



ANNUAL REPORT

2017 - 2018

MESSAGE FROM THE CHAIRMAN'S DESK

"Fortunately for us, our determination to succeed infuses us with the passion to re-create"



Dear Shareholders

Warm greetings....!!!

We are pleased to inform you that your company EON Electric Ltd. has established its credentials effectively as one of the leading players in the LED based Lighting and Luminaires, energy efficient Fans, Wires and Cables, and other Electrical Products in India.

With 60 years of rich legacy, we continue to be guided by our Core Values to achieve consistent growth and higher standards of customer delight and satisfaction and are committed towards making the best quality products at affordable and competitive prices without compromising on their quality and performance through continuous Innovation, modernisation, and adoption of best practices conforming to global standards.

In line with the Nation's Vision to ensure "Electricity for All" by promoting the use of energy efficient products for Lighting, we are committed to produce and deliver these LED Lighting products across the country for Street Lights, as also for residential, commercial and industrial Lighting. Given our Government's thrust on energy efficiency, energy savings and its Make in India program, the manufacture, supply and installation of LED based Solar Street Lighting system were identified as the key areas. We have successfully installed over 4 lacs LED Street Lights by replacing the conventional Sodium / Mercury Vapour and other lighting systems with state-of-the-art LED Lighting systems under our Nation's program promoted by Energy Efficiency Services Ltd. (EESL), the prime Government of India organisation, incorporated for this purpose.

In spite of the challenging business environment during 2017-18 on account of the after impacts of de-monetisation and uncertainty due to the implementation of GST, we are poised for our continued growth in the coming years. We are intensely working on augmenting our distribution network for consumer products like LED based lighting, luminaries, fans, water heaters and wires and cables under our brand name Eon so as to provide energy efficient electrical solutions to the households and institutional consumers across the country and thereby enhance the value for our stakeholders.

I am very optimistic about EON's growth in the future, committed to all our stakeholders and to the communities we work for sustainable, profitable growth, with continual community engagement.

I take this opportunity to thank all our stakeholders for their attachment and trust and confidence reposed in us.

Thank you all for your consistent support which I heartily appreciate and cherish.

With kind and cordial regards,

V.P. Mahendru
Chairman - Managing Director

CORPORATE INFORMATION

Chairman & Managing Director

Mr. Ved Prakash Mahendru

Joint Managing Directors

Mr. Vivek Mahendru

Mr. Vinay Mahendru

Independent Directors

Mr. Ramesh Chander Bansal

Mr. Ajoy Kumar Ghosh

Mr. Ranjan Sarkar

Dr. Rashmi Vij

Chief Financial Officer

Mr. K.B. Satija

Company Secretary & Compliance Officer

Mr. Shiv Kumar Jha

Statutory Auditors

M/s. Bansal & Co. LLP

Chartered Accountants

Bankers

State Bank of India

RBL Bank Limited

Registrar and Transfer Agent

M/s Alankit Assignments Limited

Alankit Heights, 1E/13, Jhandewalan Extn.

New Delhi-110055, India

Registered Office

1048, Sector-14,

Sonepat, Haryana - 131001

Corporate Office

B-88, Sector - 83

Noida - 201305, (U.P)

Head Office

208, Hemkunt Tower

98, Nehru Place, New Delhi - 110019

Plant Locations

Unit : I

Plot No. 10, Sector 4, SIDCUL,

Haridwar, Uttarakhand - 249403

Unit : II

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

Haridwar, Uttarakhand - 249403

Unit : III

Plot No. 1C, Sector - 7, SIDCUL,

Haridwar, Uttarakhand - 249403

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2018.

FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2018 is summarized below:

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Revenue from Operation	158.68	185.79	158.68	185.79
Other Income	5.14	7.17	5.14	7.17
Operating Profit (EBITDA)	14.31	14.57	14.31	14.57
Finance Costs	11.37	9.29	11.37	9.29
Depreciation and Amortisation Expense	2.16	2.11	2.16	2.11
Profit before Exceptional items and Tax	0.88	3.17	0.88	3.17
Exceptional Items	-	-	-	-
Profit before Tax	0.88	3.17	0.88	3.17
Less: Tax Expense	0.44	(0.40)	0.44	(0.17)
Profit after Tax	0.44	3.57	0.44	3.57
Profit for the year	0.44	3.57	0.44	3.57
Other Comprehensive Income	0.09	0.11	0.09	0.11
Total Comprehensive Income	0.53	3.68	0.53	3.68
Earnings per Share	0.27	2.22	0.27	2.22
(Face Value of Rs.5/- per Equity Share)				

FINANCIAL HIGHLIGHTS

During the financial year under review, your Company has achieved Sales and Other Income of Rs.163.82 Crores as against Rs.192.96 Crores in the previous financial year 2016-17.

The EBITDA for the year ended March 31, 2018 stood at Rs. 14.31 Crores as against Rs. 14.58 Crores during the previous year.

The Profit before Tax for the financial year ended March 31, 2018 stood at Rs.0.88 Crore as against a profit of Rs.3.17 Crores earned during the previous financial year ended March 31, 2017. The Profit after Tax for the current year stood at Rs. 0.44 Crore against a profit after Tax Rs. 3.57 Crores earned during the previous year ended 31st March, 2017.

