PHOENIX

PHOENIX LAMPS LIMITED

23rd ANNUAL REPORT 2013 - 2014

BOARD OF DIRECTORS

Mr. Padmanabh P. Vora	—	Chairman
Mr. Gurdeep Singh	—	Director
Mr. Ganapati Rathinam	—	Director
Mr. Shomik Mukherjee	—	Director
Mr. Pranay D. Gandhi	—	Managing Director

AUDITORS

M/s. S.R. Batliboi & Co. LLP
Golf View Corporate Tower B, Second Floor, Sector-42
Sector Road, Gurgaon - 122002, Haryana

KEY MANAGERIAL PERSONNEL

Mr. Pranay D. Gandhi	-	Managing Director
Mr. Gagandeep Singh	-	Chief Financial Officer
Mr. Aditya Rungta	-	Company Secretary

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

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

REGISTERED OFFICE

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

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Phoenix Lamps Limited (Formerly known as Halonix Limited)
CIN- L31500UP1991PLC012944
Registered office: 59-A, NSEZ Phase-II, Noida, Distt.- Gautam Budh Nagar, Uttar Pradesh-201305.
Contact No.- 0120-4012222; Fax :- 0120-2562943, Email- Investor.relations@phoenixlamps.co.in,
Website:- www.phoenixlamps.co.in

NOTICE OF THE TWENTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Members of Phoenix Lamps Limited will be held on Monday, the 21st day of July, 2014 at 11.00 a.m. at the Registered Office of the Company, situated at 59-A, NSEZ, Phase - II Noida, District Gautam Budh Nagar (U.P.) - 201305, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss Account for the financial year ended on that date along with the notes annexed to or forming part of said documents and the Reports of Board of Directors and Auditors thereon.

2. To declare One Time Special Dividend of Rs. 10/- per equity share, Final Dividend of Re. 1/- per equity share and to ratify the interim dividend of Rs. 5/- per equity share, already paid for the year ended March 31st, 2014.

3. To appoint a Director in place of Mr. Ganapati Rathinam (DIN 00171207), who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company and the appointment/re-appointment shall be subject to ratification by Members at every Annual General Meeting."

SPECIAL BUSINESS:

5. To appoint Mr. Gurdeep Singh (DIN 00036922) as an Independent Director of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Gurdeep Singh (DIN 00036922), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019."

6. To appoint Mr. Padmanabh P. Vora (DIN 00003192) as an Independent Director of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Padmanabh P. Vora (DIN 00003192), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019."

7. To appoint Mr. Pranay D. Gandhi (DIN 02805099), as Director, not liable to retire by rotation.

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

"**RESOLVED THAT** Mr. Pranay D. Gandhi (DIN 02805099), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th November, 2013, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall not be liable to determination by retirement of directors by rotation."

8. To approve the revised remuneration payable to Mr. Pranay D. Gandhi (DIN 02805099), Managing Director of the Company.

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

"RESOLVED THAT in pursuance of the modification of earlier resolution passed by Postal Ballot, approving the terms and remuneration of Mr. Pranay D. Gandhi, the Managing Director of the Company and pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act' including any modification(s) or re-enactment(s) thereof for the time being in force), and subject to such other approvals as may be necessary and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the consent of the Members be and is hereby accorded to revise the Remuneration of Mr. Pranay D. Gandhi (DIN 02805099), Managing Director of the Company with effect from 01-04-2014 to 18-11-2014 as under:-

1. Basic Salary: Rs.1,91,000 /- per month.
2. House Rent Allowance: 50% of Basic Salary as above.
3. Other allowances by whatever name called be increased from Rs. 3,89,730/- per month to Rs. 6,70,583/- per month.
4. Annual Performance linked bonus to be increased to Rs. 15,00,000/- per annum.

The above remuneration to Mr. Pranay D. Gandhi, Managing Director of the Company shall be the minimum remuneration and will be governed by the provisions of Schedule V of the Companies Act, 2013 and such other applicable provisions of the Companies Act, 2013 as may be applicable from time to time.

All other terms and conditions as contained in the resolution passed by the Members by way of Postal Ballot remains unchanged and will continue to be the terms for the remaining period of his term i.e. between April 1, 2014 to November 18, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all necessary actions in this regard including filing of necessary forms/ returns with the Registrar of Companies."

9. To re-appoint and to fix the remuneration payable to Mr. Pranay D. Gandhi (DIN 02805099), Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197,198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act' including any modification(s) or re-enactment(s) thereof for the time being in force), and subject to such other approvals, as may be required and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the consent of the Company be and is hereby accorded to the appointment of Mr. Pranay D. Gandhi (DIN 02805099) as Managing Director of the Company with effect from 19-11-2014 for a further period of three years on the following remuneration and terms and conditions:-

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

Such sum as may be determined by the Board from time to time, provided that the total fixed pay shall not exceed Rs. 1.5 crores per annum.

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

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

Perquisites:

a) Company provided car and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said car.
b) Leave Encashment as per the Company policy and rules.
c) Coverage under Group Term Life Insurance Policy, Group Medicaid Policy and Group Personal Accident Policy as per the Rules and policy of the Company.

RESOLVED FURTHER THAT the aggregate remuneration inclusive of fixed pay, variable pay, perquisites, allowances and other benefits payable to Mr. Pranay D. Gandhi as Managing Director shall be in compliance with the provisions of Sections 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any other law for the time being in force, if any.

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

RESOLVED FURTHER THAT the above remuneration payable to Mr. Pranay D. Gandhi, Managing Director of the Company shall be the minimum remuneration and will be governed by the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

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

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

10. To approve payment of remuneration by way of commission to Non-executive Directors.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions, if any, of the Companies Act, 2013 read with clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, as may be required, the approval of the Company, be and is hereby accorded to make payment of remuneration by way of commission amounting to Rs. 10,00,000/- (Rupees ten lacs only) each, to Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, the Non-executive Independent Directors of the Company for the financial year 2013-2014.

RESOLVED FURTHER THAT such amount as may be decided by the Board, not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid to the non-executive Directors by way of commission and in such manner as may be decided by the Board of Directors and such payments shall be made in respects of the profits of the Company, for each financial year, for a period of three financial years commencing from 2014-15.

RESOLVED FURTHER THAT the above remuneration by way of commission shall be in addition to the sitting fees payable to the Director(s) for attending the Meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

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

11. Approval under section 180(1) (a) of the Companies Act, 2013.

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

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company on March 30th, 2010 and pursuant to Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create charge, hypothecate, mortgage, pledge, any movable or immovable properties of the Company where so ever situated, both present and future and the whole or substantially the whole of the undertaking of the Company, for securing any loans/facilities/borrowing limits/LC limits obtained or as may be obtained from any banks, financial institutions, hire-purchase/lease companies, body corporate or any other persons together with interest, costs, charges, expenses and any other moneys payable, on such terms and conditions as the Board may think fit for the benefit of the Company and as agreed between the Board and lender towards security for the purpose of borrowing funds for the Company from time to time not exceeding Rs. 350 Crores (Rupees Three Hundred Fifty Crores) at any point of time in one or more trenches.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the documents for creating mortgages, charges, hypothecations and to accept any alterations, changes, variations in terms and conditions and to do all such further acts and deeds and to take all such actions as required necessary to give effect to the above resolution."

12. Approval under section 180(1)(c) of the Companies Act, 2013 for Borrowing Power.

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

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company on March 30th, 2010 and pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow such sums of money(s), in any manner from time to time, with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that money(s) to be borrowed together with money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its reserves, that is to say, free reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors outstanding at any point of time shall not exceed the sum of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such further acts and deeds and to take all such actions as may be necessary to give effect to the above resolution."

By Order of the Board
For **Phoenix Lamps Limited**

Sd/-
Aditya Rungta
Company Secretary

Place : Noida
Dated : May 27, 2014

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent (10%), of the total share capital of the Company carrying voting rights may appoint a single person as proxy, however, such person shall not act as proxy for any other person or shareholder.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is appended with the admission slip.
3. The notice of the Annual General Meeting will be sent to those members / beneficial owners, whose name will appear in the register of members / list of beneficiaries received from the depositories as on June 20th, 2014.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Board of Directors, in its meeting held on January 31st, 2014, had declared an interim dividend @ 50% i.e. Rs. 5/- per share on the paid-up equity share capital of the Company, which was paid and dispatched on February 24th, 2014. Members who have not received/ encashed their dividend may approach the Company Secretary in Secretarial Department of Phoenix Lamps Limited, 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201305, for the purpose of revalidation or for issuance of duplicate warrant.
6. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's Registrar and Share Transfer Agent, M/s. Alankit Assignments Ltd. situated at 2E/21, Jhandewalan Extension, New Delhi -110055. Shareholders, whose shareholding are in electronic format are requested to direct change of address notification(s), registration of email address and updation of bank account detail to their respective depository participants.
7. Shareholders wishing to claim dividends which remain unclaimed and has not been transferred to Investor Education and Protection Fund (IEPF) are requested to contact Company's Secretarial Department at the Registered Office by sending letter in original duly signed by the registered shareholder. Upon completion of 7 years of declaration of dividend, the balance unclaimed dividend is required to be transferred to Investor Education Protection Fund (IEPF) account of the Central Government pursuant to the provisions of Section 125 of the Companies Act, 2013 (Corresponding to section 205C of the Companies Act, 1956). The last date for claiming unclaimed dividend for the dividend declared for financial year 2006-07 expires on 29th July, 2014. Therefore, shareholders are requested to claim dividend before the expiry of said period.

8. The Register of Members and Share Transfer Books will remain closed on 21st July, 2014 for the purpose of Annual General Meeting and Dividend. The dividend if declared by the shareholders at the Annual General Meeting, will be paid on or after July 28th, 2014 but before 20th August, 2014, to those Shareholders, whose name is appearing in the Register of Members as at the close of business hours on July 19th, 2014. Data is provided by the NSDL and CDSL, for the shares held in demat mode and for shareholders holding in physical mode, after giving effect to the share transfers received till July 19th, 2014 upto close of business hours.

9. Electronic copy of the Annual Report for 2014 containing the notice of 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 along with Notice of 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent in the permitted mode. **Members are requested to provide/ update the changes if any, in their email id with company and their depositories.**

10. **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their vote electronically.

Process for e-voting:

(A) In case of members receiving e-mail:

i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.

ii) Log on to the e-voting website www.evotingindia.com.

iii) Click on “Shareholders” tab to cast your votes.

iv) Now select the Electronic Voting Sequence Number - “EVSN” along with “Phoenix Lamps Limited” from the drop down menu and click on “SUBMIT”.

v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	**For Members holding shares in Physical Form**
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: (PLLUP2107N) in the PAN field.

\# Please enter any one of the details in order to login. In case either of the details are not recorded with the Depository please enter the <No. of Shares held by you as on 20th June, 2014> in the Dividend Bank details field.

vi) After entering these details appropriately, click on “SUBMIT” tab.

vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix) Click on the relevant EVSN on which you choose to vote.

x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv) You can also take print-out of the voting done by you by clicking on "Click here to print" option on the Voting page.

xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/ Depository participant(s) or requesting physical copy]: Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

(C) The voting period begins on 15th July 2014 at 10.00 a.m. and ends on 17th July 2014 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. June 20th, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- In case you have any queries or issues regarding e-voting, please contact the Company Secretary of the Company or Mr. J.K. Singla, Senior Manager at Alankit Assignments Limited, Registrar & Share Transfer Agent or send mail to helpdesk.evoting@cdslindia.com or evoting@phoenixlamps.co.in.
- Voting can be exercised only by the shareholder or his/her duly constituted attorney/proxy or, in case of bodies corporate, the duly authorized person.
- The Results of Annual General Meeting shall be declared on 21st July 2014. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.phoenixlamps.co.in and on the website of CDSL and shall be communicated to BSE and NSE Limited.
- Dr. S. Chandrasekaran, Senior Partner M/s. Chandrasekaran Associates, firm of Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to the Chairman of the Meeting.

11. Statutory Registers, Article of Association and all documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during normal business hours (9.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to the conclusion of Annual General Meeting of the Company.

12. **Appointment/Re-appointment of Directors**

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

Mr. Ganapati Rathinam (DIN 00171207)

Mr. Ganapati Rathinam, (DIN 00171207) aged about 46 years, is a Fellow member of the Institute of Company Secretaries of India and a commerce and law graduate. He has spent several years with various organizations looking after their finance, legal and secretarial function and fund raising for them. He has been with CDC/ Actis now for about thirteen years and is currently a partner with Actis, responsible for transaction execution amongst other key areas. He brings with him a wealth of experience in PE transactions, M&A's and legal matters.

As on 31st March, 2014 Mr. Ganapati Rathinam, is Non-Executive Director on the Board of the Company. Mr. Rathinam is member of Share Transfer and Investors' Grievance Committee of the Company. As at 31st March 2014, he is on the Board of Swaraj Automotives Limited and The Nilgiri Dairy Farm Private Limited. He is also the member of Remuneration Committee, Audit Committee and Share Committee of The Nilgiri Dairy Farm Private Limited. Mr. Rathinam is not holding any shares in the Company.

Mr. Gurdeep Singh (DIN 00036922)

Mr. Gurdeep Singh, (DIN- 00036922) an Indian national aged about 70 years, is B. Tech in Chemical Engineering from IIT-Delhi. He has done an Advanced Management Program from Harvard Business School. Mr. Gurdeep Singh was associated with Hindustan Unilever Limited (formerly Hindustan Lever Ltd.) from 1966 and till he retired in October, 2004 as Director HR- Corporate Affairs and Technology. From November 2004 till March, 2006 he continued with Hindustan Unilever Ltd, as Senior Vice President -Corporate Affairs, responsible for enhancing the Company's presence in Delhi and State Governments where HUL has substantial operations which includes responsibility towards CSR activities.

Mr. Gurdeep Singh, is an Independent Director on the Board of the Company. He is the Chairman of Nomination and Remuneration Committee and member of Audit Committee and Corporate Social Responsibility Committee. Mr. Gurdeep Singh is not holding any shares in the Company.

Mr. Padmanabh P. Vora (DIN 00003192)

Mr. Padmanabh P. Vora (DIN 00003192), an Indian national, aged about 71 years, is Bachelor of Commerce, a qualified Chartered Accountant and CAIIB, Mr. Vora has worked with various organizations like State Bank of India as Financial Advisor, General Manager (Development Banking) and Executive Director (Finance) of Gujarat Industrial Investment Corporation Limited; as Director (Finance) with Fertilizers & Chemicals Travancore Limited, Kerala; acting Chairman and Managing Director (Finance) with Gujarat State Fertilizers Company Limited Gujarat; Chairman and Managing Director of National Housing Bank and lastly as Chairman and Managing Director with Industrial Development Bank of India. Post retirement Mr. Vora has worked as a Consultant with C3 Advisors Pvt. Ltd. and Deloitte Touche Tohmatsu India Pvt. Ltd. Mr. Vora has an expertise in Accounting, auditing, tax advisory matters, Restructuring, Project Finance, Statutory Matters relating to RBI, SEBI, Corporate Laws, Advisors to various Government bodies, Valuation of business and shares, Inward Strategy with regard to JV partner search and selection, Globalisation, Due Diligence exercises and rehabilitation of sick companies.

Mr. Vora is an Independent Director on the Board of the Company. He is the Chairman of Board, Audit Committee and member of Corporate Social Responsibility Committee of the Company. Mr. Vora is also the member of Nomination and Remuneration Committee of the Company. He does not hold any shares in the Company.

Mr. Pranay D. Gandhi (DIN 02805099)

Mr. Pranay D. Gandhi, (DIN 02805099) about 57 years is Bachelor of Commerce, ACA and ACS having total work experience of over 32 years. Mr. Gandhi joined Company with effect from September 12, 2011 as Chief Financial Officer.

Prior to joining Phoenix in September, 2011 as Chief Financial Officer, he worked with Paras Pharmaceuticals Limited for around four and half years as Chief Financial Officer, for twelve years with SET India Private Limited as Sr. Vice President (Finance) and served around seven years for TATA Group (a well-known group in Indian Market).

Mr. Gandhi has been appointed as Additional Director and Managing Director of the Company with effect from 19th November, 2013 for a period of one year and the consent of members in this respect is obtained, by passing the special resolution with requisite majority, through postal ballot on 21-03-2014.

Mr. Gandhi being Managing Director, looks after day to day affairs of the Company under the supervision and control of the Board of Directors of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item No. 5

Mr. Gurdeep Singh (DIN 00036922)

Mr. Gurdeep Singh, is a Non-executive Independent Director on the Board of the Company. He joined the Board of Directors of the Company in September, 2006. Mr. Gurdeep Singh is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Corporate Social Responsibility Committee of the Board of the Company.

Mr. Gurdeep Singh was associated with Hindustan Unilever Limited (formerly Hindustan Lever Ltd.) from 1966 and until he retired in October, 2004 as Director HR- Corporate Affairs and Technology. From November 2004 till March 2006, he continued with Hindustan Unilever Ltd, as Senior Vice President -Corporate Affairs, responsible for enhancing the Company's presence in Delhi and State Governments where HUL has substantial operations which includes responsibility towards CSR activities.

As at March 31st, 2014, Mr. Gurdeep Singh is Director in various Companies in India viz. Blue Star Limited, Gabriel India Limited, Technova India Private Limited, Kloeckner Pentaplast India Private Limited and Gateway Rail Freight Limited. He does not hold any shares in the Company.

Mr. Gurdeep Singh is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Gurdeep Singh being eligible and offering himself for appointment, is proposed to be appointed as an Independent director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Gurdeep Singh as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Gurdeep Singh fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gurdeep Singh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gurdeep Singh as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gurdeep Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Padmanabh P. Vora (DIN 00003192)

Mr. Padmanabh P Vora, is a Non-executive Independent Director on the Board of the Company. He joined the Board of Directors of the Company in May, 2011. Mr. Padmanabh P Vora is Chairman of the Audit Committee and member of Corporate Social Responsibility Committee, Nomination and Remuneration Committee of the Board of the Company.

Mr. Padmanabh P. Vora, aged about 71 years, is a First Class First and Gold Medalist Bachelor of Commerce from Gujarat University, a qualified Chartered Accountant and CAIIB-ranking All India First with more than 26 years of working experience and thereafter working on consultancy basis. During this period he has worked with organizations like State Bank of India at the middle and junior management levels; as Financial Advisor, General Manager (Development Banking) and Executive Director (Finance)of Gujarat Industrial Investment Corporation Limited; with Fertilizers & Chemicals Travancore Limited, Kerala as Director (Finance);acting Chairman and Managing Director; Director (Finance) with Gujarat State Fertilizers Company Limited Gujarat; Chairman and Managing Director of National Housing Bank and lastly as Chairman and Managing Director with Industrial Development Bank of India.

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

As at March 31st, 2014, Mr. Vora is Director with J Kumar Infraprojects Limited, Nakoda Limited, National Securities Depository Limited, Omaxe Limited, Reliance Capital Trustee Co. Ltd., Sterling Add Life India Limited, Reliance Home Finance Limited, NSDL e-Governance Infrastructure Limited, NSDL Database Management Limited, Rama Cylinders

Pvt. Ltd., The Nilgiri Diary Farm Pvt. Ltd. Mr. Vora is holding position of Chairman/Member of Audit Committee of various Companies. Mr. Vora is not holding any shares in the Company.

Mr. Padmanabh P. Vora is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Padmanabh P. Vora being eligible and offering himself for appointment, is proposed to be appointed as an Independent director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Padmanabh P. Vora as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Padmanabh P. Vora fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Padmanabh P. Vora as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Padmanabh P. Vora as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Padmanabh P. Vora, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7, 8 & 9

Mr. Pranay D. Gandhi (DIN-02805099)

Mr. Pranay D. Gandhi, aged 57 years is Bachelor of Commerce, ACA and ACS having total work experience of over 32 years. Mr. Gandhi joined Company with effect from September 12, 2011 as Chief Financial Officer.

Mr. Gandhi has been appointed as an Additional Director and Managing Director of the Company with effect from 19th November, 2013 for a period of one year and for the same you have accorded your permission by passing the special resolution through postal ballot on 21st March 2014. Mr. Pranay D. Gandhi, being Managing Director of the Company, looks after day to day business affairs of the Company under the supervision and control of the Board of Directors of the Company.

As per section 161 of the Companies Act, 2013, Mr. Gandhi holds office of Director up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from a member, under section 160 of the Companies Act, 2013 along with requisite deposit, proposing the candidature of Mr. Pranay D. Gandhi, for the office of Director in the ensuing Annual General Meeting.

The current remuneration of Mr. Gandhi is quite less comparing his experience and market trend in the Industry. The Nomination and Remuneration Committee has recommended to the Board to revise the remuneration of Mr. Gandhi. The Board has decided to revise the remuneration of Mr. Gandhi to compensate his vast experience and guidance to the Company.

The term of Mr. Gandhi as Managing Director of the Company will expire on 18.11.2014. The Company is getting excellent benefit from Mr. Gandhi based on his performance, hard working, rich knowledge and valuable guidance to the Company. The Board of your Company based on the recommendation of the Nomination and Remuneration Committee has decided to re-appoint him for a further period of three years from 19th November 2014 to 18th November 2017.

DETAILED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION :

1. Nature of Industry	Manufacturing and Trading of Electric Lamps, parts and fittings thereof.
2. Date or expected date of Commencement of commercial production	w.e.f. 1st February, 1993.
3. In case of new companies, expected date of commence -ment of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

	4.	**Financial Performance based on given indicators as at 31-03-2014**	During the year under review, Gross sales was recorded at Rs. 38,615.16 lacs as against Rs. 45,036.70 lacs in 2012-13. Sales for the Automotive business in the financial year 2013-14 was recorded at Rs. 24,243.86 lacs as against Rs. 20,081.15 lacs in 2012-13. Net Profit after tax is recorded at Rs. 9,016.47 lacs.
	5.	**Foreign Investments or Collaborations, if any**	As on 31st March, 2014 foreign shareholders hold 2,10,85,640 equity shares representing 75.25 % holding in the Company.

II.	**INFORMATION ABOUT THE APPOINTEE:**		
	1.	**Background details**	Mr. Pranay D. Gandhi, aged 57 years, having Educational Qualification of B.Com, ACA and ACS having 32 years of rich experience in different Industries at various Management - level positions. He joined the Company with effect from September 12, 2011 as Chief Financial Officer.
	2.	**Past Remuneration**	Last remuneration drawn was Rs. 95.86 lacs (In the capacity of CFO for the period 01.04.2013 to 18.11.2013 and Managing Director from 19.11.2013 to 31.03.2014).
	3.	**Recognition/Awards**	Nil
	4.	**Job Profile and his suitability**	Mr. Pranay D. Gandhi is associated with the Company since September 12, 2011. Mr. Pranay D. Gandhi looks after day to day affairs of the Company. Under his guidance, control and vast experience, the Company looks at building sustainable and profitable business. With his experience and background, he will contribute in developing the Company into a leadership position.
	5.	**Remuneration Proposed**	The proposed remuneration is as mentioned in the Notice dated 27.05.2014.
	6.	**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**	The Company is engaged in manufacturing and trading of Automotive Halogen Lamps, Compact Fluorescent Lamps, components and parts and fittings thereof. The payment of remuneration is commensurate with the current market situation, industry trend, experience of the appointee.
	7.	**Pecuniary relationship directly or indirectly with the company or relationship with the Managerial personnel, if any**	The appointee is not having any pecuniary relationship with the Company or with the Managerial personnel other than the approved remuneration.

