **Slowdown in Construction Activities:** Given that the Company's Wires and Cables segment are dependent on industrial and infrastructure capital expenditure, any delay would affect segment revenue growth.
2. **Increase in Competition:** In view of the growth potential in the electrical industry, and low entry barriers the space has seen increased number of players entering the segment. Increased competition could put pressure on existing players.
3. **Non-availability of Regular and Quality Power:** Non-availability of regular and quality electricity supply is an issue as it may impact overall demand for electrical products.

RISKS & CONCERN

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

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

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

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

INTERNAL CONTROLS FRAMEWORK

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

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

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

HUMAN RESOURCE

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

RESEARCH AND DEVELOPMENT

Your Company continues its efforts to integrate the R&D activities with the business needs of the company to offer safe, energy efficient, value added products and services to its customers. The Company has employed a trained team of qualified engineers to drive the innovation and lay the foundation for future growth.

RISK MANAGEMENT AND MITIGATION

The key objective of your Company's risk identification and assessment process is to evaluate the combination of likelihood and the level of negative impact of an event. The three key components of its risk assessment are – business risk, operational risk and external risk. It manages its risks in line with current risk management best practices.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Ved Prakash Mahendru

Chairman & Managing Director

Place: New Delhi

Date: August 13, 2019

DIN: 00005338

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

Best Corporate Governance practices

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

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

Ethics/Governance Policies

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

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

BOARD OF DIRECTORS

As on 1st April, 2019, the Company has 06 Directors on the Board. Out of the 06 Directors, 03 are Promoter and Executive Directors and 03 are Non-Executive & Independent Directors including a Woman Director. The composition of the Board is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) read with Section 149 of the Companies Act, 2013.

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

Size and Composition of the Board of Directors

Category	Name of Directors
Promoter & Executive Directors	1. Mr. Ved Prakash Mahendru, Chairman & Managing Director 2. Mr. Vivek Mahendru, Joint Managing Director 3. Mr. Vinay Mahendru, Joint Managing Director
Non Executive & Independent Directors	4. Mr. Ashish Bansal 5. Mr. Ashok Kumar Gupta 6. Dr. Rashmi Vij

Inter-se Relationship among Directors

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

Terms and Conditions of Appointment of Independent Directors

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

<http://eonelectric.com/investor/corporate%20Policy/Appointment%20Letter%20of%20Independent%20Director.pdf>

Maximum Tenure of Independent Directors

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

During the year Mr. Ajoy Kumar Ghosh, Independent Director resigned from the Board and all committees w.e.f. January 25, 2019 due to his ill health. Mr. Ramesh Chander Bansal and Mr. Ranjan Sarkar on having attained the age of 75 years resigned from the Board w.e.f. 1st April, 2019. Dr (Mrs.) Rashmi Vij resigned from the Board w.e.f. 30th May, 2019 due to her preoccupations elsewhere.

There was no material reason for resignation of Independent Directors other than the one mentioned in their Resignation letters.

Mr. Ashish Bansal and Mr. Ashok Kumar Gupta was appointed as Additional, Non Executive Independent Directors w.e.f. 1st April, 2019.

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

Declaration of Independence

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

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

Directors' Induction and Familiarization

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

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

Skills/ Expertise/ competence of the Board of Directors including the areas as identified by the Board in the Context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's operations and future development by aiding implementation of best systems and processes;
- Building effective sales & marketing strategies, corporate branding and advertising functions;
- Overseeing the development and implementation of Risk Management;
- Management and strategy of the Information Technology function;
- Human Resources Management.

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Board Evaluation

Board Evaluation for the Financial Year ended 2018-19 has been completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

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

Separate Meeting of Independent Directors

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

During the Financial Year 2018-19, the Independent Directors met once on March 02, 2019 and inter-alia discussed:

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

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

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

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

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

Board Meetings

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

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

During the Financial Year 2018-19, the Board of Directors met 4 (four) times: 30th May, 2018, 14th August, 2018, 6th November, 2018, 14th February, 2019.

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

During the year 2018-19, information as mentioned in Part A of Schedule II to the SEBI Listing Regulations, 2015, has been placed before the Board for its consideration.

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

S. No.	Name, Designation & DIN	Category	Attendance in Financial Year 2018-19		Number of Directorships in other Companies as on March 31, 2019		Committee Membership and Chairmanship in other Companies* as on March 31, 2019		Shareholding in the Company as on March 31, 2019
			Board Meetings	AGM	Private	Public	Chairmanship	Membership	
1.	Mr. Ved Prakash Mahendru Chairman & Managing Director (00005338)	Promoter and Executive	4/4	Yes	1	-	-	-	9,09,413
2.	Mr. Vivek Mahendru Joint Managing Director (00006014)	Promoter and Executive	4/4	Yes	1	-	-	-	5,90,660
3.	Mr. Vinay Mahendru Joint Managing Director (00005371)	Promoter and Executive	4/4	Yes	1	-	-	-	5,76,707
4.	Mr. Ramesh Chander Bansal Director (00005387)	Non-Executive and Independent (Resigned w.e.f. 1st April, 2019)	4/4	Yes	1	2	-	-	-
5.	Mr. Ajoy Kumar Ghosh Director (00005404)	Non-Executive and Independent (Resigned w.e.f. 25.01.2019)	3/3	No	-	-	-	-	-
6.	Mr. Ranjan Sarkar Director (00289322)	Non-Executive and Independent (Resigned w.e.f. 1st April, 2019)	3/4	No	1	-	-	-	-
7.	Dr. Rashmi Vij Director (01103219)	Non-Executive and Independent (Resigned w.e.f. 30th May, 2019)	2/4	No	-	-	-	-	-

Note:-

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

COMMITTEES OF THE BOARD

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

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

http://eonelectric.com/investor/investor%20S/Investors_service.pdf

Procedure at Committee Meetings

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

1. AUDIT COMMITTEE

Composition, Meetings & Attendance

As on March 31, 2019, the Audit Committee comprises of 3 (three) Members as stated below. The composition of the Committee is in conformity with the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015. During the Financial Year 2018-19, the Audit Committee met 4 (four) times as stated below. The time gap between any two meetings was less than 120 days.

Name of Member	Member –	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Non-Executive & Independent Director	May 30, 2018	Yes	4/4	100
		August 14, 2018	Yes		
		November 06, 2018	Yes		
		February 14, 2019	Yes		
Mr. Ajoy Kumar Ghosh	Member – Non-Executive & Independent Director	May 30, 2018	Yes	3/3	100
		August 14, 2018	Yes		
		November 06, 2018	Yes		
Mr. Vivek Mahendru	Member – Executive Director	May 30, 2018	Yes	4/4	100
		August 14, 2018	Yes		
		November 06, 2018	Yes		
		February 14, 2019	Yes		
Mr. Ranjan Sarkar (Appointed in the Committee on 25.01.2019)	Member – Non-Executive & Independent Director	February 14, 2019	Yes	1/1	100

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

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

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on September 28, 2018 to answer the shareholders’ queries.

Terms of Reference

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

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management’s financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the

financial reporting process by the Management, the Internal Auditor, the Statutory Auditor, the Cost Auditor and the Secretarial Auditor and notes the processes and safeguards employed by each of them. All recommendations made by the Audit Committee during the year were accepted by the Board.

2. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings & Attendance

As on March 31, 2019 the Nomination and Remuneration Committee comprises of 3 (three) Members as stated below. The composition of the Committee is in conformity with the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015, with all the Directors being Non-Executive and Independent Directors.

During the Financial Year 2018-19, the Nomination and Remuneration Committee met 2 (two) times as stated below. The quorum for a meeting of the NRC is 2 (two) members.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	February 14, 2019	Yes	1	100
Mr. Ajoy Kumar Ghosh (Resigned w.e.f 25th January, 2019)	Member – Non-Executive & Independent Director	-	-	-	-
Mr. Ranjan Sarkar	Member – Non-Executive & Independent Director	February 14, 2019	Yes	1	100
Dr. (Mrs) Rashmi Vij (Appointed w.e.f 25th January, 2019)	Member – Non-Executive & Independent Director	February 14, 2019	Yes	1	100

The quorum for a meeting of the NRC is 2 (two) members.

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

The Chairman of the Committee attended the AGM held on September 28, 2018 to answer the shareholders' queries.

Terms of Reference

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

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

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

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

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

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

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

The aforesaid policies are available on the Company's website <http://eonelectric.com/investor/corporate%20Policy/Nomination%20&%20Remuneration%20Policy.pdf>

Remuneration Policy

The Company’s remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. The policy of the Company is uploaded on website of the Company:

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

Directors’ Remuneration for the Financial Year 2018-19

Details of remuneration paid to the Directors of the Company for the Financial Year ended on March 31, 2019 are as follows:

(Amount in Rs.)

S. No.	Name	Sitting Fees	Salary & Perquisites	Total	Stock Option / ESPS
1.	Mr. Ved Prakash Mahendru	-	8,910,000	8,910,000	-
2.	Mr. Vivek Mahendru	-	86,50,800	86,50,800	-
3.	Mr. Vinay Mahendru	-	86,50,800	86,50,800	-
4.	Mr. Ramesh Chander Bansal	1,10,000	-	1,10,000	-
5.	Mr. Ajoy Kumar Ghosh	60,000	-	60,000	-
6.	Mr. Ranjan Sarkar	60,000	-	60,000	-
7.	Dr. Rashmi Vij	40,000	-	40,000	-
	Total	2,70,000	26,211,600	26,481,600	

Notes:

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

Tenure of Service of Executive Directors

Name	Designation	Tenure / Period	Date of Appointment in Current Term	Notice Period
Mr. Ved Prakash Mahendru	Chairman & Managing Director	3 years (1.10.2017 – 30.09.2020)	01.10.2017	Nil
Mr. Vivek Mahendru	Joint Managing Director	3 years (1.10.2017 – 30.09.2020)	01.10.2017	Nil
Mr. Vinay Mahendru	Joint Managing Director	3 years (1.10.2017 – 30.09.2020)	01.10.2017	Nil

- Mr. Ved Prakash Mahendru has been re-appointed as Chairman & Managing Director w.e.f. October 1, 2017 for a period of 3 years by the shareholders of the Company at their AGM held on September 27, 2017.
- Mr. Vivek Mahendru and Mr. Vinay Mahendru have been re-appointed as Joint Managing Directors w.e.f. October 1, 2017 for a period of 3 years by the shareholders of the Company at their AGM held on September 27, 2017.
- Appointments of Managing Directors are governed by the Resolutions passed by the Board of Directors and the Shareholders of the Company, which cover the terms and conditions of such appointments. There is no separate provision for payment of severance fee under the Resolutions governing their appointment.
- During the Financial Year 2018-19, the Company did not advance any loan to any of its Directors.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.
- Fees and compensation, if any, paid to any Non-Executive Director, including Independent Director, is fixed by the Board of Directors and is previously approved by the shareholders at the General Body Meeting. Further, the Non-Executive Directors and Independent Directors are not entitled to any stock options.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meetings & Attendance

As on March 31, 2019, the Stakeholders' Relationship Committee comprises of 3 (three) Members as stated below.

Name of Member	Position & Category	Committee Meeting Date	Attended	No. of Meetings	%Age
Mr. Ramesh Chander Bansal	Chairman – Non-Executive & Independent Director	May 30, 2018	Yes	1	100
Mr. Vinay Mahendru	Member – Executive Director	May 30, 2018	Yes	1	100
Mr. Vivek Mahendru (Appointed w.e.f. January 25, 2019)	Member – Executive Director	NA	-	-	-

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

The Chairman of the Committee attended the AGM held on September 28, 2018 to answer the shareholders' queries.

Terms of Reference

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

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

The Committee performs the following functions:

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

Investor Grievances/ Complaints Redressal

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

Nature / Type of Complaints	Number of Complaints			
	Pending as on March 31, 2018	Received during 2018-19	Resolved during 2018-19	Pending as on March 31, 2019
Non-Receipt of Annual Reports	-	-	-	-
Non-Receipt of Dividend	-	-	-	-
Non-Receipt of Share Certificates lodged for Transfer/ Transmission, Issue of Duplicate Shares	-	1	1	-
Other General	-	-	-	-
(POA/Change of Signatures/Bank Details/ Address/Contact etc.)	-	-	-	-
TOTAL	-	1	1	-

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

Compliance Officer

Mr. Shiv Kumar Jha, Company Secretary & Compliance Officer of the Company for complying with the requirements of Securities Laws and Listing Agreement with Stock Exchanges.

Mr. Shiv Kumar Jha

Company Secretary & Compliance Officer
Eon Electric Limited
C-81, 2nd Floor, Hosiery Complex, Phase 2, Noida-201305, UP
Email:shiv.jha@eonelectric.com

GENERAL BODY MEETINGS

Annual General Meeting

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

AGM	Financial Year	Date, Day & Time	Brief Description of Special Resolution
29th	2017-18	September 28, 2018 Friday, 9 AM	No Special Resolution was passed in the Annual General Meeting
28th	2016-17	September 27, 2017 Wednesday, 9 AM	<ol style="list-style-type: none"> 1. Re-appointment of Shri Ved Prakash Mahendru as Chairman & Managing Director 2. Re-appointment of Shri Vivek Mahendru as Joint Managing Director 3. Re-appointment of Shri Vinay Mahendru as Joint Managing Director
27th	2015-16	September 30, 2016, Friday, 9 AM	Issue of 8,45,000 Convertible Equity Warrants to the promoter(s)/promoter Group of the Company on Preferential Basis.

Extraordinary General Meeting

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

Postal Ballot

The Company has not conducted Postal ballot during the Financial Year ended March 31, 2019. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 or any other applicable laws.

MEANS OF COMMUNICATION

- Information like Quarterly / Half Yearly / Annual Financial Results and Press Releases on significant developments in the Company that have been made available from time to time, to the press and presentations made to Institutional Investors or to the Analysts are hosted on the Company's website at www.eonelectric.com and have also been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members.
- The Quarterly / Half-Yearly / Annual Financial Results are published in English and Hindi language newspapers. The Company regularly intimates Un-Audited and Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board.

[Scrip Codes: BSE – 532658 / NSE – EON]

- The Company is electronically filing all reports / information including Quarterly / Annual Results, Shareholding Pattern and Corporate Governance Report and Announcements etc., on the BSE website www.listing.bseindia.com and NSE website www.connect2nse.com/LISTING.

- The Company also processes investors complaints, if any received by it through SEBI Complaint Redress Systems 'SCORES', [SCORES ID - I00096]. The investors can view on line action taken on the complaint and its current status.
- 8 The Annual Report containing, inter-alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Corporate Governance Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

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

GENERAL SHAREHOLDERS INFORMATION

A) ANNUAL GENERAL MEETING

Day: Monday

Date: September 30, 2019

Time: 9:00 AM

Venue: Kanak Garden Resort, 55 Milestone, G. T. Karnal Road, Murthal, Distt. Sonapat – 131027, Haryana

B) FINANCIAL YEAR

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

C) FINANCIAL CALENDAR 2019-20

First Quarter Results : Up to August 14, 2019

Second Quarter Results : Up to November 14, 2019

Third Quarter Results : Up to February 14, 2020

Audited Annual Results FY 2018-19 : On or before May 30, 2020

D) Dividend and its Payment

No Dividend has been recommended by Board of Directors for the Financial Year 2018-19.

E) Listing of Shares on Stock Exchanges and Stock Code

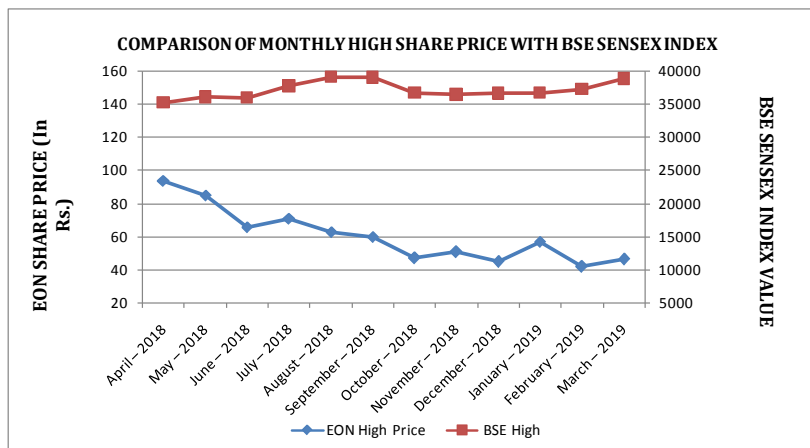
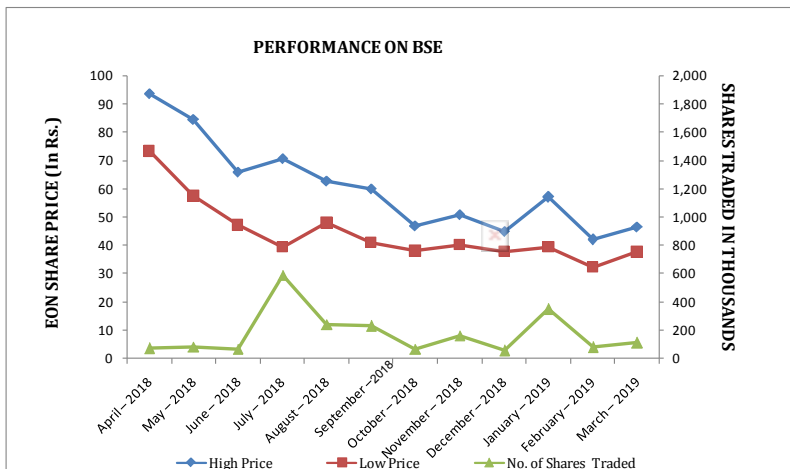
S. No.	Name and Address of the Stock Exchange	Security Code
1.	The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	532658
2.	The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	EON

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

Annual Listing Fee for the Financial Years 2018-19 & 2019-20 has been paid to BSE and NSE.