The business in all sectors was very challenging due to the slow growth in construction activity and uncertainty prevalent in the business during the initial few months of implementation of the GST during the year resulting in reduced sales volume as well as profitability of the Company. While there has been a decline in the sales of the Company during 2017-18, there has been a significant improvement in the Operating Profit (EBITDA) of the Company during 2017-18 on account of improved contribution margins from the sale of its products. The Profit before Tax for the year under review remained under pressure due to higher fixed costs on account of Employee Benefits Expense and Finance Costs owing to increased working capital utilisation during the year.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2017-18, have been prepared in compliance with the applicable provisions of the Companies Act, 2013, Indian Accounting Standards and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIVIDEND AND RESERVES

Constrained by planned financial investments and conservation of internal accruals for faster growth of the Company, your Directors do not recommend any Dividend for the year under review.

The Company has not transferred any amount to General Reserve during the financial year 2017-18.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

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

Shri Ved Prakash Mahendru, Chairman and Managing Director, Shri Vivek Mahendru, Joint Managing Director, and Shri Vinay Mahendru, Joint Managing Director were re-appointed for a period of 3 (Three) years w.e.f. 1st October, 2017 in the Annual General Meeting held on 27th September 2017 during the Financial Year 2017-18

The details of Directors being recommended for re-appointment as required under Secretarial Standard 2 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Notice convening the ensuing Annual General Meeting of the Company. Appropriate resolutions seeking your approval to the re-appointment of Directors are also included in the Notice.

Key Managerial Personnel

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

Appointments

During the period under review, Mr. Shiv Kumar Jha was appointed as Company Secretary and Compliance Officer on May 15, 2017 and designated as Company Secretary & Compliance Officer of the Company w.e.f. May 24, 2017.

BOARD EVALUATION

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

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

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

MEETINGS OF THE BOARD AND COMMITTEES

Five meetings of the Board of Directors were held during the Financial Year 2017-18. The details of number of Meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report. Besides in term of requirements of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on March 09, 2018 for the Financial Year 2017-18.

DECLARATION BY INDEPENDENT DIRECTORS

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

REMUNERATION POLICY

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

AUDIT COMMITTEE

As at 31st March, 2018, the Audit Committee of the Board of Directors of the Company comprised of 3 members namely Shri Ramesh Chander Bansal, Independent Director, Shri Ajoy Kumar Ghosh, Independent Director and Shri Vivek Mahendru, Joint Managing Director. Shri Ramesh Chander Bansal is Chairman of the Audit Committee.

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

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013, and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. M/s J.C. Bhalla & Co., Chartered Accountants, had completed their tenure as the Company's Statutory Auditors at the 28th AGM of the Company held on 27th September 2017.

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

The Audit Committee and the Board of Directors recommend the ratification of appointment of M/s Bansal & Co LLP, Chartered Accountants, as Statutory Auditors of the Company from conclusion of this Annual General Meeting to the conclusion of 33rd Annual General Meeting.

STATUTORY AUDITORS' REPORT

The Board has duly examined the Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 by M/s Bansal and Co. LLP, Chartered Accountants, which is self explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

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

COST AUDITORS

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made there under, Mr. Krishan Singh Berk, Cost Accountant (FRN: 102044 & Membership No. 2724), 365, Sector – 15, Faridabad – 121 007 Haryana, was appointed as the Cost Auditor of the Company for the financial year ended March 31, 2018.

Your Board, on the recommendation of the Audit Committee, has re-appointed Mr. Krishan Singh Berk, Cost Accountant, for auditing the cost records of the Company for the financial year 2018-19. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolution seeking your ratification of the remuneration of Mr. Krishan Singh Berk, Cost Accountant, is included in the Notice convening the 29th AGM of the Company.

SECRETARIAL AUDITORS & THEIR REPORT

The Company had appointed M/s Navneet K Arora & Co LLP, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2018. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for FY 2017-18 is annexed as **Annexure - A** to this report.

The Board has re-appointed M/s Navneet K Arora & Co. LLP Company Secretaries, New Delhi as Secretarial Auditors of the Company for Financial Year 2018-19.

EXTRACT OF THE ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

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

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

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

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year on March 31, 2018 to which these Financial Statements relate and the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2018.

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

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

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

WHISTLE BLOWER AND VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2017-18, the provisions of Section 186 of the Companies Act, 2013 were not applicable on the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the Financial year ended on 31st March, 2018.

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards and Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls to be followed by the Company were laid down and that such internal financial controls were adequate and operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

OTHER INFORMATION**Management Discussion and Analysis Report**

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

Certificate on Corporate Governance

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

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

Prevention of Sexual Harassment at Workplace

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

The Company has not received any complaint of sexual harassment during the Financial Year 2017-18.

Transfer to Investor Education and Protection Fund

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

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

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

Listing of Shares

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

The Company has paid annual Listing fee for the Financial Year 2018-19 to the BSE Limited and the National Stock Exchange of India Limited.

Acknowledgements

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

For and on behalf of the Board of Directors

Place: New Delhi
Dated: August 14, 2018

Ved Prakash Mahendru
 Chairman & Managing Director
 DIN: 00005338

ANNEXURE - A

Secretarial Audit Report

[For the Financial Year ended on 31st March, 2018]

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board- Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on **31st March 2018** according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. No Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company was not engaged in the activities relating to Registrar to an issue and also not acting as Share Transfer Agent hence the said regulations were not applicable to the Company during the audit period;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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