III.	**OTHER INFORMATION:**		
	1.	**Reasons of loss or inadequate profits**	Company is having sufficient profits at this point of time.
	2.	**Steps taken or proposed to be taken for improvement**	The Company will take every necessary and possible step for its improvement and future growth.
	3.	**Expected increase in productivity and profits in measurable terms**	The Company is confident that it will achieve its target.

Earlier, the Board of Directors had appointed Mr. Gandhi as Managing Director of the Company for a period of one year and necessary approval from the shareholders had been obtained through Postal Ballot Process. Subsequently, the Board of Directors in its Meeting held on 27th May 2014 have extended his term as Managing Director of the Company for further period of three years, with effect from 19.11.2014 subject to your approval by way of Special Resolution.

The Board recommends the Resolution Number 7 as an Ordinary Resolution and Resolutions Number 8 and 9 as Special Resolution.

Except Mr. Pranay D Gandhi, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, either financially or otherwise, in passing of the above said resolutions except to the extent of their shareholding, if any, in the Company.

Item No. 10

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 coming into effect from 1st April, 2014 and taking into account the roles and responsibilities of the directors, it is proposed that Mr. Gurdeep Singh and Mr. Padmanabh P. Vora, the Non-executive Independent Directors of the Company be paid remuneration by way of commission of a sum amounting to Rs. 10,00,000/- (Rupees Ten lacs only) each, for the financial year 2013-14.

Further, it is also proposed that such amount as may be decided by the Board, not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid to the non-executive Directors, in such manner as may be decided by the Board of Directors and such payments shall be made in respects of the profits of the Company, for a period of three financial years commencing from 2014-15.

This remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Non-executive Directors of the Company, as set out in the Resolution at Item No. 10 of the Notice.

All the Non-Executive Directors of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10 of the Notice.

Item No.11 & 12

Pursuant to the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Public Limited Company cannot, except with consent of the Company at General Meeting by special resolution, borrow monies in excess of paid up share capital and free reserves.

The present borrowing limits and securing the property of the Company is Rs. 350 Crores (Rupees Three Hundred Fifty Crores) over and above the paid-up capital and free reserves which had already been approved by the Shareholders. However, as per the provisions of the Companies Act, 2013 approval for the borrowings over and above the paid up capital and free reserves and securing the property requires your approval by way of Special Resolution.

It is therefore, proposed to re-instate the borrowing powers of the Company to Rs. 350 Crores (Rupees Three Hundred Fifty Crores) and to authorise creation of charge over the properties of the Companies for such borrowings.

The Company is, therefore, seeking your approval as required under the provisions of Section 180(1) (a) and 180(1) (c) and other related provisions, for re-instating the borrowing limits of the Company and to create the charge on and/or hypothecate the assets of the Company for borrowing funds for the business of the Company pursuant to provisions of Companies Act, 2013.

The Board recommends the Resolutions at Item Number 11 and 12 for your approval as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, either financially or otherwise, in passing of the above said resolutions except to the extent of their shareholding, if any, in the Company.

By Order of the Board
For **Phoenix Lamps Limited**

Sd/-
Aditya Rungta
Company Secretary

Place : Noida
Dated : May 27, 2014

DIRECTORS' REPORT

To the Members of the Company

Your Directors have pleasure in presenting the **Twenty-Third Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

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

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Gross Sales and other Income	**38,615.16**	45,036.70
Profit before Interest, Depreciation & Tax	**8,153.34**	2,560.47
Depreciation	**930.90**	1,419.88
Interest	**1,128.79**	1,996.04
Profit/ (Loss) from Operations	**6,093.65**	(855.45)
Exceptional Items-Surplus on sale of General Lighting Business	**(3,990.92)**	–
Provision for Tax	**1,068.10**	–
Profit/ (Loss) After Tax	**9,016.47**	(855.45)
Balance of Profit / (Loss) brought forward	**2,884.52**	3,739.97
Amount available for appropriation	**11,900.99**	2,884.52
Appropriations		
Interim Dividend on Equity Shares	**1,400.97**	NIL
Special Dividend on Equity Shares	**2,801.93**	NIL
Proposed Final Dividend on Equity Shares	**280.19**	NIL
Tax on Dividends on Equity Shares	**761.90**	NIL
Transfer of Profits to General Reserve	**901.65**	
Balance of Profit carried forward to next year	**5,754.35**	2,884.52

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

FINANCIAL AND OPERATIONAL PERFORMANCE

During the year under review, gross sales was recorded at Rs. 38,615.16 lacs as against Rs. 45,036.70 lacs in 2012-2013. Sales for the Automotive Business have increased from Rs. 20,081.15 lacs in 2012-2013 to Rs. 24,243.86 lacs in 2013-14 i.e. an increase of 20.73% and the earnings before interest, depreciation and taxes has increased from Rs. 2,560.47 lacs to Rs. 8,153.34 lacs over 2012-2013.

RESERVES AND SURPLUS **(Rs. in lacs)**

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Securities premium account	**3,733.86**	3,733.86
Capital subsidy	**40.00**	40.00
Capital redemption reserve	**1,621.00**	1,621.00
General reserve	**925.22**	23.57
Surplus in the Statement of profit and loss		
Credit balance as per the last financial statements	**2,884.52**	3,739.97
Add: Net profit/(loss) after tax transferred from Statement of profit and loss	**9,016.47**	(855.45)
Less: Profit & Loss appropriation	**(6,146.64)**	–
Net surplus in the Statement of profit and loss	**5,754.35**	2,884.52
Total	**12,074.43**	8,302.95

DIVIDEND

Your Board in its meeting held on January 31st, 2014, declared and paid interim dividend of Rs. 5/- per equity share of Rs. 10/- each fully paid up. Now it is proposed, subject to the approval by the members, a Special Dividend of Rs. 10 /- per equity share and Final Dividend of Re. 1/- per equity share for the Financial year 2013-2014.

REDEMPTION OF PREFERENCE SHARES

During the year ended March 31st 2014, the Board of Directors accorded their approval to redeem 7,66,000 Redeemable Preference Shares (RPS) of Rs. 100/- each amounting to Rs. 76.60 million, held by Phoenix Electric Co. Ltd. (Presently known as Helios Techno Holding Co. Ltd.). At the meeting of the Board of Directors, held on May 27th, 2014, the Board have further approved redemption of 5,50,000 Redeemable Preference Shares of Rs. 100/- each held by Phoenix Electric Co. Ltd. The said redemption will be effected post the statutory and/or regulatory requirements, as may be required.

CHANGE OF NAME TO PHOENIX LAMPS LIMITED

During the year under review the Shareholders had approved, subject to the approval of the Central Government, change in the name of the Company from Halonix Limited" to "Phoenix Lamps Limited". The Central Government's approval was received and change in the name of the Company was made effective from September 6, 2013.

RESTRUCTURING OF OPERATIONS OF THE COMPANY

On August 30, 2013, the Company has completed sale of its General Lighting Lamps business, which was a separate business segment, on slump sale basis to Halonix Technologies Limited for an aggregate consideration of Rs. 16,000 lacs (net of adjustment Rs. 7,671.25 lacs), pursuant to Business Transfer Agreement dated July 23rd, 2013. Accordingly, General Lighting Business has been considered as discontinued operations. The net gain of Rs. 3,975.92 lacs arising from sale of the said business has been disclosed separately under exceptional items. The tax expense relating to profit on sale of such business amounting to Rs. 1,230.35 lacs is included in the provision for income tax. The net profit after tax pertaining to the 'Discontinued operation' has also been disclosed separately. The Company's continuing operation represents revenues from Auto Lamps business.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors Confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year under review;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

BUSINESS/OPERATIONS

Your Company is the market leader in automotive halogen bulbs in India with approximately 50% market share in passenger vehicle, 70% in commercial vehicles and 70% in two wheeler OEMs. The Company is the largest manufacturer in India controlling 50-60% of total manufacturing capacity in the Country and among the top 5 globally with 20%+ years of manufacturing excellence and institutionalized knowledge. The Company is having well entrenched relationships with the leading Japanese, Korean, European and Indian OEMs. More than half of sales are under own brands including India's oldest domestic aftermarket brand and 90 year old European brand for international markets.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

a) Industry Structure and Development

Your company retained its position as a market leader in Automotive Halogen Lamps in India with supplies to all major OEMs in Passenger Vehicle and Two Wheeler Industry. It is also a major exporter to developed countries. The long term outlook for the Indian automotive industry remains positive due to strong macroeconomic fundamentals, improving economic activity and easy availability of finance. With almost all the major automobile manufacturers setting up production bases in India, we are looking at robust growth for the Company in the coming years.

b) Opportunities and Threats

Opportunities

- Significant potential to grow the exports business.
- Entry into new platforms as well as a focus on securing the business from new model launches in the OEM segment.
- Adequate controls in place to meet OEM quality requirements.
- Introduction of new and higher margin products.

Threats

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

c) Outlook

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

d) Risks and Concern

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

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

e) Financial Performance vis-a-vis Operational Performance

Your Company recorded Gross Sales of Rs.38,615.16 lacs. Profit before tax after providing for obsolete inventories, doubtful debts and warranty claims was Rs.10,084.57 lacs and the Net Profit for the current financial year is Rs. 9,016.47 lacs.

f) Segment wise or Product wise Performance

As at March 31st, 2014, the Company is engaged in manufacturing and trading of Automotive Lighting Business.

g) Internal Control System and their adequacy

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

The Company's internal control systems are further supplemented by an extensive programme of internal audit by an independent professional agency and periodic review by the Management. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets.

h) Developments in Human Resources & Industrial Relations Front

Employees continue to be the cornerstone of the Organization. Industrial Relations have been generally harmonious in all units.

Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance of the Company. Regular in-house training programs for employees at all levels help in this objective. The number of persons employed in the Company is 1019 (on company rolls) as on 31st March, 2014.

i) Cautionary Note

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's financial statements and notes on accounts.

CORPORATE GOVERNANCE

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

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

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

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

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

PUBLIC DEPOSITS

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

DIRECTORS

Mr. Ganapati Rathinam (DIN-00171207), Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for reappointment.

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Gurdeep Singh and Mr. Padmanabh P. Vora as Independent Directors of the Company for five consecutive years for a term upto 31st March, 2019. Details of the proposal for appointment of Mr. Gurdeep Singh and Mr. Padmanabh P. Vora are mentioned in the explanatory statement under section 102 of the Companies Act 2013, of the Notice of 23rd Annual General Meeting.

Mr. Pranay D. Gandhi (DIN-02805099) was appointed as an Additional Director and Managing Director of the Company with effect from November 19, 2013. The Company has received notice under Section 257 of the Companies Act, 1956 (Corresponding to section 160 of the Companies Act 2013) from a member along with requisite deposit of Rs. 1,00,000/- (One lac only), proposing the candidature of Mr. Pranay D. Gandhi for the office of Director of the Company, at the ensuing Annual General Meeting. Further, the tenure of appointment along with the revised remuneration of Mr. Pranay D. Gandhi is approved by the Nomination and Remuneration Committee and the Board of Directors in its meeting held on 27th May 2014, for a further period of three years with effect from 19.11.2014. The Board recommends the same for your approval.

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

During the period, Mr. Gurvikram Singh, Managing Director resigned and was relieved from the Board of the Company with effect from close of business hours of November 18, 2013 and Mr. Jaideep Wadhwa, Director resigned and was relieved from the Board of the Company with effect from November 11, 2013.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company consists of Mr. Padmanabh P. Vora, Independent and Non-executive Director as its Chairman, Mr. Gurdeep Singh, Independent and Non-executive Director & Mr. Shomik P. Mukherjee, Non-Executive Director as its members.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee of the Company consists of three non-executive directors as its member, Mr. Padmanabh P. Vora, Mr. Gurdeep Singh & Mr. Shomik P. Mukherjee.

AUDITORS

M/s. S. R. Batliboi & Co. LLP, Auditors of the Company retire at the forthcoming Annual General Meeting of the Company, and being eligible offer themselves for re-appointment. The Company has received an eligibility letter under Section 139 & 141 of the Companies Act, 2013 (Corresponding to section 224(1B) of the Companies Act, 1956) from the Auditors and recommends their appointment for your approval.

AUDITORS' COMMENT IN THE AUDITORS REPORT:

The Auditors Report of the Company does not carry any comment/ qualification to the Audited Financial Results for the financial year ended 31st March, 2014.

LISTING OF SHARES

The Equity Shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Listing Fees for the financial year 2014-2015 has been paid.

COST AUDIT

The due date for filing of Cost Audit Report for the financial year 2012-2013 was 30th September 2013 and the same was filed on 23-09-2013 vide SRN No. S22446462.

SUBSIDIARY COMPANIES

The Company has following subsidiary companies as at March 31st, 2014:-

One Foreign unlisted wholly owned subsidiary Company is "International Lamps Holding Company SA, Luxembourg" and further step down subsidiary of ILHC are - Luxlite Lamps S.a.r.l and Trifa Lamps GmbH.

In terms of General Exemption, under Section 212(8) of the Companies Act, 1956, granted by Ministry of Corporate Affairs vide its circular no. 02/2011 dated 8th February, 2011 and in compliance with the conditions enlisted therein, the Audited Statement of Accounts, Auditors' Reports thereon and the Reports of the Board of Directors of the Company's subsidiaries for the financial year ended 31st March, 2014 have not been annexed. The Annual Accounts and related documents of the Subsidiary Companies shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. However, as directed by the said circular, the financial data of the Subsidiaries have been furnished under 'Subsidiary Companies Particulars' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

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

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

A. Conservation of Energy

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

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

- Roof extractor and transparent fiber sheet installed to dilute the heat in production area that is increasing natural cooling and to improve the natural illumination it replaced electrical driven fans and lights to take care of the power consumption.
- Up-gradation of machine electrical panels by using PID controllers, Thyristor power regulators, servo drives, vision systems on various locations of plants to increase the m/c efficiency and reduction of power consumption .
- 38.07 lac units less consumed in comparison to the last year.

During the year under report, company has consumed units of energy as detailed below.

Electric Energy : 88.69 (previous year 119.73) lac units supplied by Power Corporation,

: 9.84 (previous year16.87) lac units generated by DG sets.

Diesel : 3.12 (previous year 5.18) lac liters for running of DG sets.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.	-	No major additional investment is required.
(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	-	Not applicable

B. Technology Absorption

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

FORM 'B'

1. Research & Development (R & D) :

During the year under review the Company did not pursue any projects on Research & Development. The Company's products viz. Halogen Lamps and Compact Fluorescent Lamps are produced with well-established technologies and therefore does not require any focused Research & Development efforts.

2. Technology Absorption, Adaptation and Innovation

i) Efforts in brief made towards technology absorption, adaptation and innovation :

A number of product adaptations and innovations have been undertaken to improve product life and lumen output as well as to develop special products for specific applications.

ii) Benefits derived as a result of the above efforts.

Stabilized Operations and improved life of lamp.

iii) Details of technology imported during last five years

(a) Technology Imported : N.A.

(b) Year of Import : N.A.

(c) Has technology been fully absorbed : N.A.

(d) If not fully absorbed, area where this has not taken place : N.A.

C. Foreign Exchange Earnings and Outgo

PARTICULARS	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
1. Foreign Exchange Earnings	**11,931.35**	8,810.14
2. Foreign Exchange Outgo -		
(a) Raw Materials	**8,625.36**	10,828.09
(b) Traded Goods	**346.51**	521.52
(c) Capital Goods	**–**	–
(d) Spare Parts	**200.77**	138.77
(e) Foreign Traveling/ Selling Expenses/ Other Expenses	**595.38**	536.33
(f) Dividend	**Nil**	Nil

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

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

PERSONNEL

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Sd/-

Place : Noida
Date : May 27, 2014

PADMANABH P. VORA
Chairman

CEO & CFO CERTIFICATION

We, Pranay D. Gandhi, Managing Director and Gagandeep Singh, Chief Financial Officer of the Company certify to the Board of Directors that:

(a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2014 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) 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) to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate 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 internal control systems of the Company pertaining to financial reporting and we confirm that there is no deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee that there is:

(i) no significant changes in internal control over financial reporting during the year;

(ii) no significant changes in accounting policies during the year

(iii) no instances of significant fraud in the company has come to our knowledge.

	Sd/-	**Sd/-**
Place : Noida	**Pranay D. Gandhi**	**Gagandeep Singh**
Date : May 27, 2014	Managing Director	Chief Financial Officer

CORPORATE GOVERNANCE REPORT AS ON 31ST MARCH, 2014

Corporate Governance

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

- ensure legal and ethical conduct by everyone in the Company.
- protect the interest of the investors, customers, employees, lenders, suppliers and the community.
- advice and counsel the Managing Director with the view to make the Company stronger and more successful.
- support investments and decisions that serve the interest of the Company and the stakeholders.
- prevent conflicts of interest and ensure that the right people are making the decisions and monitor, on ongoing basis, the results of the decisions that are likely to affect the Company most.

The Company's Corporate guidelines emphasize:-

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

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

I. BOARD OF DIRECTORS

(A) Composition of Board

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

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

(B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors of the Company are being paid sitting fees as fixed by the Board of Directors within the limits prescribed under the Companies Act, 1956. There is no stock option scheme provided by the Company.

During the year under review, the Company is in receipt of Central Government approval for the payment of Remuneration to Mr. Padmanabh P Vora and Mr. Gurdeep Singh, Non-Executive Independent Directors of the Company, for the financial year 2012-2013. Accordingly, the Company has paid Remuneration of Rs. 10,00,000/- (Rupees Ten lacs only) each for the financial year 2012-2013, to Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, Non-Executive Independent Directors of the Company.

The Board of Directors at their meeting held on May 27th, 2014 has proposed, subject to the approval of the shareholders, payment of remuneration by way of commission, amounting to Rs. 10,00,000/-(Rupees Ten lacs only) each for the financial year 2013-2014, to Mr. Padmanabh P. Vora and Mr. Gurdeep Singh, Non- Executive Independent Directors of the Company, for their guidance and expert advice on diverse issues affecting the Company.

The Board has further proposed that such amount as may be decided by the Board, not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid to the non-executive Directors and in such manner as may be decided by the Board of Directors and such payments shall be made in respects of the profits of the Company, for each financial year, for a period of three financial years commencing from 2014-15. The same will be in compliance with section 197 of the Companies Act 2013 and shall be paid once the required approvals are obtained.

(C) Other provisions as to Board and Committees

During the financial year 2013-2014, Nine meetings of the Board of Directors were held on 12th April, 2013, 28th May, 2013, 1st July, 2013, 23rd July, 2013, 14th August, 2013, 28th October, 2013, 11th November, 2013, 31st January, 2014, and 27th March, 2014.

The 22nd Annual General Meeting of your Company was held on Tuesday, July 23rd, 2013 at 11.00 a.m. at the Registered Office of the Company at 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201 305.

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

Name of Directors	Category	Board Meetings Attended During the year	Attendance at the AGM held on 23.07.2013	No. of Directorship in the Companies other than Phoenix Lamps Ltd.	No. of Committees & Positions held as Member	as Chairman
Mr. Padmanabh P. Vora	Independent & Non-Executive Director	9	Yes	9	5	5
Mr. Pranay D. Gandhi***	Managing Director	2	In the Capacity of Chief Financial Officer and Compliance Officer	NIL	1	–
Mr. Gurvikram Singh**	Managing Director	7	Yes	–	–	–
Mr. Gurdeep Singh	Independent & Non-Executive Director	9	Yes	3	3	1
Mr. Ganapati Rathinam	Non-Executive Director	9	Yes	1	1	–
Mr. Shomik P. Mukherjee*	Non-Executive Director	9	Yes	–	1	1
Mr. Jaideep Wadhwa**	Non-Executive Director	7	Yes	–	–	–

*Representative of Argon India Limited and Argon South Asia Limited.

**Mr. Jaideep Wadhwa resigned from the Company, with effect from 11th November, 2013 (He was representative of Argon India Limited and Argon South Asia Limited) and Mr. Gurvikram Singh, resigned as Managing Director with effect from close of business hours of 18th November, 2013.

***Mr. Pranay D. Gandhi was appointed as Managing Director of the Company with effect from 19th November, 2013.

Note:-

1. Directorship in Private Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 and alternate Directorship have not been considered.
2. For the purpose of membership & Chairmanship in a Committee only Audit Committee and Shareholders' Investors' Grievances Committee of Public Limited Companies have been considered.

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

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

No Director is holding any shares in the Company.

(D) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) are uploaded on the website of the Company www.phoenixlamps.co.in.

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2014. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

II. AUDIT COMMITTEE

(A) Qualified and Independent Audit Committee

The Company complies the provisions related to Audit Committee in terms of Clause 49 of the Listing Agreement as well as in terms of the provisions of Section 292A of the Companies Act, 1956. The Board in its meeting held on May 27th, 2014 has re-constituted the committee as per the requirement under Section 177 of the Companies Act 2013.

(i) As at 31.03.2014 the Audit Committee consists of three Non-Executive Directors as members.

(ii) Mr. Padmanabh P. Vora, the Chairman of the Audit Committee is an independent Director.

(iii) All Members of the Committee are financially literate. Mr. Padmanabh P. Vora, is a qualified Chartered Accountant having the requisite financial management expertise.

(iv) The Chairman of the Audit Committee, Mr. Padmanabh P. Vora was present at the last Annual General Meeting of the Company held on 23rd day of July, 2013.

(v) The Chief Financial Officer, Internal Auditors, Representatives of the Statutory Auditor, such other officials of the Company are invited to attend the Audit Committee meetings as and when required.

(vi) The Company Secretary acts as the Secretary to the Committee.

(B) Meeting and Composition of Audit Committee

During the financial year 2013-14, Five Audit Committee meetings were held on 28th May, 2013, 14th August, 2013, 11th November, 2013, 31st January, 2014 and 27th March, 2014.

Number of meetings attended by the Members are given below:

Name of Members	Composition of the Audit Committee	Number of meetings attended
Mr. Padmanabh P. Vora	Independent	5
Mr. Gurdeep Singh	Independent	5
Mr. Shomik P. Mukherjee	Non-Executive	5

The Role and Powers of the Audit Committee are as mentioned in Section 292A of the Companies Act 1956, read with Clause 49 of the Listing Agreement. Further, the Audit Committee reviews and discuss all the matters from time to time as mentioned in the Listing Agreement and Section 292A of the Act.

III. SUBSIDIARY COMPANY

1. As on 31st March 2014, the Company has one Foreign unlisted, wholly owned subsidiary viz. International Lamps Holding Co. SA. Luxembourg. The said subsidiary has further two step down subsidiaries viz. Luxlite Lamps S.a.r.l., Luxembourg and Trifa Lamps GmbH, Germany.

2. The Audit Committee also reviews the financial statements, in particular, the investments made by the subsidiary Company.

3. The Minutes of the Board Meetings of the subsidiary companies, if any, are placed at the subsequent Board Meetings of the Company. The Management brings to the attention of Board of Directors, a statement of all significant transactions and arrangements entered into by subsidiary companies.