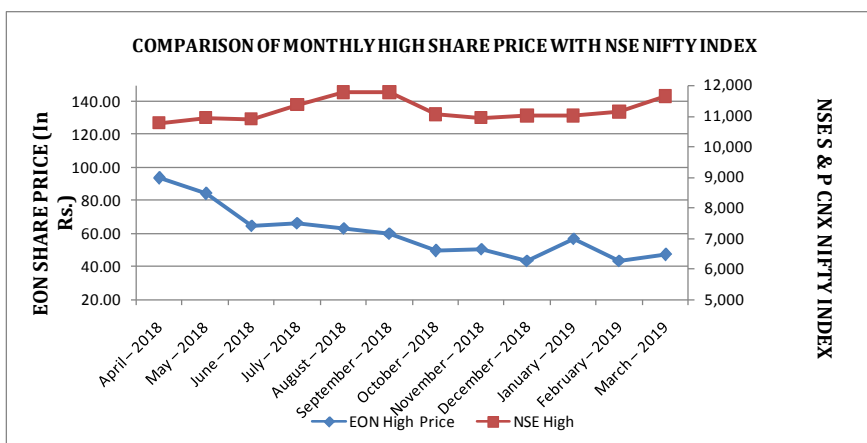
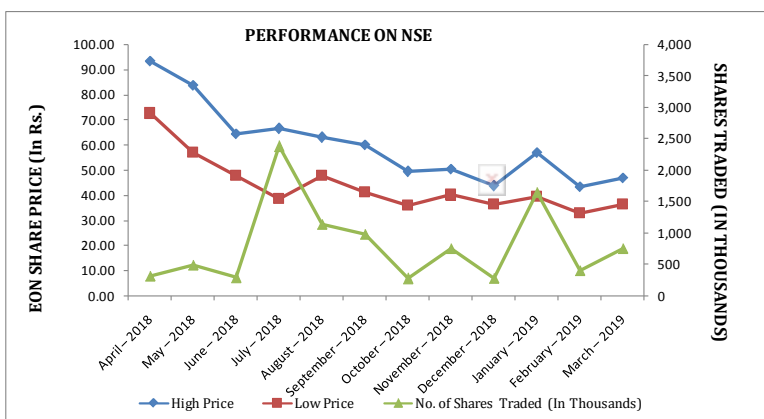
F) Market Price Data – BSE

Month	S&P BSE SENSEX		EON Share Price (In Rs.)		No. of Shares Traded
	High	Low	High Price	Low Price	
April 2018	35213.30	32972.56	93.60	73.35	69838
May 2018	35993.53	34302.89	84.70	57.40	81243
June 2018	35877.41	34784.68	66.00	47.20	66455
July 2018	37644.59	35106.57	70.85	39.50	589539
August 2018	38989.65	37128.99	62.70	48.00	243910
September 2018	38934.35	35985.63	60.05	41.00	230588
October 2018	36616.64	33291.58	47.00	38.05	69546
November 2018	36389.22	34303.38	50.80	40.10	160833
December 2018	36554.99	34426.29	44.90	37.95	55245
January 2019	36701.03	35375.51	57.00	39.55	348825
February 2019	37172.18	35287.16	42.00	32.20	79891
March 2019	38748.54	35926.94	46.50	37.65	109278



G) Market Price Data – NSE:

Month	S&P CNX Nifty		EON Share Price (In Rs.)		No. of Shares Traded
	High	Low	High Price	Low Price	
April 2018	10759	10111.3	93.40	72.60	321733
May 2018	10929.2	10417.8	83.90	57.05	489267
June 2018	10893.25	10550.9	64.60	48.00	294351
July 2018	11366	10604.65	66.50	38.65	2381270
August 2018	11760.2	11234.95	63.00	48.00	1143966
September 2018	11751.8	10850.3	60.05	41.20	990168
October 2018	11035.65	10004.55	49.40	36.00	273755
November 2018	10922.45	10341.9	50.60	40.15	753767
December 2018	10985.15	10333.85	43.65	36.50	288585
January 2019	10987.45	10583.65	57.00	39.50	1646529
February 2019	11118.1	10585.65	43.50	33.10	402918
March 2019	11630.35	10817	46.90	36.40	756685



H) Registrar and Transfer Agents

M/s Alankit Assignments Limited

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

I) Share Transfer System

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

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

J) Distribution of Shareholding

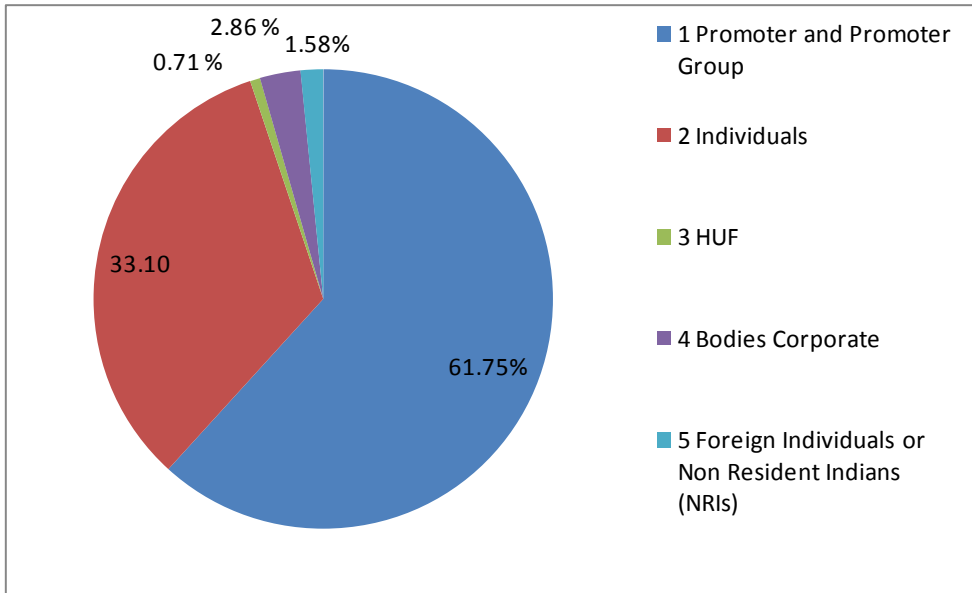
Details of distribution of Shareholding of the Equity Shares of the Company by Size and by Ownership Class on March 31, 2019 along with the Top 10 Shareholders of the Company are given below:

Shareholding Pattern by Size as on March 31, 2019

No. of Shareholders	% of Total Shareholders	Shareholding of Nominal Value of Rs 5/-	Paid-Up Capital Amount (In Rs.)	% of Total Paid-Up Capital
16653	95.444	01 to 5000	15,281,655	18.082
440	2.522	5001 to 10000	3,345,385	3.958
178	1.020	10001 to 20000	2,584,670	3.058
73	0.418	20001 to 30000	1,819,785	2.153
28	0.160	30001 to 40000	984,015	1.164
20	0.115	40001 to 50000	920,005	1.089
31	0.178	50001 to 100000	2,270,505	2.687
25	0.143	100001 & Above	57,306,310	67.808
17448	100.00	TOTAL	8,45,12,330	100.00

Shareholding Pattern by Ownership as on March 31, 2019

S. No.	Particulars	Total No. of Equity Shares Held	% Age of Holding
1.	Promoters and Promoter Group	1,04,37,123	61.75
2.	Individuals	5,593,790	33.10
3.	HUF	120,297	0.71
4.	Bodies Corporate	483,888	2.86
5.	Foreign Individuals or Non Resident Indians (NRIs)	2,67,368	1.58
	Total	1,69,02,466	100.00



Top 10 Shareholders as on March 31, 2019

S. No.	Name of Shareholder	No. of Shares Held	% age of Shareholding
1.	M/s VPM Electricals Pvt. Ltd.	58,62,177	34.68
2.	M/s VPM Industrial Services Corporation LLP	22,44,256	13.28
3.	Mr. Ved Prakash Mahendru	9,09,413	5.38
4.	Mr. Vivek Mahendru	5,90,660	3.50
5.	Mr. Vinay Mahendru	5,76,707	3.41
6.	Mrs. Ratna Mahendru	1,33,932	0.79
7.	Mrs. Smita Divyesh Shah jntly. with Mr. Ambalal Shah	1,30,443	0.77
8.	Mrs. Bela Mahendru	1,19,978	0.71
9.	Mr. Rakesh Ramesh Jain	1,07,460	0.63
10.	Mr. Divyesh Ambalal Shah jntly with Mrs. Smita Divyesh Shah	96,595	0.57

K) Dematerialization of Shares and Liquidity

As on March 31, 2019, the number of equity shares held in dematerialized form was 16,292,261 (96.39%) and in physical form was 6,10,205 (3.61%) of the total paid-up equity share capital of the Company.

The Company does not have any GDR's and ADR's during the year ended March 31, 2019.

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

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

M) Plant locations:

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

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

N) Investor Correspondence

Mr. Shiv Kumar Jha

Company Secretary & Compliance Officer
 Eon Electric Limited
 C-81, 2nd Floor, Phase II, Noida -201305, UP
 Phone No : +91-011-41008454
 Email: shiv.jha@eonelectric.com
 Website: www.eonelectric.com

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

DISCLOSURES

1. During the Financial Year 2018-19, the Company had no materially significant Related Party Transaction, which is considered to have potential conflict with the interests of the Company at large.
2. The Company has complied with all the applicable requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to Capital Markets.
3. The Company has complied with all the mandatory requirements of Corporate Governance as prescribed under Clause 49 of the erstwhile Listing Agreements with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. Transactions with Related Parties are disclosed in Note No. 43 to the Final Accounts. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is also available on the website of the Company at

<http://eonelectric.com/investor/corporate%20Policy/PolicyOnRelatedPartyTransaction.pdf>

Whistle-Blower Policy / Vigil Mechanism

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

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

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website at

<http://eonelectric.com/investor/corporate%20Policy/WhistleBlowerPolicy.pdf>

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

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company during the financial year 2018-19.

Compliances under Listing Regulations

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

Certificate from a Company Secretary in practice

The Company has obtained a Certificate from a Company Secretary in practice dated 20th June, 2019 stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

CEO and CFO Certification

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

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

Information on Deviation from Accounting Standards, if any

There has been no deviation from the Indian Accounting Standards (Ind AS) as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of the Annual Accounts for the Financial Year 2018-19.

Reconciliation of Share Capital Audit

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

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

During the year under review, the Company has not transferred any amount to the Investor Education and Protection Fund (IEPF).

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

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

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

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI Regulation on Prohibition of Insider Trading, as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors and Senior Management Officers. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The Code clearly specifies, among other matters, that Directors and Designated Persons of the Company, as defined in the Code, can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed from the close of quarter till the time of declaration of quarterly financial results, dividend and other material events as per the Code. Furthermore, amendments to the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' which was effective from 1st April, 2019 has been approved by the Board of Directors of the Company and thereafter intimated to the Stock Exchanges. These aforementioned Codes are posted on the website of the Company at the link: http://eonelectric.com/investor/coc/EON_Code_of_conduct_for_prevention_of_Insider_Trading.pdf Annual Declarations containing the annual disclosures of holding of securities were obtained from all the Directors and the Designated Persons of the Company for the financial year ended 31st March, 2019.

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

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

a) The Board:

The Chairman of the Company is Executive Chairman;

b) Shareholders' Rights:

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

c) Modified opinion(s) in audit report:

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

d) Separate posts of Chairperson and MD/CEO:

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

e) Reporting of Internal Auditor:

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

Additional Information to the Shareholders

Company Registration Details

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



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

Information pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 pertaining to particulars of Director to be re-appointed at the forthcoming Annual General Meeting is enclosed as an annexure to the Notice convening the 30th Annual General Meeting.

Dividend declared during past 10 years:-

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

Green Initiative

Pursuant to Section 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, Financial Statements and other communication in electronic forms. Your Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Financial Statements, Directors' Report along with their annexures, etc. for the Financial Year 2018-19 in the electronic mode to the shareholders who have registered their E-mail IDs with the Company and/or their respective Depository Participants (DPs).

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

CODE OF CONDUCT

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

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

http://eonelectric.com/investor/coc/Code_of_Conduct_for_the_Board_of_Directors_and_the_Senior_Management_Personnel.pdf

In Compliance of Regulation 26(3) of the SEBI Listing Regulations, 2015, all the Directors and the Senior Management of the Company have affirmed compliance of Code of Conduct as on March 31, 2019

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

“The Board of Directors of Eon Electric Limited has pursuant to Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 laid down the code of conduct for all the Board members and Senior Management Personnel of the Company which has been posted on the website of the Company viz. www.eonelectric.com.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, from time to time, all the members of the Board and senior management personnel have affirmed compliance with the code for the year ended 31st March, 2019.”

For and on behalf of the Board of Directors

Place: New Delhi
Dated: May 29, 2019



Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

CERTIFICATE ON CORPORATE GOVERNANCE

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

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 13, 2019

Ved Prakash Mahendru
Chairman & Managing Director
DIN: 00005338

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
Eon Electric Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Eon Electric Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

(Siddharth Bansal)
 Partner
 M. No. 581004

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

Place: New Delhi
 Dated: 29th May, 2019

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

Sub: Compliance Certificate in respect of Financial Statements for the Financial Year ended 31st March, 2019 under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on the 31st March 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: 29th May, 2019

VED PRAKASH MAHENDRU
CHAIRMAN & MANAGING DIRECTOR
DIN : 00005338

K B SATIJA
CHIEF FINANCIAL OFFICER

Independent Auditors' Report

To The Members of Eon Electric Ltd.

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Eon Electric Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year ended on that date, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

1. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer to Notes 2.11, 29 & 30 to the Standalone Financial Statements

Auditor's Response

Principal Audit Procedures

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

- Selected a sample of continuing and new contracts and performed the following procedures :
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
 - Sample of revenues disaggregated by product and service offerings was tested with the performance obligations specified in the underlying contracts.

Information Other than the Standalone Ind AS financial statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone Ind AS financial statements and our auditor’s report thereon. These reports are expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

Management’s Responsibility for the Standalone Ind AS financial statements

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

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company

and the operating effectiveness of such controls, refer to our separate Report in “Annexure II”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Refer Note No. 40).
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Siddharth Bansal
Partner
M. No. 581004

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



Place: New Delhi

Dated: 29th May, 2019

Annexure I to Independent Auditor's Report

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the Ind AS financial statements for the year ended on March 31, 2019 of **Eon Electric Ltd.**

- (i) In respect of the Company's fixed assets:
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
 - (b) The fixed assets have been physically verified by the management at the year-end. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventories lying with the third parties, these have been substantially confirmed by them. In our opinion frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us and in our opinion, the Company has not granted any loans, secured or unsecured to companies, firms, limited Liability partnerships or other parties covered in register maintained under section 189 of the Companies Act. Accordingly, clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iv) According to the information and explanations given to us and in our opinion, the Company has not advanced any loan, investment, guarantee or security to any person as specified under sections 185 and 186 of the Companies Act, 2013. Accordingly, clause (iv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) On the basis of the records produced, we are of the opinion that, prima facie, the cost accounting records prescribed by the Central Government under section 148(1) of the Companies Act, 2013 have been maintained by the Company. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) *Undisputed statutory dues including provident fund, employees' state insurance, income-tax(TDS) have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases including provident fund of Rs. 32,46,406 , income-tax (TDS) of Rs. 1,21,13,744 , Goods and Services Tax of Rs. 14,844,657 which are yet to be deposited.* However there are no undisputed amounts payable in respect of the aforesaid dues outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of disputed dues of duty of excise and sales tax aggregating to Rs.3,633,371/- and Rs.11,297,131/-as at March 31, 2019 which have not been deposited on account of disputed matters are as follows

Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
Excise Duty Cases				
Excise Duty including penalty	1,810,652	515,000	August 1998 to December 1998	Central Excise and Service Tax Appellant Tribunal, New Delhi (CESTAT)
Penalty	1,822,719	182,272	July 2008 to September 2008	Central Excise and Service Tax Appellant Tribunal, Allahabad (CESTAT)
Total	3,633,371	697,272		
Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
Sales Tax / Vat Cases				
Tamil Nadu Value Added Tax including penalty	5,374,917	806,702	2006-07, 2007-08, 2008-09, 2009-10 & 2010-11	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Bihar Value Added Tax including interest	5,922,214	2,304,526	2012-13, 2013-14 & 2014-15	Commercial Taxes Tribunal Bihar, Patna
Total	11,297,131	3,111,228		

Appeals filed by Central Excise Department as at March 31, 2019

Nature of Dues	Demand in Dispute (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where pending
Excise Duty including penalty	2,065,676	-	December 2007 to September 2008	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Service Tax including education cess	119,921	-	July 2004 to March, 2007	Central Excise and Service Tax Appellant Tribunal, New Delhi(CESTAT)
Total	21,85,597	-		

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government. The Company has no outstanding dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised term loans during the year and were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them.

Accordingly, clause (xv) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable.

- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Siddharth Bansal

Partner

M. No.581004

For and on behalf of

Bansal & Co LLP

Chartered Accountants

Firm Regn. No.001113N/N500079

Place: New Delhi

Dated: 29th May, 2019



Annexure II to the Independent Auditors' Report of even date on the Standalone Ind AS financial statements of Eon Electric Limited

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

We have audited the internal financial controls over financial reporting of Eon Electric Ltd. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Siddharth Bansal
Partner

M. No.581004

For and on behalf of

Bansal & Co LLP

Chartered Accountants

Firm Regn. No.001113N/N500079

Place: New Delhi

Dated: 29th May, 2019



EON ELECTRIC LIMITED
Balance Sheet as at 31st March, 2019

Particulars	Note No.	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Assets			
Non-current Assets			
Property, plant and equipment	3	294,004,046	373,840,570
Capital Work-in-Progress	3	-	138,450
Investment in Joint Venture	4	9,692,030	9,692,030
Financial Assets			
Investments	5	63,484,839	110,104,433
Loans	6	1,537,116	2,260,000
Other Financial Assets	7	49,526,301	110,491,687
Other Non-Current Assets	8	14,224,113	17,457,574
Total Non-current Assets		432,468,445	623,984,744
Current Assets			
Inventories	9	443,491,060	420,869,702
Financial Assets			
Investments	10	75,631,562	415,157,590
Trade Receivables	11	909,080,392	1,105,105,202
Cash and Cash equivalents	12	16,964,419	47,599,132
Other Bank Balances	13	35,221,795	38,773,410
Other Financial Assets	14	2,135,666	4,666,912
Current Tax Assets (Net)	15	7,337,950	6,384,491
Other Current Assets	16	68,995,645	67,177,065
Total Current assets		1,558,858,489	2,105,733,504
Total Assets		1,991,326,934	2,729,718,248
Equity and Liabilities			
Equity			
Equity Share Capital	17	84,512,330	84,512,330
Other Equity	18	925,140,101	1,163,015,694
Total Equity		1,009,652,431	1,247,528,024
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	19	35,229,333	6,246,953
Other Financial Liabilities	20	14,243,545	13,730,332
Provisions	21	17,127,391	19,285,039
Deferred Tax Liabilities (Net)	22	12,973,366	27,801,043
Other Non - Current Liabilities	23	16,312,047	23,769,602
Total Non-current liabilities		95,885,682	90,832,969
Current Liabilities			
Financial Liabilities			
Borrowings	24	456,402,571	965,277,682
Trade Payables	25		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		1,538,630	2,038,500
b) Total outstanding dues of creditors others than Micro Enterprises and Small Enterprises		295,093,953	365,067,728
Other Financial Liabilities	26	96,484,908	43,400,143
Other Current Liabilities	27	33,351,985	12,598,540
Provisions	28	2,916,774	2,974,662
Total Current Liabilities		885,788,821	1,391,357,255
Total Liabilities		981,674,503	1,482,190,224
Total Equity and Liabilities		1,991,326,934	2,729,718,248

Significant Accounting Policies
Notes on Financial Statements

1 to 49

As per our report of even date annexed.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place: New Delhi
Dated: 29th May, 2019

EON ELECTRIC LIMITED
Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
INCOME			
Revenue from Operations	29	773,221,038	1,586,848,519
Other Income	30	66,662,436	51,430,063
Total Income		839,883,474	1,638,278,582
EXPENSES			
Cost of Materials Consumed	31	347,291,596	719,570,280
Excise Duty		-	7,737,402
Purchases of Stock-in-Trade	32	264,705,806	394,839,475
Changes in Inventories of Finished Goods, Stock-in-Trade & Work-in- Progress	33	(30,280,942)	(131,585,424)
Employee Benefits Expense	34	167,749,877	224,658,130
Finance Costs	35	103,069,146	113,714,746
Depreciation and Amortization Expense	36	19,926,843	21,599,410
Other Expenses	37	221,248,239	278,942,527
Total Expenses		1,093,710,565	1,629,476,546
Profit/(Loss) before exceptional items and tax		(253,827,091)	8,802,036
Exceptional Items		-	-
Profit/(Loss) before tax		(253,827,091)	8,802,036
Tax Expense			
Current Tax	38	(271,826)	2,462,892
Deferred Tax		(13,627,939)	1,976,373
Profit/(Loss) after tax		(239,927,326)	4,362,771
Other Comprehensive Income :			
A Items that will not be reclassified to Profit or Loss			
i) Remeasurement benefit of Defined Benefit Plans		1,829,716	1,379,237
ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B Items that will be reclassified to Profit or Loss			
i) Net fair value gain on Investments in Debt Instruments through OCI		(977,721)	(607,249)
ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1,199,738)	(125,093)
Total Comprehensive Income for the year		(237,875,593)	5,259,852
Earnings per Equity Share (Face Value of ₹ 5/- each)			
- Basic	39	(14.19)	0.27
- Diluted		(14.19)	0.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 49		

As per our report of even date annexed.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing Director
DIN : 00005371

Vivek Mahendru
Joint Managing Director
DIN : 00006014

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

for & on behalf of
Bansal & Co. LLP
Chartered Accountants
Firm Reg. No. : 001113N/N500079
Place: New Delhi
Dated: 29th May, 2019

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2019

(In ₹)

A) EQUITY SHARE CAPITAL	No.	Amount
As at 1st April 2018	16,902,466	84,512,330
Add: Shares issued during the year	-	-
As at 31st March, 2019	16,902,466	84,512,330

B) OTHER EQUITY	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Money Received against Share Warrants	Total
Balances as at 1st April, 2018	36,891,000	17,841,620	359,057,720	1,045,129,775	(304,134,630)	8,230,209	-	1,163,015,694
Net Profit / (Loss) for the year	-	-	-	-	(239,927,326)	-	-	(239,927,326)
Reclassification of OCI to P&L	-	-	-	-	4,889,914	(4,889,914)	-	-
Other Comprehensive Income for the year	-	-	-	-	1,829,716	222,017	-	2,051,733
As at 31st March, 2019	36,891,000	17,841,620	359,057,720	1,045,129,775	(537,342,326)	3,562,312	-	925,140,101

As per our report of even date annexed.

Siddharth Bansal
Partner
Membership No. 581004
for & on behalf of
Bansal & Co. LLP
Chartered Accountants
Firm Reg. No. : 001113NIN500079
Place: New Delhi
Dated: 29th May, 2019

For and on behalf of Board of Directors

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Shiv Kumar Jha
Company Secretary

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

V.P Mahendru
Chairman and
Managing Director
DIN : 00005338

K.B Satija
Chief Financial Officer

EON ELECTRIC LIMITED
Cash Flow Statement for the year ended 31st March, 2019

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(253,827,091)	8,802,036
Adjustments for :		
Depreciation and Amortisation Expense	19,926,843	21,599,410
Impairment Allowance for Trade Receivables	5,401,711	-
Interest Income	(13,151,109)	(18,274,192)
Finance Cost	97,829,075	104,012,000
Actuarial Gains/(Loss) on measurement of Employee Benefits	1,829,716	1,379,237
Loss/(Profit) on Sale of Property, plant and Equipment(NET)	(33,494,119)	-
Loss/(Profit) on Sale of Investments	1,625,798	(2,546,640)
Fair Value Loss/(Gain) on Financial Assets	(14,067,111)	(25,815,903)
Impairment Allowance for Trade Receivables written back	-	(15,771)
Operating Profit before Working Capital Changes	(187,926,287)	89,140,177
Movements in Working Capital :		
(Increase)/Decrease in Loans	722,884	(116,091)
(Increase) / Decrease in Other Non Current Financial Assets	60,965,386	18,423,384
(Increase) / Decrease in Other Non Current Assets	3,233,461	(694,301)
(Increase) / Decrease in Inventories	(22,621,358)	(95,477,493)
(Increase) / Decrease in Trade Receivables	190,623,099	(182,588,927)
(Increase) / Decrease in Other Bank Balances	3,551,615	(11,727,676)
(Increase) / Decrease in Other Current Assets	(1,818,580)	(12,851,168)
Increase /(Decrease) in Other Non Current Financial Liabilities	513,213	8,150,041
Increase /(Decrease) in Long Term Provisions	(2,157,648)	2,888,629
Increase /(Decrease) in Other Non Current Liabilities	(7,457,555)	6,538,678
Increase /(Decrease) in Trade Payables	(70,473,645)	21,640,275
Increase /(Decrease) in Other Current Financial Liabilities	24,841,725	1,375,351
Increase /(Decrease) in Other Current Liabilities	20,753,445	(26,238,099)
Increase /(Decrease) in Short Term Provisions	(57,888)	478,456
Cash generated from / (used in) Operations	12,691,867	(181,058,764)
Direct Taxes Paid	681,630	2,245,314
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	12,010,237	(183,304,078)

EON ELECTRIC LIMITED
Cash Flow Statement for the year ended 31st March, 2019

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and Equipment including Capital Work-in-progress	(25,077,750)	(7,955,408)
Proceeds from sale of Property, plant and Equipment	118,620,000	-
Purchase of Current Investments	-	(113,196,240)
Purchase of Non - Current Investments	(280,221)	(1,582,611)
Proceeds from sale of Current Investments	354,003,646	109,245,136
Proceeds from sale of Non - Current Investments	43,885,786	-
Interest Received	15,682,355	18,277,391
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	506,833,816	4,788,268
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital/ Share Warrants	-	42,144,375
Proceeds from Long Term Borrowings	74,962,200	3,749,579
Repayment of Long Term Borrowings	(17,736,780)	
Proceeds from Short Term Borrowings	591,159	214,305,969
Repayment of Short Term Borrowings	(509,466,270)	(1,767,725)
Interest Paid	(97,829,075)	(104,012,000)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(549,478,766)	154,420,198
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(30,634,713)	(24,095,612)
Opening Balance of Cash and Cash Equivalents	47,599,132	71,694,744
Closing Balance of Cash and Cash Equivalents	16,964,419	47,599,132

As per our report of even date annexed.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

for & on behalf of
Bansal & Co. LLP
Chartered Accountants
Firm Reg. No. : 001113N/N500079
Place: New Delhi
Dated: 29th May, 2019

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Significant Accounting Policies

1 Corporate Information

Eon Electric Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Registered Office of the company is situated at House No. 1048, Sector 14, Sonapat, Haryana. The shares of the company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The company is engaged in the manufacturing and selling of Cables and Wires, Energy Efficient LED Based Lighting, Wiring accessories, Fans, Geysers, Lithium-ion Batteries, Mobile phone accessories and other electrical products. The Company's manufacturing facilities are located at Haridwar in Uttarakhand. The financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on 29th May, 2019.

2 Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (IndAS) on accrual and going concern basis and the historical cost convention except for certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under the relevant IndAS, the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI), IndAs as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current.

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

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

Significant Accounting Policies

2.4 Property, Plant and Equipment

Measurement at recognition:

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

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

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

Capital work in progress and Capital advances:

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

Depreciation:

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

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

Derecognition:

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

2.5 Intangible Assets

Measurement at recognition:

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

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

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

Amortisation :

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

Significant Accounting Policies

Derecognition:

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

Research and Development:

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

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

2.6 Impairment of non-financial assets

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

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

2.7 Financial Instruments

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

A) Financial Assets

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

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

a) Initial Recognition and Measurement

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

b) Subsequent Measurement

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

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

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

Significant Accounting Policies

c) Debt instruments at amortized cost:

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

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

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

d) Debt instruments at FVTOCI

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

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

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

e) Debt instruments at FVTPL

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

f) Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

g) Derecognition

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

Significant Accounting Policies

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

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

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

h) Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables and contract assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company assesses on a forward looking basis the Expected Credit Losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applies whether there has been significant increase in credit risk. The company does not anticipate any ECL in respect of dues from Government and Public Sector Undertakings.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

B) Financial Liabilities

a) Initial Recognition and Measurement

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

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

b) Subsequent measurement:

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

c) Derecognition:

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

Significant Accounting Policies

2.8 Investment in Subsidiary and Associate Companies

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

2.9 Inventories :-

Inventories comprise of Raw Material, Work-in-Progress, Finished Goods produced and Stock-in-Trade. Inventories are valued at lower of cost and net realisable value.

The cost of Raw Material and Stock-in-Trade is determined on FIFO basis. The cost of Work-in-Progress and Finished Goods comprises direct material, direct labour and a systematic allocation of fixed and variable production overheads that our incurred in converting the materials into Finished Goods. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in ordinary course of business less the estimated costs of completions and the estimated costs necessary to make the sale.

2.10 Taxes

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

a) Current tax:

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

b) Deferred tax:

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

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

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

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

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

c) Presentation of Current and Deferred tax:

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

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

2.11 Revenue Recognition

The Company earns revenue primarily from sale of goods and rendering of services.

Effective 1 April 2018, the Company has applied Ind AS 115 Revenue from contracts with customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be

Significant Accounting Policies

recognised. Ind AS 115 replaces earlier Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the modified retrospective approach. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. There were no material adjustments required to the retained earnings as at 1 April 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements of the Company.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The Company recognizes revenue on satisfaction of the performance obligation by transferring the promised goods and services mentioned in the contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company recognizes revenue for a performance obligation satisfied at point in time after satisfaction of the performance obligation. In case where the outcome of a performance obligation cannot be reasonably measured but the Company expects to recover the costs incurred in satisfying the performance obligation, the revenue is being recognized only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The Company disaggregates revenue from contracts with customers by nature of goods and service.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billing in excess of revenues.

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method.

Dividend Income:

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

2.12 Employee Benefits :-

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

i) Defined Contribution plan

Provident Fund and Employees’ State Insurance schemes

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

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

ii) Defined benefit plans

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

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

Significant Accounting Policies

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

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

2.13 Leases

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

Company as a Lessee

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

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

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

Company as a Lessor

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

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

2.14 Operating Segments:-

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

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

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

2.15 Earnings Per Share (EPS)

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

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

Significant Accounting Policies

2.16 Borrowing costs

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

2.17 Cash and Cash Equivalents

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

2.18 Foreign Currency

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

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

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

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

b) Exchange differences

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

2.19 Provisions , Contingent Assets and Contingent Liabilities :

Provisions :

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

A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are termed as onerous contract and the present obligation under such contracts is recognized and measured as a provision.

Contingent Assets :

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

Contingent Liabilities :

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

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

2.20 Fair value measurement

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

- (i) In the principal market for asset or liability, or

Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

2.21 Significant accounting judgements, estimates and assumptions

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

a) Judgements

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

i) Operating lease commitments — Company as lessee

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

ii) Assessment of lease contracts

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

b) Estimates and assumptions

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

Significant Accounting Policies

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

i) **Gratuity benefit**

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

ii) **Impairment of Financial assets**

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

iii) **Warranty provision**

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

2.22 Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying the Leasing Standard IndAS 116 Leases. IndAS 116 is applicable to companies from financial year beginning on or after 1st April, 2019.

The Ministry of Corporate Affairs (MCA) has also issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March, 2019 proposing amendments to IndAS 12, Income Taxes, IndAS 19, Employee Benefits, IndAS 23 Borrowing Costs, IndAS 28 Investments in Associates and Joint Ventures and IndAS 109 Financial Instruments. The rules have also notified Appendix C to IndAS 12, Uncertainty other Income Tax Treatments. These Rules are applicable for annual reporting periods beginning on or after 1st April, 2019.

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

Notes on Financial Statements for the year ended 31st March, 2019
3 PROPERTY, PLANT & EQUIPMENT

Description	Gross Block			Depreciation/Amortisation			Net Block	
	As at 01-Apr-18	Additions	Sale / Adjustments	As at 01-Apr-18	For the Year	Adjustments	Upto 31-Mar-19	As at 31-Mar-18
TANGIBLE ASSETS								
Land - Free Hold	84,240,000	24,017,518	-	-	-	-	-	84,240,000
Land - Lease Hold	81,222,689	-	55,181,583	2,036,576	635,186	1,693,610	978,152	25,062,954
Buildings	101,408,151	-	33,293,020	8,492,336	3,474,727	3,442,580	8,524,483	59,590,648
Buildings (Road)	1,760,163	-	1,760,163	408,560	91,226	499,786	-	1,351,603
Plant and Equipment	109,789,182	1,053,495	695,865	20,757,715	10,455,695	383,599	30,829,811	79,317,001
Furniture and Fixtures	10,414,652	81,420	-	3,198,972	937,154	-	4,136,126	6,359,946
Vehicles	16,059,382	-	4,296,504	4,212,173	2,545,641	4,081,679	2,676,135	9,086,743
Office equipment	1,383,656	10,500	-	581,526	237,218	-	818,744	575,412
Fans, Coolers and A.C.	4,331,668	-	-	868,070	450,879	-	1,318,949	3,012,719
Computers	2,636,018	53,267	-	1,076,898	620,902	-	1,697,800	991,485
Electrical Fittings	3,323,767	-	-	1,095,932	478,215	-	1,574,147	1,749,620
Lease Hold Improvement	-	-	-	-	-	-	-	-
Total	416,569,328	25,216,200	95,227,135	42,728,758	19,926,843	10,101,254	52,554,347	294,004,046
Capital Work In Progress								138,450

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

Notes on Financial Statements for the year ended 31st March, 2019

4 INVESTMENT IN JOINT VENTURE	31-Mar-19		31-Mar-18	
	Units	Amount (₹)	Units	Amount (₹)
Investments measured at Cost				
In Equity Shares of Joint Venture Company				
Unquoted, fully paid up				
Luxtra Lighting Private Limited of ₹ 10 each	969,203	9,692,030	969,203	9,692,030
Total Investments in Joint Venture		<u>9,692,030</u>		<u>9,692,030</u>
5 NON CURRENT INVESTMENTS				
Investments measured at Fair Value through Other Comprehensive Income				
In Bonds - Quoted, fully paid up				
Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India	29,669	32,380,747	29,669	32,944,458
Tax Free Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	14,239	15,378,120	14,239	15,695,080
Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited	6,470	7,117,000	48,991	54,624,965
Total Investments measured at Fair Value through Other Comprehensive Income		<u>54,875,867</u>		<u>103,264,503</u>
Investments measured at Fair Value through Profit and Loss				
In Others				
Unquoted				
Zephyr Peacock India III Fund		8,608,972		6,839,930
Total Investments measured at Fair Value through Profit and Loss		<u>8,608,972</u>		<u>6,839,930</u>
Total Non Current - Investments		<u>63,484,839</u>		<u>110,104,433</u>
Aggregate amount of quoted investments		54,875,867		103,264,503
Market Value of quoted investments		54,875,867		103,264,503
Aggregate amount of unquoted investments		8,608,972		6,839,930

5.1 Category-wise Non Current Investment	31-Mar-19	31-Mar-18
	Amount (₹)	Amount (₹)
Financial assets measured at fair value through Profit & Loss	8,608,972	6,839,930
Financial assets measured at fair value through Other Comprehensive Income	54,875,867	103,264,503
Total Non - Current Investments	<u>63,484,839</u>	<u>110,104,433</u>

Notes on Financial Statements for the year ended 31st March, 2019

6	LOANS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
	Security Deposits (Valued at Amortised Cost)	1,537,116	2,260,000
	Total Loans	1,537,116	2,260,000
7	OTHER FINANCIAL ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
	Margin Money Deposits with Banks having maturity period of over 12 months	49,526,301	110,491,687
	Total Other Financial Assets	49,526,301	110,491,687
7.1	Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
8	OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
	Capital Advances	8,750,000	8,750,000
	Security Deposits	5,280,433	5,595,901
	Balance with Statutory/Government Authorities	-	2,907,349
	Prepaid Expenses	193,680	204,324
	Total Non- Current Assets	14,224,113	17,457,574
9	INVENTORIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
	Raw Material	88,347,487	96,007,071
	Work-in-Progress	43,807,032	41,426,104
	Finished Goods	148,747,098	156,532,432
	Stock-in-Trade	162,589,443	126,904,095
	Total Inventories	443,491,060	420,869,702

9.1 Inventories are valued as under :-

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

9.2 The above inventories are hypothecated by way of first charge to State Bank of India and by way of subservient charge to RBL Bank Limited to secure the Working Capital Facilities sanctioned by them to the company.

