

To

Date: 04.10.2017

**BSE Limited  
Listing Compliance  
P J Towers, Dalal Street,  
Mumbai - 400001, India**

**Subject: Submission of Annual Report for the FY 2016-17**

Dear Sir,

Please find enclosed herewith the Annual Report of Starlit Power Systems Limited for the financial year 2016-17 along with the required annexures.

**Thanking You**

**For Starlit Power Systems Limited**

**Archana Mishra  
Company secretary & Compliance officer  
Membership No: A33940**



Enclosure: Annual report for the F.Y 2016-17 along with annexures.

**Directors' Report**

To,

The Members,

Your Directors have pleasure in presenting their 9<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

**1. Financial summary or highlights/Performance of the Company**

(Amount In Rs lakhs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
<b>Income</b>	<b>715.31</b>	<b>2,584.13</b>	<b>699.36</b>	<b>2,376.08</b>
Earnings before Interest, Depreciation, Taxation & Exceptional Item(EBIDTA)	(339.84)	(339.84)	(275.65)	(337.58)
Less: Interest cost	244.96	289.41	244.93	289.36
Depreciation	104.29	113.46	104.19	113.36
<b>Profit before Tax &amp; Minority Interest</b>	<b>(645.07)</b>	<b>(742.71)</b>	<b>(624.77)</b>	<b>(740.31)</b>
<b>Less: Provision for Tax</b>	<b>(180.60)</b>	<b>(303.19)</b>	<b>(238.45)</b>	<b>(295.26)</b>
- Current	-	-	-	-
- Taxes for Earlier Years	-	-	-	-
- Deferred	(180.60)	(303.19)	(238.45)	(295.26)
<b>Profit after Tax but before Minority Interest &amp; Extraordinary Items</b>	<b>(464.47)</b>	<b>(439.52)</b>	<b>(386.32)</b>	<b>(445.05)</b>
Minority Interest	(1.84)	(0.25)	-	-
Extraordinary Items	-	0.12	-	-
<b>Profit available for Appropriation</b>	<b>(462.63)</b>	<b>(439.15)</b>	<b>(386.32)</b>	<b>(445.05)</b>



## **2. Brief description of the Company's working during the year/State of Company's affair:**

During the year under review, on standalone basis, your Company earned total revenue of Rs. 699.36/- lakhs as compared to Rs. 2376.08/- lakhs in the previous year. Profit/Loss after tax is Rs. (386.32)/- lakhs as against Rs. (445.05)/- lakhs in the previous year.

During the year under review, on consolidated basis, your Company's total revenue is Rs. 715.31/- lakhs as compared to Rs. 2584.13/- lakhs in the previous year. Profit/Loss after tax is Rs. (462.63)/- lakhs as against Rs. (439.15)/- lakhs in the previous year.

## **3. Change in the nature of business, if any:**

There has not been any change in the nature of business of the Company.

## **4. Dividend**

Looking at the expansion plans of the business, Your Board of Directors has not recommended Dividend for FY 2016-17. Hence no dividend has been recommended by the Directors for FY 2016-17.

## **5. Reserves**

During the year under review 20,12,973 equity shares of Rs. 10/- each aggregating to Rs. 2,01,29,733/- were issued by capitalization of Securities Premium Account to be distributed to the existing shareholders as fully paid up Bonus shares in the ratio of One (1) equity share for every Four (4) fully paid equity shares held pursuant to the Resolution Passed by the shareholders in the Annual General Meeting of the Company on 30th September, 2016.

The Board proposes to carry Rs. 5,41,31,557 as reserves & surplus under the head securities premium account for the year ended 31.03.2016.

## **6. Change of Name**

The Company has not changed its name during the financial year 2016-17

## **7. Share Capital**

### **Allotment of Equity Shares as Bonus Issue**

The company under the provision of Section 63 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV], the provisions of the Listing Agreement, SEBI (ICDR) Regulations 2009, has issued and allotted 20,12,973 shares of Rs. 10 each aggregating to Rs. 2,01,29,733/- as fully paid up Bonus shares to the existing shareholders by capitalization of Securities



Premium Account in the meeting of the Board of Directors held on 10.10.2016. The said bonus issue was approved by the shareholders in the Annual General Meeting of the Company held on 30.09.2016.

#### **Issue of Shares with Differential Rights**

The company has not issued any shares under provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV]

#### **Issue of Sweat Equity Share**

The company has not issued any shares under the provision Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014

#### **8. Directors and Key Managerial Personnel**

Mr. Jitender Singh was appointed as Additional Director (Independent) w.e.f 29.7.2016 and was regularized as Independent Director in the Annual General Meeting held on 30.09.2016.

Mr. Ramesh Hanumantrao Joshi and Mr. Abhay Kumar Chandalia resigned as Directors of the Company w.e.f. 30.05.2016 and 01.06.2016 respectively.

#### **9. Particulars of Employees**

As required, no employee of the Company was in receipt of remuneration exceeding the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure III**.

#### **10. Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, nine Board Meetings and six Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **11. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Obligations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.





## 12. Declaration by an Independent Director(s) and re- appointment, if any

A declaration by an Independent Director(s) that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 shall be enclosed as **Annexure V**.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

## 13. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### Managerial Remuneration:

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of the remuneration of each director to the median remuneration of the employees :
  - Mr. Yogesh Kumar Gupta:- 0.10
  - Mr. Kamaljeet Singh Jaswal:- 0.05
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :
  - There has not been any increase in the remuneration of the managerial personnel during the F.Y 2016-17
- The percentage increase in the median remuneration of employees in the financial year, the number of permanent employees
  - There has not been any increase in the remuneration of the employees during the F.Y 2016-17. The total number of permanent employees on the payroll of the Company as on 31.03.2016 were 9
- The explanation on the relationship between average increase in remuneration and company performance
  - There has not been any increase in the remuneration of the managerial personnel during the F.Y 2016-17
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company



- The Key Managerial Personnel are paid the minimum remuneration in compliance of the Companies Act, 2013. During the F.Y 2016-17 the Company has incurred losses and therefore, the directors are paid remuneration within the limits specified in Schedule V of the Companies Act, 2013.
- Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year. N.A
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
  - There has not been any increase in the remuneration of the managerial personnel during the F.Y 2016-17
- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company
  - During the F.Y 2016-17 the Company has incurred losses and therefore, the directors are paid remuneration within the limits specified in Schedule V of the Companies Act, 2013
- The key parameters for any variable component of remuneration availed by the directors. N.A
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and affirmation that the remuneration is as per the remuneration policy of the company: N.A

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- No employee fall under the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. NIL

D) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance," if any, attached to the financial statement:—

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;



(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

#### **14. Details of Subsidiary/Joint Ventures/Associate Companies**

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as **Annexure-IV [Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement]**

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. 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 include the financial information of its subsidiary.

#### **15. Auditors:**

The term of the Auditors, M/s D D Nagpal & Company, Chartered Accountants & Associates, is expiring at the ensuing Annual General Meeting and, being eligible, they offer themselves for reappointment for a period of 5 years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 14<sup>th</sup> Annual General Meeting.

#### **16. Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

#### **17. Disclosure about Cost Audit**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's products/ business of the Company for the FY 2016-17.

#### **18. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, Mr. Abhishek Jain, Practicing Company Secretary has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as **Annexure VI** to this report. The report is self-explanatory and do not call for any further comments.

#### **19. Internal Audit & Controls**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its



operations. During the year, the Company continued to implement his suggestions and recommendations to improve the control environment. The scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**20. Issue of employee stock options**

The Company has not issue any stock options during the financial year 2016-17.

**21. Vigil Mechanism :**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.starlitlead.com/> under investor corner/Corporate Governance/ Whistle Blower Policy & Vigil Mechanism link.

**22. Risk management policy**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

**23. Extract Of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is attached as a part of this Annual Report as ANNEXURE I.

**24. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

The Company's Bank Account with Punjab National Bank is currently under NPA Classification.

**25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There have not been any such orders passed by any regulatory authority against the Company.





**26. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Company, through its own, independent Internal Auditor, Mr. Aman Verma carries out periodic audits at all locations and functions based on the annual audit plan (keeping in mind various key risks) and inter alia, tests the design, adequacy and operating effectiveness of the internal controls. Significant observations including recommendation for improvement of business processes are reviewed by the Management before reporting to the Audit Committee, which reviews the Internal Audit reports, and monitors the implementation of audit recommendations.