IV. DISCLOSURES

(A) Basis of related party transactions

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

(B) COMPLIANCES

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

However, during the year, on advice of Reserve Bank of India, Company has filed compounding application with Foreign Exchange Department, Reserve Bank of India towards non-filing of APR for the financial year 2010-2011 and 2011-2012 and related matters. The APR for the year 2010-2011 and 2011-2012 were not filed, since the entire transactions for acquiring wholly owned subsidiary at Luxembourg was called off, by the Board of Directors of the Company.

(C) Disclosure of Accounting Treatment

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

(D) Whistle Blower Policy

The Company does have a mechanism called 'Whistle Blower Policy' for employees to report to the Management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy in the Company.

(E) The Company has complied with the mandatory conditions of Corporate Governance and also re-constituted Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as required under section 178 of the Companies Act 2013 and revised clause 49 of the Listing Agreement. Further, to comply with the requirements under section 135 of the Companies Act 2013, the Board has also constituted Corporate Social Responsibility Committee.

(F) Board Disclosures Risk Management

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

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

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

(H) CEO/ CFO Certification

As required by clause 49 of the Listing Agreement, the CEO, i.e. the Managing Director appointed in terms of the Companies Act, 1956 and the CFO certification is annexed to the Directors' Report.

(I) Changes in Managing Directors and Chief Financial Officer

During the year under review, Mr. Gurvirkam Singh, resigned as Managing Director with effect from close of business hours of 18th November, 2013. The Board of Directors, decided to fill the post of Managing Director by appointing Mr. Pranay D. Gandhi, the then Chief Financial Officer as Managing Director of the Company with effect from 19th November, 2013. Accordingly, Mr. Pranay D. Gandhi is acting as Managing Director of the Company with effect from 19th November, 2013.

Pursuant to section 203 of the Companies Act 2013 and on recommendation of Audit Committee, the Board in its Meeting held on May 27th, 2014 appointed Mr. Gagandeep Singh, a qualified Chartered Accountant, as Chief Financial Officer of the Company.

(J) Remuneration of Directors

(1) Executive Directors

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

(b) Remuneration paid to the Managing Director of the Company for the financial year 2013-14 is as under:-

(Amount in Rs.)

Name of the Managing Director	Salary and other Allowances	Perquisites	Contribution to Provident Fund	Service Tenure	Contract Notice Period	No. of Shares of the Company	Performance Bonus & others
Mr. Gurvikram Singh*	57,37,559	27,740	1,47,060	Resigned on 18.11.2013	N.A.	Nil	22,04,420
Mr. Pranay D. Gandhi**	29,64,852	35,498	Nil	18.11.2014	3 Months	Nil	14,20,000

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

*Mr. Gurvikram Singh, resigned as Managing Director with effect from close of business hours of 18th November, 2013.

** Mr. Pranay D. Gandhi was appointed as Managing Director of the Company with effect from 19th November, 2013.

(2) Non-Executive Directors

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

(b) Payment of sitting fees and Remuneration to Non-Executive Directors for the year ended 31st March, 2014:-

Name	Sitting Fees Paid (Rs.)	Remuneration (Rs.)	Total (Rs.)
Mr. Padmanabh P. Vora	65,000	10,00,000	10,65,000
Mr. Gurdeep Singh	65,000	10,00,000	10,65,000
Mr. Ganapati Rathinam	45,000	Nil	45,000
Mr. Shomik Mukherjee	65,000	Nil	65,000
Mr. Jaideep Wadhwa*	35,000	Nil	35,000

*Mr. Jaideep Wadhwa, resigned from the post of Directorship of the Company, with effect from 11th November, 2013.

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

(d) There has been no pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company during the year except the sitting fees and Remuneration paid to them as detailed above.

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

(f) The detail of composition of Remuneration Committee as on 31st March, 2014 is as under:-

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

During the year ended 31st March, 2014, the Committee held three meetings on May 28, 2013, 23rd July, 2013 and 11th November, 2013. Mr. Gurdeep Singh is the Chairman of the Remuneration Committee.

Number of meetings attended by the Members are given below:

Name of Members	Composition of the Remuneration Committee	Meetings Attended
Mr. Gurdeep Singh	Independent	3
Mr. Padmanabh P. Vora	Independent	3
Mr. Shomik Mukherjee	Non-Executive	3

(K) Management

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

(L) Shareholders Information

(i) Mr. Ganapati Rathinam (DIN-00171207), Director of the Company shall retire by rotation at the forthcoming Annual General Meeting of the Company. The brief resume and other details of Mr. Ganapati Rathinam is given with Notice of Annual General Meeting.

Mr. Gurdeep Singh (DIN-00036922) and Mr. Padmanabh P. Vora (DIN-00003192) Directors of the Company are proposed to be appointed as Independent directors of the Company, not liable to retire by rotation as per the provisions of the Companies Act 2013. The brief resume and other relevant details of Mr. Gurdeep Singh and Mr. Vora is given with Notice of Annual General Meeting.

Mr. Pranay D. Gandhi (DIN-02805099) has been appointed as an Additional Director and Managing Director of the Company with effect from 19th day of November, 2013 and will hold the office only upto the date of the ensuing Annual General Meeting.

The Company has received notice under Section 257 of the Companies Act 1956 (corresponding to section 160 of the Companies Act 2013), from a member proposing the candidature of Mr. Pranay D. Gandhi for the office of Director, in the ensuing Annual General Meeting. The brief resume and other details of Mr. Pranay D. Gandhi is given with Notice of the Annual General Meeting.

(ii) The results i.e. Quarterly/ Half Yearly/ for Nine Months and Annual, are put on the Company's website www.phoenixlamps.co.in.

(iii) Share Transfer and Investors' Grievance Committee of the Company, is constituted under the Chairmanship of a non-executive Director to consider and look into the matter of Share transfer, Shareholders' /Investors' Grievances and to suggest the remedial and improvement measures and to redress the same.

As at 31st March, 2014, the composition of Share Transfer and Investors' Grievance Committee is as under:-

Name of Members	Composition of share transfer and investor grievance Committee
Mr. Shomik Mukherjee	Non-executive
Mr. Ganapati Rathinam	Non-executive
Mr. Pranay D. Gandhi	Executive

During the financial year 2013-2014, Thirty Six meetings of the Share Transfer and Investors' Grievance Committee were held on 05-04-2013, 15-04-2013, 25-04-2013, 06-05-2013, 15-05-2013, 25-05-2013, 06-06-2013, 14-06-2013, 26-06-2013, 05-07-2013, 16-07-2013, 25-07-2013, 05-08-2013, 16-08-2013, 26-08-2013, 05-09-2013, 16-09-2013, 25-09-2013, 05-10-2013, 15-10-2013, 18-10-2013, 25-10-2013, 07-11-2013, 15-11-2013, 25-11-2013, 05-12-2013, 16-12-2013, 26-12-2013, 06-01-2014, 15-01-2014, 25-01-2014, 01-02-2014, 12-02-2014, 10-03-2014, 20-03-2014 and 31-03-2014.

Number of meetings attended by the Members are given below:

Name of Members	Composition of the Committee	Meetings Attended
Mr. Shomik Mukherjee	Non-Executive	36
Mr. Gurvikram Singh*	Executive	22
Mr. Ganapati Rathinam	Non-Executive	36
Mr. Pranay D. Gandhi**	Executive	4

* Mr. Gurvikram Singh resigned from the Board of Directors and Committee with effect from close of business hours on 18-11-2013.

** Mr. Pranay D. Gandhi joined as member of the Committee with effect from 31-01-2014.

Mr. Shomik Mukherjee is the Chairman of the Committee.

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

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

Mr. Aditya Rungta, Company Secretary and Compliance Officer of the Company can be contacted at:

Mr. Aditya Rungta, Company Secretary, Phoenix Lamps Limited, 59-A, Noida Special Economic Zone, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201305.

Phone: 91-11-0120-4012222,

Fax: 91-11-0120-2562943

email: investor.relations@phoenixlamps.co.in

113 investors' complaints/queries/requests from the shareholders/members, were received during the year and all of them have been resolved during the year. No complaint was pending as on March 31st, 2014.

General Body Meetings

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

Year	Type	Date	Venue	Time	Special Resolution Passed
2011	AGM	02.08.2011	59-A, NSEZ, Phase-II Noida, Distt. Gautam Budh Nagar, U.P. – 201305	10.00 A.M.	YES
2012	AGM	10.07.2012	59-A, NSEZ, Phase-II Noida, Distt. Gautam Budh Nagar, U.P. – 201305	11.00 A.M.	YES
2013	AGM	23.07.2013	59-A, NSEZ, Noida Phase-II, Distt. Gautam Budh Nagar, U.P. - 201305	11.00 A.M.	YES

Whether Resolution were put through postal ballot last year: Yes

During the financial year 2013-2014, Company had twice sought shareholders approval through Postal Ballot process:-

(i) the Company had proposed two Ordinary Resolutions through Postal Ballot process, i.e. (i) Sale and transfer of General Lighting Business to Halonix Technologies Limited (a subsidiary of the Company) and (ii) Sale and transfer of shareholding or other interest in Halonix Technologies Limited. The Result of the Postal Ballot was declared on 6th June, 2013.

(ii) the Company proposed one Special Resolution through Postal Ballot process towards Appointment and Remuneration of Mr. Pranay D. Gandhi as Managing Director of the Company. The Result of the Postal Ballot was declared on March 21st, 2014.

POSTAL BALLOT:

During the year 2013-2014, in terms of the provisions of section 192 (A)(2) of the Companies Act, 1956 (the "Act") and the Companies (Passing of the resolution by postal ballot)Rules, 2011, and the Memorandum and Articles of Association of the Company, the Company sought approval of members by way of two Ordinary Resolutions and one Special Resolution by voting through postal ballot:-

Ordinary Resolutions Passed through Postal Ballot on June 6th, 2013

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

(ii) Sale and transfer of shareholding or other interest in Halonix Technologies Limited.

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

Procedure Followed

1. The Company has issued the postal ballot notice dated 12th April, 2013 for passing the above mentioned Resolutions. The draft resolutions together with the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned by ordinary post on 29th April, 2013.
2. The Company made an advertisement regarding dispatch of postal ballot notice in The Statesman (English) and Amar Ujala (Hindi) on 1st May, 2013.
3. Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed form in the attached self-addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 3rd June, 2013.
4. After due scrutiny of all the postal ballot forms received upto the close of working hours on 3rd June, 2013. Dr. S. Chandrasekaran, a Practicing Company Secretary (the Scrutinizer) submitted his report on 5th June, 2013.
5. The results of the postal ballot were declared by Mr. Gurvikram Singh, the then Managing Director of the Company on 6th June, 2013 at 10.30 A.M. at the Company's registered office at 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201 305. The date of declaration of results was taken as the date of passing of the Resolutions. The Managing Director declared that all Resolutions specified in the notice have been passed with requisite majority.

The details of voting pattern for both the resolutions are as follows:

Particulars	No. of shares
Total number of votes received through postal ballot forms	18,547,770
Less : No. of Votes for which right is not exercised through postal ballot forms	1710
Less: No. of Votes which has been rejected	200
Net valid number of votes cast through postal ballot forms	18,545,860
Total number of votes which have been cast in favour of the Resolution	18,544,849
Total number of votes which have been cast against the Resolution	1011

Special Resolution Passed through Postal Ballot on March 21st, 2014

(i) Appointment and Remuneration of Mr. Pranay D. Gandhi as Managing Director of the Company.

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

Procedure Followed

1. The Company has issued the postal ballot notice dated January 31, 2014 for passing the above mentioned Resolution. The draft resolutions together with the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned by ordinary post on 11 February, 2014.
2. The Company made an advertisement regarding dispatch of postal ballot notice in The Financial Express (English) all edition, Jansatta (Hindi) Delhi and Rashtriya Sahara (Hindi) All U.P. on 12th February, 2014.
3. Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed form in the attached self-addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 14th March, 2014.
4. After due scrutiny of all the postal ballot forms received upto the close of working hours on 14th March, 2014. Dr. S. Chandrasekaran, a Practicing Company Secretary (the Scrutinizer) submitted his report on March 20, 2014.
5. The results of the postal ballot were declared by Mr. Pranay D. Gandhi, the Managing Director of the Company on March 21, 2014 at 11.00 A.M. at the Company's registered office at 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, Uttar Pradesh-201 305. The date of declaration of results was taken as the date of passing of the Resolutions. The Managing Director declared that the Resolution specified in the notice have been passed with requisite majority.

The details of voting pattern are as follows:

Particulars	No. of shares
Total number of votes received through postal ballot forms	19,887,608
Less : No. of Invalid Votes	0
Less: No. of Votes not Polled	1050
Net valid number of votes cast through postal ballot forms	19,886,558
Total number of votes which have been cast in favour of the Resolution	19,885,557
Total number of votes which have been cast against the Resolution	1001

Means of Communication

Quarterly report sent to each Household of share -holders	The results of the Company are published in the newspapers. The information is also sent to the concerned Stock Exchanges via e-mail, fax and courier.
Quarterly results and in which newspaper normally published in	All quarterly results were published in Financial Express:- Mumbai, Ahmedabad, New Delhi, Lucknow, Pune, Kolkata, Chandigarh, Bangalore, Hyderabad, Chennai and Kochi (English); Navbharat Times, New Delhi (Hindi) till January, 2014. From February, 2014 onwards, quarterly results were published in Financial Express (English) All Edition; and in Jansatta, New Delhi (Hindi)
Any website where displayed	Yes, the results are displayed on the Company's website at www.phoenixlamps.co.in
Whether it also displays official News releases	No
Whether the website displays the Presentation made to the institutional investors and to the analysis	Yes

Market Price Information

The reported high and low prices during the financial year ended March 31st, 2014 on the National Stock Exchange of India Limited and the BSE Limited, where your Company's shares are frequently traded, are given below:-

Month	National Stock Exchange		Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr, 2013	45.00	27.65	42.95	29.80
May, 2013	44.40	35.10	45.00	36.25
Jun, 2013	43.10	34.05	43.20	33.25
Jul, 2013	42.55	35.00	42.35	31.00
Aug, 2013	47.00	37.55	48.00	37.00
Sep, 2013	61.00	47.00	62.10	47.50
Oct, 2013	73.65	51.00	73.00	51.00
Nov, 2013	71.90	63.05	72.35	63.00
Dec, 2013	76.00	63.50	80.80	63.70
Jan, 2014	103.35	71.40	103.45	71.30
Feb, 2014	134.00	98.00	134.00	98.00
Mar, 2014	123.00	108.25	124.90	108.00

Performance in comparison to BSE Sensex

	BSE SENSEX		Bombay Stock Exchange	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr, 2013	19622.68	18144.22	42.95	29.80
May, 2013	20443.62	19451.26	45.00	36.25
Jun, 2013	19860.19	18467.16	43.20	33.25
Jul, 2013	20351.06	19126.82	42.35	31.00
Aug, 2013	19569.20	17448.71	48.00	37.00
Sep, 2013	20739.69	18166.17	62.10	47.50
Oct, 2013	21205.44	19264.72	73.00	51.00
Nov, 2013	21321.53	20137.67	72.35	63.00
Dec, 2013	21483.74	20568.70	80.80	63.70
Jan, 2014	21409.66	20343.78	103.45	71.30
Feb, 2014	21140.51	19963.12	134.00	98.00
Mar, 2014	22467.21	20920.98	124.90	108.00

General Shareholder Information

Annual General Meeting Date, Time	:	21st day of July, 2014 at 11.00 a.m.
Venue	:	**Registered Office:** 59-A, NSEZ, Phase-II, Noida, District Gautam Budh Nagar, U.P.- 201305.
Financial Year	:	1st April to 31st March of the succeeding year.
Date of Book Closure	:	21st July 2014
Listing on Stock Exchange	:	BSE Limited, 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400051
Stock Code	:	BSE-517296 NSE - PHOENIXLL
ISIN number for NSDL & CDSL	:	ISIN INE455B01016

Share Transfer System

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

INVESTORS CORRESPONDENCE

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

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

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

DISTRIBUTION OF SHAREHOLDING

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2014 is as under:-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No.of Shares	% of Holding
1 - 500	16832	93.32	2270311	8.10
501 - 1000	567	3.14	464090	1.66
1001 - 2000	264	1.46	407050	1.45
2001 - 3000	123	0.68	316894	1.13
3001 - 4000	39	0.22	141497	0.50
4001 - 5000	46	0.26	212506	0.76
5001 - 10000	87	0.48	601441	2.1
10001& above	79	0.44	23605511	84.25
TOTAL	**18037**	**100.00**	**28019300**	**100.00**

(b) **Shareholding Pattern as on 31st March, 2014**

Category	No. of Shares held	Percentage
Promoters	19882587	70.96
Institutional Investors		
Mutual Funds & UTI	4,200	00.02
Banks, Financial Institutions and Insurance Companies	700	00.00
FII's	907190	03.24
Others		
Private Bodies Corporate	1274792	04.55
Individual	5653968	20.18
NRIs / OCBs	295863	01.05
TOTAL	**28019300**	**100.00**

Dematerialisation of Shares

94.17% of the shareholding of the Company have been dematerialised as on 31.03.2014 and there is sufficient liquidity in the stock.

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

Plant Locations	:	59-A, Noida Special Economic Zone, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305;
	:	59-D, Noida Special Economic Zone, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201 305;
	:	A-1, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.- 201305
Address for correspondence	:	59-A, Noida Special Economic Zone, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305. Phone : 91-11-0120-4012222, Fax : 91-11-0120-2562943 email : investor.relations@phoenixlamps.co.in

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND FOR THE YEAR 2006-2007 TO INVESTORS EDUCATION PROTECTION FUND (IEPF) OF CENTRAL GOVERNMENT

Your Company in the year 2007, for the financial year 2006-2007 had declared its 4th Dividend to its Equity Shareholders on 30th July, 2007 at the rate of 30% i.e. Rs. 3.00 for every equity share held.

The period of declaration of Dividend expires on 29th July, 2014. Upon completion of 7 years of declaration of dividend, the balance unclaimed dividend is required to be transferred to Investor Education Protection Fund (IEPF) account of the Central Government pursuant to the provisions of Section 125 of the Companies Act, 2013 (Corresponding to section 205C of the Companies Act, 1956).

Shareholders whose Dividend remain unclaimed are required to request to the Company's Secretarial Department at the Registered Office by sending letter in original duly signed by the registered shareholder. Upon verification unpaid/unclaimed dividend would sent to the registered shareholders. Dividend unclaimed on and after 29th July, 2014 would be transferred to Investor Education Protection Fund account of the Central Government.

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.phoenixlamps.co.in. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31st, 2014.

Sd/-
Pranay D. Gandhi
Managing Director

Place : Noida
Date : May 27, 2014.

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Phoenix Lamps Limited
59 A, NSEZ Noida, Phase - II,
District Gautam Budh Nagar
Uttar Pradesh - 201305

We have examined all relevant records of Phoenix Lamps Limited (the Company) for the purpose of certifying of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended 31st March 2014. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

For **Chandrasekaran Associates**
Company Secretaries

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

Place : Noida
Date : May 27, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Phoenix Lamps Limited (Formerly Halonix Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Phoenix Lamps Limited (Formerly Halonix Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

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

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

Emphasis of Matter

We draw attention to the fact that the Company has made requisite applications to the Central Government seeking approval for the remuneration aggregating to Rs. 182.44 lacs paid in earlier years to the erstwhile Managing Directors in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government and for which approval is awaited. Pending receipt of the same, no adjustments have been made in these financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

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

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date : May 27, 2014

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

Re: Phoenix Lamps Limited

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the Company has disposed off fixed assets amounting to Rs. 5,102.62 lacs in relation to the General Lighting Division of the Company by way of slump sale. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said fixed assets has not affected the going concern status of the Company. (Refer Note 45)

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

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

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

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

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

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

(v) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (v) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

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

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

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, related to the manufacture of the products to which the said rules are applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.

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

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

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

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the Amount relates	Forum where dispute Pending
Delhi Sales Tax Act 1975	Sales Tax demand	0.82	FY 1994-95	D.C. – Appeal IV, Delhi
Income Tax Act 1961	Income tax demands	3,671.39	AY 2010-11	CIT Appeals, Noida
Service Tax	Penalty against Service tax demand	10.27	FY 2009-10 & 2010-11	Addl. Commissioner, Service Tax, Noida

(Does not include demands outstanding in relation to General Lighting business which are to be borne by Halonix Technologies Private Limited ("HTPL") to whom the business has been transferred, in accordance with the Business Transfer Agreement signed by the Company with HTPL.)