Notes on Financial Statements for the year ended 31st March, 2019

10 CURRENT INVESTMENTS

Investments measured at Fair Value through Profit and Loss

In Mutual Funds - Unquoted, fully paid up

	31-Mar-19		31-Mar-18	
	Units	Amount (₹)	Units	Amount (₹)
Axis Income Fund-Growth (IFGPG)	-	-	1,921,230.412	32,543,146
DSP Black Rock Credit Risk - Regular Plan - Growth	-	-	810,301.921	23,170,664
HDFC Credit Risk Debt Fund - Regular Plan - Growth	-	-	1,010,232.955	34,786,261
Reliance Credit Risk Fund - Debt Plan - Direct Growth Plan - Growth Option	2,351,893.535	63,961,155	2,351,893.535	59,573,698
DSP Black Rock Credit Risk Fund - Direct Plan - Growth	-	-	1,433,312.549	42,231,981
Franklin India Low Duration Fund - Direct Plan - Growth	-	-	3,454,566.525	70,118,373
Franklin India Low Duration Fund - Retail Plan - Growth	-	-	582,411.182	11,634,013
HDFC Credit Risk Debt Fund - Direct Plan - Growth	-	-	326,858.271	11,518,420
Reliance Strategic Debt Fund - Direct Growth Plan - Growth Option	-	-	4,732,775.946	68,528,229
State Bank of India-Premier Liquid Fund-Direct Plan-Growth	2,563.014	7,505,966	4,677.572	12,743,550
UTI Income Opportunities Fund-Direct Plan-Growth	-	-	2,624,191.845	44,306,855
SBI Dual Advantage Fund-Series XXV - Regular - Growth	400,000.000	4,164,441	400,000.000	4,002,400
Total Investments measured at Fair Value through Profit and Loss		75,631,562		415,157,590
Total Current - Investments		75,631,562		415,157,590
Aggregate amount of quoted investments		-		-
Market Value of quoted investments		-		-
Aggregate amount of unquoted investments		75,631,562		415,157,590

10.1 Category-wise Current Investments

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Financial assets measured at cost	-	-
Financial assets measured at fair value through Profit and Loss	75,631,562	415,157,590
Total Current Investments	75,631,562	415,157,590

11 TRADE RECEIVABLES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Trade receivables	936,991,079	1,127,614,178
Less : Allowance for credit loss	27,910,687	22,508,976
Total	909,080,392	1,105,105,202

Breakup of security details

Unsecured - Considered Good	909,080,392	1,105,105,202
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	27,910,687	22,508,976
Total	936,991,079	1,127,614,178

Allowances for credit loss

Unsecured - Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	27,910,687	22,508,976
Total	27,910,687	22,508,976
Total Trade Receivables	909,080,392	1,105,105,202

Notes on Financial Statements for the year ended 31st March, 2019

12 CASH AND CASH EQUIVALENTS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Balances with Banks		
On Current Accounts	3,576,236	3,064,195
Cheques/Drafts on hand	13,060,764	44,346,132
Cash on hand	327,419	188,805
Total Cash and Cash Equivalents	16,964,419	47,599,132
13 OTHER BANK BALANCES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Fixed Deposits with maturity of upto 12 months	-	288,999
Margin Money Deposits with maturity of upto 12 months	35,221,795	38,484,411
Total Other Bank Balances	35,221,795	38,773,410
13.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
14 OTHER FINANCIAL ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Interest accrued on Investments in Bonds	2,135,666	4,666,912
Total Other Financial Assets	2,135,666	4,666,912
15 CURRENT TAX ASSETS (Net)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
TDS Recoverable	7,337,950	6,384,491
Total Current Tax Assets (Net)	7,337,950	6,384,491
16 OTHER CURRENT ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Advances to Suppliers for goods and services	28,702,239	32,316,422
Loans and advances to employees	4,488,635	7,462,401
Balance with Customs, Central Excise and VAT Authorities	32,616,619	23,750,246
Prepaid Expenses	3,188,152	3,647,996
Total Other Current Assets	68,995,645	67,177,065

Notes on Financial Statements for the year ended 31st March, 2019

17 SHARE CAPITAL

	31-Mar-19		31-Mar-18	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Authorised Share Capital				
Equity Shares of ₹5/- each	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	6,000,000	30,000,000
	25,000,000	125,000,000	25,000,000	125,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5/- each fully paid up	16,902,466	84,512,330	16,902,466	84,512,330
Total Share Capital	16,902,466	84,512,330	16,902,466	84,512,330

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

Equity Shares	31-Mar-19		31-Mar-18	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,902,466	84,512,330	16,057,466	80,287,330
Shares issued during the year	-	-	845,000	4,225,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,902,466	84,512,330	16,902,466	84,512,330

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

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

Name of Shareholder	31-Mar-19		31-Mar-18	
	Nos.	%age holding	Nos.	%age holding
Equity Shares of ₹5/- each				
VPM Industrial Services Corpn. LLP	2,244,256	13.28%	2,244,256	13.28%
VPM Electricals Private Limited	5,862,177	34.68%	5,862,177	34.68%
Shri V.P. Mahendru	909,413	5.38%	909,413	5.38%

17.3 Terms/rights attached to Equity Shares

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

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

Notes on Financial Statements for the year ended 31st March, 2019

18 OTHER EQUITY	31-Mar-19		31-Mar-18	
	Amount (₹)		Amount (₹)	
Capital Reserve		36,891,000		36,891,000
Capital Redemption Reserve		17,841,620		17,841,620
Securities Premium Reserve				
Opening Balance	359,057,720		307,090,220	
Addition during the year	-	359,057,720	51,967,500	359,057,720
General Reserve		1,045,129,775		1,045,129,775
Retained Earnings				
Opening Balance	(304,134,630)		(309,876,638)	
Add : Amount Transferred from OCI	4,889,914		-	
Net Profit After Tax transferred from Statement of Profit & Loss	(239,927,326)		4,362,771	
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurement of Post Employment Benefit Obligation, net of tax (Item of OCI)	1,829,716		1,379,237	
Amount available for Appropriation		(537,342,326)		(304,134,630)
Other Comprehensive Income				
Opening Balance	8,230,209		8,712,365	
Less : Reclassification of OCI to P&L	4,889,914		-	
Add : Movement in OCI (Net) during the year	222,017	3,562,312	(482,156)	8,230,209
Total Other Equity		925,140,101		1,163,015,694

19. BORROWINGS	31-Mar-19		31-Mar-18	
	Amount (₹)		Amount (₹)	
Vehicle Loans				
Secured				
- Banks	3,802,040	1,377,357	5,159,956	1,272,975
- Others	708,133	381,854	1,086,997	349,278
Unsecured				
- Deferred payment liability	6,104,160	4,069,440	-	-
- Loan from Promoters	24,615,000	-	-	-
Other Loans				
- Punjab Reliable Investments Pvt. Ltd.	-	14,000,000	-	-
Total Borrowings	35,229,333	19,828,651	6,246,953	1,622,253

Note :

- 19.1** Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans. The interest rate on such loans ranges from 7.99% p.a. to 9.35% p.a. and is payable monthly.
- 19.2** Vehicle Loans are repayable in 60 Equated Monthly Instalments commencing from the date of sanction of the loan.
- 19.3** Deferred payment liability is due to Haryana State Industrial & Infrastructure Development Corporation Limited against land purchased from them and is payable in 10 equal half yearly instalments alongwith interest @ 11% / 12% per annum.
- 19.4** Loan from Promoters has been raised to meet the Working Capital Requirements of the company and does not carry any interest.
- 19.5** Loan from Punjab Reliable Investments Private Limited is repayable in 15 monthly instalments of ₹2,000,000/- per month commencing from 31st August, 2018 along with interest @ 15.50% per annum. The said loan is guaranteed by three Directors of the Company.

Notes on Financial Statements for the year ended 31st March, 2019

20 OTHER FINANCIAL LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Security Deposits	14,243,545	13,730,332
Total Other Financial Liabilities	14,243,545	13,730,332
21 PROVISIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Provision for Gratuity	10,771,964	11,635,250
Provision for Compensated Absences	6,355,427	7,649,789
Total Provisions	17,127,391	19,285,039
22 DEFERRED TAX LIABILITIES (Net)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Accelerated Depreciation for Tax purposes	22,205,420	27,038,400
Change in Fair Value of Financial Assets recognised through FVTPL	2,300,652	12,460,870
Change in Fair Value of Financial Assets recognised through OCI	935,556	2,135,294
Expenses allowable on payment basis	(5,211,483)	(6,878,247)
Expected Credit Loss on Trade Receivables	(7,256,779)	(6,955,274)
Total Deferred Tax Liabilities (Net)	12,973,366	27,801,043
23 OTHER NON-CURRENT LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Security Deposits	16,312,047	23,769,602
Total Other Non - Current Liabilities	16,312,047	23,769,602
24 BORROWINGS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Secured		
Banks		
Cash Credit		
- State Bank of India	303,400,509	302,809,350
- RBL Bank Limited	46,232,834	98,192,302
Overdraft		
- Standard Chartered Bank	40,684,664	201,573,007
- RBL Bank Limited	66,084,564	362,703,023
Total Borrowings	456,402,571	965,277,682

24.1 Cash Credit Facility from State Bank of India is secured primarily by first charge by way of hypothecation of entire current assets and collaterally by equitable mortgage (first charge) of Plot No. 10, Sector-4, IIE, SIDCUL, Haridwar and first charge on Plant and Machinery situated thereon and personally guaranteed by three directors of the company. The said facility is re-payable on demand. Rate of Interest is 3.75% above 1 year MCLR p.a. and is payable monthly.

24.2 Cash Credit Facility from RBL Bank Limited is secured by subservient charge by way of hypothecation on entire current assets and movable fixed assets of the company both present and future, pledge of 1,700,000 equity shares of the company held by the promoters, second charge by the way of pledge on Debt Mutual Funds held in the name of the Company and collaterally by way of exclusive charge on Land and Building located at Plot No.

Notes on Financial Statements for the year ended 31st March, 2019

28,29 Sector 6B, IIE, SIDCUL, Haridwar and personally guaranteed by three directors of the company. The said facility is re-payable on demand. The said facility is re-payable on demand. Rate of Interest is 2.00% above 1 year MCLR p.a. and is payable monthly.

- 24.3** Overdraft from Standard Chartered Bank is secured by pledge of first fixed charge on Investments in Mutual Funds and Bonds liened in favour of the Bank. The said loan is valid for one day or repayable on demand. The said facility is re-payable on demand. Rate of Interest is 1.05% above 1 month MCLR p.a. and is payable monthly.
- 24.4** Overdraft from RBL Bank Limited is secured by first charge by the way of pledge on Debt Mutual Funds held in the name of the Company. The said loan is repayable on demand. The said facility is re-payable on demand. Rate of Interest is 2.00% above 1 year MCLR p.a. and is payable monthly.

25 TRADE PAYABLES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Total outstanding dues of Micro Enterprises and Small Enterprises	1,538,630	2,038,500
Total outstanding dues of creditors others than Micro Enterprises and Small Enterprises	295,093,953	365,067,728
Total Trade Payables	296,632,583	367,106,228

- 25.1** Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act , 2006 the relevant information is provided here below :-

Sl. No. PARTICULARS

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
1 Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year ; as at the end of the year		
(i) Principal amount	1,538,630	2,038,500
(ii) Interest due on above and the unpaid interest	2,607	-
2 The amount paid by the buyer in terms of section 16 of the MSME Development Act , 2006 along with the amount of the payment made to the supplier		
(i) Interest paid	-	-
(ii) Payment made beyond the appointed day during the year	-	-
3 Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Development Act , 2006	2,607	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year ; and	2,607	-
5 Amount of further interest remaining due and payable in succeeding years, until such date when the interest dues above are actually paid to the small enterprise , for the purpose of disallowance of a deductible expenditure under the section 23 of the MSME Development Act,2006	-	-

26 OTHER FINANCIAL LIABILITIES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Current maturities of Long Term Borrowings (Refer Note No. 19)	19,828,651	1,622,253
Interest Accrued	3,670,318	-
Book Overdraft	1,853,158	-
Other Payables	71,132,781	41,777,890
Total Other Financial Liabilities	96,484,908	43,400,143

Notes on Financial Statements for the year ended 31st March, 2019

27 OTHER CURRENT LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Advances from Customers	6,193,423	5,985,450
GST / CST / VAT / Service Tax Payable	15,116,979	2,591,043
TDS Payable	12,041,583	2,954,271
Other Liabilities	-	1,067,776
Total Other Current Liabilities	33,351,985	12,598,540

28 PROVISIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Provision for Employee Benefits		
Provision for Gratuity	678,719	736,725
Provision for Compensated Absences	2,238,055	2,237,937
Total Provisions	2,916,774	2,974,662

29 REVENUE FROM OPERATIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Sale of Products	683,406,608	1,564,250,074
Other Operating Income	89,814,430	22,598,445
Total Revenue from Operations	773,221,038	1,586,848,519

29.1 Revenue from Contracts with Customers

- a The Company has applied modified retrospective approach for the application of IndAS 115 "Revenue from Contracts with Customers and the effect is NIL on retained earnings as at April 1, 2018.
- b The Company derives revenues primarily from the Sale of goods and rendering of services.
- c Below is the diaggregation of the Company's revenue from contracts with customers :

1. Revenue disaggregation of the Company's revenue from contracts with customers

Segment	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Wires	326,980,215	305,508,691
Lighting Products	407,327,623	1,058,460,782
Electrical Consumer Durables	32,597,976	183,332,712
Others	6,315,224	39,546,334
Total Revenue from Contract with Customers	773,221,038	1,586,848,519

2. Revenue disaggregation by timings of satisfaction of performance obligation is as follows

Timing of satisfaction of performance obligation	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
At a point in time	773,221,038	1,586,848,519
Total	773,221,038	1,586,848,519

- d Performance Obligation

Information about the Company's performance obligations are summarized below :

Revenue from sale of goods is recognized when the control of goods is transferred to the customer. The performance obligation for the sale of goods is satisfied at the time. Revenue from services is recognised on satisfaction of the performance obligation by transferring the promised services to the customers.

Notes on Financial Statements for the year ended 31st March, 2019

30 OTHER INCOME	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Interest Income	13,151,109	18,274,192
Net Gain/(Loss) on Sale of Investments	(1,625,798)	2,546,640
Profit on Sale of Fixed Assets	33,494,119	-
Fair Value Gain on Financial Assets	14,067,111	25,815,903
Rental Income	3,420,122	2,942,166
Miscellaneous Income	1,140,885	793,578
Sundry Balances Written Back	2,834,489	232,843
Provisions no longer required written back	180,399	435,699
Impairment Allowance for Trade Receivables written back	-	15,771
Gain on Foreign Currency Transactions (Net)	-	373,271
Total Other Income	66,662,436	51,430,063
31 COST OF MATERIALS CONSUMED	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Inventory at the beginning of the year	96,007,071	132,115,002
Add : Purchases	339,632,012	683,462,349
	435,639,083	815,577,351
Less : Inventory at the end of the year	88,347,487	96,007,071
Total Cost of Materials Consumed	347,291,596	719,570,280
31.1 PARTICULARS OF MATERIALS CONSUMED	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Copper	57,839,243	226,250,849
Poly Vinyl Chloride (PVC)	5,021,117	19,633,498
Others (including Semi-Finished Components)	284,431,236	473,685,933
Total Particulars of Materials Consumed	347,291,596	719,570,280
32 PURCHASE OF STOCK-IN-TRADE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Wires	332,713	286,428
Lighting Products	256,976,246	337,308,791
Electrical Consumer Durables	7,189,607	59,150,984
Others	207,240	(1,906,728)
Total Purchase of Stock-in-Trade	264,705,806	394,839,475

Notes on Financial Statements for the year ended 31st March, 2019

33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Inventories (at close)		
Finished goods	148,747,098	156,532,432
Stock-in-Trade	162,589,443	126,904,095
Work-in-Progress	43,807,032	41,426,104
	355,143,573	324,862,631
Inventories (at commencement)		
Finished goods	156,532,432	83,164,776
Stock-in-Trade	126,904,095	95,880,801
Work-in-Progress	41,426,104	14,231,630
	324,862,631	193,277,207
(INCREASE) / DECREASE	(30,280,942)	(131,585,424)
34 EMPLOYEE BENEFITS EXPENSE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Salaries, Wages and Bonus	152,759,175	200,112,875
Contribution to Provident and other Funds	7,479,944	9,079,879
Gratuity	3,050,100	2,758,878
Leave Encashment	1,268,368	4,054,117
Staff Welfare expenses	3,192,290	8,652,381
Total Employee Benefits Expense	167,749,877	224,658,130

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

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

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Employer's Contribution towards Provident fund (PF)	6,849,785	8,232,514
Employer's Contribution towards Employee State Insurance (ESI)	630,159	847,365

Defined Benefit Plans

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Present value of Defined Benefit obligation at the beginning of the year	12,371,974	11,490,452	9,887,726	7,204,890
Interest Expense	854,366	808,256	650,645	468,734
Current Service Cost	2,195,736	1,950,621	1,947,142	1,408,720
Benefits paid	(2,141,676)	(498,118)	(2,562,612)	(1,371,281)
Remeasurement of (Gain) / Loss recognised in Other Comprehensive Income	(1,829,716)	(1,379,237)	-	-
Remeasurement of (Gain) / Loss recognised in Statement of Profit and Loss	-	-	(1,329,419)	2,176,663
Defined Benefit obligation at year end	11,450,684	12,371,974	8,593,482	9,887,726

Notes on Financial Statements for the year ended 31st March, 2019

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Defined Benefit Obligation (DBO)	11,450,684	12,371,974	85,593,482	9,887,726
Fair Value of Plan Assets	-	-	-	-
Funded Status - (Surplus)/ Deficit	11,450,684	12,371,974	85,593,482	9,887,726
Effect of Asset Ceiling	-	-	-	-
Net Defined Benefit Liability /(Asset)	11,450,684	12,371,974	85,593,482	9,887,726

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Service Cost	2,195,736	1,950,622	1,947,142	1,408,720
Net Interest Cost	854,366	808,256	650,645	468,734
Remeasurement of DBO	-	-	-	2,176,663
Net Defined Benefit Expense debited to Statement of Profit and Loss	3,050,102	2,758,878	2,597,787	4,054,117

(d) Remeasurement (gain)/ loss recognised in Other Comprehensive Income (Amount ₹)

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Remeasurement of DBO	(1,829,716)	(1,379,237)	-	-
Expense/(Income) recognised in Other Comprehensive Income	(1,829,716)	(1,379,237)	-	-

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Mortality Rates	2006-08	2006-08	2006-08	2006-08
	IALM	IALM	IALM	IALM
Discount Rate	7.30%	7.56%	7.30%	7.56%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
- Upto 30 years	10.36%	10.36%	10.36%	10.40%
31-45 years	11.43%	11.43%	11.43%	11.43%
Above 45 years	2.68%	2.68%	2.68%	2.68%