**27. Deposits**

The details relating to deposits, covered under Chapter V of the Act,-

(a) accepted during the year; NIL

(b) remained unpaid or unclaimed as at the end of the year; NIL

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- NIL

(i) at the beginning of the year; NIL

(ii) maximum during the year; NIL

(iii) at the end of the year; NIL

The details of deposits which are not in compliance with the requirements of Chapter V of the Act; NIL

**28. Particulars of loans, guarantees or investments under section 186:**

No such loans, guarantees or investments under section 186 have been made by the Company during the Financial year 2016-17

**Details of Loans: NIL**

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security



**Details of Investments: NIL**

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return

**Details of Guarantee / Security Provided: NIL**

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission

**29. Particulars of contracts or arrangements with related parties:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Form No. AOC-2. As **Annexure II**.

However, all transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI Listing Obligations during the year were on an arm's length price basis and in the ordinary course of business

There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.

**30. Corporate Governance Certificate**

The Compliance certificate from the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed with the report as **Annexure VII**

**31. Management Discussion And Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2017.



### 32. Risk and Concerns

The Battery industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, fuel shortages, interest rate fluctuations, and other economic factors beyond our control.

- Your company is exposed to various business risks. These risks are driven through external factors like economic environment, competition, regulations etc. Cost & Quality are critical success factors in current business environment. Risk of losing market share/ ability to maintain high share or losing business share with key accounts are rooted on these factors.
- The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of cost of service rendered in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since some of our raw material are imported and the payment is to be made in foreign currency.
- The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results. In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.
- Lead cost that drives the price of battery is extremely critical for your Company. This is being managed effectively, leveraging the capacity & efficiency of subsidiary lead smelting facilities & competitive sourcing strategy. Productivity improvement in manufacturing through TPM initiative is continuous process that is helping to reduce the conversion cost in spite of fluctuating energy cost & rising wages. Product and process improvement is a continuous process of your company.
- Capability of upstream partners to fulfill changing cost & quality expectation is critical. The suppliers capability development initiative has been implemented rigorously. In order to improve the controls, detailed guideline has been issued in Vendor Manual.

### 33. Statutory Disclosures

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (b) (iv) of the said Act read with Listing Obligations, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

### 34. Opportunity and threats

Your Company has growth opportunities in industrial and automotive divisions specially solar, e-rickshaw and commercial vehicle divisions. Your Company has strategies in place to tap the potential. However the new entrants and aggressive expansion plan of existing competitors are biggest challenge. The competitive price, network strategy, technology & product quality are critical to our success. Your company has advantage of having strong brand value, large network, widely spread product range, strong partners and collaborators relationship. It is fully prepared to meet the challenge of competition leveraging its competitive strengths of network quality, technology, product range and brand value.





In Lead Acid Storage battery your Company has a very large share of business in divisions like Automotive, OEM, Power, Project, Manufacturing and Solar. Economy plays a very important role in these divisions. A subdued economy is a threat to your Company.

**35. Obligation Of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

In order to prevent sexual harassment of women at work place a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy for prevention, prohibition, and redressal of Sexual Harassment of Women at workplace in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year Company has not received any complaint on sexual harassment.

**36. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy:

(i)	the steps taken or impact on conservation of energy	During the year Company has made all efforts to conserve energy and to minimize the consumption of electricity for all power plant accessories.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The company is not producing any goods, which require consumption of energy.
(iii)	the capital investment on energy conservation equipment's	Neither an additional investment has been made nor proposed for reduction of consumption of energy, as the company is not consuming energy.

(b) Technology absorption

(i)	the efforts made towards technology absorption	The Company is already using the latest technology available in the kind of industry.
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(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	No such improvements were made during the period under review.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	
	(b) the year of import:	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	NIL

### (c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. 4,58,16,542 and the total foreign exchange earned was Rs. 2,33,82,830.

### 37. Corporate Social Responsibility (CSR)

The CSR is not presently applicable to the Company.

### 38. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention, and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### 39. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **40. Transfer of Amounts to Investor Education and Protection Fund**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

#### **41. Listing With Stock Exchanges:**

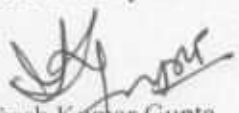
The Shares of the Company got listed in the BSE- SME Segment on 22.10.2014. The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE where the Company's Shares are listed.

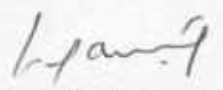
#### **42. Acknowledgements**


Your Directors take this opportunity to express their gratitude for the valuable assistance and co-operation extended by the bankers, vendors, customers, advisors and the general public and also for the valued efforts and dedication shown by the Company employees at all levels. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

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

**Starlit Power Systems Limited**

  
Yogesh Kumar Gupta  
Managing Director  
DIN: 00315397  
Address: DG-2/100B,  
Vikaspuri, New Delhi-  
110018

  
Kamaljeet Singh Jaswal  
Executive Director & CFO  
DIN:02340493  
Address: Add: B - 10/236,  
First Floor, Anritpuri - B, East  
of Kailash, New Delhi, 110065

  
Archana Mishra  
Company Secretary  
M. No: A33940  
Address: G-4, Bandhu Vihar  
Appt, Sector-10, Plot no-11,  
Dwarka, New Delhi-110075

Place: New Delhi

Date: 24.08.2017



## ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
i.	Annual Return Extracts in MGT 9
ii.	AOC 2 – Related Party Transactions disclosure
iii.	Particulars of Employee
iv.	Details of subsidiary
v.	Format of declaration by Independent Director
vi.	MR-2 Secretarial Audit Report
vii.	Corporate Governance Report



## ANNEXURE I

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U37200DL2008PLC174911
2.	Registration Date	04/03/2008
3.	Name of the Company	STARLIT POWER SYSTEMS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	AT A - 1/51, LGF, SAFDARJUNG ENCLAVE, NEW DELHI - 110029 PH- 011-26102570 WEBSITE:WWW.STARLITLEAD.COM
6.	Whether listed company	YES, LISTED ON BSE (SME SEGMENT) on 22.10.2014
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED E2 ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKINAKA, ANDHERI EAST, MUMBAI- 400072 TEL:(022) 40430200 FAX:(022) 28475207 SEBI REGN. NUMBER:INR000001385

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Automotive Batteries, Inverter Batteries and Solar Batteries and manufacturing and refining of Lead.	31	100





### III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1008462	0	1008462	12.52	1260578	0	1260578	12.52	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	1377366	0	1377366	17.11	1721707	0	1721707	17.11	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>2385828</b>	<b>0</b>	<b>2385828</b>	<b>29.63</b>	<b>2982285</b>	<b>0</b>	<b>2982285</b>	<b>29.63</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0



Funds									
i) Others (specify) Market Maker	80000	0	80000	0.99	30000	0	30000	0.3	0.69
<b>Sub-total (B)(1):-</b>	<b>80000</b>	<b>0</b>	<b>80000</b>	<b>0.99</b>	<b>30000</b>	<b>0</b>	<b>30000</b>	<b>0.3</b>	<b>0.69</b>
<b>2. Central Government/State Government/ President of India</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Non- Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	760000	0	760000	9.45	940000	0	940000	9.34	0.11
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	504000	0	504000	6.26	650000	0	650000	6.46	0.20
b) NBFC's registered with RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs) (Balancing Figure)	0	0	0	0	0	0	0	0	0
c) Others (specify)	4165140	156925	4322065	53.68	5266425	196156	5462581	54.27	0.6
Non Resident Indians	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(3):-</b>	<b>5429140</b>	<b>156925</b>	<b>5586065</b>	<b>69.38</b>	<b>6856425</b>	<b>196156</b>	<b>705258</b>	<b>69.38</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)	<b>5509140</b>	<b>156925</b>	<b>5666065</b>	<b>70.37</b>	<b>6886425</b>	<b>196150</b>	<b>708258</b>	<b>70.37</b>	<b>0</b>



C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>7894968</b>	<b>156925</b>	<b>8051893</b>	<b>100</b>	<b>9868710</b>	<b>196150</b>	<b>10064866</b>	<b>100</b>	<b>48.48</b>