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

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

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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

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

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

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

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

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

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

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

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

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date: May 27, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	NOTES	March 31, 2014	March 31, 2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**4,117.93**	4,117.93
Reserves and Surplus	4	**12,074.43**	8,302.95
		16,192.36	12,420.88
Non-Current Liabilities			
Long Term Borrowings	5	–	1,050.00
Trade Payables	6	–	9.16
Long-Term Provisions	7	**411.23**	494.02
		411.23	1,553.18
Current Liabilities			
Short Term Borrowings	8	**2,849.63**	11,211.71
Trade Payables	9	**3,472.53**	7,301.17
Other Current Liabilities	9	**1,788.07**	2,538.72
Short-Term Provisions	7	**3,850.56**	1,585.76
		11,960.79	22,637.36
	Total	**28,564.38**	36,611.42
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	**3,121.64**	8,904.88
Intangible Assets	11	**17.47**	179.92
Capital Work-in-Progress		**5.93**	–
Deferred tax Assets (net)	12	**112.43**	–
Non- Current Investments	13	**7,926.68**	28.69
Long-Term Loans and Advances	14	**1,005.93**	310.73
Trade Receivables	15	–	51.13
Other Non-Current Assets	16	–	102.04
		12,190.08	9,577.39
Current Assets			
Inventories	17	**4,820.28**	8,877.21
Trade Receivables	15	**7,018.77**	16,322.26
Cash and Bank balances	18	**1,960.63**	696.65
Short-Term Loans and Advances	14	**2,478.15**	1,137.91
Other Current Assets	16	**96.47**	–
		16,374.30	27,034.03
	Total	**28,564.38**	36,611.42
Summary of Significant Accounting Policies	2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	Notes	Year Ended March 31, 2014	Year Ended March 31, 2013
Income	**19**		
Revenue from Operations (gross)		**38,615.16**	45,036.70
Less: Excise Duty		**(1,526.90)**	(1,343.53)
Revenue from Operations (net)		**37,088.26**	43,693.17
Other income	**20**	**1,787.03**	438.41
Total Revenue		**38,875.29**	44,131.58
Expenses			
Cost of materials consumed	21	**18,837.38**	27,255.45
Purchase of traded goods	22	**1,666.06**	2,234.80
Decrease in inventories	22	**1,099.79**	472.23
Employee benefit expenses	23	**4,784.85**	5,902.02
Finance cost	24	**1,128.79**	1,996.04
Depreciation and amortization expense	25	**930.90**	1,419.88
Other expenses	26	**4,333.87**	5,706.61
Total expenses		**32,781.64**	44,987.03
Profit/(Loss) before exceptional items and tax		**6,093.65**	(855.45)
Exceptional items	27	**(3,990.92)**	–
Profit/(Loss) Before Tax (including Rs 3,781.00 lacs (March 31, 2013 Loss Rs 3,956.70 lacs) for discontinued operations- Refer Note 45)		**10,084.57**	(855.45)
Tax expense:			
Current Income tax		**(1,973.51)**	–
MAT Credit Entitlement		**792.98**	–
Deferred tax credit		**112.43**	–
Total Tax expense (including Rs. 1,230.35 lacs (March 31, 2013 Rs. Nil) for discontinued operations- Refer Note 45)		**(1,068.10)**	–
Profit/ (Loss) for the year (including Rs 2,550.65 lacs (March 31, 2013 Loss Rs 3,956.70 lacs) for discontinued operations- Refer Note 45)		**9,016.47**	(855.45)
Earnings Per Equity Share			
[nominal value of each shares Rs 10 each,			
(March 31, 2013: Rs. 10 each)]			
Basic and diluted (Rs.)	28	**32.18**	(3.05)
Summary of Significant Accounting Policies	2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	March 31, 2014	March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax including the results of discontinued operations	10,084.57	(855.45)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	930.90	1,419.88
Interest paid	1,022.73	1,917.83
Interest income	(204.33)	(23.27)
Gain on sale of General Lighting Division	(3,975.92)	–
Loss on disposal of fixed assets (net)	1.58	14.33
Gain on sale of Trade Investments in a subsidiary company	(15.00)	–
Provision for diminution in value of investments written back	(5.00)	–
Reversal of provision for doubtful debts / advances (net)	(169.01)	(417.76)
Reversal of provision for obsolete inventory	(224.61)	(478.32)
Operating Profit before Working Capital changes	7,445.91	1,577.24
Movement in Working Capital		
Decrease/(Increase) in Trade receivables	2,932.35	(3,397.05)
(Increase)/Decrease in Inventories	(1,028.06)	1,583.95
(Increase)/Decrease in Long term Loans and advances	(6.92)	5.12
Decrease in Short term Loans and advances	136.32	1,443.77
(Increase) in Other assets	(95.27)	–
Increase in Trade payables	1,409.43	1,483.41
(Decrease) / Increase in Other current liabilities	(306.15)	521.56
Increase in Short term provisions	159.28	874.44
Increase in Long term provisions	33.23	96.69
Cash Generated from Operations	10,680.12	4,189.13
Income Taxes Paid	(3,611.33)	(1.92)
Net Cash Generated from Operating Activities (A)	7,068.79	4,187.21
Cash Flows from Investing Activities		
Purchase of fixed assets, intangible assets, CWIP and capital advances	(101.83)	(293.86)
Proceeds from disposal of fixed assets	13.31	7.19
Purchase of non-current Investments in a subsidiary company	(7,897.99)	(28.69)
Sale of Investment in a subsidiary company	20.00	–
Investments in bank deposits (having original maturity of more than three months)	(560.70)	(297.96)
Redemption/maturity of bank deposits (having original maturity of more than three months)	735.67	152.92
Interest Received	201.28	26.99
Net Proceeds on account of Sale of General Lighting Division	7,659.25	–
Net Cash from / (used in) Investing Activities (B)	68.99	(433.41)
Cash Flows from Financing Activities		
Proceeds from long term borrowings	–	2,000.00
Repayment of long term borrowings	(1,190.00)	(1,260.00)
Repayment of short term borrowings (net)	(2,010.00)	(1,733.80)
Repayment of short term borrowings	–	(1,160.00)
Interest paid	(971.35)	(1,917.83)
Dividend paid including Dividend Distribution Tax	(1,603.87)	(13.58)
Net cash (used in) / from Financing Activities (C)	(5,775.22)	(4,085.21)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	1,362.56	(331.41)
Cash and cash equivalents at the beginning of the Year	491.49	822.90
Cash and cash equivalent transferred on sale of General Lighting Division	(4.09)	–
Cash and cash equivalents at the end of the Year	1,849.96	491.49
Components of cash and cash equivalents		
Cash on Hand	1.47	1.22
Balances with banks		
- In current accounts	40.07	413.65
- In cash credit account	3.62	7.01
- Unpaid Dividend Accounts *	104.80	69.61
- Deposits with Maturity of Less than 3 Months	1,700.00	–
Cash and cash equivalents	1,849.96	491.49
*These Balances are not availabe for the use by the Company		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner

M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary
Place : Noida

Notes to financial statements for the year ended March 31, 2014

1. Nature of Operation

Phoenix Lamps Limited (Formerly Halonix Limited) (hereinafter referred to as “the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. The Company has changed its name from Halonix Limited to Phoenix Lamps Limited during the year. The Company is engaged in manufactuing of Auto Lamps and caters to both domestic and international markets. During the current year, the General Lighting Lamps business has been sold to Halonix Technologies Private Limited ("HTPL") (formerly Halonix Technologies Limited) and the said business has been shown as discontinued operations in the financial statements.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with Gereral Circular 08/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of Estimates

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

(c) Tangible Fixed Assets

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

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

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

(d) Depreciation on tangible fixed assets

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

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

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

iv) The Company has reassessed the remaining useful life of certain plant and machinery having gross block of Rs. 261.54 lacs and accordingly has provided accelerated depreciation on these assets to depreciate them fully during the year (Refer Note 46).

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

(e) Intangible Assets

Softwares

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

Research and Development Costs

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

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

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

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

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

(f) Impairment of Tangible and Intangible Fixed Assets

The Company assesses at each reporting date whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists or when annual impairement testing is required, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

(g) Retirement and other employee benefits

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

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

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

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

(h) Foreign Exchange Transaction

Initial Recognition:

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

Conversion:

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

Exchange Difference:

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

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

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

(i) Inventory Valuation:

Inventories are valued as follows:

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

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

Work in Progress and Finished Goods :

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

Traded goods:

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

Scrap: Net realizable value.

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

(j) Leases:

Where the Company is lessee

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

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

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

(k) Revenue Recognition:

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

Sale of goods

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

Interest

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

(l) Investments

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

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

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

(m) Income Taxes

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

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

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

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

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

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

(n) Provisions:

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

Warranty Provisions

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

(o) Borrowing Cost

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

(p) Earnings Per Share:

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

(q) Segment reporting

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(r) Contingent liabilities

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

(s) Cash and cash equivalents

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

Notes to financial statements for the year ended March 31, 2014

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

Particulars	March 31, 2014	March 31, 2013
Authorized Shares		
41,000,000 (March 31, 2013: 41,000,000) equity shares of Rs. 10/- each	**4,100.00**	4,100.00
2,900,000 (March 31, 2013: 2,900,000) redeemable preference shares of Rs. 100/- each	**2,900.00**	2,900.00
	7,000.00	7,000.00
Issued, Subscribed and Paid-Up Shares		
28,019,300 (March 31, 2013: 28,019,300) equity shares of Rs 10/- each fully paid up	**2,801.93**	2,801.93
1,316,000 (March 31, 2013: 1,316,000) 0% redeemable preference shares of Rs 100/- each fully paid up	**1,316.00**	1,316.00
Total	**4,117.93**	4,117.93

Terms/ rights attached to equity shares:

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

During the year ended March 31, 2014, interim dividend of Rs. 5 per share has been paid to the equity shareholders. (March 31, 2013: Nil).

Further, the Company has recognised final dividend of Rs. 11 per share including Rs. 10 per share as special dividend (March 31, 2013: Nil) as distribution to the equity shareholders.

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

Terms/ rights attached to preference shares:

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

As per the scheme of Arrangement of Share Capital u/s 391 of Companies Act, 1956 approved by Hon'ble Allahabad High Court vide order dated 22.02.2000 & 22.04.2002, the Company had converted 13,160,000 equity shares of face value of Rs. 10/- each aggregating to Rs. 1,316 lacs into 1,316,000 Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 1,316 lacs. Redeemable Preference shares do not carry any dividend rights. Out of 1,316,000 Redeemable Preference shares, 550,000 Redeemable Preference Shares are redeemable at par after April 1, 2012 and 766,000 Redeemable Preference Shares are redeemable at par after March 31, 2007 on such date as the Board of Directors may determine.The Board of Directors of the Company in its meeting held on January 31, 2014 and on May 27,2014 has approved redemption of 7,66,000 & 5,50,000 Redeemable Preference Shares respectively, subject to statutory approvals and compliances.

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

Equity Shares

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
At the beginning of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93
Outstanding at the end of the year	**28,019,300**	**2,801.93**	**28,019,300**	**2,801.93**

Preference Shares

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
At the beginning of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00
Outstanding at the end of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00

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

Particulars	March 31, 2014	March 31, 2013
Argon India Limited, the holding company 15,906,070 (March 31, 2013: 14,807,670) equity shares of Rs. 10 each fully paid up	**1590.61**	1480.77
Total	**1,590.61**	1,480.77

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

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
(i) Argon India Limited, Foreign Promoter and holding company	**15,906,070**	**56.77%**	14,807,670	52.85%
(ii) Argon South Asia Limited, Foreign Promoter	**3,976,517**	**14.19%**	3,701,917	13.21%
(iii) Official liquidator - Soei Tsusho Company Limited, Foreign Corporate Body	–	–	1,880,000	6.71%
Redeemable preference shares of Rs.100 each fully paid				
(i) Phoenix Electric Company Limited, Japan, Foreign Corporate Body(Presently known as Helios Techno Holding Company Limited)	**1,316,000**	**100%**	1,316,000	100%

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

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

Particulars	March 31, 2014	March 31, 2013
Securities premium account (As per the last financial statements)	**3,733.86**	3,733.86
Capital subsidy (As per the last financial statements)	**40.00**	40.00
Capital redemption reserve (As per the last financial statements)	**1,621.00**	1,621.00
General reserve (As per the last financial statements)	**23.57**	23.57
Add: Amount transferred from surplus balance in statement of profit and loss	**901.65**	–
Closing Balance	**925.22**	23.57
Surplus in the Statement of profit and loss		
Credit balance as per the last financial statements	**2,884.52**	3,739.97
Add: Net profit/(loss) after tax transferred from Statement of profit and loss	**9,016.47**	(855.45)
Less Appropriations:		
Interim equity dividend (Amount per share Rs. 5 (March 31, 2013: Nil))	**1,400.97**	–
Proposed final dividend (Amount per share Rs 11 (March 31, 2013: Nil))*	**3,082.12**	–
Tax on equity dividend	**761.90**	–
Amount transferred to general reserve	**901.65**	–
Net surplus in the Statement of profit and loss	**5,754.35**	**2,884.52**
Total	**12,074.43**	**8,302.95**

*The Board of Directors at its meeting held on May 27, 2014 has recommended a final dividend of Rs. 11 per equity share including Rs. 10 per equity share as special dividend.

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

Particulars	Non-current portion		Current maturities	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Term Loan				
Indian rupee loan from a bank (secured)	–	1,050.00	**1,050.00**	1,190.00
	–	1,050.00	**1,050.00**	1,190.00
The above amount includes				
Secured borrowings	–	1,050.00	**1,050.00**	1,190.00
Amount disclosed under the head “other current liabilities” (refer note 9)	–	–	**(1,050.00)**	(1,190.00)
Net amount	–	1,050.00	–	–

The long term loan from Axis Bank Limited is secured by first pari passu charge on movable and immovable fixed assets of the Company situated at Plot No. 59 A, 59 D & A1 at Noida. The loan is repayable in 10 equated quarterly installment of Rs. 350 lacs from September 30, 2012 and carries interest ranging from 13.25% to 13.50% during the year.

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

Particulars	March 31, 2014	March 31, 2013
Trade Payables	–	9.16
Total	–	9.16

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

Particulars	Long Term		Short Term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Leave Encashment	–	–	116.97	154.95
Gratuity (Refer note 41)	411.23	494.02	95.66	129.58
	411.23	494.02	212.63	284.53
Other provision				
Provision for Post-sales warranties *	–	–	32.00	1,301.23
Proposed final dividend	–	–	3,082.12	–
Provision for tax on proposed final dividend	–	–	523.81	–
	–	–	3,637.93	1,301.23
Total	411.23	494.02	3,850.56	1,585.76

* Provision for post-sales warranties was mainly in respect of General Lighting Division of the Company, which has been sold during the year (Refer note 45). The same was being recognised based on historical experience and future estimate of claims by the management. The Company is carrying post sales warranties provision for Auto Lamps and it is expected that significant portion of these costs will be incurred in the next financial year.

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

Particulars	March 31, 2014	March 31, 2013
Balance at the beginning of the year	1,301.23	297.82
Recognized during the year*	818.76	3,733.81
Utilised during the year	(728.84)	(2,730.40)
Liability Transferred on sale of General Lighting Division	(1,359.15)	–
Balance at the end of the year	32.00	1,301.23

*Rs. 272.53 lacs (March 31, 2013: Rs. 854.30 lacs) debited in sales and Rs. 566.23 lacs (March 31, 2013: Rs. 2,879.51 lacs) debited in raw material consumption.

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

Particulars	March 31, 2014	March 31, 2013
Working Capital facilities from banks (secured)		
Cash credit facilities from banks	**2,849.63**	9,132.07
Bill Discounting from a bank	**–**	2,079.64
	2,849.63	11,211.71
The above amount includes:		
Secured borrowings	**2,849.63**	11,211.71
Unsecured borrowings	**–**	–

Working capital facilities from banks are secured by first pari-passu charge by way of hypothecation of entire Current Assets of the Company, both present and future situated at Plot No. 59 A, 59 D & A1 at Noida and further secured by way of first pari passu on movable and immovable fixed assets of the Company situated at Plot No. 59 A, 59 D & A1 at Noida. These loans are repayable on demand and carry interest varied from 10.75% to 14.60% during the year.

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

Particulars	March 31, 2014	March 31, 2013
Trade payable (refer note 38 for details of dues to micro and small enterprises) (including Acceptances* of Rs. 1,376.10 lacs, March 31, 2013: Rs. 1,389.46 lacs)	**3,472.53**	7,301.17
	3,472.53	7,301.17
Other current liabilities:		
Current maturities of long term borrowings (Refer note 5)	**1,050.00**	1,190.00
Interest accrued but not due on loans	**14.06**	–
Employee Payable	**259.04**	794.22
Security deposits received	**1.50**	–
Payable towards capital goods	**5.88**	–
Advances from customers and their credit balances	**225.39**	200.99
Sales tax/ VAT/Entry Tax payable	**8.65**	119.09
Excise Duty/Custom Duty Payable	**30.59**	28.73
Service tax payable	**16.25**	4.06
Provident Fund Payable/ ESI Payable	**27.32**	51.54
TDS payable	**44.59**	80.48
Investor Education and Protection Fund will be credited by following amount(as and when due)		
Unpaid dividend	**104.80**	69.61
	1,788.07	2,538.72
Total	**5,260.60**	9,839.89

* Acceptances represent amount outstanding under Purchase Bill Discounting Facility of Rs. 1,500 lacs under Receivable Finance Scheme of Small Industries Development Bank of India (SIDBI). The said facility is secured by second charge on all movable and immovable fixed assets of the Company and residual charge on the current assets of the Company.

Note 10: Tangible assets (Rs. in Lacs)

Particulars	LEASE HOLD LAND	BUILDINGS	PLANT & MACHINERY	FURNITURE & FIXTURES	LEASED HOLD IMPROVEMENT	OFFICE EQUIPMENT	COMPUTERS	VEHICLES	Total
Cost									
At 1 April 2012	**370.16**	**3,169.15**	**23,431.25**	**302.24**	**94.02**	**280.42**	**459.86**	**131.02**	**28,238.12**
Additions	-	-	194.79	-	-	3.43	11.78	0.63	210.63
Disposals	-	-	7.19	10.66	-	3.03	2.37	11.92	35.17
At 31 March 2013	**370.16**	**3,169.15**	**23,618.85**	**291.58**	**94.02**	**280.82**	**469.27**	**119.73**	**28,413.58**
Additions	-	-	88.27	-	-	6.53	5.17	-	99.97
Disposals	-	-	219.81	-	-	0.25	13.44	49.62	283.12
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 45)	242.05	1,900.51	10,796.07	153.47	94.02	121.15	142.92	36.42	13,486.61
At 31 March 2014	**128.11**	**1,268.64**	**12,691.24**	**138.11**	**-**	**165.95**	**318.08**	**33.69**	**14,743.82**
Depreciation									
At 1 April 2012	**31.69**	**854.10**	**16,815.75**	**158.35**	**14.00**	**103.15**	**262.03**	**73.65**	**18,312.72**
Charge for the year	4.33	104.58	980.99	12.09	23.51	11.94	68.55	11.39	1,217.38
Disposals	-	-	5.57	3.56	-	0.77	1.90	9.59	21.39
At 31 March 2013	**36.02**	**958.68**	**17,791.17**	**166.88**	**37.51**	**114.32**	**328.68**	**75.45**	**19,508.71**
Charge for the year (Refer Note 46)	2.76	67.55	712.84	6.41	10.00	10.23	49.97	5.77	865.53
Disposals	-	-	219.81	-	-	0.01	12.38	36.04	268.24
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 45)	**17.44**	**450.44**	**7,781.63**	**52.25**	**47.51**	**24.53**	**82.23**	**27.79**	**8,483.82**
At 31 March 2014	**21.34**	**575.79**	**10,502.57**	**121.04**	**-**	**100.01**	**284.04**	**17.39**	**11,622.18**
Net Block									
As at 31 Mar 2013	**334.14**	**2,210.47**	**5,827.68**	**124.70**	**56.51**	**166.50**	**140.59**	**44.28**	**8,904.87**
As at 31 Mar 2014	**106.77**	**692.85**	**2,188.67**	**17.07**	**-**	**65.94**	**34.04**	**16.30**	**3,121.64**

(1) The Company has taken a property at A1, Noida on Lease for 78 years from the Noida Authority. The amount of Rs. 128.11 Lacs paid by the Company at the time of entering into lease agreement is disclosed as 'Leasehold Land' above.

(2) Buildings include building of gross block Rs. 590.64 lacs, WDV Rs. 244.87 lacs (March 31, 2013: gross block of Rs 590.64 lacs, wdv of Rs.263.33 lacs) constructed on leased land belonging to Noida Special Economic Zone. During the year, depreciation of Rs.18.46 lacs (March 31, 2013: Rs.18.46 lacs) has been charged on this building.

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

Particulars	DEVELOPMENT COST	SOFTWARE	TOTAL
Gross block			
At 1 April 2012	**598.90**	**332.19**	**931.09**
Additions	–	43.98	43.98
At 31 March 2013	**598.90**	**376.17**	**975.07**
Additions	–	2.76	2.76
Disposals	–	–	–
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 45)	**598.90**	**61.93**	**660.83**
At 31 March 2014	–	**317.00**	**317.00**
Amortization			
At 1 April 2012	**359.49**	**233.16**	**592.65**
Charge for the year	119.93	82.57	202.50
At 31 March 2013	**479.42**	**315.73**	**795.15**
Charge for the year	49.90	15.47	65.37
Disposals	–	–	–
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 45)	529.32	31.67	560.99
At 31 March 2014	–	**299.53**	**299.53**
Net block			
As at 31 Mar 2013	**119.48**	**60.44**	**179.92**
As at 31 Mar 2014		**17.47**	**17.47**

Note 12: Deferred tax assets (net) **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Deferred tax assets		
Effect of expenditure debited to Statement of Profit and Loss in the current/earlier periods but allowable for tax purposes in the following years	**282.51**	285.48
Provision for doubtful debts and advances	**3.80**	180.31
Provision for obsolete inventory	**105.40**	369.23
Unabsorbed depreciation and brought forward tax losses	**–**	1,569.94
Gross deferred tax assets	**391.71**	2,404.96
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting	**279.28**	949.11
Gross deferred tax liability	**279.28**	949.11
Net deferred tax assets	**112.43**	1,455.85
Less: Deferred tax not recognised due to lack of virtual certainity	**–**	(1,455.85)
Net deferred tax assets	**112.43**	–

Note 13: Non Current Investments **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
Nil (March 31,2013: 50,000) Equity shares of Rs 10 each fully paid up in Halonix Technologies Limited	–	–
(At cost less provision for other than temporary diminution in value Nil (March 31, 2013: Rs. 5.00 lacs)		
9,340,000 (March 31, 2013: 40,000) Equity shares of EURO 1 each fully paid up in International Lamps Holding Company S.A. Luxembourg	7,923.03	25.04
5,000 (March 31, 2013: 5,000) Equity shares of EURO 1 each fully paid up in Trifa Lamps Germany, GMBH	3.65	3.65
Total	7,926.68	28.69
Aggregate amount of unquoted investments	7,926.68	28.69
Aggregate provision for diminution in value of investments	–	5.00

Note 14: Loans And Advances (Unsecured) **(Rs. in Lacs)**

Particulars	Non-Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Capital advances				
Considered Good	2.38	3.50	–	–
(A)	2.38	3.50	–	–
Security Deposits				
Considered Good	70.25	163.86	1.44	53.44
Considered Doubtful	–	7.93	–	–
	70.25	171.79	1.44	53.44
Provision for doubtful Security Deposits	–	(7.93)	–	–
(B)	70.25	163.86	1.44	53.44
Loan and advances to related parties (Refer note 39)				
Considered Good	–	–	–	–
Considered Doubtful	–	–	–	205.94
	–	–	–	205.94
Provision for doubtful loans and advances	–	–	–	(205.94)
(C)	–	–	–	–
Advances recoverable in cash or in kind				
Considered Good	–	–	41.50	206.11
Considered Doubtful	–	–	–	23.95
	–	–	41.50	230.06
Provision for doubtful loans and advances	–	–	–	(23.95)
(D)	–	–	41.50	206.11
Other loans and advances				
Considered Good				
Advance income taxes/tax deducted at source (Net of provision of Income tax)	–	–	2,062.41	460.50
Prepaid expenses	–	–	110.97	176.83
MAT credit entitlement (refer note 42(a))	853.01	60.03	–	–
Loans and advances to employees	–	–	7.74	10.36
Balances with statutory / government authorities	80.29	83.34	254.09	230.67
(E)	933.30	143.37	2,435.21	878.36
Total	1,005.93	310.73	2,478.15	1,137.91

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

Particulars	March 31, 2014	March 31, 2013
Non Current		
Outstanding for a period not exceeding six months from the date they are due for payment		
Considered Good	–	51.13
	–	51.13
Current		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	**0.36**	6,317.21
Considered Doubtful	**9.96**	376.37
	10.32	6,693.58
Provision for doubtful receivables	**9.96**	376.37
	0.36	6,317.21
Other Receivables*		
Considered Good	**7,018.41**	10,005.05
Considered Doubtful	**1.29**	40.02
	7,019.70	10,045.07
Provision for doubtful receivables	**1.29**	40.02
	7,018.41	10,005.05
Total	**7,018.77**	16,322.26

*net of debts amounting to Rs. Nil (March 31,2013: Rs. 306.99 lacs) discounted from a bank against bill discounting facility taken by a customer with the bank.