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

	-	-	-	-
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Notes on Financial Statements for the year ended 31st March, 2019

(g) Sensitivity analysis of the Defined Benefit Obligation

(Amount ₹)

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
DBO - Base assumptions	11,450,683	12,371,974	8,593,482	9,887,726
Discount rate :+1%	10,678,259	11,513,705	8,230,547	9,484,604
Discount rate :-1%	12,321,356	13,340,361	8,994,139	10,331,466
Salary escalation rate :+1%	12,315,273	13,336,081	8,991,394	10,329,526
Salary escalation rate :-1%	10,669,308	11,501,791	8,226,316	9,478,970
Attrition rate :25% increase	11,390,614	12,315,280	8,351,045	9,624,452
Attrition rate :25% decrease	11,509,278	12,421,230	8,883,429	1,024,442

35 FINANCE COSTS

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Interest Expenses	95,092,708	99,835,578
Other Borrowing Costs	2,736,367	4,176,422
Bank Charges	5,240,071	9,702,746
Total Finance Costs	103,069,146	113,714,746

36 DEPRECIATION AND AMORTISATION EXPENSE

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Depreciation and Amortisation	19,926,843	21,599,410
Total Depreciation and Amortisation Expense	19,926,843	21,599,410

37 OTHER EXPENSES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Manufacturing Expenses		
Power and Fuel	4,538,383	9,167,834
Labour Work Charges	66,628,838	25,213,358
Testing Charges	807,855	852,064
Building Repairs	1,028,010	608,292
Machinery Repairs	1,610,745	2,470,260
	74,613,831	38,311,808
Administration Expenses		
Rent	8,767,165	12,126,730
Rates and Taxes	1,331,862	4,051,035
Travelling and Conveyance	20,033,386	34,130,040
Printing and Stationery	865,971	2,129,390
Postage, Telegram & Telephone	3,697,188	6,108,527
Insurance	1,945,138	2,265,721
Other Repairs	32,481,613	28,696,375
Impairment Allowance for Trade Receivables	5,401,711	-
Amounts written off	4,323,129	4,416,492
Exchange Rate Difference	80,986	-
Directors Sitting fees	270,000	360,000
Vehicle Maintenance	1,938,084	2,189,479
Legal & Professional Charges	12,146,807	21,836,078

Notes on Financial Statements for the year ended 31st March, 2019

Payment to Auditors		
- As Auditor	1,200,000	1,408,000
- For other services	-	-
- GST / Service Tax	-	53,700
Miscellaneous Expenses	7,853,721	10,639,459
	102,336,761	130,411,026
Selling and Distribution Expenses		
Freight and Cartage Outwards	12,985,072	40,782,559
Advertisement	2,322,699	19,679,618
Logistics & Distribution Expenses	21,410,121	32,483,579
Sales Discount	-	-
Business Promotion	6,181,692	16,214,987
Samples	166,881	657,313
Tender Charges	-	113,524
Sales Tax Assessed	1,231,182	288,113
	44,297,647	110,219,693
Total Other Expenses	221,248,239	278,942,527
38 TAX EXPENSE	31-Mar-19	31-Mar-18
	Amount (₹)	Amount (₹)
a) Current Tax		
Current Tax on profit for the year	-	-
Adjustments for current tax of previous year paid under Section 115JB	-	2,462,892
Prior period Tax Adjustments	(271,826)	-
Total Current Tax Expenses	(271,826)	2,462,892
b) Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	1,365,259	(1,096,513)
(Decrease) / Increase in Deferred Tax Liabilities	(16,192,936)	3,072,886
Total Deferred Tax Expenses / (Income)	(14,827,677)	1,976,373
38.1 Breakup of Deferred Tax Expenses / (Income) :		
Particulars	31-Mar-19	31-Mar-18
	Amount (₹)	Amount (₹)
Considered in Statement of Profit & Loss	(13,627,939)	1,976,373
Considered in Other Comprehensive Income	(1,199,738)	-
Total	(14,827,677)	1,976,373

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

Notes on Financial Statements for the year ended 31st March, 2019

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Profit for the year (before income tax expenses)	(253,827,091)	8,802,036
Tax at Indian Tax rate of 26% (Previous Year 30.90%)	65,995,044	2,719,829
Tax effects of amounts which are not deductible(taxable) in calculating taxable income :		
Add :		
- Difference between Book Depreciation and Depreciation as per Income Tax Act, 1961	2,048,833	1,244,133
- Provision for Employee Benefits	-	1,101,387
- Impairment Allowance for Trade Receivables	1,404,445	-
- Net Loss on Sale of Investments	422,707	
- Short Term Capital gain on Sale of Investments	9,620,291	3,932,824
	13,496,276	6,278,344
Less :		
- Income not taxable		
- Interest on Tax Free Bonds	1,699,293	2,312,013
- Profit on Sale of Fixed Assets	8,708,471	-
- Fair Value Gain on Financial Assets	3,657,449	7,977,114
- Reversal of Provision for Impairment on Trade Receivables	-	4,873
Total	(568,937)	(4,015,656)
Tax Expense	-	-

39 Earnings per share	Unit	31-Mar-19	31-Mar-18
Net Profit attributable to Equity Shareholders	₹	(239,927,326)	4,362,771
Weighted Average number of Equity Shares outstanding during the year	Nos.	16,902,466	16,418,617
Face Value	₹	5	5
Basic Earnings Per Share	₹	(14.19)	0.27
Diluted Earnings Per Share	₹	(14.19)	0.27

40 Contingent Liabilities & Commitments

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
a Contingent Liabilities		
i) Liability towards Banks against Guarantees obtained for them	252,338,883	274,360,883
ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty	-	50,000,000
iii) Excise duty demands against which the company has preferred appeals. The Company has already deposited a sum of ₹ 697,272/- (31-Mar-18 : ₹ 3,197,272/-) against the aforesaid demand.	3,633,371	53,568,841
iv) Central Excise and Service Tax Appeals filed by the Department		

Notes on Financial Statements for the year ended 31st March, 2019

- Excise Duty	2,065,676	2,065,676
- Service Tax	119,921	119,921
v) Sales Tax / Value Added Tax Demands against which the company has preferred appeals	11,297,131	11,297,131
The Company has already deposited a sum of ₹ 3,111,228/- (31-Mar-18 : ₹ 3,111,228/-) against the aforesaid demand.		
vi) Arrears for Statutory Bonus for 2014-15 not provided for as the retrospective amendment has been stayed by the Karnataka, Kerala & Utrakhand High Courts.	1,416,835	1,416,835
b Commitments		
i) Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund	2,719,863	2,839,046

41 Leases

Company as a lessee

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

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Lease rent for Commercial Premises	8,767,165	12,126,730
Total	8,767,165	12,126,730

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

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Not later than one year	6,171,000	206,764
Later than one year and not later than five years	18,015,000	-
Later than five years	-	-
Total	24,186,000	206,764

42 Information on Operating Segments of the Company for the year ended 31st March 2019

Operating Segments

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

Cable and Wires includes Wires and Cables etc.

Lighting includes Compact Fluorescent Lamps, Fluorescent TubeLights, LEDs, Solar and Luminaires etc.

Electrical Consumer Durables includes Fans, Water Heaters etc.

Others includes Lithium Ion Batteries, Mobile Phone Accessories etc.

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

Notes on Financial Statements for the year ended 31st March, 2019

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

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the organization structure, and
- d) the internal financial reporting systems.

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

Notes:-

- i. Segment results represent Profit/(loss) before Interest and Tax.
- ii. Capital Expenditure pertains to gross additions made to fixed assets during the year including capital work in progress.
- iii. Segment Assets include Fixed Assets, Current Assets & Loans and Advances directly attributable to respective business segments.
- iv. Segment Liabilities include Current Liabilities and Provisions directly attributable to respective business segments.
- v. 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, 2019
Information About Business Segments

	(in ₹)									
	Cable & Wires		Lighting		Electrical Consumer Durables		Others		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
1. Segment Revenue										
Revenue from Operations	326,980,215	306,384,544	407,327,623	1,057,584,929	32,597,976	183,332,712	6,315,224	39,546,334	773,221,038	1,586,848,519
Revenue from Operations	326,980,215	306,384,544	407,327,623	1,057,584,929	32,597,976	183,332,712	6,315,224	39,546,334	773,221,038	1,586,848,519
2. Segment Results										
(Profit / Loss)	(39,943,459)	(62,646,224)	(47,626,350)	298,584,108	9,640,239	(10,267,718)	(10,154,071)	(17,720,358)	(88,083,641)	207,949,808
Finance Costs										
Unallocated Corporate Expenses/ (Income)										
Profit before Exceptional Items and Tax										
Exceptional Items (Net)										
Profit before Tax										
Tax Expense										
Profit after Tax										
3. Other Information										
Segment Assets	330,909,986	433,978,478	1,081,722,702	1,144,112,681	97,078,636	227,160,808	93,352,542	102,347,507	1,603,063,866	1,907,599,474
Unallocated Corporate Assets										
Total Assets	330,909,986	433,978,478	1,081,722,702	1,144,112,681	97,078,636	227,160,808	93,352,542	102,347,507	1,603,063,866	1,907,599,474
Segment Liabilities	54,598,613	150,445,195	300,599,864	241,746,059	24,829,979	41,838,129	9,641,314	18,987,517	389,669,770	463,016,900
Unallocated Corporate Liabilities										
Total Liabilities	54,598,613	150,445,195	300,599,864	241,746,059	24,829,979	41,838,129	9,641,314	18,987,517	389,669,770	463,016,900
Capital Expenditure	10,500	28,600	859,915	736,657	136,550	243,728	24,070,795	6,946,423	25,077,750	7,955,408
(Including Capital Work in Progress)										
Depreciation & Amortization expense	12,261,840	12,428,635	1,177,781	1,919,987	1,680,141	1,993,846	4,807,081	5,256,942	19,926,843	21,599,410
Other Non-cash expenses	1,085,481	15,654	4,274,069	307,843	2,102,682	1,062,112	2,262,608	3,030,883	9,724,840	4,416,492

Notes on Financial Statements for the year ended 31st March, 2019

43 Related Party Disclosure

Disclosures as required by Indian Accounting Standard (Ind AS-24) “Related Party Disclosures” are given below:

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

- 1 Luxtra Lighting Private Limited

B. Directors, Key Managerial Personnel

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

C. Relatives of Directors & Key Managerial Personnel

- 1 Mr. Keshav Mahendru

D. Key Managerial Personnel

- 1 Mr. K.B.Satija - Chief Financial Officer
2 Mr. Shiv Kumar Jha - Company Secretary

E. Group Company

- 1 IAFL Switchgears Private Limited
(ceased to be group company w.e.f. 4th May, 2018)

F. LLP firms in which relatives of Directors are partners

- 1 VPM Industrial Services Corporation LLP

G. Company in which Directors are Directors

- 1 VPM Electricals Private Limited

S.No. Nature of Transaction

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
1 Remuneration paid to Directors and their relatives		
a. Mr. V.P.Mahendru	8,910,000	9,150,000
b. Mr. Vinay Mahendru	8,650,800	8,629,600
c. Mr. Vivek Mahendru	8,650,800	8,629,600
d. Mr. Keshav Mahendru	950,000	-
Total	27,161,600	26,409,200
2 Remuneration paid to Key Managerial Personnel		
a. Mr. K.B.Satija	4,738,332	4,639,748
b. Mr. Shiv Kumar Jha	312,232	274,468
Total	5,050,564	4,914,216
3 Proceeds received against Issue of Share Warrants		
a. VPM Electricals Private Limited	-	42,144,375
Total	-	42,144,375
4 Borrowings		
a. VPM Electricals Private Limited	24,615,000	-
Total	24,615,000	-
5 Balance outstanding at the year end Payable		
a. Mr. V.P.Mahendru	13,078,484	1,795,343
b. Mr. Vinay Mahendru	647	25,143
c. Mr. Vivek Mahendru	2,024,271	1,291,910
d. Luxtra Lighting Private Limited	7,367	7,367
e. IAFL Switchgears Private Limited	22,991	22,991
f. VPM Electricals Private Limited	24,615,000	-
Total	39,748,760	3,142,754

44 Investment in Joint Ventures

- a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 “Separate Financial Statements”
b) The Company’s investment in Joint Venture is as under :

Name of the Joint Venture	Country of incorporation	Contribution towards Equity (₹)	Portion of ownership interest as at 31-Mar-19	Portion of ownership interest as at 31-Mar-18	Method used to account for the investment
Luxtra Lighting Private Limited	India	9,692,030	49%	49%	At cost

Notes on Financial Statements for the year ended 31st March, 2019

45 Fair Value Measurement
Financial Instrument by category

(in ₹)

Particulars	As at 31-Mar, 2019			As at 31-Mar, 2018		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Assets						
Non-current						
- Investments in Bonds	-	-	54,875,867	-	-	103,264,503
- Investments in Others	-	8,608,972	-	-	6,839,930	-
- Loans	1,537,116	-	-	2,260,000	-	-
- Others	49,526,301	-	-	110,491,687	-	-
Current						
- Investments in Mutual Funds	-	75,631,562	-	-	415,157,590	-
- Trade Receivables	909,080,392	-	-	1,105,105,202	-	-
- Cash and Cash equivalents	16,964,419	-	-	47,599,132	-	-
- Other Bank Balances	35,221,795	-	-	38,773,410	-	-
- Others	2,135,666	-	-	4,666,912	-	-
Total Financial Assets	1,014,465,689	84,240,534	54,875,867	1,308,896,343	421,997,520	103,264,503
Financial Liabilities						
Non-current						
- Borrowings	35,229,333	-	-	6,246,953	-	-
- Others	14,243,545	-	-	13,730,332	-	-
Current						
- Borrowings	456,402,571	-	-	965,277,682	-	-
- Trade Payables	296,632,583	-	-	367,106,228	-	-
- Others	96,484,908	-	-	43,400,143	-	-
Total Financial Liabilities	898,992,940	-	-	1,395,761,338	-	-

* FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

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

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

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

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

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

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

Notes on Financial Statements for the year ended 31st March, 2019

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

Notes on Financial Statements for the year ended 31st March, 2019

S.No. Particulars	Fair Value 31-Mar-19	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets at fair value through Profit and Loss				
- Investments in Others (Non-Current)	8,608,972	8,608,972	-	-
- Investments in Mutual Funds (Current)	75,631,562	75,631,562	-	-
Total	84,240,534	84,240,534	-	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-19				
Financial Assets				
- Loans (Non-Current)	1,537,116	-	-	1,537,116
- Others (Non-Current)	49,526,301	-	-	49,526,301
- Trade Receivables (Current)	909,080,392	-	-	909,080,392
- Cash and Cash equivalents (Current)	16,964,419	-	-	16,964,419
- Other Bank Balances (Current)	35,221,795	-	-	35,221,795
- Others (Current)	2,135,666	-	-	2,135,666
Total	1,014,465,689	-	-	1,014,465,689
Financial Liabilities				
- Borrowings (Non-Current)	35,229,333	-	-	35,229,333
- Others (Non-Current)	14,243,545	-	-	14,243,545
- Borrowings (Current)	456,402,571	-	-	456,402,571
- Trade Payables (Current)	296,632,583	-	-	296,632,583
- Others (Current)	96,484,908	-	-	96,484,908
Total	898,992,940	-	-	898,992,940
(C) Financial Assets at fair value through Other Comprehensive Income				
- Investments in Bonds	54,875,867	54,875,867	-	-
Total	54,875,867	54,875,867	-	-

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

> the use of quoted market prices or dealer quotes for similar financial instruments.

> the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

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

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

Notes on Financial Statements for the year ended 31st March, 2019

46. Financial Risk Management – Objectives and Policies

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

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

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

1) Market Risk

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

a) Interest Rate Risk

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

b) Foreign Currency Risk

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

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

Foreign Currency	Liabilities		Assets	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
USD	9,423.55	262,628.44	27,445.50	58,986.28
Equivalent in INR	658,988	17,354,487	1,878,098	3,790,456

c) Other Price Risk

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

The Company is exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2019, the carrying value of such instruments recognised at FVTOCI amounts to ₹54,875,867/- (₹103,264,503/- as at 31st March, 2018). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note No. 5.

2) Credit Risk

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

Notes on Financial Statements for the year ended 31st March, 2019

a) Trade Receivables

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

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The concentration of credit risk is limited due to the fact that the customer base is large and located in several jurisdictions. The company does not anticipate any ECL in respect of dues from Government and Public Sector Undertakings amounting to ₹ 59,53,20,859/- (Previous year ₹ 61,85,85,213/-).

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

Particulars	(In ₹)	
	As at 31-Mar-19	As at 31-Mar-18
At the beginning of the year	22,508,976	22,524,747
Provision during the year	5,401,711	-
Reversal of provision	-	(15,771)
At the end of year	27,910,687	22,508,976

b) Investments in Mutual Funds and Other Financial Assets

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

3. Liquidity risk

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

Notes on Financial Statements for the year ended 31st March, 2019

Maturity profile of financial liabilities

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

(In ₹)

As at 31-Mar-19	Less than 1 year	1 to 5 years	Total
Non-Current			
Borrowings	-	35,229,333	35,229,333
Other Financial Liabilities	-	14,243,545	14,243,545
Current			
Borrowings	456,402,571	-	456,402,571
Trade Payables	296,632,583	-	296,632,583
Other Financial Liabilities	96,484,908	-	96,484,908
As at 31-Mar-18	Less than 1 year	1 to 5 years	Total
Non-Current			
Borrowings	-	6,246,953	6,246,953
Other Financial Liabilities	-	13,730,332	13,730,332
Current			
Borrowings	965,277,682	-	965,277,682
Trade Payables	367,106,228	-	367,106,228
Other Financial Liabilities	43,400,143	-	43,400,143

47. Capital Management

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

As at 31st March, 2019, the Company has only one class of equity shares. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

- 48. The provision in regard to Section 135 of the Companies Act, 2013 in regard to Corporate Social Responsibility is not applicable to the Company.
- 49. Figures for the previous year have been reclassified / regrouped / re-stated wherever necessary to make them comparable.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place: New Delhi
Dated: 29th May, 2019

**Financial Statements
for the Financial Year 2018-19**

Consolidated

**LED
LIGHTING**



FANS



**WIRES &
CABLES**



**WATER
HEATERS**



**MOBILE
ACCESSORIES**



Independent Auditors' Report

To The Members of Eon Electric Ltd.