**B) Shareholding of Promoter-**

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Starlit Finance Limited	745733	9.26	0	932166	9.26	0	0
2	Sachin Shridhar	680042	8.45	0	850053	8.45	0	0
3	Starlit Infrastructure Limited	631633	7.84	0	789541	7.84	0	0
4	Surinder Pal	169420	2.10	0	211775	2.10	0	0
5	Yogesh Kumar Gupta	90000	1.12	0	112500	1.12	0	0
6	Lalit Sharma	32000	0.397	0	40000	0.397	0	0
7	Sadhu Ram Sharma	16000	0.198	0	20000	0.198	0	0
8	Santosh Sharma	16000	0.198	0	20000	0.198	0	0
9	Meenakshi Kumar	2500	0.03	0	3125	0.03	0	0
10	Purbi Shridhar	2500	0.03	0	3125	0.03	0	0
	<b>Total</b>	<b>2385828</b>	<b>29.63</b>	<b>0</b>	<b>2982285</b>	<b>29.63</b>	<b>0</b>	<b>0</b>

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	No Change				



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**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>4554065</b>	<b>56.56</b>		
	<b>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):</b>	Bonus Issue of equity shares to the existing shareholders in the ratio of 1:4		1138516	
	<b>At the end of the year</b>			<b>5692581</b>	<b>56.56</b>

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>770042</b>	<b>9.57</b>	<b>770042</b>	<b>9.57</b>
	<b>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):</b>	0	0	192511	0
	<b>At the end of the year</b>	<b>962553</b>	<b>9.57</b>	<b>962553</b>	<b>9.57</b>

**F) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/acrued but not due for payment.





	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	209665270	20054691	*	229719961
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	23184912			23184912
* Reduction		2454848		2454848
Net Change	23184912	-2454848		20730064
Indebtedness at the end of the financial year				
i) Principal Amount	232850182	17599843		250450025
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	232850182	17599843		250450025

#### IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Yogesh Kumar Gupta (M.D)	Kamaljeet Singh Jaswal (WTD)	Ramesh Hanumantrao Joshi (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,40,000	528000	65000	1733000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil		Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil		Nil
2	Stock Option	Nil	Nil		Nil
3	Sweat Equity	Nil	Nil		Nil
4	Commission - as % of profit - others, specify...	Nil	Nil		Nil
5	Others, please specify	Nil	Nil		Nil



Ceiling as per the Act	40,00,000		
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**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		-----	----	
1	<b>Independent Directors</b>	Jitender Singh	Sanjay Arora	
	Fee for attending board committee meetings	Nil	Nil	
	Commission	Nil	Nil	
	Others, please specify	Nil	Nil	
	<b>Total (1)</b>	Nil	Nil	Nil.
2	<b>Other Non-Executive Directors</b>	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil
	<b>Total Managerial Remuneration</b>	Nil	Nil	Nil
	<b>Overall Ceiling as per the Act</b>			

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

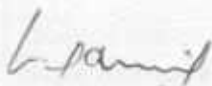
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	<b>Gross salary</b>	-	3,36,000	-	3,36,000
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	-	3,36,000	-	3,36,000
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	Nil	Nil	Nil	Nil
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	Nil	Nil	Nil	Nil
2	<b>Stock Option</b>	Nil	Nil	Nil	Nil
3	<b>Sweat Equity</b>	Nil	Nil	Nil	Nil
4	<b>Commission</b>	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	<b>Others, please specify</b>	Nil	Nil	Nil	Nil
	<b>Total</b>		<b>3,36,000</b>	-	<b>3,36,000</b>



## V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**KAMALJEET SINGH JASWAL**  
 EXECUTIVE DIRECTOR & CFO  
 DIN:02340493  
 ADDRESS: ADD: B - 10/236,  
 FIRST FLOOR, AMRITPURI - B,  
 EAST OF KAILASH, NEW DELHI,  
 110065



**ARCHANA MISHRA**  
 COMPANY SECRETARY  
 M. NO: A33940  
 ADDRESS: G-4, BANDHU VIHAR  
 APPT, SECTOR-10, PLOT NO-11,  
 DWARKA, NEW DELHI-110075



**Annexure - II****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

There has not been any transaction entered into with related parties as defined under the Companies Act, 2013 and SEBI Listing Obligations, 2015 during the year which were not on arm's length price basis and in the ordinary course of business.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL





2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<ol style="list-style-type: none"> <li>Vivaan Vyapaar Private Limited (Subsidiary Company)</li> <li>Starlit Infrastructure Limited ( Group Company)\</li> </ol>
b)	Nature of contracts/arrangements/transaction	<ol style="list-style-type: none"> <li>Sale &amp; Purchase of goods from Vivaan Vyapaar Private Limited in the ordinary course of business and at arm's length price.</li> <li>Expense Payable to Starlit Infrastructure for payment made on behalf of Starlit Power Systems Limited.</li> </ol>
c)	Duration of the contracts/arrangements/transaction	<ol style="list-style-type: none"> <li>Transactions with Vivaan Vyapaar Private Limited were held on 06.09.2016 and 07.09.2016 respectively.</li> <li>Starlit Infrastructure Limited made a payment on behalf of Starlit Power Systems Ltd on 01.10.2016 for which Starlit Power Systems Limited will reimburse Starlit Infrastructure Limited.</li> </ol>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>No contracts or arrangements have been entered.</p> <ol style="list-style-type: none"> <li>Transactions with Vivaan Vyapaar Private Limited:  Sales of goods: Rs. 75,315/-  Purchase of goods: NIL  Other Expenses-Schemes &amp; Business Promotion: Rs. 34,567</li> <li>Transaction with Starlit Infrastructure Limited: It was just a payment made by Starlit Infrastructure on behalf of the Company which will be reimbursed.</li> </ol>
e)	Date of approval by the Board	<ol style="list-style-type: none"> <li>The omnibus approval of the Audit Committee for all the transactions with related parties subject to their value not exceeding rupees one crore per transaction was taken on was taken on 02.04.2016</li> <li>Boards' Approval for transaction with Starlit</li> </ol>

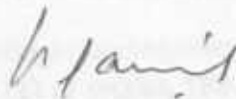


		Infrastructure Limited was not taken as there was no sale/ purchase of goods involved and nor any contract or arrangement was entered between both the companies.
f)	Amount paid as advances, if any	Advance paid to Vivaan Vyapaar Private Limited: NIL

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



**Yogesh Kumar Gupta**  
 Managing Director  
 DIN:00315397  
 Address: DG-2/100B,  
 Vikaspuri, New Delhi,  
 110018-Delhi,



**Kamaljeet Singh Jaswal**  
 Executive Director & CFO  
 DIN:02340493  
 Address: Add: B - 10/236,  
 First Floor, Amritpuri - B,  
 East of Kailash, New Delhi,  
 110065



Sl. No.	Description	Amount
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**Annexure - III****ANNEXURE - A****Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**


**Not Applicable** since, no employee of the Company was in receipt of remuneration exceeding the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9

**Notes:**

- All appointments are / were non-contractual
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
- None of the above employees is related to any Director of the Company employed for part of the financial year.

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

  
Kamaljeet Singh Jaswal  
Executive Director & CFO  
DIN:02340493  
Address: Add: B - 10/236,  
First Floor, Amritpuri - B,  
East of Kailash, New Delhi,  
110065



Place: New Delhi  
Date: 24.08.2017

**Annexure - IV****STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013  
RELATING TO SUBSIDIARY COMPANY**

In accordance with the General Circular No: 2/2011 dated 8 February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are being attached with the Annual Accounts of the Company. This Annual Report contains Consolidated Financial Statement of the Company and its subsidiary in accordance with the relevant Accounting Standards and the same has been duly audited by Statutory Auditors. The annual Accounts of the subsidiary company and related information will be made available to the shareholders of the Company and its subsidiary company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

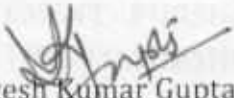
Name of Subsidiary Company	Vivaan Vyapaar Private Limited
Issued & Subscribed Capital (Rs.)	11,00,000
Reserves	(48,69,033)
Total Assets	73,31,080
Total Liabilities	73,31,080
Investments	-
Turnover	16,70,287
Profit/(Loss) before Tax	(20,31,837)
Provision for Tax	(1,176)

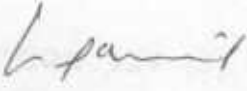




Profit/(Loss) After Tax	(20,30,661)
Proposed Dividend	-

For and on behalf of the Board of Directors

  
 Yogesh Kumar Gupta  
 Managing Director  
 DIN:00315397  
 Address: DG-2/100B,  
 Vikaspuri, New Delhi,  
 110018-Delhi,