Note 16: Other Assets (Unsecured, Considered Good) **(Rs. in lacs)**

Particulars	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Deposits with maturity more than 12 months	–	102.04	–	–
Other receivables from Related Party (Refer Note 39)	–	–	**95.27**	–
Interest Receivable	–	–	**1.20**	–
Total	–	102.04	**96.47**	–

Note 17: Inventories (valued at lower of cost or net realizable value) **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Raw Materials (includes in transit Rs 474.96 lacs (March 31,2013: Rs. 514.85 lacs) (Refer note 21)	**2,189.44**	2,767.94
Fuels	**38.45**	35.40
Consumables	**22.27**	48.49
Packing Materials	**84.42**	158.95
Stores and Spares	**237.15**	245.58
Finished Goods (refer note 22)	**1,129.20**	3,402.46
Work in Progress (refer note 22)	**1,382.24**	2,311.76
Traded Goods (refer note 22)	**94.59**	906.86
Scrap (refer note 22)	**6.06**	96.18
	5,183.82	9,973.62
Less:- Provision for obsolete inventories	**(363.54)**	(1,096.41)
Total	**4,820.28**	8,877.21

Note 18: Cash and Bank balances **(Rs. in Lacs)**

Particulars	Non Current		Current	
	March 31, 2014	March 31,2013	**March 31, 2014**	March 31,2013
Cash and cash equivalents				
Balances with banks				
in current accounts	–	–	**40.07**	413.65
in cash credit accounts	–	–	**3.62**	7.01
as deposits with original maturity of less than three months	–	–	**1,700.00**	–
in unpaid dividend accounts*	–	–	**104.80**	69.61
Cash in hand	–	–	**1.47**	1.22
Total (A)	–	–	**1,849.96**	491.49
Other bank balances				
Deposits with original maturity of more than 12 months**	–	102.04	**110.67**	205.16
	–	102.04	**110.67**	205.16
Less : Amount disclosed under non current assets (Refer note 16)	–	(102.04)	–	–
Total (B)	–	–	**110.67**	205.16
Total (A+B)	–	–	**1,960.63**	696.65

*These balances are not available for the use by the Company as they represent corresponding unclaimed dividend liabilities.

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

Note 19: Revenue from operations **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Revenue from operations		
Sale of products:		
Finished Goods	**36,432.45**	42,076.25
Traded Goods	**1,912.76**	2,804.87
Other operating revenue:		
Scrap Sales	**269.95**	155.58
Revenue from operations (gross)	**38,615.16**	45,036.70
Less: Excise Duty	**(1,526.90)**	(1,343.53)
Revenue from operations (net) Total	**37,088.26**	43,693.17

Sales is net of credit notes amounting to Rs. 272.53 lacs (March 31, 2013: Rs. 854.30 lacs) issued/to be issued towards warranty claims.

Excise duty on sales amounting to Rs.1,526.90 lacs (March 31,2013: Rs. 1,343.53 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to Rs. 42.36 lacs (March 31,2013: Rs. 0.81 lacs) has been considered as (income)/expense in note 26 of financial statements.

Detail of products sold

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Finished Goods		
Auto	**25,287.51**	21,260.88
General Lighting Lamps	**11,144.94**	20,815.37
	36,432.45	42,076.25
Traded Goods		
Luminaries & Fittings	**1,663.29**	2,699.36
Others	**249.47**	105.51
	1,912.76	2,804.87

Note 20: Other Income **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Interest income		
Fixed Deposits	**195.47**	19.19
Others	**8.86**	4.07
Foreign exchange gain (net)	**1,511.22**	196.14
Provision for Diminution in the value of investment written back	**5.00**	–
Unspent Liabilities Written back	**57.42**	193.48
Miscellaneous income	**9.06**	25.53
Total	**1,787.03**	438.41

EXPENSES

Note 21: Cost of materials consumed **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Raw Materials *	**16,670.42**	24,413.54
Fuels	**927.48**	1,165.86
Consumables	**202.26**	300.99
Packing Materials	**1,037.22**	1,375.06
Total	**18,837.38**	27,255.45

*Raw materials consumed includes cost of material issued/to be issued amounting to Rs. 566.23 lacs (March 31,2013: Rs. 2,879.51 lacs) as free replacement against warranty claims.

*Net of Raw materials sales of Rs. 2,021.51 lacs (March 31,2013: Rs. 3,758.31 lacs) for job work. **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Details of raw materials consumed		
Glass Tube	**2,094.01**	2,353.27
Lamp Base Parts	**3,750.38**	4,451.01
PCB/PCB Components	**2,758.49**	6,119.07
Imported Bulb	**1,066.53**	1,497.01
Others	**7,001.01**	9,993.18
	16,670.42	24,413.54
Details of inventory		
Glass Tube	**725.30**	398.98
Lamp Base Parts	**470.30**	417.88
PCB/PCB Components	–	502.61
Imported Bulb	**82.39**	312.89
Others	**911.45**	1,135.58
	2,189.44	2,767.94

Note 22: Decrease in inventories **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013	(Increase) / decrease
Opening Stock			
Finished Goods	**3,402.46**	3,563.54	(161.08)
Traded Goods	**906.86**	1,523.71	(616.85)
Work in Progress	**2,311.76**	2,009.86	301.90
Scrap	**96.18**	92.38	3.80
Total (A)	**6,717.26**	7,189.49	(472.23)
Closing stock			
Finished Goods	**(1,129.20)**	(3,402.46)	2,273.26
Traded Goods	**(94.59)**	(906.86)	812.27
Work in Progress	**(1,382.24)**	(2,311.76)	929.52
Scrap	**(6.06)**	(96.18)	90.12
Total (B)	**(2,612.09)**	(6,717.26)	4,105.17
Transferred on account of Slump sale of General Lighting Division* (C)	**(3,005.38)**	–	(3,005.38)
Decrease in inventories Total (C+B-A)	**1,099.79**	472.23	

*Closing Stock as at August 30, 2013 included Rs. 1,718.39 lacs of Finished goods, Rs. 833.54 lacs of Traded goods, Rs. 453.43 lacs of Work in Progress of General Lighting Division which has been sold off on slump sale basis to Halonix Technologies Private Limited.

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Details of purchase of traded goods		
Luminaries & Fittings	**1,512.58**	2,164.95
Others	**153.48**	69.85
	1,666.06	2,234.80
Details of inventory		
Finished goods		
Auto Lamp	**1,129.20**	1,196.12
General Lighting Lamps	–	2,206.34
	1,129.20	3,402.46
Traded goods		
Luminaries & Fittings	–	823.18
Others	**94.59**	83.68
	94.59	906.86
Work in progress		
Auto Lamp	**1,382.24**	1,812.19
General Lighting Lamps	–	499.57
	1,382.24	2,311.76

Note 23: Employee benefit expenses (Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Salaries, wages and bonus	**4,140.38**	5,118.87
Contribution to provident and other funds	**254.71**	336.67
Gratuity expense (refer note 41)	**150.54**	135.02
Staff welfare	**239.22**	311.46
Total	**4,784.85**	5,902.02

Note 24: Finance Cost (Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Interest on term loan	**242.74**	344.75
Interest others (including Rs. 35.90 lacs, March 31, 2013: Rs. 0.64 lacs on income tax)*	**779.99**	1,573.08
Other finance costs	**106.06**	78.21
Total	**1,128.79**	1,996.04

* net of refund of Rs. 83.66 lacs of penal interest charged by bank and expensed off in books in earlier years.

Note 25: Depreciation and amortization expense (Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Depreciation of tangible assets	**865.53**	1,217.38
Amortization of intangible assets	**65.37**	202.50
Total	**930.90**	1,419.88

Note 26: Other Expenses **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Consumption of stores and spares	389.03	436.70
Power and fuel	772.23	928.82
Rent	137.67	283.12
Rates and taxes	45.23	109.07
Increase/(Decrease) in excise duty on closing stock	42.36	(0.81)
Job work charges	264.73	507.38
Technician expenses	28.85	38.68
Printing and stationery	29.56	53.79
Vehicle running and maintenance	14.62	30.32
Insurance charges	92.50	126.80
Filing and legal charges	31.06	39.69
Travelling and conveyance	539.99	781.54
Communication expenses	64.44	101.96
Repair and maintenance :-		
Plant and machinery	45.63	45.94
Building	13.99	16.62
Others	87.52	107.06
Auditor's remuneration	36.03	50.34
Professional charges	437.01	609.39
Advertisement and sales promotion	246.64	500.61
Freight outward	709.59	1,436.02
Commercial Claims	324.38	–
Selling commission (other than to sole selling agents)	81.62	113.02
Cash Discount	49.02	–
Donation	0.19	0.10
Security services	70.15	95.59
Loss on disposal of fixed assets (Net)	1.58	14.33
Reversal of provision for doubtful debts / advances (net of write off of Rs. 311.46 lacs (March 31, 2013: Rs. 123.75 lacs)	(169.01)	(417.76)
Reversal of provision for obsolete inventories	(224.61)	(478.32)
Bank charges	107.74	80.90
Miscellaneous expenses	64.13	95.71
Total	**4,333.87**	5,706.61

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

Particulars	March 31, 2014	March 31, 2013
As Auditor:		
Audit fee	19.16	36.77
Tax audit fee	3.25	3.12
Limited Review	7.50	5.00
In other capacity:		
certification etc.	4.05	3.74
Out of pocket expenses	2.07	1.71
Total	**36.03**	50.34

Note 27: Exceptional item **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Gain on sale of General Lighting Division (Refer Note 45)	(3,975.92)	–
Gain on sale of Trade Investment in subsidiary company	(15.00)	–
Total	(3,990.92)	–

Note 28: Earnings per equity share (EPS) **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Profit / (Loss) after tax (Rs. In lacs)	9,016.47	(855.45)
Weighted average number of equity shares for calculating basic and diluted EPS (in Nos.)	28,019,300	28,019,300
Basic and Diluted earnings per share (in Rs.)	32.18	(3.05)
Nominal value of share (In Rs.)	10.00	10.00

Note 29: Capital and other commitments **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Estimated amount of unexecuted capital contracts (net of advances and deposits)	12.66	12.85

Note 30: Contingent Liabilities (To The Extent Not Provided) **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Contingent liabilities:		
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others.	1.54	153.20
Demands from the Indian tax authorities for disputed demands of income tax. The said amount includes mainly addition in sales, disallowance of purchases and other expenses and benefits for the assessment year 2009-10 & 2010-11.*	5,310.76	5,436.34
VAT/Sales Tax demands*	1.93	115.06
Excise duty paid under Protest*	66.18	66.18
Penalty against service tax demand*	10.27	–
Penalty for non fulfillment of export obligation by Director General of Foreign Trade Delhi.*	–	13.44
Penalty against Advance License by DGFT Delhi & Duty saved therein.*	–	156.50
Corporate Guarantee given to step down wholly owned subsidiary company	–	695.44
Standby Letter of credit in favour of a bank towards loan taken by a subsidiary company	1,486.38	1,252.34
Claims also includes suspension period wages*	132.29	113.80
Claims against the Company not acknowledged as debts*	511.89	–

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

The Contigent Liabilities disclosed above exclude liabilities pertaining to General Lighting business which are to be borne by Halonix Technologies Private Limited ("HTPL") to whom the business has been transferred in accordance with the Business Transfer Agreement signed by the Company with HTPL.

Note 31: Unhedged Foreign Currency Exposure **(in Lacs)**

Particulars		March 31, 2014		March 31, 2013	
	Currency	(In Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
Trade Payables	JPY	17.48	10.28	13.95	8.06
Trade Payables	EURO	13.05	1,077.41	8.26	574.40
Trade Payables	USD	3.74	224.77	11.17	607.77
Loans and advances	GBP	0.07	7.02	0.16	11.42
Loans and advances	USD	0.14	8.20	4.44	241.62
Trade & Other receivable	EURO	53.38	4,408.00	128.03	8,994.89
Trade & Other receivable	USD	1.89	113.68	7.14	388.42

Note 32: The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally cancelable and are renewable by mutually agreed terms. There are no restrictions imposed by Lease Agreements There are no sub leases. The disclosure in respect of non cancellable operating leases is given below:

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Total Lease Payment for the year (Recognized in the statement of profit and loss)	**36.11**	84.85
Total Lease Payment :-		
Not Later than one Year	–	88.63
Later than one year but not later than five years.	–	115.74
Later than five years.	–	–

Note 33: Value of Imported and Indigenous Raw Materials, fuels, consumables, packing materials, stores and spares consumed

(Rs. in Lacs)

Items	March 31, 2014	%	March 31, 2013	%
Raw Materials				
Imported	**7,792.98**	46.75%	12,840.99	52.52%
Indigenous	**8,877.44**	53.25%	11,572.55	47.48%
Total	**16,670.42**	**100.00%**	24,413.54	100.00%
Fuels, consumables, packing materials and stores and spares				
Imported	**167.94**	6.57%	157.87	4.82%
Indigenous	**2,388.05**	93.43%	3,120.76	95.18%
Total	**2,555.99**	**100.00%**	3,278.63	100.00%

Note 34: Value of Imports on CIF basis **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Raw Materials	**8,625.36**	10,828.09
Spare Parts/Consumable	**200.77**	138.77
Traded Goods	**346.51**	521.52
Total	**9,172.64**	11,488.38

Note 35: Expenditure in Foreign Currency **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Foreign Travel	**26.29**	37.59
Professional Fees	**161.43**	235.21
Selling Commission	**39.92**	66.12
Commercial Claims	**324.38**	–
Other expenses	**43.36**	197.40
Total	**595.38**	536.33

Note 36: Earnings in foreign currency **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
FOB Value of Export of Goods	**11,827.42**	8,810.14
Freight Recovery	**103.93**	–

Note 37: Dividends Remitted In Foreign Currencies

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

Particulars	March 31, 2014	March 31, 2013
Period to which it relates	**2013-2014**	–
Number of non-resident shareholders (includes Promoters and FII's)	**68**	–
Number of equity shares held on which dividend was due	**21,054,954**	–
Amount remitted (in USD)	**NIL**	–
Amount remitted (in INR)	**10,52,74,770**	–

Note 38: The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the Company, the details of dues to Micro and Small Enterprise as per MSMED Act, 2006 are as under:-

Particulars	March 31, 2014	March 31, 2013
I) The Principal amount and the interest due thereon remaining unpaid to any suppliers as at end of Year Principal Amount Unpaid:	**76.75**	471.54
Interest Due	**–**	–
ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the Year.	**–**	–
Payment made beyond the appointed date	**–**	–
Interest Paid beyond the appointed date	**–**	–
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	**–**	–
iv) The amount of interest accrued and remaining unpaid at the end of the year, and	**–**	–
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	**–**	–

Note 39: Related Party Disclosure

Nature of Relationship	Name of the Person
Related parties where control exists **i) Subsidiaries**	a) Halonix Technologies Private Limited ("HTPL") (Formerly Halonix Technologies Limited) (Ceased to be a wholly owned subsidiary w.e.f. August 30, 2013) b) International Lamps Holding Company S.A. (Wholly owned subsidiary w.e.f. December 3, 2012) c) Luxlite Lamps SARL Luxembourg ("Luxlite") (Downstream subsidiary w.e.f. December 3, 2012) d) Trifa Lamps Germany GmbH ("Trifa") (Downstream subsidiary w.e.f. December 3, 2012)
ii) Holding Company	a) Argon India Limited ("Argon India")
iii) Enterprises under Common Control (Fellow Subsidiary)	a) Argon South Asia Limited ("Argon South")
	b) Halonix Technologies Private Limited ("HTPL") (Formerly Halonix Technologies Limited) (w.e.f. August 31, 2013)
Related parties with whom transactions have taken place during the year	
iv) Key Management personnel	a) Mr. Gurvikram Singh (Managing Director) Resigned w.e.f November 18, 2013 b) Mr. Pranay D Gandhi (Managing Director) w.e.f. November 19, 2013.

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

Nature of Transactions	Subsidiary Company				Common Control		Holding Company	Key Management Personnel		Total
Transactions during the Year	**HTPL**	**Luxlite**	**Trifa**	**ILHC**	**Argon South**	**HTPL**	**Argon India**	**Mr. Gurvikram Singh**	**Mr. Pranay D Gandhi**	
I) Investments made	- (-)	- (-)	- (3.65)	7,897.99 (25.04)	- (-)	- (-)	- (-)	- (-)	- (-)	7,897.99 (28.70)
Sale of Investments	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	20.00 (-)	- (-)	- (-)	20.00 -
II) Loan /Advances Given	62.57 (6,880.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	62.57 (6,880.00)
Loan /Advances received back	268.51 (8,380.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	268.51 (8,380.00)
III) Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	81.17 (65.86)	44.20 (-)	125.37 (65.86)
IV) Bank Guarantees/ Standby Letter of Credit	- (-)	- (-)	1,486.38 (1,947.23)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,486.38 (1,947.23)
V) Dividend Paid	- (-)	- (-)	- (-)	- (-)	198.82 (-)	- (-)	795.30 (-)	- (-)	- (-)	994.12 -
VI) Sales	- (-)	4,114.67 (799.05)	5,022.80 (1,140.20)	- (-)	- (-)	303.60 (-)	- (-)	- (-)	- (-)	9,441.07 (1,939.25)
VII) Freight Recovery	- (-)	49.60 (-)	54.33 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	103.93 -
VIII) Sale of General Lighting Business on Slump Sale	- (-)	- (-)	- (-)	- (-)	- (-)	7,671.25 (-)	- (-)	- (-)	- (-)	7,671.25 -
IX) Commercial Claims given to the related party	- (-)	- (-)	324.38 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	324.38 -
X) Reimbursement of finance cost by the related party	- (-)	- (-)	95.27 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	95.27 -

Balances outstanding at the year end

Nature of Transactions	Subsidiary Company				Common Control		Holding Company	Key Management Personnel		Total
	HTPL	Luxlite	Trifa	ILHC	Argon South	HTPL	Argon India	Mr. Gurvikram Singh	Mr. Pranay D Gandhi	
I) Investments	-	-	3.65	7,923.03	-	-	-	-	-	7,926.68
	(5.00)	(-)	(3.65)	(25.04)	(-)	(-)	(-)	(-)	(-)	(33.69)
II) Loan Given	-	-	-	-	-	-	-	-	-	-
	(205.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(205.94)
III) Trade Payable	-	1.60		-	-	-	-	-	-	1.60
	(-)	(13.85)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(13.85)
IV) Managerial Remuneration Payable	-	-	-	-	-	-	-	-	10.44	10.44
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.87)	(-)	(2.87)
V) Trade & Other Receivables	-	2,920.79	1,457.29	-	-	3.95	-	-	-	4,382.03
	(-)	(7,490.94)	(1,230.90)	(-)	(-)	(-)	(-)	(-)	(-)	(8,721.84)
VI) Bank Guarantees/Standby Letter of Credit	-	-	1,486.38	-	-	-	-	-	-	1,486.38
	(-)	(-)	(1,947.23)	(-)	(-)	(-)	(-)	(-)	(-)	(1,947.23)

i) Previous Year figures are given in brackets.

ii) No amount has been written back /written off /provided for in respect of transactions with the related parties except for provision made for doubtful receivables of Rs 205.94 lacs in respect of Halonix Technologies Private Limited in the previous year which has been written back on realisation in the current year.

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

iv) The investment of Rs. 5 lacs made in Halonix Technologies Limited is fully provided in books in last year and has been written back during the year on sale of investment.

Note 40: Segment Reporting

Business Segments

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

(Rs. in Lacs)

	F.Y 13-14			F.Y 12-13		
Particulars	**Auto Lamps**	**General Lighting**	**Total**	**Auto Lamps**	**General Lighting**	**Total**
Revenue						
External Turnover	24,243.86	12,844.40	37,088.26	20,081.15	23,612.02	43,693.17
Inter Segment Sales/Income	–	–	–	–	–	–
Total	**24,243.86**	**12,844.40**	**37,088.26**	**20,081.15**	**23,612.02**	**43,693.17**
Result	6,686.60	519.42	7,206.02	4,372.77	(2,455.30)	1,917.47
Unallocated Expenses net of Unallocated Other Income			(16.42)			776.88
Operating Profit			7,222.44			1,140.59
Finance cost			1,128.79			1,996.04
Exceptional Items			(3,990.92)			–
Income Taxes			1,068.10			–
Net Profit* /(Loss)			9,016.47			(855.45)

	F.Y 13-14			F.Y 12-13		
Particulars	**Auto Lamps**	**General Lighting**	**Total**	**Auto Lamps**	**General Lighting**	**Total**
Other Information						
Segment assets	15,693.20	–	15,693.20	20,619.30	14,541.19	35,160.49
Unallocated Corporate assets			12,871.18			1,450.94
Total Assets			**28,564.38**			**36,611.43**
Segment Liabilities	4,725.13	–	**4,725.13**	**4,546.70**	**6,099.65**	10,646.35
Unallocated Corporate liabilities			**7,646.88**			13,544.19
Total Liabilities			**12,372.01**			**24,190.54**
Capital Expenditure	95.54	11.99	107.53	140.70	65.77	206.47
Unallocated Capital Expenditure			–			–
Total Capital Expenditure			**107.53**			**206.47**
Depreciation/Amortization	698.38	232.52	930.90	**574.45**	**751.56**	**1,326.01**
Unallocated Depreciation /Amortization			–			**93.87**
Total Depreciation/Amortization			930.90			**1,419.88**

Geographic Segments

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

(Rs in lacs)

Particulars	**Within India**	**Outside India**	**Total**
Gross Sales	26,730.22 (36,394.89)	11,884.94 (8,641.81)	38,615.16 (45,036.70)
Trade receivables	2,592.11 (6,989.01)	4,426.66 (9,384.38)	7,018.77 (16,373.39)
Other Assets	13,039.28 (19,441.45)	8,506.33 (796.58)	21,545.61 (20,238.03)

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

Previous Year figures are given in brackets.

Note 41: Gratuity and other post employment benefit plans

Defined contribution plan

Contribution to Recognised Provident Fund

The Company has contributed Rs. 200.02 lacs (March 31, 2013 Rs. 263.74 lacs) towards provident fund during the year ended March 31, 2014.

Gratuity Plan

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

The following tables summarie the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the Gratuity.

Statement of Profit and Loss

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

PARTICULARS	March 31, 2014	March 31, 2013
Current Service Cost	**74.25**	82.19
Interest Cost	**44.71**	49.26
Expected Return on Plan Assets	**(2.02)**	(5.50)
Curtailment credit	**–**	(22.44)
Net Actuarial Loss recognized during the year	**33.60**	31.51
Expenses recognized in the statement of profit and Loss	**150.54**	135.02
Actual Return on Plan Assets	**1.13**	3.61

Balance Sheet

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

PARTICULARS	March 31, 2014	March 31, 2013
Present Value of Defined Benefit Obligation	**524.16**	647.14
Fair Value of Plan Assets	**17.27**	23.54
Plan (Liability)	**(506.89)**	(623.60)

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

PARTICULARS	March 31, 2014	March 31, 2013
Opening defined benefit Obligation	**647.14**	572.78
Current Service Cost	**74.25**	82.19
Interest Cost	**44.71**	49.26
Benefits Paid (i) Directly Paid by the enterprise	**(30.46)**	(4.12)
(ii) Payment made out of the fund	**(74.47)**	(60.14)
Curtailment Credit	**–**	(22.44)
Actuarial Losses on obligation	**32.71**	29.61
Less: Transfer of Liability Pursuant to sale of General Lighting Division	**(169.72)**	–
Closing Defined Benefit Obligation	**524.16**	647.14

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

PARTICULARS	March 31, 2014	March 31, 2013
Opening fair value of Plan Assets	**23.54**	60.08
Expected Return	**2.02**	5.50
Contributions by the employer	**69.88**	20.00
Benefits Paid	**(74.47)**	(60.14)
Actuarial (Losses)	**(0.89)**	(1.89)
Less: Transfer of Liability Pursuant to sale of General Lighting Division	**(2.81)**	–
Closing fair value of Plan Assets	**17.27**	23.54

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

PARTICULARS	March 31, 2014	March 31, 2013
Investment with Insurer	**100%**	100%

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

PARTICULARS	March 31, 2014	March 31, 2013
Discount Rate	**9.10%**	8.00%
Expected Return on Plan Assets	**8.75%**	9.15%
Employee Turnover	**15 % for all ages**	20 % for all ages
Rate of Increase in Compensation levels	**10.00%**	8.00%

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

The overall expected rate of return on Assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. The Company expects to contribute Rs 89.51 lacs to Gratuity Fund in the next year. (March 31, 2013: Rs. 129.58 lacs).