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Eon Electric Limited (“the Company”), and its Joint Venture comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (herein referred to as “the Consolidated Ind AS Financial Statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company and its joint venture in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

1. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer to Notes 2.11, 29 & 30 to the Standalone Financial Statements

Auditor's Response

Principal Audit Procedures

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Selected a sample of continuing and new contracts and performed the following procedures :
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
 - Sample of revenues disaggregated by product and service offerings was tested with the performance obligations specified in the underlying contracts.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Company and its joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Company and its joint venture are responsible for assessing the Company's and its joint venture ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its joint venture are responsible for overseeing the financial reporting process of the Company and its joint venture

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company and its joint venture included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Joint Venture whose financial statements reflect total assets of Rs. 124,629/- as at 31st March 2019, total revenue of Rs. Nil and net loss of Rs.41,049/- for the year ended 31st March, 2019 as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far relates to the aforesaid Joint Venture, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditor on financial statements of Joint Venture incorporated in India referred in the Other Matters paragraph above we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) in our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditor;
 - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and report of the statutory auditor of its Joint Venture incorporated in India, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure I; which is based on the auditor's reports of the Company and its Joint Venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Joint Venture, for the reasons stated therein.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, however the Joint venture has not paid any remuneration to its directors during the year

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated Ind AS financial position of the Company and its Joint Venture - Refer Note 40 of the consolidated Ind AS financial statements.
 - (ii) the Company and its Joint Venture which is incorporated in India did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) there has been no delay in transferring the amounts which were required to be transferred to Investor Education and Protection Fund by the Company and there were no amounts required to be transferred to Investor Education and Protection Fund by its Joint Venture which is incorporated in India.

Siddharth Bansal

Partner

M. No. 581004

For and on behalf of

Bansal & Co LLP

Chartered Accountants

Firm Regn. No: 001113N/N500079



Place: New Delhi

Dated: 29th May, 2019

Annexure I to the Independent Auditors' Report of even date on the Consolidated Ind AS financial statements of Eon Electric Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Eon Electric Ltd. ("the Company") and its Joint Venture, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors the Company & its Joint Venture, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. ("the ICAI").

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditor referred to in the Other Matters paragraph below, Company and its Joint Venture which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 Joint Venture which is incorporated in India, is based on the corresponding report of the auditor of such Joint Venture.

Siddharth Bansal

Partner

M. No.581004

For and on behalf of

Bansal & Co LLP

Chartered Accountants

Firm Regn. No.001113N/N500079



Place: New Delhi

Dated: 29th May, 2019

Consolidated Balance Sheet as at 31st March, 2019

Particulars	Note No.	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Assets			
Non-current Assets			
Property, plant and equipment	3	294,004,046	373,840,570
Capital Work-in-Progress	3	-	138,450
Investment in Joint Venture	4	-	-
Financial Assets			
Investments	5	63,484,839	110,104,433
Loans	6	1,537,116	2,260,000
Other Financial Assets	7	49,526,301	110,491,687
Other Non-Current Assets	8	14,224,113	17,457,574
Total Non-current Assets		422,776,415	614,292,714
Current Assets			
Inventories	9	443,491,060	420,869,702
Financial Assets			
Investments	10	75,631,562	415,157,590
Trade Receivables	11	909,080,392	1,105,105,202
Cash and Cash equivalents	12	16,964,419	47,599,132
Other Bank Balances	13	35,221,795	38,773,410
Other Financial Assets	14	2,135,666	4,666,912
Current Tax Assets (Net)	15	7,337,950	6,384,491
Other Current Assets	16	68,995,645	67,177,065
Total Current assets		1,558,858,489	2,105,733,504
Total Assets		1,981,634,904	2,720,026,218
Equity and Liabilities			
Equity			
Equity Share Capital	17	84,512,330	84,512,330
Other Equity	18	915,448,071	1,153,323,664
Total Equity		999,960,401	1,237,835,994
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	19	35,229,333	6,246,953
Other Financial Liabilities	20	14,243,545	13,730,332
Provisions	21	17,127,391	19,285,039
Deferred Tax Liabilities (Net)	22	12,973,366	27,801,043
Other Non - Current Liabilities	23	16,312,047	23,769,602
Total Non-current liabilities		95,885,682	90,832,969
Current Liabilities			
Financial Liabilities			
Borrowings	24	456,402,571	965,277,682
Trade Payables	25		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		1,538,630	2,038,500
b) Total outstanding dues of creditors others than Micro Enterprises and Small Enterprises		295,093,953	365,067,728
Other Financial Liabilities	26	96,484,908	43,400,143
Other Current Liabilities	27	33,351,985	12,598,540
Provisions	28	2,916,774	2,974,662
Total Current Liabilities		885,788,821	1,391,357,255
Total Liabilities		981,674,503	1,482,190,224
Total Equity and Liabilities		1,981,634,904	2,720,026,218
Significant Accounting Policies			
Notes on Financial Statements	1 to 48		

As per our report even date Annexed

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place: New Delhi
Dated: 29th May, 2019

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2019

Particulars	Note No.	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
INCOME			
Revenue from Operations	29	773,221,038	1,586,848,519
Other Income	30	66,662,436	51,430,063
Total Income		839,883,474	1,638,278,582
EXPENSES			
Cost of Materials Consumed	31	347,291,596	719,570,280
Excise Duty		-	7,737,402
Purchases of Stock-in-Trade	32	264,705,806	394,839,475
Changes in Inventories of Finished Goods, Stock-in-Trade & Work-in- Progress	33	(30,280,942)	(131,585,424)
Employee Benefits Expense	34	167,749,877	224,658,130
Finance Costs	35	103,069,146	113,714,746
Depreciation and Amortization Expense	36	19,926,843	21,599,410
Other Expenses	37	221,248,239	278,942,527
Total Expenses		1,093,710,565	1,629,476,546
Profit/(Loss) before exceptional items and tax		(253,827,091)	8,802,036
Exceptional Items		-	-
Profit/(Loss) before tax		(253,827,091)	8,802,036
Tax Expense			
Current Tax	38	(271,826)	2,462,892
Deferred Tax		(13,627,939)	1,976,373
Profit/(Loss) after tax		(239,927,326)	4,362,771
Other Comprehensive Income :			
A Items that will not be reclassified to Profit or Loss			
i) Remeasurement benefit of defined benefit plan		1,829,716	1,379,237
ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B Items that will be reclassified to Profit or Loss			
i) Net fair value gain on Investments in debt instruments through OCI		(977,721)	(607,249)
ii) Income tax relating to items that will be reclassified to Profit or Loss		(1,199,738)	(125,093)
Total Comprehensive Income for the year		(237,875,593)	5,259,852
Earnings per Equity Share (Face Value of ₹ 5/- each)	39		
- Basic		(14.19)	0.27
- Diluted		(14.19)	0.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 48		

As per our report even date Annexed

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place: New Delhi
Dated: 29th May, 2019

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A) EQUITY SHARE CAPITAL	No.	Amount
As at 1st April 2018	16,902,466	84,512,330
Add: Shares issued during the year	-	-
As at 31st March, 2019	16,902,466	84,512,330

B) OTHER EQUITY	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Money Received against Share Warrants	Total
Balances as at 1st April, 2018	36,891,000	17,841,620	359,057,720	1,045,129,775	(313,826,660)	8,230,209	-	1,153,323,664
Net Profit / (Loss) for the year	-	-	-	-	(239,927,326)	-	-	(239,927,326)
Reclassification of OCI to P&L	-	-	-	-	4,889,914	(4,889,914)	-	-
Other Comprehensive Income for the year	-	-	-	-	1,829,716	222,017	-	2,051,733
As at 31st March, 2019	36,891,000	17,841,620	359,057,720	1,045,129,775	(547,034,356)	3,562,312	-	915,448,071

As per our report of even date annexed.

Siddharth Bansal
Partner
Membership No. 581004
for & on behalf of
Bansal & Co. LLP
Chartered Accountants
Firm Reg. No. : 001113/N/IN500079
Place: New Delhi
Dated: 29th May, 2019

For and on behalf of Board of Directors

Vinay Mahendru
Joint Managing Director
DIN : 00005371
Vivek Mahendru
Joint Managing Director
DIN : 00006014
K.B.Satija
Chief Financial Officer

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

Consolidated Cash Flow Statement for the Year ended 31st March, 2019

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(253,827,091)	8,802,036
Adjustments for :		
Depreciation and Amortisation Expense	19,926,843	21,599,410
Impairment Allowance for Trade Receivables	5,401,711	-
Interest Income	(13,151,109)	(18,274,192)
Finance Cost	97,829,075	104,012,000
Actuarial Gains/(Loss) on measurement of Employee Benefits	1,829,716	1,379,237
Loss/(Profit) on Sale of Property, plant and Equipment(NET)	(33,494,119)	-
Loss/(Profit) on Sale of Investments	1,625,798	(2,546,640)
Fair Value Loss/(Gain) on Financial Assets	(14,067,111)	(25,815,903)
Impairment Allowance for Trade Receivables written back	-	(15,771)
Operating Profit before Working Capital Changes	(187,926,287)	89,140,177
Movements in Working Capital :		
(Increase)/Decrease in Loans	722,884	(116,091)
(Increase) / Decrease in Other Non Current Financial Assets	60,965,386	18,423,384
(Increase) / Decrease in Other Non Current Assets	3,233,461	(694,301)
(Increase) / Decrease in Inventories	(22,621,358)	(95,477,493)
(Increase) / Decrease in Trade Receivables	190,623,099	(182,588,927)
(Increase) / Decrease in Other Bank Balances	3,551,615	(11,727,676)
(Increase) / Decrease in Other Current Assets	(1,818,580)	(12,851,168)
Increase /(Decrease) in Other Non Current Financial Liabilities	513,213	8,150,041
Increase /(Decrease) in Long Term Provisions	(2,157,648)	2,888,629
Increase /(Decrease) in Other Non Current Liabilities	(7,457,555)	6,538,678
Increase /(Decrease) in Trade Payables	(70,473,645)	21,640,275
Increase /(Decrease) in Other Current Financial Liabilities	24,841,725	1,375,351
Increase /(Decrease) in Other Current Liabilities	20,753,445	(26,238,099)
Increase /(Decrease) in Short Term Provisions	(57,888)	478,456
Cash generated from / (used in) Operations	12,691,867	(181,058,764)
Direct Taxes Paid	681,630	2,245,314
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	12,010,237	(183,304,078)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and Equipment including Capital Work-in-progress	(25,077,750)	(7,955,408)
Proceeds from sale of Property, plant and Equipment	118,620,000	-
Purchase of Current Investments	-	(113,196,240)
Purchase of Non - Current Investments	(280,221)	(1,582,611)
Proceeds from sale of Current Investments	354,003,646	109,245,136
Proceeds from sale of Non - Current Investments	43,885,786	-
Interest Received	15,682,355	18,277,391
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	506,833,816	4,788,268

Consolidated Cash Flow Statement for the Year ended 31st March, 2019

Particulars	31-Mar-19	31-Mar-18
	Amount (₹)	Amount (₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital/ Share Warrants	-	42,144,375
Proceeds from Long Term Borrowings	74,962,200	3,749,579
Repayment of Long Term Borrowings	(17,736,780)	
Proceeds from Short Term Borrowings	591,159	214,305,969
Repayment of Short Term Borrowings	(509,466,270)	(1,767,725)
Interest Paid	(97,829,075)	(104,012,000)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(549,478,766)	154,420,198
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(30,634,713)	(24,095,612)
Opening Balance of Cash and Cash Equivalents	47,599,132	71,694,744
Closing Balance of Cash and Cash Equivalents	16,964,419	47,599,132

As per our report of even date annexed.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place: New Delhi
Dated: 29th May, 2019

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (IndAS) on accrual and going concern basis and the historical cost convention except for certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under the relevant IndAS, the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI), IndAs as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. PRINCIPLES OF CONSOLIDATION

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

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

2.1 Other significant accounting policies

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019
3 PROPERTY, PLANT & EQUIPMENT

Description	Gross Block			Depreciation/Amortisation		Net Block		
	As at 01-Apr-18	Additions	Sale / Adjustments	As at 31-Mar-19	For the year	Upto 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
TANGIBLE ASSETS								
Land - Free Hold	84,240,000	24,017,518	-	108,257,518	-	-	108,257,518	84,240,000
Land - Lease Hold	81,222,689	-	55,181,583	26,041,106	635,186	1,693,610	25,062,954	79,186,113
Buildings	101,408,151	-	33,293,020	68,115,131	3,474,727	3,442,580	59,590,648	92,915,815
Buildings (Road)	1,760,163	-	1,760,163	-	91,226	499,786	-	1,351,603
Plant and Equip- ment	109,789,182	1,053,495	695,865	110,146,812	10,455,695	383,599	79,317,001	89,031,467
Furniture and Fixtures	10,414,652	81,420	-	10,496,072	937,154	-	6,359,946	7,215,680
Vehicles	16,059,382	-	4,296,504	11,762,878	2,545,641	4,081,679	9,086,743	11,847,209
Office equipment	1,383,656	10,500	-	1,394,156	237,218	-	575,412	802,130
Fans, Coolers and A.C.	4,331,668	-	-	4,331,668	450,879	-	3,012,719	3,463,598
Computers	2,636,018	53,267	-	2,689,285	620,902	-	991,485	1,559,120
Electrical Fittings	3,323,767	-	-	3,323,767	478,215	-	1,749,620	2,227,835
Lease Hold Improvement	-	-	-	-	-	-	-	-
Total	416,569,328	25,216,200	95,227,135	346,558,393	19,926,843	10,101,254	294,004,046	373,840,570
Capital Work In Progress								138,450

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

4 INVESTMENT IN JOINT VENTURE

Investments measured at Cost
In Equity Shares of Joint Venture Company
Unquoted, fully paid up

Luxtra Lighting Private Limited of ₹ 10 each

Less : Group's share of loss in Joint Venture

Total Investments in Joint Venture

	31-Mar-19		31-Mar-18	
	Units	Amount (₹)	Units	Amount (₹)
Luxtra Lighting Private Limited of ₹ 10 each	969,203	9,692,030	969,203	9,692,030
Less : Group's share of loss in Joint Venture		9,692,030		9,692,030
Total Investments in Joint Venture		-		-

4.1 No effect has been taken for the Group's share of losses amounting to ₹ 41,049/- and ₹ 11,311/- pertaining to Joint Venture for the years ended 31 March, 2019 and 31 March, 2018 in the consolidated financial statements as the share of loss of is restricted to the cost of the investment and deducted from the cost of investment as per para no. 38 of Ind AS 28.

5 NON CURRENT INVESTMENTS

Investments measured at Fair Value through Other Comprehensive Income

In Bonds - Quoted, fully paid up

Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India

Tax Free Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited

Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited

Total Investments measured at Fair Value through Other Comprehensive Income

Investments measured at Fair Value through Profit and Loss

In Others

Unquoted

Zephyr Peacock India III Fund

Total Investments measured at Fair Value through Profit and Loss

Total Non Current - Investments

Aggregate amount of quoted investments

Market Value of quoted investments

Aggregate amount of unquoted investments

	31-Mar-19		31-Mar-18	
	Units	Amount (₹)	Units	Amount (₹)
Tax Free Secured Redeemable Non Convertible Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of National Highways Authority of India	29,669	32,380,747	29,669	32,944,458
Tax Free Bonds Tranche 1 Series 1 of Face Value of ₹1000 each of Power Finance Corporation Limited	14,239	15,378,120	14,239	15,695,080
Tax Free Secured Redeemable Non Convertible Bonds of Bond Series 1 of Face Value of ₹1000 each of Rural Electrification Corporation Limited	6,470	7,117,000	48,991	54,624,965
Total Investments measured at Fair Value through Other Comprehensive Income		54,875,867		103,264,503
Zephyr Peacock India III Fund		8,608,972		6,839,930
Total Investments measured at Fair Value through Profit and Loss		8,608,972		6,839,930
Total Non Current - Investments		63,484,839		110,104,433
Aggregate amount of quoted investments		54,875,867		103,264,503
Market Value of quoted investments		54,875,867		103,264,503
Aggregate amount of unquoted investments		8,608,972		6,839,930

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

5.1 Category-wise Non Current Investment	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Financial assets measured at fair value through Profit & Loss	8,608,972	6,839,930
Financial assets measured at fair value through Other Comprehensive Income	54,875,867	103,264,503
Total Non - Current Investments	63,484,839	110,104,433
6 LOANS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Security Deposits (Valued at Amortised Cost)	1,537,116	2,260,000
Total Loans	1,537,116	2,260,000
7 OTHER FINANCIAL ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Margin Money Deposits with Banks having maturity period of over 12 months	49,526,301	110,491,687
Total Other Financial Assets	49,526,301	110,491,687
7.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
8 OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Capital Advances	8,750,000	8,750,000
Security Deposits	5,280,433	5,595,901
Balance with Statutory/Government Authorities	-	2,907,349
Prepaid Expenses	193,680	204,324
Total Non- Current Assets	14,224,113	17,457,574
9 INVENTORIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Raw Material	88,347,487	96,007,071
Work-in-Progress	43,807,032	41,426,104
Finished Goods	148,747,098	156,532,432
Stock-in-Trade	162,589,443	126,904,095
Total Inventories	443,491,060	420,869,702
9.1 Inventories are valued as under :-		
Raw Material	: At lower of cost determined on FIFO basis and net realisable value.	
Work-in-Progress	: At lower of cost and net realisable value.	
Finished Goods	: At lower of cost and net realisable value.	
Stock-in-Trade	: At lower of cost determined on FIFO basis and net realisable value.	
9.2	The above inventories are hypothecated by way of first charge to State Bank of India and by way of subservient charge to RBL Bank Limited to secure the Working Capital Facilities sanctioned by them to the company.	