  
 Kamaljeet Singh Jaswal  
 Executive Director & CFO  
 DIN:02340493  
 Address: Add: B - 10/236,  
 First Floor, Amritpuri - B,  
 East of Kailash, New Delhi,  
 110065



Place: New Delhi  
 Date: 24.08.2017

Particulars	Amount
Share Capital	15,00,000
Reserves	(20,30,661)
Total Assets	15,00,000
Total Liabilities	15,00,000
Profit/Loss Before Tax	(10,00,000)
Provision for Tax	(1,00,000)



Annexure V

DECLARATION OF INDEPENDENCE

01st April, 2017

To  
The Board of Directors  
Starlit Power Systems Limited  
A-1/51, LGF, Safdarjung Enclave,  
New Delhi - 110029

Sub: Declaration of independence under provisions of SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Jitender Singh**, hereby certify that I am an Additional Non-executive Director of **Starlit Power Systems Limited**, and proposed to be regularized as an Independent Director in the said Company. I comply with all the criteria of independent director as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50 Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- c) holds together with my relatives 2% or more of the total voting power of the company; **or**
- d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
  - I am not less than 21 years of age.

#### **Declaration**

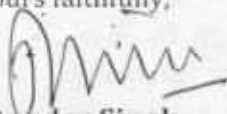
I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,



**Jitender Singh**

DIN: 07568312

Village Bhanjraru Post Office,

Bhanjraru, Tehsil Churah,

Kasbati-Bhunjraru (410),

Bhanjraru-tissa, Chamba

Himachal Pradesh-176316

Mobile No: 9910445522

Email: [jitenderthakur1947@gmail.com](mailto:jitenderthakur1947@gmail.com)

Annexure V

DECLARATION OF INDEPENDENCE

01st April, 2017

To  
The Board of Directors  
Starlit Power Systems Limited  
A-1/51, LGF, Safdarjung Enclave,  
New Delhi - 110029

Sub: Declaration of independence under provisions of SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Sanjay Arora**, hereby certify that I am a Non-executive Independent Director of **Starlit Power Systems Limited**, and comply with all the criteria of independent director as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;



- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company, or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- c) holds together with my relatives 2% or more of the total voting power of the company; or
- d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
  - I am not less than 21 years of age.

#### Declaration

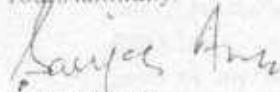
I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

  
Sanjay Arora

DIN: 05337421  
H.No. 726, Sector-10,  
Panchkula, 134113, Haryana  
Mobile No: 9417011683  
Email: sanjay@sanjayaroraassociates.com



**ABHISHEK J & CO.  
COMPANY SECRETARIES**

1923, Maliwara,  
Chandni Chowk, Delhi - 110006  
Handheld: +91 95600 54705  
Email: csabhishek2@gmail.com

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017  
{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
**STARLIT POWER SYSTEMS LIMITED**

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **STARLIT POWER SYSTEMS LIMITED** (hereinafter called STARLIT/the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Starlit 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, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2017 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:

**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for our opinion. I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statues as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.





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COMPANY SECRETARIES**

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The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures. My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **STARLIT POWER SYSTEMS LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 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; N.A
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; N.A
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; N.A.
  - (f) 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,
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; N.A. and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; N.A.
- (vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India





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COMPANY SECRETARIES**

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**(b) The Listing Agreements with Stock Exchange**

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

**Observations:**

**I report that as per Section 178(2), 149 (8) of the Companies Act, 2013, and SEBI (Listing obligations and disclosure requirements) Regulations 2015, the Nomination and Remuneration Committee of the Board was carried out performance evaluation of every Director, KMP, and Independent Directors of the company during the financial year under review.**

**I further report that the Board of Directors of the Company is duly constituted (except the woman director on the Board) with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors have not taken place during the period under review.**

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

**Majority decision is carried through were captured and recorded as part of the minutes.**

**I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.**

**For Abhishek J & Co.  
Company Secretaries**



**Abhishek Jain  
ACS No. 28201  
C.P No. 16592**

Place: New Delhi  
Date: August 21, 2017

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.





**ABHISHEK J & CO.  
COMPANY SECRETARIES**

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"Annexure A"

**SECRETARIAL AUDIT REPORT**

To,  
The Members,  
**STARLIT POWER SYSTEMS LIMITED**

My report of even date is to be read along with this letter.

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

For **Abhishek J & Co.**  
Company Secretaries



Abhishek Jain  
ACS No. : 28201  
C.P No. : 16592

Place: New Delhi  
Date: August 21, 2017

**STARLIT POWER SYSTEMS LIMITED****REPORT ON CORPORATE GOVERNANCE AS ON MARCH 31, 2017****[SCHEDULE V, PART-C OF SEBI (LODR) REGULATION, 2015]****1 Company Philosophy:**

We continue to believe that good corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value. Our Company is a listed company on the BSE-SME Segment. The Company has complied with in all material respect with the features of corporate governance as specified in the Listing Agreement. The securities are being regularly traded at Stock Exchange, Bombay.

**2 Board of Directors:**

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

**(a) Composition**

The details of composition and category of the Board of Directors of the Company as on March 31, 2017 is given below:

Category	No. of directors
Non-Executive & Independent Directors including the Chairman	2
Other Non-Executive Directors	1



Executive Director (CEO & Managing Director)	2
Total	5

The Chairman of the Board is an Independent Director.

Other Relevant details of Directors:

Name of Director	Date of Appointment	Date of Cessation	Category	No. of Directorship(s) held in Indian public & private Limited Companies (Including Starlit)	Committee(s) position (including Starlit)	
					Member	Chairman
Yogesh Kumar Gupta	12/06/2010	-	Managing Director	4	1	-
Abhay Kumar Chandalia	30/10/2013	01.06.2016	Independent Director & Chairman	-	-	-
Kamaljeet Singh Jaswal	29/03/2012	-	Executive Director Cum CFO	5	2	-
Sanjay Arora	13/01/2015	-	Director (Independent) & Chairman	1	3	1
Ramesh Hanumantrao Joshi	13/01/2015	30.05.2016	Director (Executive)	-	-	-
Sachin Shridhar	02/04/2015	-	Non-Executive Promoter Director	10	-	-
Jitender Singh	29/07/2016	-	Director (Independent)	1	3	2



## (b) Board Meetings held during the year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
21.04.2016	6	6
30.05.2016	6	6
01.07.2016	4	4
29.07.2016	4	4
05.09.2016	5	5
10.10.2016	5	4
01.11.2016	5	5
14.11.2016	5	5
24.02.2017	5	4

Name of Director	Attendance at the Board Meetings held on								
	21.04.2016	30.05.2016	01.07.2016	29.07.2016	05.09.2016	10.10.2016	01.11.2016	14.11.2016	24.02.2017
Yogesh Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓
Abhay Kumar Chandalia	✓	✓	x	x	x	x	x	x	x
Kamaljeet Singh Jaswal	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sanjay Arora	✓	✓	✓	✓	✓	✓	✓	✓	x



Ramesh Hanumantrao Joshi	✓	✓	x	x	x	x	x	x	x
Sachin Shridhar	✓	✓	✓	✓	✓	x	✓	✓	✓
Jitender Singh	x	x	x	x	✓	✓	✓	✓	✓

### (c) Separate Meeting of Independent Directors' Meeting

During the year under review, the Independent Directors met on **May 30, 2016**, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

### (d) Terms and Conditions of appointment of Independent Directors

Terms and conditions of appointment of Independent Director(s) is available at the Company's website at <http://starlitlead.com/> (in Investors section).

### (e) PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the





Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Pursuant to the provisions of the Companies Act 2013 and the provisions of LODR, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of its Committees. The following process was adopted for Board Evaluation:

Feedback was sought from each Director through the above annual evaluation framework about their views on the performance of the Board covering various criteria such as the adequacy and diversity of Board structure and composition, contribution of the Board to the Company, understanding of roles and responsibilities, appropriateness of board meetings, effective contribution to the development of strategy(ies) etc. for the Company, effective communication with all of the organisation's stakeholders, attendance of the board members, understanding on the operation(s) / functioning of the Company etc.