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

PARTICULARS	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014
Defined Benefit Obligation	399.61	509.59	572.78	647.14	**524.16**
Plan Assets	113.75	77.09	60.08	23.54	**17.27**
Surplus / (Deficit)	(285.86)	(432.50)	(512.71)	(623.60)	**(506.89)**
Experience Adjustments on plan liabilities- (loss) / Gain	(103.42)	198.78	(10.32)	(3.12)	**(6.44)**
Experience adjustments on Plan Assets- (loss) / Gain	(1.75)	(1.88)	0.34	(1.89)	**(0.80)**

Note 42: **(a)** The asset of Rs 853.01 lacs (March 31, 2013: Rs. 60.02 lacs) recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for current and earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

(b) Provision for Income tax has been made after considering available various allowances and benefit based on expert's opinion.

Note 43: "The Company has made investment of Rs. 7,923.03 lacs (including 7,897.99 lacs during the year) in the equity share capital of International Lamps Holding Company S.A (ILHC), which has down stream trading subsidiaries Luxlite Lamps SARL Luxembourg ("Luxlite") and Trifa Lamps Germany GmbH ("Trifa"). As per the audited consolidated financial statement of ILHC, its net worth is Rs. 2,112.65 lacs. The Company represents that as investment in ILHC is strategic in nature and has resulted in increased business for the Company on consolidated basis, the value of the investment is fairly stated in the books and there is no long term diminution in the value of the said investment."

Note 44: Managerial Remuneration

a. The Company had paid managerial remuneration of Rs. 182.44 lacs to erstwhile Managing Directors in earlier years in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Company has made applications / revision applications for seeking approval for the excess remuneration. During the year, Company's application for waiver of excess remuneration of Rs. 79.94 lacs paid to erstwhile managing director has been rejected by the Ministery of Corporate Affairs, Govt. of India (MCA). Against the rejection order, the Company has filed revised application. Pending receipt of the approval, no adjustments have been made in the financial statements.

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

c. Director's commission to non-executive directors provided during the year of Rs. 20 lacs is subject to approval of shareholders in the ensuing annual general meeting.

Note 45: Discontinued Operations

On August 30, 2013, the Company has completed sale of its General Lighting Lamps business, which was a separate business segment, on slump sale basis to Halonix Technologies Private Limited for an aggregate consideration of Rs. 16,000 lacs (net of adjustment Rs. 7,671.25 lacs), pursuant to Business Transfer Agreement dated July 23, 2013. Accordingly, General Lighting Business has been considered as discontinued operations.The net gain of Rs. 3,975.92 lacs arising from sale of the said business has been disclosed separately under exceptional items. The tax expense relating to profit on sale of such business amounting to Rs. 1,230.35 lacs is included in the provision for income tax. The net profit after tax pertaining to the 'Discontinued operation' has also been disclosed separately. The Company's continuing operation represents revenues from Auto Lamps business.

The operating activities of the Company's discontinued operations are summarised as follows:

(a) The revenue and expenses in respect of the ordinary activities attributable to the discontinued operations:

	Year Ended March 31, 2014	**Year Ended** March 31, 2013
Income		
Revenue from Operations (net)	**12,844.39**	23,612.02
Other income	**(165.03)**	188.68
Total Revenue	**12,679.36**	23,800.70
Expenses		
Cost of materials consumed	**6,973.87**	16,057.67
Purchase of traded goods	**1,512.58**	2,164.95
Decrease in inventories	**523.71**	771.70
Employee benefit expenses	**1,385.21**	2,903.24
Finance cost	**681.48**	1,379.52
Depreciation and amortization expense	**232.52**	758.49
Other expenses	**1,564.92**	3,721.83
Total expenses	**12,874.29**	27,757.40
(Loss) before exceptional items and tax	**(194.92)**	(3,956.70)
Exceptional items (Gain on Disposal of Assets and Liabilities of Discontinued Operation)	3,975.92	–
Profit/(Loss) Before Tax	**3,781.00**	(3,956.70)

(b) The Net Cash Flows attributable to the discontinued operations are as follows:

	Year Ended March 31, 2014	**Year Ended March 31, 2013**
Operating Activities	**(380.46)**	557.90
Investing Activities	**(2.43)**	(131.56)
Financing Activities	**21.47**	(60.84)
Net Cash Inflows/ (Outflows)	**(361.42)**	365.50

(c) The carrying amount of the total assets and liabilities disposed off on August 30, 2013 are follows:

	As at August 30, 2013	**Year Ended March 31, 2013**
Tangible and Intangible Assets	**5,102.62**	5,171.53
Current & Non Current Assets	**12,157.46**	9,922.17
Current & Non Current Liabilities	**13,576.74**	5,988.10

Note 46: Change in accounting estimate

During the year, the Company has reassssed the remaining useful life of certain plant and machinery having gross block of Rs. 261.54 lacs and accordingly has provided accelerated depreciation of Rs. 217.98 lacs on these assets to depreciate them fully during the year.

Had the Company continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by Rs. 217.98 lacs and the net block of fixed assets would correspondingly have been higher by Rs. 217.98 lacs.

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

Halonix Technologies Limited (ceased to be subsidiary w.e.f. August 30, 2013)

Balance as at 31 March 2014: Rs. Nil (31 March 2013: Rs. 205.94 lacs)

Maximum amount outstanding during the year Rs. 268.51 lacs (31 March 2013: Rs. 205.94 lacs)

Note 48: Previous Year's Figures

Previous year figures have been reclassified to conform to this year's figures. The financial statements are not comparable with previous year due to the sale of General Lighting Lamps division on August 30, 2013.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of
directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

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

PHOENIX LAMPS LIMITED (Formerly known as Halonix Limited)

Particulars	Halonix Technologies Limited (Now Halonix Technologies Private Limited)	International Lamps Holding Company S.A.	Luxlite Lamps SARL	Trifa Lamps Germany Gmbh
Date from which they became subsidiary	March 29, 2009	December 3, 2012	December 3, 2012	December 3, 2012
Financial year/period of the subsidiary ended on	August 30, 2013*	March 31, 2014	March 31, 2014	March 31, 2014
Extent of holding Company's interest at the end of financial year of the Company.	A subsidiary of Phoenix Lamps Limited (formerly known as Halonix Limited), holder of 50,000 Equity Shares of Rs. 10 each fully paid up upto August 30, 2013*	A wholly owned subsidiary of Phoenix Lamps Limited (formerly known as Halonix Limited), holder of 9,340,000 Equity Share of Euro 1 each fully paid up	A wholly owned subsidiary of International Lamps Holding Company S.A., holder of 91,125 Equity Share of Euro 100 each fully paid up	A wholly owned subsidiary by way of Luxlite Lamps SARL, holder of 25,000 Equity Shares of Euro 1 each fully paid up and remaining 5,000 Equity Shares of Euro 1 each fully paid up are held by Phoenix Lamps Limited (formerly known as Halonix Limited)
Extent of Holding	99.80%	100.00%	100.00%	100.00%
Net aggregate Profit/ (Loss) for the current year/period (in Rs.)	(2,252,412)	(3,147,905)	(131,054,188)	12,258,645
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company:				
1. For the financial year ended March 31, 2014 of the subsidiary since it became its subsidiary	Nil	Nil	Nil	Nil
2. For the previous financial years of the subsidiary since it became its subsidiary	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company:				
1. For the financial year of the subsidiary	(2,252,412)	(3,147,905)	(131,054,188)	12,258,645
2. For the previous financial years of the subsidiary since it became its subsidiary	(20,446,812)	(294,055)	(67,604,735)	14,203,132

* ceased w.e.f. August 30, 2013 pursuant to sale of shares of the subsidiary company.

For and on behalf of the Board of Directors
of Phoenix Lamps Limited

Padmanabh P. Vora
Chairman

Pranay Gandhi
Managing Director

Gagandeep Singh
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Phoenix Lamps Limited

(Formerly Halonix Limited)

We have audited the accompanying consolidated financial statements of Phoenix Lamps Limited (Formerly Halonix Limited) ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

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

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

Emphasis of Matter

We draw attention to the fact that the Company has made requisite applications to the Central Government seeking approval for the remuneration aggregating to Rs. 182.44 lacs paid in earlier years to the erstwhile Managing Directors in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government and for which approval is awaited. Pending receipt of the same, no adjustments have been made in these financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of Rs. 9,555.29 lacs as at March 31, 2014, total revenues of Rs. 21,573.31 lacs and net cash outflows amounting to Rs. 744.60 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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

Per **Anil Gupta**
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date: May 27, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	NOTES	March 31, 2014	March 31, 2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**4,117.93**	4,117.93
Reserves and Surplus	4	**7,464.53**	6,539.18
		11,582.46	10,657.11
Minority Interest	5	**–**	–
Non-Current Liabilities			
Long Term Borrowings	6	**–**	1,050.00
Trade Payables	7	**–**	9.16
Long-Term Provisions	8	**423.15**	509.58
		423.15	1,568.74
Current Liabilities			
Short Term Borrowings	9	**4,815.02**	13,264.27
Trade Payables	10	**5,815.77**	10,232.33
Other Current Liabilities	10	**1,905.14**	3,680.71
Short-Term Provisions	8	**4,044.41**	1,746.58
		16,580.34	28,923.89
		28,585.95	41,149.74
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**3,229.12**	8,944.58
Intangible Assets	12	**934.99**	1,410.63
Capital Work-in-Progress		**5.93**	–
Goodwill on Consolidation	2(b)	**2,622.64**	2,269.28
Deferred tax assets (net)	13	**112.42**	–
Long-Term Loans and Advances	14	**1,044.59**	325.32
Trade Receivables	15	**–**	51.13
Other Non-Current Assets	16	**–**	102.34
		7,949.69	13,103.28
Current Assets			
Inventories	17	**9,642.74**	13,310.00
Trade Receivables	15	**5,707.12**	10,391.00
Cash and Bank balances	18	**2,426.17**	2,710.18
Short-Term Loans and Advances	14	**2,859.03**	1,635.28
Other Current Assets	16	**1.20**	–
		20,636.26	28,046.46
		28,585.95	41,149.74
Summary of Significant Accounting Policies	2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

PARTICULARS	Notes	Year Ended March 31, 2014	Year Ended March 31, 2013
Income			
Revenue from Operations (gross)	19	**50,929.59**	49,624.84
Less: Excise Duty		**(1,526.90)**	(1,343.53)
Revenue from Operations (net)		**49,402.69**	48,281.31
Other income	20	**1,820.67**	534.28
Total Revenue		**51,223.36**	48,815.59
Expenses			
Cost of materials consumed	21	**19,548.23**	27,471.19
Purchase of traded goods	22	**9,105.30**	5,818.42
Decrease in inventories	22	**1,600.60**	82.62
Employee benefit expenses	23	**6,403.45**	6,383.11
Finance cost	24	**1,453.18**	2,061.34
Depreciation and amortization expense	25	**1,502.15**	1,588.38
Other expenses	26	**8,047.76**	7,767.56
Total expenses		**47,660.67**	51,172.62
Profit / (Loss) before exceptional items and tax		**3,562.69**	(2,357.03)
Exceptional items	27	**(4,217.92)**	–
Profit / (Loss) Before Tax (including Rs. 3,781.00 lacs {March 31, 2013: Loss Rs. 3,956.70 lacs} for discontinued operations - Refer Note No. 38)		**7780.61**	(2,357.03)
Tax expense:			
Current Income tax		**(2,041.55)**	(50.38)
MAT Credit Entitlement		**792.98**	–
Deferred tax credit		**112.43**	–
Taxes for earlier years		**(5.16)**	–
Total Tax expense (including Rs. 1,230.35 lacs {March 31, 2013: Rs. Nil} for discontinued operations- Refer Note No. 38)		**(1,141.30)**	(50.38)
Profit / (Loss) for the year before minority interest (including Rs. 2,550.65 lacs {March 31, 2013: Loss Rs. 3,956.70 lacs} for discontinued operations - Refer Note No. 38)		**6,639.31**	(2,407.41)
Less: Amounts allocated to Minority Interest		**–**	(0.01)
Profit / (Loss) for the year (including Rs. 2,550.65 lacs {March 31, 2013 Loss Rs. 3,956.70 lacs} for discontinued operations - Refer Note No. 38)		**6,639.31**	(2,407.40)
Earnings Per Equity Share [nominal value of each shares Rs 10 each, (March 31 2013: Rs. 10 each)]			
Basic and diluted (Rs.)	28	**23.70**	(8.59)
Summary of Significant Accounting Policies	2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	Year Ended March 31, 2014	Year Ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax including the results of discontinued operations	**7,780.61**	(2,357.03)
Adjustments for:		
Foreign Currency Translation Reserve	**(1,226.89)**	10.11
Depreciation and amortisation expense	**1,502.15**	1,588.38
Interest paid	**1,251.84**	1,983.13
Interest income	**(205.93)**	(23.29)
Loss on disposal of fixed assets (net)	**1.58**	14.33
Gain on sale of General Lighting Division	**(3,975.92)**	–
Gain on sale of Trade Investments in a subsidiary company	**(242.00)**	–
Doubtful debts / advances written off	**55.70**	529.70
Reversal of provision for obsolete inventory	**(224.61)**	(478.32)
Operating Profit before Working Capital changes	**4,716.53**	1,267.01
Movement in Working Capital		
(Increase) in Trade receivables	**(1,760.24)**	(1,452.83)
(Increase)/Decrease in Inventories	**(1,417.73)**	1,362.42
Decrease in Long term Loans and Advances	**70.58**	4.66
Decrease/(Increase) in Long Term Trade Receivables	**51.13**	(51.13)
Decrease/(Increase) in Short term Loans and Advances	**174.52**	(319.44)
Increase in Long Term Provisions	**29.60**	96.16
(Decrease)/Increase in Other Current Liabilities	**(516.01)**	506.75
Increase in Short Term Provisions	**180.25**	879.63
(Decrease) in Long term Trade Payables	**(1.78)**	(0.59)
Increase in Trade Payables	**1,054.82**	1,086.90
Cash Generated from Operations	**2,581.67**	3,379.54
Income Taxes Paid	**(3,634.00)**	(6.92)
Net Cash (used in) / from operating activities	**(1,052.33)**	3,372.62
Cash Flows from / (used in) Investing Activities		
Purchase of fixed assets, intangible assets, CWIP and capital advances	**(193.01)**	(294.80)
Proceeds from disposal of fixed assets	**13.30**	7.20
Investments in bank deposits (having original maturity of more than three months)	**(560.70)**	(297.96)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	**1,780.87**	169.92
Interest Received	**202.92**	26.99
Net Proceeds on account of Sale of Trade Investment in a Subsidiary Company	**20.00**	–
Net Proceeds on account of Sale of General Lighting Division of the Parent Company	**7,659.25**	–
Net Cash from / (used in) Investing Activities	**8,922.63**	(388.65)
Cash Flows (used in) Financing Activities		
Proceeds from long term borrowings	**–**	2,000.00
Repayment of long term borrowings	**(2,234.95)**	(1,277.00)
Proceeds from issue of share capital by a subsidiary company	**–**	0.01
Repayment of Short term Borrowings (net)	**(2,097.17)**	(3,022.07)
Dividend paid including Dividend Distribution Tax	**(1,603.87)**	(13.58)
Interest Paid	**(1,237.78)**	(1,983.13)
Net cash (used in) financing activities	**(7,173.77)**	(4,295.77)

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

PARTICULARS		Year Ended March 31, 2014	Year Ended March 31, 2013
Net Increase / (Decrease) in cash and cash equivalents		**696.53**	(1,311.80)
Cash and cash equivalents at the beginning of the year		**1,460.07**	2,325.90
Cash and cash equivalent transferred on sale of General Lighting Division		**(4.09)**	–
Cash and cash equivalent transferred on sale of trade investment		**(16.16)**	–
Cash acquired on acquisition of subsidiary		**–**	453.29
Add/(Less): Foreign exchange translation reserve		**179.15**	(7.32)
Cash and cash equivalents at the end of the year		**2,315.50**	1,460.07
Components of cash and cash equivalents as at end of the year			
Cash on Hand		**6.29**	3.01
Remittance in transit		**74.09**	–
Balance with schedule banks –	Current Accounts	**426.70**	1,290.97
	– Cash Credit Accounts	**3.62**	7.01
	– Fixed Deposit Accounts	**1,700.00**	89.47
	– Unpaid Dividend Accounts*	**104.80**	69.61
		2,315.50	1,460.07

***These Balances are not available for the use by the Group.**

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

PHOENIX LAMPS LIMITED (FORMERLY HALONIX LIMITED)

Notes to Consolidated financial statements for the year ended March 31, 2014

1. Nature of Operation

Phoenix Lamps Limited (Formerly Halonix Limited) (hereinafter referred to as "the Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Parent Company has changed its name from Halonix Limited to Phoenix Lamps Limited during the year. The Parent Company is engaged in manufacturing of Auto Lamps and caters to both domestic and international markets. During the current year, the General Lighting Lamps business has been sold to Halonix Technologies Private Limited ("HTPL") (formerly Halonix Technologies Limited) and the said business has been shown as discontinued operations in the consolidated financial statements.

2. Statement of Significant Accounting Policies

(a) Principles of Consolidation

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

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

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

Name of Subsidiary Company	Country of Incorporation	Percentage of Ownership as at March 31, 2014	Percentage of Ownership as at March 31, 2013
Subsidiary Company of Phoenix Lamps Limited			
International Lamps Holding Company S.A	Luxembourg	100.00%	100.00%
Halonix Technologies Limited (now Halonix Technologies Private Limited) (Refer note (vi) below)	India	–	99.80%
Subsidiary Company of International Lamps Holding Company S.A			
Luxlite Lamps SARL	Luxembourg	100.00%	100.00%
Subsidiary Company of Luxlite Lamps SARL along with Phoenix Lamps Limited			
Trifa Lamps Germany Gmbh	Germany	100.00%	100.00%

(iii) Goodwill represents the difference between the Parent Company's share in the net worth of subsidiary company and the cost of acquisition at the time of making the investment in the subsidiary company. For this purpose, the Parent Company's share of net worth of the subsidiary company is determined on the basis of the latest financial statements of the subsidiary company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated Financial Statements" is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, associate or joint venture, the unimpaired goodwill is written off fully.

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

(v) The Parent Company follows the financial year ending March 31, 2014. The subsidiary companies namely International Lamps Holding Company S.A. Halonix Technologies Private Limited, Luxlite Lamps SARL and Trifa Lamps Germany Gmbh follow the same financial year. The Parent Company has disposed off the investment in HTPL on August 30, 2013. During previous year, the Parent Company had acquired stake in International Lamps Holding Company S.A. on December 3, 2012. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements. Differences in the accounting policies, if any, have been disclosed separately.

vi) During the year, the Group has divested its stake in Halonix Technologies Private Limited (formerly Halonix Technologies Limited) on August 30, 2013. The aforesaid divestment has an effect of decrease in assets and liabilities by Rs. 46.83 lacs and Rs. 0.22 lacs respectively and increase in results by Rs. 219.47 lacs (after including the profit on sale of trade investment of Rs. 242.00 lacs) in Consolidated Financial Statements.

(b) Computation of Goodwill (on Consolidation)

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

Particulars	March 31, 2014	March 31, 2013
Consideration paid to erstwhile shareholder towards secondary purchase of equity shares of International Lamps Holding Company S.A. Luxembourg on December 3, 2012 (A)	**25.04**	25.04
Fresh equity shares issued by Trifa Lamps Germany GmbH, Annweiler on November 27, 2012 (B)	**3.65**	3.65
Phoenix Lamps Limited's share in the net assets of the consolidated accounts of the subsidiary companies (C)	**(2,240.59)**	(2,240.59)
Goodwill (A+B-C)	**2,269.28**	2,269.28
Restated as at March 31, 2014 @ Rs. 82.5765 / Euro (Amount in Euro 31.76 lacs)	**2,622.64**	2,269.28

The Group has recognised and is carrying forward a goodwill of Rs. 2,622.64 lacs in respect of International Lamps Holding Company S.A., Luxembourg, (ILHCS) a wholly owned subsidiary of the Parent Company. Based on the financial statements of this subsidiary its net worth is substantially eroded. The Company represents that the investment made in ILHCS is strategic in nature and has resulted in increased business of the Company on consolidated basis, therefore no impairment provision is required. Further, provision of Rs. 1,153.40 lacs made in the previous year against the trade receivables till the date of acquisition had been reversed during the previous year.

(c) Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 08/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

(d) Use of Estimates

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

(e) Tangible Fixed Assets

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

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

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

(f) Depreciation on tangible fixed assets

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

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

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

(iv) The Parent Company has reassessed the remaining useful life of certain plant and machinery having gross block of Rs. 261.54 lacs and accordingly has provided accelerated depreciation on these assets to depreciate them fully during the year (Refer Note 39).

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

(vi) Depreciation on tangible fixed assets (net block 3.12% (March 31, 2013: 0.44%) of total net block of Group and depreciation charged during the year 2.42% (March 31, 2013: 0.55%) of the total depreciation charged by the Group) by other subsidiary companies is provided as follows:-

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

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

(g) Intangible assets

Software

Softwares acquired separately by the Group are measured on initial recognition at cost. Following initial recognition, softwares are carried at cost less accumulated amortization and accumulated impairment losses, if any. Softwares are amortized on straight line basis over the estimated useful economic life not exceeding 5 years.

Research and Development Costs

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.

- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

Patents

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

Goodwill purchased from another company

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

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

(h) Impairment of Tangible and Intangible Fixed Assets

The Group assesses at each reporting date whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any indication exists or when annual impairment testing is required, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

(i) Retirement and other employee benefits

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

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

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

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

Retirement benefit in form of social security paid by the subsidiary companies is a defined contribution scheme. The subsidiary companies do not have any obligation, other than the contribution payable to the respective funds. The contributions are charged to the consolidated statement of profit and loss of the year when contribution to the respective fund is due.

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

(j) Foreign Exchange Transaction

Initial Recognition:

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

Conversion:

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

Exchange Difference:

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

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

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

Translation of integral and non-integral foreign operation

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

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

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

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

(k) Inventory Valuation:

Inventories are valued as follows:

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

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

Work in Progress and Finished Goods :

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

Traded goods:

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

Scrap:

Net realizable value.