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

10 CURRENT INVESTMENTS

Investments measured at Fair Value through Profit and Loss

In Mutual Funds - Unquoted, fully paid up

	31-Mar-19		31-Mar-18	
	Units	Amount (₹)	Units	Amount (₹)
Axis Income Fund-Growth (IFGPG)	-	-	1,921,230.412	32,543,146
DSP Black Rock Credit Risk - Regular Plan - Growth	-	-	810,301.921	23,170,664
HDFC Credit Risk Debt Fund - Regular Plan - Growth	-	-	1,010,232.955	34,786,261
Reliance Credit Risk Fund - Debt Plan - Direct Growth Plan - Growth Option	2,351,893.535	63,961,155	2,351,893.535	59,573,698
DSP Black Rock Credit Risk Fund - Direct Plan - Growth	-	-	1,433,312.549	42,231,981
Franklin India Low Duration Fund - Direct Plan - Growth	-	-	3,454,566.525	70,118,373
Franklin India Low Duration Fund - Retail Plan - Growth	-	-	582,411.182	11,634,013
HDFC Credit Risk Debt Fund - Direct Plan - Growth	-	-	326,858.271	11,518,420
Reliance Strategic Debt Fund - Direct Growth Plan - Growth Option	-	-	4,732,775.946	68,528,229
State Bank of India-Premier Liquid Fund-Direct Plan-Growth	2,563.014	7,505,966	4,677.572	12,743,550
UTI Income Opportunities Fund-Direct Plan-Growth	-	-	2,624,191.845	44,306,855
SBI Dual Advantage Fund-Series XXV - Regular - Growth	400,000.000	4,164,441	400,000.000	4,002,400

Total Investments measured at Fair Value through Profit and Loss

Total Current - Investments

Aggregate amount of quoted investments	-	-	-	-
Market Value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments		75,631,562		415,157,590

10.1 Category-wise Current Investments

Financial assets measured at cost

Financial assets measured at fair value through Profit and Loss

Total Current Investments

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Financial assets measured at cost	-	-
Financial assets measured at fair value through Profit and Loss	75,631,562	415,157,590
Total Current Investments	75,631,562	415,157,590

11 TRADE RECEIVABLES

Trade receivables

Less : Allowance for credit loss

Total

Breakup of security details

Unsecured - Considered Good

Trade receivables which have significant increase in credit risk

Trade receivables - credit impaired

Total

Allowances for credit loss

Unsecured - Considered Good

Trade receivables which have significant increase in credit risk

Trade receivables - credit impaired

Total

Total Trade Receivables

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Trade receivables	936,991,079	1,127,614,178
Less : Allowance for credit loss	27,910,687	22,508,976
Total	909,080,392	1,105,105,202
Breakup of security details		
Unsecured - Considered Good	909,080,392	1,105,105,202
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	27,910,687	22,508,976
Total	936,991,079	1,127,614,178
Allowances for credit loss		
Unsecured - Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	27,910,687	22,508,976
Total	27,910,687	22,508,976
Total Trade Receivables	909,080,392	1,105,105,202

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

12 CASH AND CASH EQUIVALENTS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Balances with Banks		
On Current Accounts	3,576,236	3,064,195
Cheques/Drafts on hand	13,060,764	44,346,132
Cash on hand	327,419	188,805
Total Cash and Cash Equivalents	16,964,419	47,599,132
13 OTHER BANK BALANCES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Fixed Deposits with maturity of upto 12 months	-	288,999
Margin Money Deposits with maturity of upto 12 months	35,221,795	38,484,411
Total Other Bank Balances	35,221,795	38,773,410
13.1 Margin Money Deposits have been given to Banks against Bank Guarantees and Letters of Credit got issued from them.		
14 OTHER FINANCIAL ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Interest accrued on Investments in Bonds	2,135,666	4,666,912
Total Other Financial Assets	2,135,666	4,666,912
15 CURRENT TAX ASSETS (Net)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
TDS Recoverable	7,337,950	6,384,491
Total Current Tax Assets (Net)	7,337,950	6,384,491
16 OTHER CURRENT ASSETS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Advances to Suppliers for goods and services	28,702,239	32,316,422
Loans and advances to employees	4,488,635	7,462,401
Balance with Customs, Central Excise and VAT Authorities	32,616,619	23,750,246
Prepaid Expenses	3,188,152	3,647,996
Total Other Current Assets	68,995,645	67,177,065

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

17 SHARE CAPITAL

	31-Mar-19		31-Mar-18	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Authorised Share Capital				
Equity Shares of ₹ 5/- each	19,000,000	95,000,000	19,000,000	95,000,000
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	6,000,000	30,000,000
	25,000,000	125,000,000	25,000,000	125,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5/- each fully paid up	16,902,466	84,512,330	16,902,466	84,512,330
Total Share Capital	16,902,466	84,512,330	16,902,466	84,512,330

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

Equity Shares	31-Mar-19		31-Mar-18	
	Nos.	Amount (₹)	Nos.	Amount (₹)
Shares outstanding at the beginning of the year	16,902,466	84,512,330	16,057,466	80,287,330
Shares issued during the year	-	-	845,000	4,225,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,902,466	84,512,330	16,902,466	84,512,330

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

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

Name of Shareholder	31-Mar-19		31-Mar-18	
	Nos.	%age holding	Nos.	%age holding
Equity Shares of ₹5/- each				
VPM Industrial Services Corpn. LLP	2,244,256	13.28%	2,244,256	13.28%
VPM Electricals Private Limited	5,862,177	34.68%	5,862,177	34.68%
Shri V.P. Mahendru	909,413	5.38%	909,413	5.38%

17.3 Terms/rights attached to Equity Shares

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

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

18 OTHER EQUITY	31-Mar-19		31-Mar-18	
	Amount (₹)		Amount (₹)	
Capital Reserve		36,891,000		36,891,000
Capital Redemption Reserve		17,841,620		17,841,620
Securities Premium Reserve				
Opening Balance	359,057,720		307,090,220	
Addition during the year	-	359,057,720	51,967,500	359,057,720
General Reserve		1,045,129,775		1,045,129,775
Retained Earnings				
Opening Balance	(313,826,660)		(319,568,668)	
Add : Amount Transferred from OCI	4,889,914		-	
Net Profit After Tax transferred from Statement of Profit & Loss	(239,927,326)		4,362,771	
Items of Other Comprehensive Income recognised directly in Retained Earnings				
Remeasurement of Post Employment Benefit Obligation, net of tax (Item of OCI)	1,829,716		1,379,237	
Amount available for Appropriation		(547,034,356)		(313,826,660)
Other Comprehensive Income				
Opening Balance	8,230,209		8,712,365	
Less : Reclassification of OCI to P&L	4,889,914		-	
Add : Movement in OCI (Net) during the year	222,017	3,562,312	(482,156)	8,230,209
Total Other Equity		915,448,071		1,153,323,664

19. BORROWINGS	31-Mar-19		31-Mar-18	
	Amount (₹)		Amount (₹)	
Vehicle Loans	Non-Current	Current	Non-Current	Current
Secured				
- Banks	3,802,040	1,377,357	5,159,956	1,272,975
- Others	708,133	381,854	1,086,997	349,278
Unsecured				
- Deferred payment liability	6,104,160	4,069,440	-	-
- Loan from Promoters	24,615,000	-	-	-
Other Loans				
- Punjab Reliable Investments Pvt. Ltd.	-	14,000,000	-	-
Total Borrowings	35,229,333	19,828,651	6,246,953	1,622,253

Note :

- 19.1** Vehicle Loans from Banks and others are secured by way of Hypothecation of Vehicles acquired out of such loans. The interest rate on such loans ranges from 7.99% p.a. to 9.35%p.a. and is payable monthly.
- 19.2** Vehicle Loans are repayable in 60 Equated Monthly Instalments commencing from the date of sanction of the loan.
- 19.3** Deferred payment liability is due to Haryana State Industrial & Infrastructure Development Corporation Limited against land purchased from them and is payable in 10 equal half yearly instalments alongwith interest @ 11% / 12% per annum.
- 19.4** Loan from Promoters has been raised to meet the Working Capital Requirements of the company and does not carry any interest.
- 19.5** Loan from Punjab Reliable Investments Private Limited is repayable in 15 monthly instalments of ₹ 2,000,000/- per month commencing from 31st August, 2018 along with interest @ 15.50% per annum. The said loan is guaranteed by three Directors of the Company

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

20 OTHER FINANCIAL LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Security Deposits	14,243,545	13,730,332
Total Other Financial Liabilities	14,243,545	13,730,332
21 PROVISIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Provision for Gratuity	10,771,964	11,635,250
Provision for Compensated Absences	6,355,427	7,649,789
Total Provisions	17,127,391	19,285,039
22 DEFERRED TAX LIABILITIES (Net)	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Accelerated Depreciation for Tax purposes	22,205,420	27,038,400
Change in Fair Value of Financial Assets recognised through FVTPL	2,300,652	12,460,870
Change in Fair Value of Financial Assets recognised through OCI	935,556	2,135,294
Expenses allowable on payment basis	(5,211,483)	(6,878,247)
Expected Credit Loss on Trade Receivables	(7,256,779)	(6,955,274)
Total Deferred Tax Liabilities (Net)	12,973,366	27,801,043
23 OTHER NON-CURRENT LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Security Deposits	16,312,047	23,769,602
Total Other Non - Current Liabilities	16,312,047	23,769,602
24 BORROWINGS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Secured		
Banks		
Cash Credit		
- State Bank of India	303,400,509	302,809,350
- RBL Bank Limited	46,232,834	98,192,302
Overdraft		
- Standard Chartered Bank	40,684,664	201,573,007
- RBL Bank Limited	66,084,564	362,703,023
Total Borrowings	456,402,571	965,277,682

24.1 Cash Credit Facility from State Bank of India is secured primarily by first charge by way of hypothecation of entire current assets and collaterally by equitable mortgage (first charge) of Plot No. 10, Sector-4, IIE, SIDCUL, Haridwar and first charge on Plant and Machinery situated thereon and personally guaranteed by three directors of the company. The said facility is re-payable on demand. Rate of Interest is 3.75% above 1 year MCLR p.a. and is payable monthly.

24.2 Cash Credit Facility from RBL Bank Limited is secured by subservient charge by way of hypothecation on entire current assets and movable fixed assets of the company both present and future, pledge of 1,700,000 equity shares of the company held by the promoters, second charge by the way of pledge on Debt Mutual Funds held

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

in the name of the Company and collaterally by way of exclusive charge on Land and Building located at Plot No. 28,29 Sector 6B, IIE, SIDCUL, Haridwar and personally guaranteed by three directors of the company. The said facility is re-payable on demand. The said facility is re-payable on demand. Rate of Interest is 2.00% above 1 year MCLR p.a. and is payable monthly.

- 24.3** Overdraft from Standard Chartered Bank is secured by pledge of first fixed charge on Investments in Mutual Funds and Bonds liened in favour of the Bank. The said loan is valid for one day or repayable on demand. The said facility is re-payable on demand. Rate of Interest is 1.05% above 1 month MCLR p.a. and is payable monthly.
- 24.4** Overdraft from RBL Bank Limited is secured by first charge by the way of pledge on Debt Mutual Funds held in the name of the Company. The said loan is repayable on demand. The said facility is re-payable on demand. Rate of Interest is 2.00% above 1 year MCLR p.a. and is payable monthly.

25 TRADE PAYABLES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Total outstanding dues of Micro Enterprises and Small Enterprises	1,538,630	2,038,500
Total outstanding dues of creditors others than Micro Enterprises and Small Enterprises	295,093,953	365,067,728
Total Trade Payables	296,632,583	367,106,228

- 25.1** Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act , 2006 the relevant information is provided here below :-

**SI. PARTICULARS
No.**

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
1 Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year ; as at the end of the year		
(i) Principal amount	1,538,630	2,038,500
(ii) Interest due on above and the unpaid interest	2,607	-
2 The amount paid by the buyer in terms of section 16 of the MSME Development Act , 2006 along with the amount of the payment made to the supplier		
(i) Interest paid	-	-
(ii) Payment made beyond the appointed day during the year	-	-
3 Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Development Act , 2006	2,607	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year ; and	2,607	-
5 Amount of further interest remaining due and payable in succeeding years, until such date when the interest dues above are actually paid to the small enterprise , for the purpose of disallowance of a deductible expenditure under the section 23 of the MSME Development Act,2006	-	-

26 OTHER FINANCIAL LIABILITIES

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Current maturities of Long Term Borrowings (Refer Note No. 19)	19,828,651	1,622,253
Interest Accrued	3,670,318	-
Book Overdraft	1,853,158	-
Other Payables	71,132,781	41,777,890
Total Other Financial Liabilities	96,484,908	43,400,143

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

27 OTHER CURRENT LIABILITIES	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Advances from Customers	6,193,423	5,985,450
GST / CST / VAT / Service Tax Payable	15,116,979	2,591,043
TDS Payable	12,041,583	2,954,271
Other Liabilities	-	1,067,776
Total Other Current Liabilities	33,351,985	12,598,540

28 PROVISIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Provision for Employee Benefits		
Provision for Gratuity	678,719	736,725
Provision for Compensated Absences	2,238,055	2,237,937
Total Provisions	2,916,774	2,974,662

29 REVENUE FROM OPERATIONS	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Sale of Products	683,406,608	1,564,250,074
Other Operating Income	89,814,430	22,598,445
Total Revenue from Operations	773,221,038	1,586,848,519

29.1 Revenue from Contracts with Customers

- a The Company has applied modified retrospective approach for the application of IndAS 115 "Revenue from Contracts with Customers and the effect is NIL on retained earnings as at April 1, 2018.
- b The Company derives revenues primarily from the Sale of goods and rendering of services.
- c Below is the diagggregation of the Company's revenue from contracts with customers :

1. Revenue disaggregation of the Company's revenue from contracts with customers

Segment	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Wires	326,980,215	305,508,691
Lighting Products	407,327,623	1,058,460,782
Electrical Consumer Durables	32,597,976	183,332,712
Others	6,315,224	39,546,334
Total Revenue from Contract with Customers	773,221,038	1,586,848,519

2. Revenue disaggregation by timings of satisfaction of performance obligation is as follows

Timing of satisfaction of performance obligation	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
At a point in time	773,221,038	1,586,848,519
Total	773,221,038	1,586,848,519

- d Performance Obligation

Information about the Company's performance obligations are summarized below :

Revenue from sale of goods is recognized when the control of goods is transferred to the customer. The performance obligation for the sale of goods is satisfied at the time. Revenue from services is recognised on satisfaction of the performance obligation by transferring the promised services to the customers.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

30 OTHER INCOME	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Interest Income	13,151,109	18,274,192
Net Gain/(Loss) on Sale of Investments	(1,625,798)	2,546,640
Profit on Sale of Fixed Assets	33,494,119	-
Fair Value Gain on Financial Assets	14,067,111	25,815,903
Rental Income	3,420,122	2,942,166
Miscellaneous Income	1,140,885	793,578
Sundry Balances Written Back	2,834,489	232,843
Provisions no longer required written back	180,399	435,699
Impairment Allowance for Trade Receivables written back	-	15,771
Gain on Foreign Currency Transactions (Net)	-	373,271
Total Other Income	66,662,436	51,430,063
31 COST OF MATERIALS CONSUMED	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Inventory at the beginning of the year	96,007,071	132,115,002
Add : Purchases	339,632,012	683,462,349
	435,639,083	815,577,351
Less : Inventory at the end of the year	88,347,487	96,007,071
Total Cost of Materials Consumed	347,291,596	719,570,280
31.1 PARTICULARS OF MATERIALS CONSUMED	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Copper	57,839,243	226,250,849
Poly Vinyl Chloride (PVC)	5,021,117	19,633,498
Others (including Semi-Finished Components)	284,431,236	473,685,933
Total Particulars of Materials Consumed	347,291,596	719,570,280
32 PURCHASE OF STOCK-IN-TRADE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Wires	332,713	286,428
Lighting Products	256,976,246	337,308,791
Electrical Consumer Durables	7,189,607	59,150,984
Others	207,240	(1,906,728)
Total Purchase of Stock-in-Trade	264,705,806	394,839,475

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Inventories (at close)		
Finished goods	148,747,098	156,532,432
Stock-in-Trade	162,589,443	126,904,095
Work-in-Progress	43,807,032	41,426,104
	355,143,573	324,862,631
Inventories (at commencement)		
Finished goods	156,532,432	83,164,776
Stock-in-Trade	126,904,095	95,880,801
Work-in-Progress	41,426,104	14,231,630
	324,862,631	193,277,207
(INCREASE) / DECREASE	(30,280,942)	(131,585,424)
34 EMPLOYEE BENEFITS EXPENSE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Salaries, Wages and Bonus	152,759,175	200,112,875
Contribution to Provident and other Funds	7,479,944	9,079,879
Gratuity	3,050,100	2,758,878
Leave Encashment	1,268,368	4,054,117
Staff Welfare expenses	3,192,290	8,652,381
Total Employee Benefits Expense	167,749,877	224,658,130

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

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

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Employer's Contribution towards Provident fund (PF)	6,849,785	8,232,514
Employer's Contribution towards Employee State Insurance (ESI)	630,159	847,365

Defined Benefit Plans

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Present value of Defined Benefit obligation at the beginning of the year	12,371,974	11,490,452	9,887,726	7,204,890
Interest Expense	854,366	808,256	650,645	468,734
Current Service Cost	2,195,736	1,950,621	1,947,142	1,408,720
Benefits paid	(2,141,676)	(498,118)	(2,562,612)	(1,371,281)
Remeasurement of (Gain) / Loss recognised in Other Comprehensive Income	(1,829,716)	(1,379,237)	-	-
Remeasurement of (Gain) / Loss recognised in Statement of Profit and Loss	-	-	(1,329,419)	2,176,663
Defined Benefit obligation at year end	11,450,684	12,371,974	8,593,482	9,887,726

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Defined Benefit Obligation (DBO)	11,450,684	12,371,974	85,593,482	9,887,726
Fair Value of Plan Assets	-	-	-	-
Funded Status - (Surplus)/ Deficit	11,450,684	12,371,974	85,593,482	9,887,726
Effect of Asset Ceiling	-	-	-	-
Net Defined Benefit Liability /(Asset)	11,450,684	12,371,974	85,593,482	9,887,726

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Service Cost	2,195,736	1,950,622	1,947,142	1,408,720
Net Interest Cost	854,366	808,256	650,645	468,734
Remeasurement of DBO	-	-	-	2,176,663
Net Defined Benefit Expense debited to Statement of Profit and Loss	3,050,102	2,758,878	2,597,787	4,054,117

(d) Remeasurement (gain)/ loss recognised in Other Comprehensive Income (Amount ₹)

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Remeasurement of DBO	(1,829,716)	(1,379,237)	-	-
Expense/(Income) recognised in Other Comprehensive Income	(1,829,716)	(1,379,237)	-	-

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

	Non – Funded			
	Gratuity		Compensated Absences	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Mortality Rates	2006-08	2006-08	2006-08	2006-08
	IALM	IALM	IALM	IALM
Discount Rate	7.30%	7.56%	7.30%	7.56%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
- Upto 30 years	10.36%	10.36%	10.36%	10.40%
31-45 years	11.43%	11.43%	11.43%	11.43%
Above 45 years	2.68%	2.68%	2.68%	2.68%