Feedback was also sought from all the directors on the performance assessment of the committees of the Board. Areas on which the Committees of the Board were assessed included full & common understanding of roles & responsibilities, adequacy and diversity of the composition and structure, effective contribution to the development of strategy(ies), effective communication with the Board, Management, Employees and others, performance of functions and responsibilities.

Feedback was also taken from every director on his assessment of the performance of each of the other Directors (including independent directors) (excluding the director being evaluated) covering various criteria such as the assignments handled, participation in management decision making, Board Meetings and performance of the Company as a whole.

The feedback received from all the directors were consolidated and the collective feedback of the performance of the Board as a whole, its committees and individual directors was presented to the Board. Based on the inputs received, the Chairman of the Board has taken note of the performance evaluation process and the need and action plan for improvements was discussed upon. Feedback was also provided to the Directors, as appropriate.

#### **(f) Independence and Familiarization Programme for the Independent Directors**

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations.

As per Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all the Independent Directors as on March 31, 2017.



**(g) Shareholding of Directors**

None of the Directors has any shareholding in the Company except below mentioned:

S. no.	Name	Designation	No of equity shares	%
1.	Mr. Yogesh Kumar Gupta	Managing Director	1,12,500	1.12
2.	Mr. Sachin Shridhar	Director	8,50,053	8.45

**(h) Relationships between directors inter-se**

There is no such inter-se relationship between the directors of the Company.

**3 COMMITTEES OF THE BOARD.**

The Company has three Board level committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship Committee

**(a) Audit Committee (mandatory committee)**

During the year, Mr. Shri Abhay Kumar Chandalia resigned from the directorship of the Company and therefore, Mr. Jitender Singh was appointed in his place as the member and chairman of the Audit Committee. The Audit Committee continued working with Shri Kamaljeet Singh Jaswal and Shri Sanjay Arora as co-members. During the year, the sub-committee met on six occasions with full attendance of all the members.

The terms of the reference of the Audit Committee inter alia, includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.



- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.



- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The composition of the Audit Committee as at March 31, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Meetings held on					
		02/04/2016	30/05/2016	29/07/2016	05/09/2016	14/11/2016	24/02/2016
Abhay Kumar Chandalia	Independent	✓	✓	x	x	x	x
Kamaljeet Singh Jaswal	Executive	✓	✓	✓	✓	✓	✓
Sanjay Arora	Independent	✓	✓	✓	✓	✓	x
Jitender Singh	Independent	x	x	✓	✓	✓	✓

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Agreement. Some of the important functions performed by the Committee are:

#### Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.



- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Chief Internal Auditor to get their inputs on significant matters relating to their areas of audit.

#### **(b) Nomination and Remuneration Committee**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The composition of the Remuneration Committee as at March 31, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Meetings held on	





		30/05/2016	29/07/2016
Abhay Kumar Chandalia	Independent	✓	×
Sanjay Arora	Independent	✓	✓
Yogesh Kumar Gupta	Managing Director	✓	✓
Jitender Singh (*Appointed 29.07.2016)	Independent	×	✓

\* The Remuneration and Audit Committee considered and recommended the appointment of Sh. Jitender Singh as the Independent Director and Member of the Remuneration and Audit Committee of the Company in their meeting held on 28/07/2016.

**(C). Corporate Social Responsibility (CSR) Committee -**

The provisions regarding Corporate Social Responsibility are at present not applicable to the Company.

**(d) Risk Management Committee-**

Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. However, the provisions regarding formation of risk management committee are not applicable to the Company at present and therefore, no such committee has been formed as yet.

**(e) Stakeholders' Relationship Committee (mandatory committee)**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;



- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Agreement

The composition of the Stakeholders' Relationship Committee as at March 31, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Meetings held on	
		29/07/2016	11/10/2016
Kamaljeet Singh Jaswal	Executive	✓	✓
Sanjay Arora	Independent	✓	✓
Jitender Singh	Independent	✓	✓

During the year, no complaints were received from shareholders. As on March 31, 2017, no investor grievance has remained unattended/ pending for more than thirty days.

#### **Independent Directors' Meeting**

During the year under review, the Independent Directors met on May 29, 2016, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

#### **Compliance Committee- Non Mandatory Committee**

The Company has not formed any Compliance Committee.

#### **Capex Committee - Non Mandatory Committee**

The Company has not formed any Capex Committee.

#### **Remuneration to Directors, KMPs and other employees:**



The policy on remuneration for KMPs and other employees is as below:

- The remuneration/compensation/profit linked incentive etc. to Directors, Managerial personnel, KMP and senior management will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/profit linked incentive etc. to be paid for managerial personnel shall be subject to the prior/post approval of the shareholders of the Company and central government, wherever required.
- The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act 2013, and the rules made thereunder for the time being in force.
- Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies act, 2013, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

- If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- Increments if declared will be effective from 1<sup>st</sup> April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
- **Details of remuneration paid to the Directors are given in Form MGT - 9**

**Remuneration to Non-executive/Independent Directors**

- No monthly remuneration to be paid to Non-Executive/Independent Director
- The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Criteria for making payment to non executive directors:**



- During the year under review Non-executive directors (including independent directors) are not paid sitting fee.
- Non-executive directors of the Company do not hold any shares in the Company.

**Monitoring, Evaluation and Removal:**

**Evaluation:**

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis

**Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

**Minutes of Committee Meeting:**

Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

**4 REMUNERATION OF DIRECTORS**

The details of remuneration paid to all the directors are as under:

(a) NAME(S) OF THE WHOLE TIME DIRECTORS (Amount in Rs.)

S.no.	Details	Mr. Kamaljeet Singh Jaswal Whole-Time Director	
	Service Contract Valid Up To	March 30, 2022*	
	<b>Period</b>	01 <sup>st</sup> April, 2016	31 <sup>st</sup> March, 2017
1.	Monthly Salary	44,000	44,000
2.	Monthly Special Allowance	Nil	Nil
3.	Performance Bonus	Nil	Nil

\* Terminable by giving 30 days' notice from either side.



**Note:** No severance fee is payable to any Director.

(b) NAME(S) OF THE WHOLE TIME DIRECTORS (Amount in Rs.)

S.no.	Details	Mr. Yogesh Kumar Gupta Managing Director	
	Service Contract Valid Up To	October 01, 2021*	
	<b>Period</b>	01 <sup>st</sup> April, 2016	31 <sup>st</sup> March, 2017
1.	Monthly Salary	95,000	95,000
2.	Monthly Special Allowance	Nil	Nil
3.	Performance Bonus	Nil	Nil

\* Terminable by giving 3 months' notice from either side.

**Note:** No severance fee is payable to any Director.

(c) NAME(S) OF THE WHOLE TIME DIRECTORS (Amount in Rs.)

S.no.	Details	Mr. Ramesh Hanumantrao Joshi Whole-Time Director	
	Service Contract Valid Up To	March 31, 2016	
	<b>Period</b>	01 <sup>st</sup> April, 2016	31 <sup>st</sup> March, 2017
1.	Monthly Salary	65,000	65,000
2.	Monthly Special Allowance	Nil	Nil
3.	Performance Bonus	Nil	Nil

\* Terminable by giving 30 days' notice from either side.





*\*Mr. Ramesh Hanumantrao Joshi resigned from directorship of the Company during the year 2016-17 with effect from 30-05-2016\**

**Note:** No severance fee is payable to any Director.

## 5 General Body Meetings

Particulars of last three Annual general meetings

(a) Location and time where the last three Annual General Meetings ("AGM") were held is as under: -

Meeting	Venue	Date	Time
6th	A-1/20, LGF, Safdarjung Enclave, New Delhi-110029	30.09.2014	10.00 a.m.
7th	A-1/20, LGF, Safdarjung Enclave, New Delhi-110029	30.09.2015	11.30 a.m.
8th	A-1/20, LGF, Safdarjung Enclave, New Delhi-110029	30.09.2016	11.30 a.m.