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

(l) Leases:

"Where the Group is lessee

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

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

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

(m) Revenue Recognition:

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

Sale of goods

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

Interest

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

(n) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

(o) Income Taxes

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

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

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

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

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

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

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

(p) Provisions:

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

Warranty Provisions

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

(q) Borrowing Cost

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

(r) Earnings Per Share:

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

(s) Segment reporting

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(t) Contingent liabilities

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

(u) Cash and cash equivalents

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

Notes to Consolidated financial statements for the year ended March 31, 2014

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

Particulars	March 31, 2014	March 31, 2013
Authorized Shares		
41,000,000 (March 31, 2013 : 41,000,000) equity shares of Rs. 10/- each	**4,100.00**	4,100.00
2,900,000 (March 31, 2013 : 2,900,000) redeemable preference shares of Rs. 100/- each	**2,900.00**	2,900.00
	7,000.00	7,000.00
Issued, Subscribed and Paid-Up Shares		
28,019,300 (March 31, 2013 : 28,019,300) equity shares of Rs 10/- each fully paid up	**2,801.93**	2,801.93
1,316,000 (March 31, 2013 : 1,316,000) 0% redeemable preference shares of Rs 100/- each fully paid up	**1,316.00**	1,316.00
Total	**4,117.93**	4,117.93

Terms/ rights attached to equity shares:

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

During the year ended March 31, 2014, interim dividend of Rs. 5 per share has been paid to the equity shareholders (March 31, 2013: Nil). Further, the Parent Company has recognised final dividend of Rs. 11 per share including Rs. 10 per share as special dividend (March 31, 2013: Nil) as distribution to the equity shareholders.

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

Terms/ rights attached to preference shares:

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

As per the scheme of Arrangement of Share Capital u/s 391 of Companies Act, 1956 approved by Hon'ble Allahabad High Court vide order dated 22.02.2000 & 22.04.2002, the Parent Company had converted 13,160,000 equity shares of face value of Rs. 10/- each aggregating to Rs. 1,316 lacs into 1,316,000 Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 1,316 lacs. Redeemable Preference shares do not carry any dividend rights. Out of 1,316,000 Redeemable Preference shares 550,000 redeemable preference shares are redeemable at par after April 1, 2012 and 766,000 redeemable preference shares are redeemable at par after March 31, 2007 on such date as the Board of Directors may determine. The Board of Directors of the Parent Company in its meeting held on January 31, 2014 and on May 27, 2014 has approved redemption of 766,000 and 550,000 redeemable preference shares respectively, subject to statutory approvals and compliances.

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

Equity Shares

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
Outstanding At the beginning of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93
Outstanding at the end of the year	**28,019,300**	**2,801.93**	28,019,300	2,801.93

Preference Shares

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	(Rs. in lacs)	No. of shares	(Rs. in lacs)
Outstanding At the beginning of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00
Outstanding at the end of the year	**1,316,000**	**1,316.00**	1,316,000	1,316.00

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

Particulars	March 31, 2014	March 31, 2013
Argon India Limited, the holding company 15,906,070 (March 31, 2013 : 14,807,670) equity shares of Rs. 10 each fully paid up	**1,590.61**	1,480.77
Total	**1,590.61**	1,480.77

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

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
(i) Argon India Limited, Foreign Promoter and Holding Company	**15,906,070**	**56.77**	14,807,670	52.85
(ii) Argon South Asia Limited, Foreign Promoter	**3,976,517**	**14.19**	3,701,917	13.21
(iii) Official liquidator Soei Tsusho Company Limited, Foreign Corporate Body	**–**	**–**	1,880,000	6.71
Redeemable preference shares of Rs.100 each fully paid				
(i) Phoenix Electric Co., Japan, Foreign Corporate Body (Presently known as Helios Techno Holding Company Limited)	**1,316,000**	**100.00**	1,316,000	100.00

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

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

Particulars	March 31, 2014	March 31, 2013
Securities premium account (As per the last financial statements)	**3,733.86**	3,733.86
Capital Subsidy (As per the last financial statements)	**40.00**	40.00
Foreign Currency Translation Reserve (As per the last financial statements)	**(13.12)**	–
Add: Current year translation adustments	**(468.97)**	(13.12)
Closing Balance	**(482.09)**	(13.12)
Capital redemption reserve (As per the last financial statements)	**1,621.00**	1,621.00
General reserve (As per the last financial statements)	**23.57**	23.57
Add: Transferred from surplus balance in consolidated statement of profit and loss	**901.65**	–
Closing Balance	**925.22**	23.57
Surplus in the consolidated statement of profit and loss		
Credit balance as per the last financial statements	**1,133.87**	3,541.27
Add: Net profit/(loss) after tax transferred from consolidated statement of profit and loss	**6,639.31**	(2,407.40)
Less: Appropriations:		
Interim equity dividend (Amount per share Rs. 5 (March 31, 2013: Nil)	**1,400.97**	–
Proposed final dividend (Amount per share Rs. 11 (March 31, 2013: Nil))*	**3,082.12**	–
Tax on equity dividend	**761.90**	–
Amount transferred to general reserve	**901.65**	–
Net surplus in the consolidated statement of profit and loss	**1,626.54**	1,133.87
Total	**7,464.53**	6,539.18

*The Board of Directors at its meeting held on May 27, 2014 has recommended a final dividend of Rs. 11 per equity share including Rs. 10 per equity share as special dividend.

Note 5: Minority Interest

Particulars	March 31, 2014	March 31, 2013
(a) Minority Interest in Equity of Halonix Technologies Limited (now Halonix Technologies Private Limited)		
100 Equity Shares of Rs. 10 each	**–**	0.01
(b) Minority Interest in Non - Equity of Halonix Technologies Limited (now Halonix Technologies Private Limited)		
Share of (Loss) brought forward	**–**	(0.01)
Total	**–**	–

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

Particulars	Non-current portion		Current maturities	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Term Loan				
Indian rupee loan from a bank (secured)	**–**	1,050.00	**1,050.00**	1,190.00
Loan from a bank (secured)	**–**	–	**–**	1,044.95
	–	1,050.00	**1,050.00**	2,234.95
The above amount includes				
Secured borrowings	**–**	1,050.00	**1,050.00**	2,234.95
Amount disclosed under the head “other current liabilities” (refer note 10)	**–**	–	**(1,050.00)**	(2,234.95)
	–	1,050.00	**–**	–

The long term loan from Axis Bank Limited is secured by first pari passu charge on movable and immovable fixed assets of the Parent Company situated at Plot No. 59 A, 59 D & A 1 at Noida. The loan is repayable in 10 equated quarterly instalment of Rs. 350 lacs from September 30, 2012 and carries interest ranging from 13.25% to 13.50% during the year.

Loan from a bank drawn by a subsidiary company amounting to Euro Nil equivalent to Rs. Nil (March 31, 2013 : Euro 15.00 lacs equivalent to Rs. 1,044.95 lacs) carried interest @ 5.85% p.a. The loan was repaid on 20th March 2014. The loan was secured by pledge of bank fixed deposits amounting to Euro Nil equivalent to Rs. Nil (March 31, 2013 : Euro 15.00 lacs equivalent to Rs. 1,044.95 lacs).

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

Particulars	**March 31, 2014**	March 31, 2013
Trade Payables	**–**	9.16
Total	**–**	9.16

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

Particulars	Long Term		Short Term	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Provision for employee benefits				
Leave Encashment	**–**	–	**180.92**	197.93
Gratuity (Refer Note 35)	**411.23**	494.02	**95.66**	129.58
Pension obligations	**11.92**	15.56	**–**	–
	423.15	509.58	**276.58**	327.51
Other Provision				
Provision for post-sales warranties*	**–**	–	**32.00**	1,301.23
Provision for income tax	**–**	–	**129.90**	117.84
Proposed final dividend	**–**	–	**3,082.12**	–
Provision for tax on proposed final dividend	**–**	–	**523.81**	–
	–	–	**3,767.83**	1,419.07
Total	**423.15**	509.58	**4,044.41**	1,746.58

*Provision for post-sales warranties was mainly in respect of General Lighting Division of the Parent Company, which has been sold during the year (Refer Note 38). The same was being recognised based on the historical experience and future estimate of claims by the management. The Parent Company is carrying post sale warranties provision for Auto Lamps and it is expected that significant portion of these costs will be incurred in the next financial year.

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

Particulars	**March 31, 2014**	March 31, 2013
Balance at the beginning of the year	**1,301.23**	297.82
Recognized during the year*	**818.76**	3,733.81
Utilised during the year	**(728.84)**	(2,730.40)
Liability transferred on sale of General Lighting Division	**(1,359.15)**	–
Balance at the end of the year	**32.00**	1,301.23

*Rs. 272.53 lacs (March 31, 2013: Rs. 854.30 lacs) debited in sales and Rs. 566.23 lacs (March 31, 2013: Rs. 2,879.51 lacs) debited in raw material consumption.

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

Particulars	March 31, 2014	March 31, 2013
Working Capital facilities		
Cash Credit Facilities from banks in Indian Rupees (secured)	**2,849.63**	9,132.07
Cash Credit Facilities from a bank in foreign currency (secured)	**469.70**	–
Working capital loan from a bank in foreign currency (secured)	**–**	696.63
Bill Discounting from a bank (secured)	**–**	2,079.64
Bill Discounting from others in foreign currency (unsecured)	**1,495.69**	1,355.93
	4,815.02	13,264.27
The above amount includes:		
Secured borrowings	**3,319.33**	11,908.34
Unsecured borrowings	**1,495.69**	1,355.93

Cash Credit Facilities from banks in Indian Rupees and Bill Discounting from a bank are secured by first pari-passu charge by way of hypothecation of entire Current Assets of the Parent Company, both present and future situated at Plot No. 59 A, 59 D & A1 at Noida and further secured by way of first pari passu on movable and immovable fixed assets of the Parent Company situated at Plot No. 59 A, 59 D & A1 at Noida. These loans are repayable on demand and carry interest varied from 10.75% to 14.60% during the year.

Cash Credit Facilities from a bank in foreign currency and Working Capital Loan from a bank in foreign currency includes credit limit from Deutsche Bank AG availed by a subsidiary company, namely Trifa Lamps Germany Gmbh. The limit is secured against inventory of the subsidiary company and standby letter of credit from Axis Bank, New Delhi for Euro 18.00 lacs by the Parent Company. The loan is repayable on demand and carry interest @ 5.75% p.a.

Bill discounting from others in foreign currency represent receivables of a subsidiary company, namely Luxlite Lamps SARL assigned to a factoring firm that does not take over the default risk.

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

Particulars	March 31, 2014	March 31, 2013
Trade payables (including Acceptances* of Rs. 1,376.10 lacs, March 31, 2013 : Rs. 1,389.46 lacs)	**5,815.77**	10,232.33
	5,815.77	10,232.33
Other liabilities:		
Current maturities of long term borrowings (Refer note 6)	**1,050.00**	2,234.95
Interest accrued but not due on loans	**14.06**	–
Employee benefits payable	**321.55**	844.71
Security deposits received	**1.50**	–
Payable towards capital goods	**5.88**	–
Advances from customers and their credit balances	**232.14**	212.71
Sales tax/ VAT/Entry Tax payable	**18.14**	126.32
Excise Duty/Custom Duty Payable	**30.59**	28.73
Service tax payable	**16.25**	4.06
Provident Fund Payable/ ESI Payable	**27.32**	51.54
TDS payable	**44.59**	80.48
Payroll and church tax payable	**38.32**	27.60
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	**104.80**	69.61
	1,905.14	3,680.71
Total	**7,720.91**	13,913.04

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

Note 11: Tangible assets

(Rs. in Lacs)

Particulars	Lease Hold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Leased Hold Improvement	Office Equipment	Computers	Vehicles	Total
Gross Block									
At 1 April 2012	**370.16**	**3,169.15**	**23,429.18**	**302.24**	**94.02**	**279.01**	**460.65**	**131.64**	**28,236.05**
Assets acquired upon investment in subsidiary	-	-	9.77	-	-	38.28	-	0.74	48.79
Additions	-	-	194.79	-	-	3.43	11.78	0.63	210.63
Disposals	-	-	7.19	10.66	-	3.03	2.37	11.92	35.17
Foreign Currency Translation Reserve	-	-	(0.16)	-	-	(0.61)	-	(0.01)	(0.78)
At 31 March 2013	**370.16**	**3,169.15**	**23,626.39**	**291.58**	**94.02**	**317.08**	**470.06**	**121.08**	**28,459.52**
Additions	-	-	131.39	-	-	38.87	5.17	-	175.43
Disposals	-	-	219.81	-	-	0.25	13.44	49.62	283.12
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 38)	**242.05**	**1,900.51**	**10,796.07**	**153.47**	**94.02**	**121.15**	**142.92**	**36.42**	**13,486.61**
Foreign Currency Translation Reserve	-	-	2.54	-	-	7.56	-	0.14	10.24
At 31 March 2014	**128.11**	**1,268.64**	**12,744.44**	**138.11**	**-**	**242.11**	**318.87**	**35.18**	**14,875.46**
Depreciation									
At 1 April 2012	**31.69**	**854.10**	**16,813.67**	**158.35**	**14.00**	**102.87**	**260.50**	**75.46**	**18,310.64**
Accumulated depreciation acquired upon investment in subsidiary	-	-	0.34	-	-	1.24	-	0.15	1.73
Charge for the year	4.33	104.58	981.26	12.09	23.51	17.85	68.55	11.99	1,224.16
Disposals	-	-	5.57	3.56	-	0.77	1.90	9.59	21.39
Foreign Currency Translation Reserve	-	-	(0.01)	-	-	(0.17)	-	(0.02)	(0.20)
At 31 March 2013	**36.02**	**958.68**	**17,789.69**	**166.88**	**37.51**	**121.02**	**327.15**	**77.99**	**19,514.94**
Charge for the year (Refer Note 39)	2.76	67.55	714.66	6.41	10.00	24.50	49.97	5.77	881.62
Disposals	-	-	219.81	-	-	0.01	12.38	36.04	268.24
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 38)	17.44	450.44	7,781.63	52.25	47.51	24.53	82.23	27.79	8,483.82
Foreign Currency Translation Reserve	-	-	0.15	-	-	1.55	-	0.14	1.84
At 31 March 2014	**21.34**	**575.79**	**10,503.06**	**121.04**	**-**	**122.53**	**282.51**	**20.07**	**11,646.34**
Net Block									
At 31 March 2013	**334.14**	**2,210.47**	**5,836.70**	**124.70**	**56.51**	**196.06**	**142.91**	**43.09**	**8,944.58**
At 31 March 2014	**106.77**	**692.85**	**2,241.38**	**17.07**	**(-)**	**119.58**	**36.36**	**15.11**	**3,229.12**

(1) The Parent Company has taken a property A1, Noida on lease for 78 Years from the Noida Authority. The amount of Rs. 128.11 lacs paid by the Parent Company at the time of entering into lease agreement is disclosed as 'Leasehold Land' above.

(2) Buildings includes building of gross block of Rs. 590.64 lacs, WDV Rs. 244.87 lacs (March 31, 2013: gross block of Rs 590.64 lacs, WDV of Rs. 263.33 lacs) constructed on leased land belonging to Noida special Economic Zone. During the year, depreciation of Rs. 18.46 lacs (March 31, 2013: Rs. 18.46 lacs) has been charged on this building.

Note 12: Intangible Assets **(Rs. in Lacs)**

Particulars	Goodwill Purchased from Another Company	Patents	Research and Development Cost	Computer Software	Total
Gross block					
At 1 April 2012	**–**	–	598.90	334.26	933.16
Assets acquired upon investment in subsidiary	**2,938.04**	7.71	–	–	2,945.75
Purchase	**–**	–	–	43.98	43.98
Foreign Currency Translation Reserve	**(47.04)**	(0.12)	–	–	(47.16)
At 31 March 2013	**2,891.00**	7.59	598.90	378.24	3,875.73
Purchase	–	23.27	–	2.76	26.03
Disposals	–	–	–	–	–
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 38)	–	–	598.90	61.93	660.83
Foreign Currency Translation Reserve	**535.91**	1.82	–	–	537.73
At 31 March 2014	**3,426.91**	**32.68**	–	**319.07**	**3,778.66**
Amortisation					
At 1 April 2012	**–**	–	359.49	235.23	594.72
Accumulated depreciation acquired upon investment in subsidiary	**1,534.69**	0.15	–	–	1,534.84
Charge for the year	**161.11**	0.61	119.93	82.57	364.22
Foreign Currency Translation Reserve	**(28.65)**	(0.03)	–	–	(28.68)
At 31 March 2013	**1,667.15**	**0.73**	**479.42**	**317.80**	**2,465.10**
Charge for the year	**551.76**	**3.40**	**49.90**	**15.47**	**620.53**
Disposals	–	–	–	–	–
Disposals on account of sale of general lighting business (Discontinued Operations) (Refer Note 38)	–	–	**529.32**	**31.67**	**560.99**
Foreign Currency Translation Reserve	**318.81**	**0.22**	–	–	**319.03**
	2,537.72	**4.35**	–	**301.60**	**2,843.67**
Net block					
At 31 March 2013	**1,223.85**	**6.86**	**119.48**	**60.44**	**1,410.63**
At 31 March 2014	**889.19**	**28.33**	–	**17.47**	**934.99**

Note 13: Deferred tax assets (net) **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Deferred tax assets		
Effect of expenditure debited to Statement of Profit and Loss in the current/earlier periods but allowable for tax purposes in the following years	**282.50**	285.48
Provision for doubtful debts and advances	**3.80**	180.31
Provision for obsolete inventory	**105.40**	369.23
Unabsorbed depreciation and brought forward tax losses	**–**	1,569.94
Gross deferred tax assets	**391.70**	2,404.96
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting	**279.28**	949.11
Gross deferred tax liability	**279.28**	949.11
Net deferred tax asset	**112.42**	1,455.85
Less: Deferred tax not recognised due to lack of virtual certainity	**–**	(1,455.85)
Net deferred tax assets	**112.42**	–

Note 14: Loans and Advances (Unsecured) **(Rs. in Lacs)**

Particulars	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Capital Advances				
Considered good	**2.38**	10.88	**–**	–
(A)	**2.38**	10.88	**–**	–
Security Deposits				
Considered good	**108.91**	168.26	**1.44**	53.44
Considered doubtful	**–**	7.93	**–**	–
	108.91	176.19	**1.44**	53.44
Provision for doubtful Security Deposits	**–**	(7.93)	**–**	–
(B)	**108.91**	168.26	**1.44**	53.44
Advances recoverable in cash or in kind				
Considered good	**–**	–	**58.84**	211.33
Considered doubtful	**–**	–	**–**	23.95
	–	–	**58.84**	235.28
Provision for doubtful loans and advances	**–**	–	**–**	(23.95)
(C)	**–**	–	**58.84**	211.33
Other loans and advances				
Considered Good				
Advance income taxes/tax deducted at source (Net of provision of Income tax)	**–**	2.57	**2,062.41**	460.50
Prepaid expenses	**–**	–	**145.36**	216.06
MAT credit entitlement (Refer note 36(a))	**853.01**	60.02	**–**	–
Balances with Statutory / government authorities	**80.29**	83.59	**583.24**	683.59
Loans and advances to employees	**–**	–	**7.74**	10.36
(D)	**933.30**	146.18	**2,798.75**	1,370.51
Total	**1,044.59**	325.32	**2,859.03**	1,635.28

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

Particulars	March 31, 2014	March 31, 2013
Non Current		
Outstanding for a period not exceeding six months from the date they are due for payment		
Considered good	**–**	51.13
	–	51.13
Current		
Outstanding for a period exceeding six month from the date they are due for payment		
Considered good	**3.68**	93.75
Considered doubtful	**20.28**	389.05
	23.96	482.80
Provision for doubtful receivables	**20.28**	389.05
	3.68	93.75

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

Particulars	March 31, 2014	March 31, 2013
Other Receivables*		
Considered good	**5,703.44**	10,297.25
Considered doubtful	**1.29**	44.98
	5,704.73	10,342.23
Provision for doubtful receivables	**1.29**	44.98
	5,703.44	10,297.25
Total	**5,707.12**	10,391.00

*net of debts amounting to Rs. Nil (March 31, 2013: Rs. 306.99 lacs) discounted from a bank against bill discounting facility taken by a customer with the bank by the Parent Company. Further, a subsidiary company has sold major part of its receivables to a factoring firm that also takes over the default risk. The selling of receivables has not been disclosed to the customers. Trade receivable above are netted off with amount received from factoring firm amounting to Euro 12.90 lacs equivalent to Rs. 1,065.33 lacs (March 31, 2013: Euro 12.20 lacs equivalent to Rs. 850.18 lacs). The Parent Company has provided a corporate guarantee amounting to Euro Nil equivalent to Rs. Nil (March 31, 2013: Euro 10.00 lacs equivalent to Rs. 696.63 lacs) to the factoring firm (namely Coface Finanz Gmbh) to warrant the legal existence of factored receivables.

Note 16: Other Assets (Unsecured, Considered Good) **(Rs. in lacs)**

Particulars	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Deposits with maturity more than 12 months	**–**	102.29	**–**	–
Interest Receivable	**–**	0.05	**1.20**	–
	–	102.34	**1.20**	–

Note 17: Inventories (valued at lower of cost or net realizable value) **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Raw Materials (includes in transit Rs. 474.96 lacs (March 31, 2013: Rs. 514.85 lacs) (Refer note 21)	**2,189.44**	2,767.94
Fuels	**38.45**	35.40
Consumables	**22.27**	48.49
Packing Materials	**427.54**	459.29
Stores and Spares	**237.15**	245.58
Finished Goods (Refer note 22)	**3,288.90**	4,487.52
Work in Progress (Refer note 22)	**1,382.24**	2,311.76
Traded Goods (Refer note 22)	**2,414.23**	3,954.24
Scrap (Refer note 22)	**6.06**	96.18
	10,006.28	14,406.40
Less:- Provision for obsolete inventories	**(363.54)**	(1,096.40)
	9,642.74	13,310.00

Note 18: Cash and Bank balances **(Rs. in Lacs)**

Particulars	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Cash and cash equivalents				
Balances with banks				
in current accounts	**–**	–	**426.70**	1,290.97
in cash credit accounts	**–**	–	**3.62**	7.01
as deposits with original maturity of less than three months	**–**	–	**1,700.00**	89.47
in unpaid dividend accounts*	**–**	–	**104.80**	69.61
Remittance in transit	**–**	–	**74.09**	–
Cash in hand	**–**	–	**6.29**	3.01
Total (A)	**–**	–	**2,315.50**	1,460.07
Other Bank Balance				
Deposits with original maturity of more than twelve months**	**–**	102.29	**110.67**	1,250.11
	–	102.29	**110.67**	1,250.11
Less: Amount disclosed under non current assets (Refer note no. 16)	**–**	(102.29)	**–**	–
Total (B)	**–**	–	**110.67**	1,250.11
Total (A + B)	**–**	–	**2,426.17**	2,710.18

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

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

Note 19: Revenue From Operations **(Rs. in Lacs)**

Particulars		**March 31, 2014**	March 31, 2013
Revenue from operations			
Sale of products:			
Finished Goods		**38,403.79**	42,419.86
Traded Goods		**12,255.85**	7,049.40
Other operating revenue			
Scrap Sales		**269.95**	155.58
Revenue from operations (gross)		**50,929.59**	49,624.84
Less: Excise Duty		**(1,526.90)**	(1,343.53)
Revenue from operations (net)	**Total**	**49,402.69**	48,281.31

Sales is net of credit notes amounting to Rs. 272.53 lacs (March 31, 2013: Rs. 854.30 lacs) issued/to be issued towards warranty claims.