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

	-	-	-	-
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Notes on Consolidated Financial Statements for the year ended 31st March, 2019

(g) Sensitivity analysis of the Defined Benefit Obligation		(Amount ₹)			
		Gratuity		Non – Funded Compensated Absences	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
DBO - Base assumptions		11,450,683	12,371,974	8,593,482	9,887,726
Discount rate :+1%		10,678,259	11,513,705	8,230,547	9,484,604
Discount rate :-1%		12,321,356	13,340,361	8,994,139	10,331,466
Salary escalation rate :+1%		12,315,273	13,336,081	8,991,394	10,329,526
Salary escalation rate :-1%		10,669,308	11,501,791	8,226,316	9,478,970
Attrition rate :25% increase		11,390,614	12,315,280	8,351,045	9,624,452
Attrition rate :25% decrease		11,509,278	12,421,230	8,883,429	1,024,442
35 FINANCE COSTS				31-Mar-19	31-Mar-18
				Amount (₹)	Amount (₹)
Interest Expenses				95,092,708	99,835,578
Other Borrowing Costs				2,736,367	4,176,422
Bank Charges				5,240,071	9,702,746
Total Finance Costs				103,069,146	113,714,746
36 DEPRECIATION AND AMORTISATION EXPENSE				31-Mar-19	31-Mar-18
				Amount (₹)	Amount (₹)
Depreciation and Amortisation				19,926,843	21,599,410
Total Depreciation and Amortisation Expense				19,926,843	21,599,410
37 OTHER EXPENSES				31-Mar-19	31-Mar-18
				Amount (₹)	Amount (₹)
Manufacturing Expenses					
Power and Fuel				4,538,383	9,167,834
Labour Work Charges				66,628,838	25,213,358
Testing Charges				807,855	852,064
Building Repairs				1,028,010	608,292
Machinery Repairs				1,610,745	2,470,260
				74,613,831	38,311,808
Administration Expenses					
Rent				8,767,165	12,126,730
Rates and Taxes				1,331,862	4,051,035
Travelling and Conveyance				20,033,386	34,130,040
Printing and Stationery				865,971	2,129,390
Postage, Telegram & Telephone				3,697,188	6,108,527
Insurance				1,945,138	2,265,721
Other Repairs				32,481,613	28,696,375
Impairment Allowance for Trade Receivables				5,401,711	-
Amounts written off				4,323,129	4,416,492
Exchange Rate Difference				80,986	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Directors Sitting fees	270,000	360,000
Vehicle Maintenance	1,938,084	2,189,479
Legal & Professional Charges	12,146,807	21,836,078
Payment to Auditors		
- As Auditor	1,200,000	1,408,000
- For other services	-	-
- GST / Service Tax	-	53,700
Miscellaneous Expenses	7,853,721	10,639,459
	102,336,761	130,411,026
Selling and Distribution Expenses		
Freight and Cartage Outwards	12,985,072	40,782,559
Advertisement	2,322,699	19,679,618
Logistics & Distribution Expenses	21,410,121	32,483,579
Business Promotion	6,181,692	16,214,987
Samples	166,881	657,313
Tender Charges	-	113,524
Sales Tax Assessed	1,231,182	288,113
	44,297,647	110,219,693
Total Other Expenses	221,248,239	278,942,527
38 TAX EXPENSE	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
a) Current Tax		
Current Tax on profit for the year	-	-
Adjustments for current tax of previous year paid under Section 115JB	-	2,462,892
Prior period Tax Adjustments	(271,826)	-
Total Current Tax Expenses	(271,826)	2,462,892
b) Deferred Tax		
Decrease / (Increase) in Deferred Tax Assets	1,365,259	(1,096,513)
(Decrease) / Increase in Deferred Tax Liabilities	(16,192,936)	3,072,886
Total Deferred Tax Expenses / (Income)	(14,827,677)	1,976,373
38.1 Breakup of Deferred Tax Expenses / (Income) :		
Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Considered in Statement of Profit & Loss	(13,627,939)	1,976,373
Considered in Other Comprehensive Income	(1,199,738)	-
Total	(14,827,677)	1,976,373

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

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

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Profit for the year (before income tax expenses)	(253,827,091)	8,802,036
Tax at Indian Tax rate of 26% (Previous Year 30.90%)	(65,995,044)	2,719,829
Tax effects of amounts which are not deductible(taxable) in calculating taxable income :		
Add :		
- Difference between Book Depreciation and Depreciation as per Income Tax Act, 1961	2,048,833	1,244,133
- Provision for Employee Benefits	-	1,101,387
- Impairment Allowance for Trade Receivables	1,404,445	-
- Net Loss on Sale of Investments	422,707	-
- Short Term Capital gain on Sale of Investments	9,620,291	3,932,824
	(52,498,768)	8,998,173
Less :		
- Income not taxable		
- Interest on Tax Free Bonds	1,699,293	2,312,013
- Profit on Sale of Fixed Assets	8,708,471	-
- Fair Value Gain on Financial Assets	3,657,449	7,977,114
- Reversal of Provision for Impairment on Trade Receivables	-	4,873
Total	(66,563,981)	(1,295,827)
Tax Expense	-	-

39 Earnings per share	Unit	31-Mar-19	31-Mar-18
Net Profit attributable to Equity Shareholders	₹	(239,927,326)	4,362,771
Weighted Average number of Equity Shares outstanding during the year	Nos.	16,902,466	16,418,617
Face Value	₹	5	5
Basic Earnings Per Share	₹	(14.19)	0.27
Diluted Earnings Per Share	₹	(14.19)	0.27

40 Contingent Liabilities & Commitments

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
a Contingent Liabilities		
i) Liability towards Banks against Guarantees obtained for them	252,338,883	274,360,883
ii) Bond furnished to Custom & Central Excise Authorities for import of goods at Concessional Rate of Duty	-	50,000,000
iii) Excise duty demands against which the company has preferred appeals. The Company has already deposited a sum of ₹ 697,272/- (31-Mar-18 : ₹3,197,272/-) against the aforesaid demand.	3,633,371	53,568,841

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

iv)	Central Excise and Service Tax Appeals filed by the Department\		
	- Excise Duty	2,065,676	2,065,676
	- Service Tax	119,921	119,921
v)	Sales Tax / Value Added Tax Demands against which the company has preferred appeals	11,297,131	11,297,131
	The Company has already deposited a sum of ₹ 3,111,228/- (31-Mar-18 : ₹ 3,111,228/-) against the aforesaid demand.		
vi)	Arrears for Statutory Bonus for 2014-15 not provided for as the retrospective amendment has been stayed by the Karnataka, Kerala & Utrakhand High Courts.	1,416,835	1,416,835
b Commitments			
i)	Commitment to pay balance amount towards contribution to the Share Capital of Zephyr Peacock India III Fund	2,719,863	2,839,046

41 Leases

Company as a lessee

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

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Lease rent for Commercial Premises	8,767,165	12,126,730
Total	8,767,165	12,126,730

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

Particulars	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
Not later than one year	6,171,000	206,764
Later than one year and not later than five years	18,015,000	-
Later than five years	-	-
Total	24,186,000	206,764

42 Information on Operating Segments of the Company for the year ended 31st March 2019

Operating Segments

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

Cable and Wires includes Wires and Cables etc.

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

Electrical Consumer Durables includes Fans, Water Heaters etc.

Others includes Lithium Ion Batteries, Mobile Phone Accessories etc.

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

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

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

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the organization structure, and
- d) the internal financial reporting systems.

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

Notes:-

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019
Information About Business Segments

	(in ₹)							
	Cable & Wires		Lighting		Others		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	
1. Segment Revenue								
Revenue from Operations	326,980,215	306,384,544	407,327,623	1,057,584,929	32,597,976	183,332,712	773,221,038	1,586,848,519
Revenue from Operations	326,980,215	306,384,544	407,327,623	1,057,584,929	32,597,976	183,332,712	773,221,038	1,586,848,519
2. Segment Results								
(Profit / Loss)	(39,943,459)	(62,646,224)	(47,626,350)	298,584,108	9,640,239	(10,267,718)	(88,083,641)	207,949,808
Finance Costs								
Unallocated Corporate Expenses/(Income)								
Profit before Exceptional Items and Tax								
Exceptional Items (Net)								113,714,746
Profit before Tax								85,433,026
Tax Expense								
Profit after Tax								8,802,036
3. Other Information								
Segment Assets	330,909,986	433,978,478	1,081,722,702	1,144,112,681	97,078,636	227,160,808	93,352,542	1,603,063,866
Unallocated Corporate Assets								1,907,599,474
Total Assets	330,909,986	433,978,478	1,081,722,702	1,144,112,681	97,078,636	227,160,808	93,352,542	388,263,068
Segment Liabilities	54,598,613	150,445,195	300,599,864	241,746,059	24,829,979	41,838,129	9,641,314	1,991,326,934
Unallocated Corporate Liabilities								2,729,718,248
Total Liabilities	54,598,613	150,445,195	300,599,864	241,746,059	24,829,979	41,838,129	9,641,314	389,669,770
Capital Expenditure	10,500	28,600	859,915	736,657	136,550	243,728	24,070,785	592,004,733
(Including Capital Work in Progress)								1,029,173,324
Depreciation & Amortization expense	12,261,840	12,428,635	1,177,781	1,919,987	1,680,141	1,993,846	4,807,081	981,674,503
Other Non-cash expenses	1,085,481	15,654	4,274,069	307,843	2,102,682	1,062,112	2,262,608	25,077,750
								7,955,408
								19,926,843
								9,724,840
								4,416,482

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

43 Related Party Disclosure

Disclosures as required by Indian Accounting Standard (Ind AS-24) "Related Party Disclosures" are given below:

A. Directors, Key Managerial Personnel

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

B. Relatives of Directors & Key Managerial Personnel

- 1 Mr. Keshav Mahendru

C. Key Managerial Personnel

- 1 Mr. K.B.Satija - Chief Financial Officer
- 2 Mr. Shiv Kumar Jha - Company Secretary

D. Group Company

- 1 IAFL Switchgears Private Limited
(ceased to be group company w.e.f. 4th May, 2018)

E. LLP firms in which relatives of Directors are partners

- 1 VPM Industrial Services Corporation LLP

F. Company in which Directors are Directors

- 1 VPM Electricals Private Limited

S.No. Nature of Transaction

	31-Mar-19 Amount (₹)	31-Mar-18 Amount (₹)
1 Remuneration paid to Directors and their relatives		
a. Mr. V.P.Mahendru	8,910,000	9,150,000
b. Mr. Vinay Mahendru	8,650,800	8,629,600
c. Mr. Vivek Mahendru	8,650,800	8,629,600
d. Mr. Keshav Mahendru	950,000	-
Total	27,161,600	26,409,200
2 Remuneration paid to Key Managerial Personnel		
a. Mr. K.B.Satija	4,738,332	4,639,748
b. Mr. Shiv Kumar Jha	312,232	274,468
Total	5,050,564	4,914,216
3 Proceeds received against Issue of Share Warrants		
a. VPM Electricals Private Limited	-	42,144,375
Total	-	42,144,375
4 Borrowings		
a. VPM Electricals Private Limited	24,615,000	-
Total	24,615,000	-
5 Balance outstanding at the year end Payable		
a. Mr. V.P.Mahendru	13,078,484	1,795,343
b. Mr. Vinay Mahendru	647	25,143
c. Mr. Vivek Mahendru	2,024,271	1,291,910
d. IAFL Switchgears Private Limited	22,991	22,991
e. VPM Electricals Private Limited	24,615,000	-
Total	39,741,393	3,135,387

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

44 Fair Value Measurement

Financial Instrument by category

(in ₹)

Particulars	As at 31-Mar, 2019			As at 31-Mar, 2018		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Assets						
Non-current						
- Investments in Bonds	-	-	54,875,867	-	-	103,264,503
- Investments in Others	-	8,608,972	-	6,839,930	-	-
- Loans	1,537,116	-	-	2,260,000	-	-
- Others	49,526,301	-	-	110,491,687	-	-
Current						
- Investments in Mutual Funds	-	75,631,562	-	-	415,157,590	-
- Trade Receivables	909,080,392	-	-	1,105,105,202	-	-
- Cash and Cash equivalents	16,964,419	-	-	47,599,132	-	-
- Other Bank Balances	35,221,795	-	-	38,773,410	-	-
- Others	2,135,666	-	-	4,666,912	-	-
Total Financial Assets	1,014,465,689	84,240,534	54,875,867	1,308,896,343	421,997,520	103,264,503
Financial Liabilities						
Non-current						
- Borrowings	35,229,333	-	-	6,246,953	-	-
- Others	14,243,545	-	-	13,730,332	-	-
Current						
- Borrowings	456,402,571	-	-	965,277,682	-	-
- Trade Payables	296,632,583	-	-	367,106,228	-	-
- Others	96,484,908	-	-	43,400,143	-	-
Total Financial Liabilities	898,992,940	-	-	1,395,761,338	-	-

* FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

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

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

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

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

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

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

S.No. Particulars	Fair Value 31-Mar-19	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets at fair value through Profit and Loss				
- Investments in Others (Non-Current)	8,608,972	8,608,972	-	-
- Investments in Mutual Funds (Current)	75,631,562	75,631,562	-	-
Total	84,240,534	84,240,534	-	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31-Mar-19				
Financial Assets				
- Loans (Non-Current)	1,537,116	-	-	1,537,116
- Others (Non-Current)	49,526,301	-	-	49,526,301
- Trade Receivables (Current)	909,080,392	-	-	909,080,392
- Cash and Cash equivalents (Current)	16,964,419	-	-	16,964,419
- Other Bank Balances (Current)	35,221,795	-	-	35,221,795
- Others (Current)	2,135,666	-	-	2,135,666
Total	1,014,465,689	-	-	1,014,465,689
Financial Liabilities				
- Borrowings (Non-Current)	35,229,333	-	-	35,229,333
- Others (Non-Current)	14,243,545	-	-	14,243,545
- Borrowings (Current)	456,402,571	-	-	456,402,571
- Trade Payables (Current)	296,632,583	-	-	296,632,583
- Others (Current)	96,484,908	-	-	96,484,908
Total	898,992,940	-	-	898,992,940
(C) Financial Assets at fair value through Other Comprehensive Income				
- Investments in Bonds	54,875,867	54,875,867	-	-
Total	54,875,867	54,875,867	-	-

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

45 Financial Risk Management – Objectives and Policies

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

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

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

1) Market Risk

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

a) Interest Rate Risk

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

b) Foreign Currency Risk

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

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

Foreign Currency	Liabilities		Assets	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
USD	9,423.55	262,628.44	27,445.50	58,986.28
Equivalent in INR	658,988	17,354,487	1,878,098	3,790,456

c) Other Price Risk

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

The Group is exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2019, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 54,875,867/- (₹103,264,503/- as at 31st March, 2018). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note No. 5.

2) Credit Risk

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

a) Trade Receivables

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

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The concentration of credit risk is limited due to the fact that the customer base is large and located in several jurisdictions. The company does not anticipate any ECL in respect of dues from Government and Public Sector Undertakings amounting to ₹ 59,53,20,859/- (Previous year ₹ 61,85,85,213/-).

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

Particulars	(In ₹)	
	As at 31-Mar-19	As at 31-Mar-18
At the beginning of the year	22,508,976	22,524,747
Provision during the year	5,401,711	-
Reversal of provision	-	(15,771)
At the end of year	27,910,687	22,508,976

b) Investments in Mutual Funds and Other Financial Assets

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

3. Liquidity risk

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

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the

Notes on Consolidated Financial Statements for the year ended 31st March, 2019

reporting date based on contractual undiscounted payments.

(In ₹)

As at 31-Mar-19	Less than 1 year	1 to 5 years	Total
Non-Current			
Borrowings	-	35,229,333	35,229,333
Other Financial Liabilities	-	14,243,545	14,243,545
Current			
Borrowings	456,402,571	-	456,402,571
Trade Payables	296,632,583	-	296,632,583
Other Financial Liabilities	96,484,908	-	96,484,908
As at 31-Mar-18	Less than 1 year	1 to 5 years	Total
Non-Current			
Borrowings	-	6,246,953	6,246,953
Other Financial Liabilities	-	13,730,332	13,730,332
Current			
Borrowings	965,277,682	-	965,277,682
Trade Payables	367,106,228	-	367,106,228
Other Financial Liabilities	43,400,143	-	43,400,143

46 Capital Management

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

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

- 47 The provision in regard to Section 135 of the Companies Act, 2013 in regard to Corporate Social Responsibility is not applicable to the Group.
- 48 Figures for the previous year have been reclassified / regrouped / re-stated wherever necessary to make them comparable.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

for & on behalf of
Bansal & Co. LLP
Chartered Accountants
Firm Reg. No. : 001113N/N500079
Place: New Delhi
Dated: 29th May, 2019

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Form AOC -1

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

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

Part "A": Subsidiaries

(Information in respect of each of subsidiary to be presented with amount in INR)

S. No.	Particulars	Details
1	Name of the subsidiary	N.A
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N.A
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of relevant financial year in case of foreign subsidiaries	N.A
4	Share Capital	N.A
5	Reserves & Surplus	N.A
6	Total assets	N.A
7	Total liabilities	N.A
8	Investments	N.A
9	Turnover	N.A
10	Profit before Tax	N.A
11	Provision for taxation	N.A
12	Profit after Tax	N.A
13	Proposed Dividend	N.A
14	% of shareholding	N.A

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Joint Venture	Luxtra Lighting Private Limited
1	Latest Audited Balance Sheet Date	March 31, 2019
2	Share of Joint Venture held by the Company on the year end	Equity Shares
	No. of Equity Shares	969203
	Amount of Investment in Associates/Joint Venture	Rs.9692030
	Extent of holding %	49.00%
3	Description of how there is significant influence	Due to %age of Share Capital held
4	Reason why the joint venture is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Nil
6	Profit/Loss of the year	
	i. Considered in consolidation	Nil
	ii. Not considered in consolidation	N.A.

For and on behalf of Board of Directors

Siddharth Bansal
Partner
Membership No. 581004

Vinay Mahendru
Joint Managing
Director
DIN : 00005371

Vivek Mahendru
Joint Managing
Director
DIN : 00006014

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

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

Shiv Kumar Jha
Company Secretary

K.B.Satija
Chief Financial Officer

Place:New Delhi
Dated: 29th May, 2019



YEARS OF PERSEVERANCE AND PARTNERSHIP



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