(b) Special Resolution passed at the last three Annual General Meetings:

Date of AGM	Description of Special Resolution(s)
30.09.2016	1. Approval under section 180 (1) (c) of the Companies Act, 2013 for an amount not exceeding Rs. 200 Crores.
30.09.2015	2. Approval under section 180 (1) (c) of the Companies Act, 2013 for an amount not exceeding Rs. 200 Crores. 3. Alteration of Articles of Association in accordance with the Joint Venture Agreement dated 30.05.2015 and with the new applicable sections of the Companies Act, 2013
30.09.2014	None



**(c) Resolution put through Postal Ballot during the financial year 2016- 2017:**

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement, the company had issued a postal ballot notice dated 14th November, 2016 to obtain approval by way of special resolution from shareholders through postal ballot/e-voting for the purpose of migration from SME platform of BSE Limited to Main Board of BSE Limited.

The Special Resolution for Migration from SME Platform Of BSE Limited To Main Board Of BSE Limited was duly passed through postal ballot and e-voting. The results of the same was declared on 22<sup>nd</sup> December, 2016.

**Extraordinary General Meeting (EGM)**

The Extraordinary General Meeting of the Company was conducted through Postal Ballot and e-voting for taking the approval of the shareholders by way of special resolution for the purpose of migration from SME platform of BSE Limited to Main Board of BSE Limited. The result of the same was declared on 22<sup>nd</sup> December, 2016.

**6 Means of Communication**

The Company provides unaudited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The half yearly and annual results of the Company are published in the official website of the Company.

The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, Corporate Governance Reports, Vigil Mechanism (including Whistle Blower Mechanism / Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with related Party Transactions, Investor Contact details etc and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and LODR including Regulation 46(2)(n) are being displayed at Company's website <http://starlitlead.com/> under the head 'Investors Section'.

No presentation made to institutional investors or to the analysts. Management Discussion & Analysis are not a part of Annual Report.

**7 General Shareholders Information**

**(a)**



(i)	AGM: Date, Time and Venue	Date: 28.09.2017 Time: 12.30 p.m Venue: A-1/244, B/M, Safdarjung Enclave, New Delhi-110029
(ii)	Financial Year	April 01 to March 31 <i>(The last financial year was of 12 months commencing from April 1, 2016 to March 31, 2017)</i>
(iii)	Date of Book Closure	16 <sup>th</sup> September, 2017 till 28 <sup>th</sup> September, 2017 (both days inclusive)
(iv)	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
(v)	<b>Stock Code/Scrip Code</b>	538733
(vi)	<b>ISIN Number for NSDL/CDSL (Dematerialised share)</b>	INE909P01012
(vii)	The Company's shares got listed in BSE (SME Segment) on <b>22.10.2014</b> .	The Listing Fees have been paid to the Exchanges:
(viii)	Registrar & Share Transfer Agent	Bigshare Services Private Limited E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai- 400072  Tel:(022) 40430200 Fax:(022) 28475207 SEBI Regn. No:INR000001385
(ix)	Share Transfer System	M/s Bigshare Services Private Limited Registrar & Share Transfer Agent ("RTA") of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc. on regular basis in compliance of various provisions of the laws, as applicable.



(x)	Dematerialization of shares and liquidity	All the shares of the Company are in demat except for 156925 equity shares belonging to M/s SOMANI ESTATES PVT.LTD.
(xi)	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.
(xii)	Commodity price risk or foreign exchange risk and hedging activities	The Company does not have any price risk or foreign exchange and hedging activities.
(xiii)	Plant Location	Indri Road, Village. Atta, Sohna Near Gurgaon, Haryana-122103.
(xiv)	Registered Office	A-1/51, LGF, Safdarjung Enclave, New Delhi-110029.
(xv)	Corporate Office/Address of Correspondence	A-1/20, LGF, Safdarjung Enclave, New Delhi-110029.
(xvi)	<b>Investors' Correspondence may be Addressed to</b>	Bigshare Services Private Limited E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai- 400072  Tel:(022) 40430200 Fax:(022) 28475207 SEBI Regn. No:INR000001385

(b) Market Price Data: High, Low on BSE Limited (BSE) during each month in the last Financial Year 2016-17.

The details of the market price data is as under:

Month	Open Price	High Price	Low Price	Close Price
Apr-16	13.2	13.2	13.2	13.2
May-16	12.5	12.85	12.5	12.85
Jun-16	12.4	12.4	12.4	12.4



Jul-16	16	16	16	16
Aug-16	15.6	18	15.05	15.05
Sep-16	15.35	15.35	15.35	15.35
Oct-16	14.3	14.3	14.3	14.3
Nov-16	14.75	14.75	13.65	13.65
Dec-16	13.5	13.5	13.5	13.5
Jan-17	13.02	13.02	13.02	13.02
Feb-17	12.06	12.06	12.06	12.06
Mar-17	10.2	10.2	10.2	10.2

(c) Distribution of Shareholding as on March 31, 2017

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF		SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto	- 5,000				
5,001	- 10,000				
10,001	- 20,000				
20,001	- 30,000				
30,001	- 40,000	2	1.681	62500	0.062
40,001	- 50,000				
50,001	- 1,00,000	84	70.59	8400000	8.345
1,00,001 and above		33	27.73	92186160	91.593





<b>TOTAL</b>	<b>119</b>	<b>100.000</b>	<b>100648660</b>	<b>100.000</b>
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• Shareholding Pattern as on **March 31, 2017**

Description of Investors	No. of shares held	% of shareholding
A. Promoters	2982285	29.63
B. Public	7082581	70.37
C. Non Promoter Non Public	-	-
C1. Shares underlying DRs	-	-
C2. Shares held by Employee Trusts	-	-
<b>TOTAL</b>	<b>10064866</b>	<b>100.00</b>

\* Includes clearing members

**(d) Investor Education Protection Fund ("IEPF")**

In compliance with the Ministry of Corporate Affairs ("MCA") notification dated May 10, 2012 related to IEPF where MCA had notified rules for the uploading of information regarding unpaid and unclaimed amounts lying with the companies. Since the Company does not have any unpaid and unclaimed amounts. This provision is not applicable on the Company.

**(e) Unclaimed Suspense Account ("Unclaimed Suspense Account")**

The details of equity shares ("shares") held in an Unclaimed Suspense Account are as follows:

S.No.	Particulars	Details
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the financial year 2016-17.	<ul style="list-style-type: none"> <li>Aggregate number of Shareholders - Nil</li> <li>Number of outstanding Shares - Nil shares</li> </ul>
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the financial year 2016-17.	Nil



3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year 2016-17.	Nil
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the financial year 2016-17.	<ul style="list-style-type: none"> <li>• Aggregate number of shareholders - Nil</li> <li>• Number of outstanding shares - Nil shares</li> </ul>

Note: Voting rights on the above mentioned equity shares would remain frozen till the owner of such equity shares claims the shares

## 8 Disclosures:

### (a) Materially Significant related party transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR)2015 during the year were on an arm's length price basis and in the ordinary course of business

There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.

### (b) Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements, nor have there been any strictures imposed by any stock exchange or SEBI, on any matters relating to the capital market over the last three years.

### (c) **Details of the Directors Seeking Appointment/Re-appointment:**

1. Mr. Kamaljeet Singh Jaswal is retiring by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The details are as under:



Particulars	Mr. Kamaljeet Singh Jaswal
Date of Birth	02-03-1981
Date of first Appointment	29-03-2012
Qualification	Bachelor Degree in Arts from University of Delhi.
Expertise in specific functional area	Administration and Accounts
Directorships held in Other Public Limited Companies in India	3
Directorships held in Other Companies in India	1
Chairman/ Member of Committee of the Board of other Companies in which they are director	2
Shareholding in Starlit Power Systems Limited	NIL
Inter-se Relationship between Directors	NONE

**(d) Management Discussion and Analysis Report**

A Management Discussion and Analysis Report which forms part of the Annual report is given by means of a separate annexure and is attached to the Directors' Report.

**Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes are on



SAP-ERP and SAP-HR platforms and have a strong monitoring and reporting process resulting in financial discipline and accountability.

#### **CEO & MD / CFO Certification**

The CEO & MD and the CFO have issued certificate pursuant to the Regulation 17(8) of the Listing Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

#### **CODE OF CONDUCT**

In terms of the requirement of Regulation 17(5)(a) of LODR (earlier Clause 49(II)(E) of the Listing Agreement) & Section 149(8) read with Schedule IV of the Companies Act, 2013, the Board of Directors of the Company, in line with the Corporate Philosophy, laid down the Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti-Bribery & Corruption Directive" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.starlitlead.com](http://www.starlitlead.com). As required, a declaration duly signed by the Managing Director regarding affirmation of compliance with the Code of Conduct is attached as "Annexure-A".