Excise duty on sales amounting to Rs.1,526.90 lacs (March 31,2013: Rs. 1,343.53 lacs) has been reduced from sales in consolidated statement of profit and loss and excise duty on increase/decrease in stock amounting to Rs. 42.36 lacs (March 31,2013: Rs. 0.81 lacs) has been considered as (income)/expense in note 26 of consolidated financial statements.

Detail of products sold **(Rs. in Lacs)**

Particulars	March 31, 2014	March 31, 2013
Finished Goods		
Auto	**27,258.85**	21,604.49
General Lighting Lamps	**11,144.94**	20,815.37
	38,403.79	42,419.86
Traded Goods		
Luminaries and Fittings	**1,663.29**	2,699.36
Auto	**10,343.09**	4,244.53
Others	**249.47**	105.51
	12,255.85	7,049.40
	50,659.64	49,469.26

Note 20: Other Income **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Interest income		
- Fixed Deposits	**197.07**	19.22
- Others	**8.86**	4.07
Foreign exchange gain(net)	**1,438.85**	193.25
Unspent liabilities written back	**65.22**	251.28
Miscellaneous income	**110.67**	66.46
TOTAL	**1,820.67**	534.28

EXPENSES

Note 21: Cost of materials consumed **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Raw Materials *	**16,670.42**	24,413.54
Fuels	**927.48**	1,165.86
Consumables	**202.26**	300.99
Packing Materials	**1,748.07**	1,590.80
TOTAL	**19,548.23**	27,471.19

*Raw materials consumed includes cost of materials issued/to be issued amounting to Rs. 566.23 lacs (March 31, 2013: Rs. 2,879.51 lacs) as free replacement against warranty claims.

*Net of Raw materials sales of Rs. 2,021.51 lacs (March 31,2013 Rs. 3,758.31 lacs) for job work.

(Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013
Details of raw materials consumed		
Glass Tube	**2,094.01**	2,353.27
Lamp Base Parts	**3,750.38**	4,451.01
PCB/PCB Components	**2,758.49**	6,119.07
Imported Bulb	**1,066.53**	1,497.01
Others	**7,001.01**	9,993.18
	16,670.42	24,413.54
Details of inventory		
Glass Tube	**725.30**	398.98
Lamp Base Parts	**470.30**	417.88
PCB/PCB Components	**–**	502.61
Imported Bulb	**82.39**	312.89
Others	**911.45**	1,135.58
TOTAL	**2,189.44**	2,767.94

Note 22: Decrease in inventories (Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013	(Increase) / Decrease
Opening Stock			
Finished Goods	**4,487.52**	3,563.54	**923.98**
Traded Goods	**3,954.24**	1,489.27	**2,464.97**
Work in Progress	**2,311.76**	2,009.86	**301.90**
Scrap	**96.18**	92.38	**3.80**
Acquired from Subsidiary			
Finished Goods	**–**	1,107.86	**(1,107.86)**
Traded Goods	**–**	2,749.66	**(2,749.66)**
Total (A)	**10,849.70**	11,012.57	**(162.87)**
Closing stock*			
Finished Goods	**(3,288.90)**	(4,487.52)	**1,198.62**
Traded Goods	**(2,414.23)**	(3,954.24)	**1,540.01**
Work in Progress	**(1,382.24)**	(2,311.76)	**929.52**
Scrap	**(6.06)**	(96.18)	**90.12**
Total (B)	**(7,091.43)**	(10,849.70)	**3,758.27**
Transferred on account of Slump sale of General Lighting Division (C)	**(3,005.38)**	–	**–**
Foreign exchange fluctuation reserve (D)	**847.71**	(80.25)	**927.96**
Decrease in inventories **Total (B+C–A–D)**	**1,600.60**	82.62	**4,523.36**

*Closing Stock as at August 30, 2013 included Rs. 1,718.39 lacs of Finished goods, Rs. 833.54 lacs of Traded goods, Rs. 453.43 lacs of Work in Progress of General Lighting Division which has been sold off on slump sale basis to Halonix Technologies Limited.

(Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013
Details of purchase of traded goods		
Auto Lamp	**7,439.24**	3,583.62
Luminaries & Fittings	**1,512.58**	2,164.95
Others	**153.48**	69.85
	9,105.30	5,818.42
Details of inventory		
Finished goods		
Auto Lamp	**3,288.90**	2,281.18
General Lighting Lamps	**–**	2,206.34
	3,288.90	4,487.52
Traded goods		
Auto Lamp	**2,319.64**	3,047.38
Luminaries & Fittings	**–**	823.18
Others	**94.59**	83.68
	2,414.23	3,954.24
Work in progress		
Auto Lamp	**1,382.24**	1,812.20
General Lighting Lamps	**–**	499.56
	1,382.24	2,311.76

Note 23: Employee benefit expenses (Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013
Salaries, wages and bonus	**5,522.65**	5,546.40
Contribution to social security funds	**217.77**	37.83
Contribution to provident and other funds	**254.71**	336.68
Gratuity expense (refer note 35)	**150.54**	135.02
Staff welfare	**257.78**	327.18
TOTAL	**6,403.45**	6,383.11

Note 24: Finance Cost (Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013
Interest on term loans	**313.94**	369.32
Interest others (including Rs. 35.90 lacs, March 31, 2013: Rs. 0.64 lacs on income tax)*	**833.53**	1,592.88
Factoring charges	**104.37**	20.93
Other finance costs	**201.34**	78.21
TOTAL	**1,453.18**	2,061.34

* net of refund of Rs. 83.66 lacs of penal interest charged by bank and expensed off in books in earlier years.

Note 25: Depreciation and amortization expense (Rs. in lacs)

Particulars	March 31, 2014	March 31, 2013
Depreciation of tangible assets	**881.62**	1,224.16
Amortization of intangible assets	**620.53**	364.22
TOTAL	**1,502.15**	1,588.38

Note 26: Other expenses **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Consumption of stores and spares	389.03	436.70
Power and fuel	772.23	928.82
Rent	791.06	468.59
Rates and taxes	62.86	110.01
Increase/(Decrease) in excise duty on closing stock	42.36	(0.81)
Job work charges	264.73	507.38
Technician expenses	28.85	38.68
Printing and stationery	29.67	54.35
Vehicle running and maintenance	14.62	30.32
Insurance charges	175.03	151.30
Filing and legal charges	31.06	39.69
Travelling and conveyance	592.93	800.54
Communication expenses	82.54	107.93
Repair and maintenance		
- Plant and Machinery	59.75	55.00
- Building	47.77	25.69
- Others	141.34	122.32
Auditor's remuneration	79.64	85.05
Professional charges	970.15	825.62
Advertisements and sales promotion	286.14	509.29
Freight outward	1,089.29	1,504.22
Commercial claims	142.55	–
Selling commission (other than to sole selling agents)	1,629.48	546.26
Cash discount	49.02	–
Donation	0.19	0.10
Security services	70.15	95.59
Loss on disposal of fixed assets (Net)	1.58	14.33
Doubtful debts / advances written off (after adjusting reversal of provision for doubtful debts / advance of Rs. 284.94 Lacs (March 31, 2013: Rs. 747.45 Lacs)	55.70	529.70
Reversal of provision for obsolete inventories	(224.61)	(478.32)
Bank charges	175.78	93.70
Miscellaneous expenses	196.87	165.51
TOTAL	8,047.76	7,767.56

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

Particulars	March 31, 2014	March 31, 2013
As auditor:		
Audit fee	62.77	71.48
Tax audit fee	3.25	3.12
Limited Review	7.50	5.00
In other capacity:		
Certification etc.	4.05	3.74
Out of pocket expenses	2.07	1.71
TOTAL	79.64	85.05

Note 27: Exceptional item **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Gain on Sale of General Lighting Division (Refer Note 38)	(3,975.92)	–
Gain on sale of Trade Investment in a subsidiary company	(242.00)	–
TOTAL	(4,217.92)	–

Note 28: Earnings per equity share (EPS)

	March 31, 2014	March 31, 2013
Profit / (Loss) after tax (Rs. in lacs)	6,639.31	(2,407.40)
Weighted average number of equity shares for calculating basic and diluted EPS (in Nos.)	28,019,300	28,019,300
Basic and Diluted earnings per share (in Rs.)	23.70	(8.59)
Nominal value of share (In Rs.)	10.00	10.00

Note 29: Capital and other commitments: **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Estimated amount of unexecuted capital contracts (net of advances and deposits)	12.66	12.85

Note 30: Contingent Liabilities (To The Extent Not Provided) **(Rs. in lacs)**

Particulars	March 31, 2014	March 31, 2013
Contingent liabilities :		
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others.	1.54	153.20
Demands from the Indian tax authorities for disputed demands of income tax. The said amount includes mainly addition in sales, disallowance of purchases and other expenses and benefits for the assessment year 2009-10 & 2010-11.*	5,310.76	5,436.34
VAT/Sales Tax demands *	1.93	115.06
Excise Duty under Protest *	66.18	66.18
Penalty against service tax demand*	10.27	–
Penalty for non fulfilment of export obligation by Director General of Foreign Trade Delhi.*	–	13.44
Penalty against Advance License by DGFT Delhi & Duty saved therein.*	–	156.50
Corporate Guarantee given for a step down wholly owned subsidiary company	–	695.44
Claims also includes suspension period wages*	132.29	113.80
Claims against the Group not acknowledged as debts*	511.89	–
*Based on favourable decision in similar cases, discussions with the advocate etc, the Group believes that there is fair chance of decision in its favour and hence no provision is considered necessary against the same.		
The Contingent Liabilities disclosed above exclude liabilities pertaining to General Lighting business which are to be borne by Halonix Technologies Private Limited ("HTPL") to whom the business has been transferred, in accordance with the Business Transfer Agreement signed by the Parent Company with HTPL.		

Note 31: Unhedged Foreign Currency Exposure **(in lacs)**

Particulars		As At March 31, 2014		As At March 31, 2013	
	Currency	(In Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
Trade Payables	JPY	**17.48**	**10.28**	13.95	8.06
Trade Payables	EURO	**13.03**	**1,077.41**	8.06	560.56
Trade Payables	USD	**3.74**	**224.56**	11.17	607.77
Bank Balance	USD	**0.03**	**1.80**	–	–
Remittance in transit	EURO	**0.90**	**74.32**	–	–
Trade & Other receivable	EURO	**0.36**	**29.80**	5.78	401.68
Trade & Other receivable	USD	**4.13**	**248.48**	4.80	261.02

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

The disclosure in respect of non cancellable operating leases is given below:

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Total Lease Payment for the year (Recognized in the Consolidated Statement of Profit & Loss)	**493.99**	270.32
Total Lease Payment :-		
Not Later than one Year	–	489.64
Later than one year but not later than five years.	–	115.74
Later than five years.	–	–

Note 33 Related Party Disclosure

Nature of Relationship	Name of the Person
Related parties where control exists	
i) Enterprises under Common Control (Fellow subsidiary)	a) Argon South Asia Limited ("Argon South") b) Halonix Technologies Private Limited ("HTPL") (Formerly Halonix Technologies Limited) (w.e.f. August 31, 2013)
ii) Holding Company	a) Argon India Limited ("Argon India")
Related parties with whom transactions have taken place during the year	
iv) **Key Management personnel**	a) Mr. Gurvikram Singh (Managing Director of Parent Company) Resigned w.e.f November 18, 2013. {GS} b) Mr. Pranay D Gandhi (Managing Director of Parent Company) w.e.f. November 19, 2013 {PG} c) Mr. Peter Jaschkowitz (Director of Trifa Lamps Germany Gmbh) {PJ} d) Mr. Frank Klinkert (Director of Luxlite Lamps SARL, Luxemburg) {FK}

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

Nature of Transactions	Common Control		Holding Company	Key Management Personnel				Total
Transactions during the Year	**Argon South**	**HTPL**	**Argon India**	**GS**	**PG**	**PJ**	**FK**	
I) Sale of Investments	- (-)	- (-)	20.00 (-)	- (-)	- (-)	- (-)	- (-)	20.00 -
II) Managerial Remuneration	- (-)	- (-)	- (-)	81.17 (65.86)	44.20 (-)	198.01 (37.14)	144.71 (-)	468.09 (103.00)
III) Dividend Paid	198.82 (-)	- (-)	795.30 (-)	- (-)	- (-)	- (-)	- (-)	994.12 -
IV) Sales	- (-)	303.60 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	303.60 -
V) Sale of General Lighting Business on Slump Sale	- (-)	7,671.25 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7,671.25 -
Balances outstanding at the year end								
I) Managerial Remuneration Payable	- (-)	- (-)	- (-)	- (2.87)	10.44 (-)	33.03 (-)	29.48 (-)	72.95 (2.87)
II) Trade & Other Receivables	- (-)	3.95 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.95 -

Previous Year figures are given in brackets.

Note 34 Segment Reporting

Business Segments

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

(Rs. in Lacs)

	F.Y 13-14			F.Y 12-13		
Particulars	**Auto Lamps**	**General Lighting**	**Total**	**Auto Lamps**	**General Lighting**	**Total**
Revenue						
External Turnover	**36,558.29**	**12,844.40**	**49,402.69**	24,669.29	23,612.02	48,281.31
Result	**4,478.43**	**519.42**	**4,997.86**	2,937.25	(2,455.28)	481.97
Unallocated Expenses net off Unallocated Other Income			**(18.01)**			777.66
Operating Profit			**5,015.87**			(295.69)
Finance Cost			**1,453.18**			2,061.34
Exceptional Items			**(4,217.92)**			–
Income Taxes			**1,141.30**			50.38
Net Profit* /(Loss)			**6,639.31**			(2,407.41)
Other Information						
Segment assets	**21,018.81**	–	**21,018.81**	23,163.74	14,548.30	37,712.04
Unallocated Corporate assets			**7,567.14**			3,437.70
Total Assets			**28,585.95**			41,149.74
Segment Liabilities	**7,261.32**	–	**7,261.32**	7,423.44	6,306.23	13,729.67
Unallocated Corporate liabilities			**9,742.17**			16,762.96
Total Liabilities			**17,003.49**			30,492.63
Capital Expenditure	**201.65**	**11.99**	**213.64**	148.09	65.77	213.86
Unallocated Capital Expenditure			–			–
Total Capital Expenditure			**213.64**			213.86
Depreciation/Amortization	**1,269.63**	**232.52**	**1,502.15**	742.95	751.56	1,494.51
Unallocated Depreciation/Amortization			–			93.87
Total			**1,502.15**			1,588.38

Geographic Segments

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

(Rs in lacs)

Particulars	Within India	Outside India	Total
Sales (Gross)	26,730.22	24,199.37	50,929.59
	(36,394.89)	(13,229.95)	(49,624.84)
Trade receivables	2,592.11	3,115.01	5,707.12
	(6,989.04)	(3,453.09)	(10,442.13)
Tangible / Intangible Assets *	3,145.04	1,025.00	4,170.04
	(9,084.80)	(1,270.41)	(10,355.21)
Other assets	9,894.24	8,814.55	18,708.79
	(10,363.77)	(9,988.63)	(20,352.40)
Addition to Fixed Assets	107.53	106.11	213.64
	(206.47)	(7.39)	(213.86)

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

Note: Previous Year figures are given in brackets.

Note 35 Gratuity and other post employment benefit plans

Defined contribution plan

Contribution to Recognised Provident Fund

The Parent Company has contributed Rs. 200.02 lacs (March 31, 2013: Rs. 263.74 lacs) towards provident fund during the year ended March 31, 2014.

Contribution to social security funds

The subsidiary companies have contributed Rs. 217.77 lacs (March 31, 2013: Rs. 37.83 lacs) towards social security benefits during the year ended March 31, 2014.

Gratuity Plan

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

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

Consolidated Statement of Profit and Loss

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

	March 31, 2014	March 31, 2013
Current Service Cost	**74.25**	82.19
Interest Cost	**44.71**	49.26
Expected Return on Plan Assets	**(2.02)**	(5.50)
Curtailment credit	**–**	(22.44)
Net Actuarial Loss recognized during the year	**33.60**	31.51
Expenses recognized in the consolidated statement of profit and Loss	**150.54**	135.02
Actual Return on Plan Assets	**1.13**	3.61

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

	March 31, 2014	March 31, 2013
Present Value of Defined Benefit Obligation	**524.16**	647.14
Fair Value of Plan Assets	**17.27**	23.54
Plan (Liability)	**(506.89)**	(623.60)

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

	March 31, 2014	March 31, 2013
Opening defined benefit Obligation	**647.14**	572.78
Current Service Cost	**74.25**	82.19
Interest Cost	**44.71**	49.26
Benefits Paid (i) Directly Paid by the enterprise	**(30.46)**	(4.12)
(ii) Payment made out of the fund	**(74.47)**	(60.14)
Curtailment Credit	**–**	(22.44)
Actuarial Losses on obligation	**32.71**	29.61
Less: Transfer of Liability Pursuant to sale of General Lighting Division	**(169.72)**	–
Closing Defined Benefit Obligation	**524.16**	647.14

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

	March 31, 2014	March 31, 2013
Opening fair value of Plan Assets	**23.54**	60.08
Expected Return	**2.02**	5.50
Contributions by the employer	**69.88**	20.00
Benefits Paid	**(74.47)**	(60.14)
Actuarial (Losses)	**(0.89)**	(1.89)
Less: Transfer of Liability Pursuant to sale of General Lighting Division	**(2.81)**	–
Closing fair value of Plan Assets	**17.27**	23.55

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

	March 31, 2014	March 31, 2013
Investment with Insurer	**100%**	100%

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

(Rs in lacs)

	March 31, 2014	March 31, 2013
Discount Rate	**9.10%**	8.00%
Expected Return on Plan Assets	**8.75%**	9.15%
Employee Turnover	**15 % for all ages**	20 % for all ages
Rate of Increase in Compensation levels	**10.00%**	8.00%

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

The overall expected rate of return on Assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. The Parent Company expects to contribute Rs. 89.51 lacs to Gratuity Fund in the next year. (March 31, 2013: Rs. 129.58 lacs).

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

	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014
Defined Benefit Obligation	399.61	509.59	572.78	647.14	**524.16**
Plan Assets	113.75	77.09	60.08	23.54	**17.27**
Surplus / (Deficit)	(285.86)	(432.50)	(512.71)	(623.60)	**(506.89)**
Experience Adjustments on plan liabilities-(loss) / Gain	(103.42)	198.78	(10.32)	(3.12)	**(6.44)**
Experience adjustments on Plan Assets- (loss) / Gain	(1.75)	(1.88)	0.34	(1.89)	**(0.80)**

Note 36 (a) The asset of Rs. 853.01 lacs (March 31, 2013: Rs. 60.02 lacs) recognized by the Parent Company as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for current and earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Parent Company to utilize MAT credit assets.

(b) Provision for income tax in the books of the Parent Company has been made after considering available various allowances and benefits based on expert opinion.

Note 37 Managerial Remuneration

(a) The Parent Company had paid managerial remuneration of Rs. 182.44 lacs to erstwhile Managing Directors in earlier years in excess of the limits prescribed under the Companies Act / approval earlier obtained from Central Government. The Parent Company has made applications / revision applications for seeking approval for the excess remuneration. During the year, The Parent Company's application for waiver of excess remuneration of Rs. 79.94 lacs paid to erstwhile Managing Director has been rejected by the Ministry of Corporate Affairs, Govt. of India (MCA). Against the rejection order, the Parent Company has filed revised application. Pending receipt of the approval, no adjustments have been made in the consolidated financial statements.

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

(c) Director's commission to non-executive directors of the Parent Company provided during the year of Rs. 20 lacs is subject to approval of shareholders in the ensuing annual general meeting.

Note 38 Discontinued Operations

On August 30, 2013, the Parent Company has completed sale of its General Lighting Lamps business, which was a separate business segment, on slump sale basis to Halonix Technologies Private Limited for an aggregate consideration of Rs. 16,000 lacs (net of adjustment Rs. 7,671.25 lacs), pursuant to Business Transfer Agreement dated July 23, 2013. Accordingly, General Lighting Business has been considered as discontinued operations. The net gain of Rs. 3,975.92 lacs arising from sale of the said business has been disclosed separately under exceptional items. The tax expense relating to profit on sale of such business amounting to Rs. 1,230.35 lacs is included in the provision for income tax. The net profit after tax pertaining to the 'Discontinued operation' has also been disclosed separately. The Parent Company's continuing operation represents revenues from Auto Lamps business.

The operating activities of the parent Company's discontinued operations are summarised as follows:

(a) The revenue and expenses in respect of the ordinary activities attributable to the discontinued operations:

	Year Ended March 31, 2014	Year Ended March 31, 2013
Income		
Revenue from Operations (net)	**12,844.39**	23,612.02
Other income	**(165.03)**	188.68
Total Revenue	**12,679.36**	23,800.70
Expenses		
Cost of materials consumed	**6,973.87**	16,057.67
Purchase of traded goods	**1,512.58**	2,164.95
Decrease in inventories	**523.71**	771.70
Employee benefit expenses	**1,385.21**	2,903.24
Finance cost	**681.48**	1,379.52
Depreciation and amortization expense	**232.52**	758.49
Other expenses	**1,564.91**	3,721.83
Total expenses	**12,874.28**	27,757.40
(Loss) before exceptional items and tax	**(194.92)**	(3,956.70)
Exceptional items (Gain on Disposal of Assets and Liabilities of Discontinued Operation)	**3,975.92**	–
Profit/(Loss) Before Tax	**3,781.00**	(3,956.70)

(b) The Net Cash Flows attributable to the discontinued operations are as follows:

	Year Ended March 31, 2014	Year Ended March 31, 2013
Operating Activities	**(380.46)**	557.90
Investing Activities	**(2.43)**	(131.56)
Financing Activities	**21.47**	(60.84)
Net Cash Inflows/ (Outflows)	**(361.42)**	365.50

(c) The carrying amount of the total assets and liabilities disposed off on August 30, 2013 are follows:

	As at August 30, 2013	Year Ended March 31, 2013
Tangible and Intangible Assets	**5,102.62**	5,171.53
Current & Non Current Assets	**12,157.46**	9,922.17
Current & Non Current Liabilities	**13,576.74**	5,988.10

Note 39 Change in accounting estimate

During the year, the Parent Company has reassessed the remaining useful life of certain plant and machinery having gross block of Rs. 261.54 lacs and accordingly has provided accelerated depreciation of Rs. 217.98 lacs on these assets to depreciate them fully during the year.

Had the Parent Company continued to use the earlier basis of providing depreciation, the charge to the consolidated statement of profit and loss for the current year would have been lower by Rs. 217.98 lacs and the net block of fixed assets would correspondingly have been higher by Rs. 217.98 lacs.

Note 40 Previous Year's Figures

Previous year figures have been reclassified to conform to this year's figures. The financial statements are not comparable with previous year due to the sale of General Lighting Lamps division of Parent Company on August 30, 2013, sale of shares of subsidiary i.e. Halonix Technologies Limited on August 30, 2013 and acquisition of International Lamps Holding Company S.A. during previous year effective December 3, 2012.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
M.No. 87921

Place : Gurgaon
Date : May 27, 2014

For and on behalf of the Board of
directors of Phoenix Lamps Limited

Pranay Gandhi
Managing Director

Padmanabh P.Vora
Chairman

Gagandeep Singh
Chief Financial Officer

Aditya Rungta
Company Secretary

Place : Noida

PHOENIX

PHOENIX LAMPS LIMITED

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