#### **Certificate from Statutory Auditor/ Practicing Company Secretary regarding compliance of conditions of corporate governance**

A certificate from the Practicing Company Secretary is enclosed as "Annexure B" certifying the compliance of corporate governance requirements by the Company.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

#### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished



price sensitive information in relation to the Company and during the period when the Trading Window is closed. The said code is available at the Company's official website. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

## **SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS**

### **Share transfers**

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

### **Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

### **Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

### **Dividend**

No dividend has been declared for the financial year under review.

### **Pending Investors' Grievances**

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

S. No.	Nature of Queries/Compliant	Pending as on April 1,2016	Received during the year	Redressed during the year	Pending as on March 31, 2017





1	Transfer/Transmission of Duplicate Share Certificate	NIL	NIL	NIL	NIL
2	Non-receipt of Dividend	NIL	NIL	NIL	NIL
3	Dematerialisation/Rematerialisation of Shares	NIL	NIL	NIL	NIL
4	Complaints received from:				
	SEBI	NIL	NIL	NIL	NIL
	Stock Exchanges/NSDL/CDSL	NIL	NIL	NIL	NIL
	ROC/MCA/Others	NIL	NIL	NIL	NIL
	Advocates	NIL	NIL	NIL	NIL
	Consumer Forum/Court Case	NIL	NIL	NIL	NIL
5	Others	NIL	NIL	NIL	NIL
	Grand Total	NIL	NIL	NIL	NIL

#### Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit for the FY ended 31.03.2017 has been conducted by Abhishek J & CO. having COP No. 16952. The same has been duly filed with the BSE.

#### Dematerialisation of Shares and Liquidity

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2017, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	196156	1.95
Demat Segment		
NSDL	4485228	44.56
CDSL	5383482	53.49
Total	10064866	100



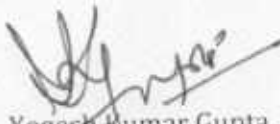
❖ Meetings for approval of half yearly and annual financial results were held on the following dates

Quarter	Date of Board Meeting
1 <sup>st</sup> half year	29.05.2017

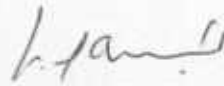
### **Green Initiative**

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, Half-yearly results, etc., to shareholders at their e-mail address previously registered with the DPs/Company/RTAs. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs.

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



Yogesh Kumar Gupta  
Managing Director  
DIN:00315397  
Address: DG-2/100B,  
Vikaspuri, New Delhi,  
110018-Delhi,



Kamaljeet Singh Jaswal  
Executive Director & CFO  
DIN:02340493  
Address: Add: B - 10/236, First  
Floor, Amritpuri - B, East of  
Kailash, New Delhi, 110065



Place: New Delhi  
Date: 24.08.2017

**Annexure-A**

**Corporate Governance Report**

**Starlit Power Systems Limited**

**Declaration regarding Affirmation of compliance with the Code of Conduct**

I hereby confirm that the Company has received affirmations on compliance with the Code of conduct for the financial year ended March 31, 2017 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Starlit Power Systems Limited**

**Place: New Delhi**

**Date: 24.08.2017**



A handwritten signature in black ink, appearing to read "Yogesh Kumar Gupta".

**Yogesh Kumar Gupta  
Managing Director  
DIN:00315397  
Address: DG-2/100B,  
Vikaspuri, New Delhi,  
110018-Delhi,**

## CEO/CFO CERTIFICATION TO THE BOARD Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2016-17 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2016-17 which are fraudulent, illegal or violative of the Bank's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
  - Significant changes in internal control over the financial reporting during the year 2016-17;
  - Significant changes in accounting policies during the year 2016-17 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a



significant role in the Bank's internal control system over the financial reporting.

**For Starlit Power Systems Limited**

**Yogesh Kumar Gupta**  
Managing Director  
DIN:00315397  
Address: DG-2/100B,  
Vikaspuri, New Delhi,  
110018-Delhi,

**Kamaljeet Singh Jaswal**  
Executive Director & CFO  
DIN:02340493  
Address: Add: B - 10/236,  
First Floor, Amritpuri - B,  
East of Kailash, New Delhi,  
110065



**Place: Delhi**  
**Date: 24.08.2017**



# **DD NAGPAL & COMPANY**

**CHARTERED ACCOUNTANTS**

6H GOPALA RAJENDRA PLACE DELHI-110008

PHONES: 25821021, 25821040

Email.id : ddnagpal@gmail.com

## **Independent Auditor's Report**

**To the Members of Starlit Power Systems Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Starlit Power Systems Limited** ('the Company'), its subsidiary **Vivaan Vyapaar Private Limited**, which comprise the Consolidated balance sheet as at 31 March 2017, 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**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and loss its cash flows for the year ended on that date.

### **Other Matters**

We have not audited the financial statements of subsidiary whose financial statements reflect total assets of Rs. 73.31 lakhs as at 31<sup>st</sup> March, 2017, total revenue of Rs. 16.70 lakhs and net cash flow of Rs.(4.57) lakhs for the year ended. The financial statements of the subsidiary have been audited by the other auditor whose report has been furnished to us and our opinion is based solely on the report of the other auditor.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

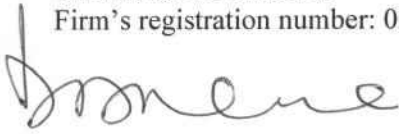
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Report of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2017.
- ii. The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India

*For* **D.D.Nagpal & Co**  
**Chartered Accountants**

Firm's registration number: 006413N



**DevDhar Nagpal**  
*Partner*

Membership number: 085366



New Delhi

29<sup>th</sup> May 2017

## **Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Starlit Power System Limited** ("the Company") and its subsidiary company incorporated in India as at 31 March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary company's incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

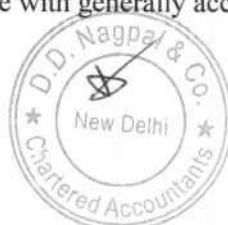
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company and its subsidiary company incorporated in India, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary company, incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

*For D.D.Nagpal & Co*

*Chartered Accountants*

Firm's Registration Number: 006413N



**DevDhar Nagpal**

*Partner*

Membership Number: 085366

New Delhi

29<sup>th</sup> May 2017



## **SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS**

### **A. Basis of Preparation of Consolidated Financial Statements**

These Consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (if any). GAAP comprise mandatory accounting standards as prescribed by the companies (Accounting Standard) Rules, 2014 and the provision of the Companies Act, 2013. Accounting Policies Have been consistently applied except where a newly issued accounting standards as initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hereto in use.

### **B. Principle of Consolidation**

The consolidated financial statements relate to Starlit Power System limited ('the company') and its Subsidiary. The consolidated financial statements are prepared on the following basis:

- a) The financial statement of the Company and its subsidiary company are combined on a line- by -line basis by adding together the book value of like items assets, liabilities , income and expenses after fully eliminating intra -group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statement".
- b) The difference between the cost of investment in subsidiary, over the net assets at the time of acquisition of shares in the subsidiary made during the preceding financial year is recognized as Goodwill or capital reserve, as the case may be.
- c) Minority Interest share of net profit/(loss) of subsidiary for the year is identified and adjusted against the income of the group in order to arrive net income attributable to shareholder of the company .
- d) Minority interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders. The losses applicable to the minority in consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- e) As far as possible ,the consolidated financial statements are prepared using uniform accounting policies except the company has provided the depreciation on SLM basis (Rs.104.19 lakhs) while in case of subsidiary company depreciation (Rs.0.10 lakhs) is on WDV basis.

### **C. Other significant accounting policies**

These are set out under "significant Accounting Polices" as given in the Company's separate (Standalone) financial statements.



STARLIT POWER SYSTEMS LIMITED  
Consolidated Balance Sheet as at 31st March 2017  
(All amounts are in Indian Rupees)

	Note No	As at 31 March 2017	As at 31 March 2016
<b>Equity and liabilities</b>			
Shareholder's funds	2.1	100,648,660	80,518,930
Share capital	2.2	(73,284,671)	(10,077,403)
Reserves and surplus			
Minority Interest	2.2A	-	-
Non-current liabilities	2.3	97,189,810	99,644,658
Long-term borrowings	2.25	-	-
Deferred tax liabilities (Net)	2.4	-	-
Other long-term liabilities			
Long-term provisions	2.5	-	-
Current liabilities	2.6	153,280,215	130,075,303
Short Term Borrowings	2.7	77,093,524	74,642,619
Trade payables	2.8	6,007,407	5,111,465
Other current liabilities	2.8	-	-
Short-term provisions			
<b>Total</b>		<b>360,964,945</b>	<b>379,915,482</b>
<b>Assets</b>			
Non-current assets			
Fixed assets	2.1	162,213,286	171,727,282
Tangible assets	2.1	404,094	692,385
Intangible assets	2.1	55,919,487	45,229,821
Capital work-in-progress			
Deferred tax Assets (Net)	2.25	52,595,521	34,535,857
Non-current investments	2.11	-	-
Long term loans and advances	2.12	4,977,306	5,843,979
Current assets	2.13	25,189,498	58,582,090
Inventories	2.14	43,059,087	46,017,995
Trade receivables	2.15	1,027,715	1,715,941
Cash and cash equivalents	2.16	15,578,953	15,503,968
Short-term loans and advances	2.17	-	9,167
Other current assets			
<b>Total</b>		<b>360,964,945</b>	<b>379,915,483</b>

Significant accounting policies  
The notes are an integral part of these financial statements

As per our separate report of even date attached

For D D NAGPAL & CO.  
Chartered Accountants  
Firm Registration number: 006413 N

D DNAGPAL  
Partner  
Membership No: 085388

Place: New Delhi  
Date: 26-05-2017

For and on behalf of the Board of Directors of  
Starlit Power Systems Limited

Yogesh Kumar Gupta  
Managing Director  
DIN: 00315397

Kamaljeet Singh Jaswal  
Director  
DIN: 02340493

Archana Mishra  
Company Secretary  
Membership No: 33940



**STARLIT POWER SYSTEMS LIMITED**  
**Consolidated Statement of Profit and Loss for the period ended on 31st March 2017**  
**(All amounts are in Indian Rupees)**

Particulars	Notes No.	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue:</b>			
Revenue from operations (gross)	2.18	78,543,226	262,638,097
Less: Excise duty		7,485,157	27,007,696
Revenue from operations (net)		71,058,069	255,830,201
Other income	2.19	473,205	2,582,787
<b>Total revenue</b>		<b>71,531,274</b>	<b>258,412,988</b>
<b>Expenses:</b>			
Cost of materials consumed	2.20a	74,143,917	219,390,526
Purchase of Stock-in-Trade	2.20b	-	18,641,263
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	1,451,651	16,652,908
Employee benefit expenses	2.22	7,403,430	11,026,262
Finance costs	2.23	24,495,556	28,940,560
Depreciation and amortization expense	2.10	10,429,413	11,346,182
Other expenses	2.24	18,114,398	26,686,237
<b>Total expenses</b>		<b>136,038,365</b>	<b>332,683,938</b>
<b>Profit/ (loss) before tax</b>		<b>(64,507,091)</b>	<b>(74,270,950)</b>
<b>Tax expense:</b>			
Provision for tax under MAT		-	-
Less: MAT Credit Entitlement AY 2014-15		-	-
Deferred tax	2.25	(18,059,665)	(30,316,514)
<b>Profit/ (loss) for the year Before Extraordinary Items &amp; Minority Interest Adjustment</b>		<b>(46,447,426)</b>	<b>(43,962,437)</b>
Less : Share of (profit ) transferred to Minority Interest		(183,841)	(26,427)
<b>Profit/ (loss) for the year Before Extraordinary Items</b>		<b>(46,263,585)</b>	<b>(43,927,010)</b>
Extraordinary Items			12,192
<b>Profit/ (loss) for the after Extraordinary Items</b>		<b>(46,263,585)</b>	<b>(43,914,818)</b>
<b>Earning per equity share Before Extra ordinary Item:</b>			
(1) Basic		(4.60)	(6.24)
(2) Diluted		(4.60)	(5.99)
<b>Earning per equity share after extraordinary Items:</b>			
(1) Basic		(4.60)	(6.24)
(2) Diluted		(4.60)	(5.99)

As per our separate report of even date attached

For D D NAGPAL & CO.  
Chartered Accountants  
Firm Registration number: 006413 N

D DNAGPAL  
Partner  
Membership No: 085366

Place: New Delhi  
Date: 29.05.2017

Yogesh Kumar Gupta  
Managing Director  
DIN:00315397

For and on behalf of the Board of Directors of  
Starlit Power Systems Limited

Kamaljeet Singh Jaswal  
Director  
DIN : 02340493

Archana Mishra  
Company Secretary  
Membership No:33940



STARLIT POWER SYSTEMS LIMITED  
 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017  
 (All amounts are in Indian Rupees)

PARTICULARS	2016-17 Rs.	2015-16 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	(64,507,091)	(74,270,950)
ADJUSTMENTS FOR:-	10,429,413	11,346,182
Depreciation	(51,917)	(541,387)
Interest income	3,369,981	3,369,981
Preoperative Expenses W/o	24,543,736	27,988,265
Interest Charges	7,987,367	-
Adjustments in Fixed assets	282,406	1,448,703
Loss on Sale of Assets	(17,946,105)	(30,659,186)
<b>Operating profits before working capital changes :</b>		
ADJUSTMENTS FOR:-	33,392,594	33,040,343
Inventories	2,958,906	(5,950,441)
Sundry debtors	(5,818)	8,916,873
Trade & other receivables	-	-
Preoperative Expenditure	3,396,847	(4,922,914)
Trade payables & other liabilities	21,796,424	424,675
Cash generated from (used) in operation	-	-
Direct taxes paid	21,796,424	424,675
<b>Net Cash flow from operating activities</b>	<b>21,796,424</b>	<b>424,675</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of fixed assets	(19,909,230)	(46,858,727)
Sale of Fixed Assets	319,666	3,090,729
Increase/Decrease in Loan & Advances	866,673	(2,205,101)
Interest received	51,917	541,387
Subsidy Received	-	-
<b>Net Cash flow used in investment activities</b>	<b>(18,670,974)</b>	<b>(44,431,732)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan paid/recovered	(2,454,848)	(6,494,334)
Interest paid	(24,543,736)	(27,988,265)
Increase in security Premium	-	31,885,920
Increase in Share Capital	-	19,360,000
Increase / decrease in cash credits from banks	23,184,912	23,936,642
<b>Net Cash flow used in financing activities</b>	<b>(3,813,672)</b>	<b>49,700,163</b>
<b>Net increase/(decrease) in Cash and Cash equivalents :</b>	<b>(688,222)</b>	<b>(3,306,894)</b>
Cash & cash equivalents at opening	1,715,941	5,022,835
Cash & cash equivalents at closing	1,027,715	1,715,941

As per our separate report of even date attached

For D D NAGPAL & CO.

Chartered Accountants

Firm Registration number: 006413/M

D DNAGPAL

Partner

Membership No: 085366

Place: New Delhi

Date: 29.05.2017



Yogesh Kumar Gupta  
 Managing Director  
 DIN : 00315397

For and on behalf of the Board of Directors of  
 Starlit Power Systems Limited

Kamaljeet Singh Jaswal  
 Director  
 DIN : 02340493

Archana Mishra  
 Company Secretary  
 M. No:33940



Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

2.1 Share capital

	As at 31 March 2017	As at 31 March 2016
Authorized: 10,000,000 (previous year 10,000,000) equity shares of Rs.10 each	100,000,000	100,000,000
Issued, subscribed and paid up 8,051,893 (previous year 6,115,893) equity shares of Rs.10 each, fully paid up	100,848,660	80,518,930

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
At the beginning of the period	8,051,893	80,518,930	6,115,893	61,158,930
Add: Issue of Shares	2,012,973	20,129,730	1,936,000	19,360,000
Outstanding as at the end of the period	10,064,866	100,848,660	8,051,893	80,518,930

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution.

(c) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2017		31st March 2016	
	%	Number	%	Number
Starlit Finance Limited	8.26%	932166	9.26%	745733
Sachin Shridhar	8.45%	850053	8.45%	680042
Starlit Infrastructure Limited	7.84%	789541	7.84%	631533
Yms Finance Private Limited (Earlier known as Pyramid Sales Pvt.	18.56%	1867889	18.56%	1494375
Guangdong Dynavolt Power Technology Co Limited	24.04%	2420000	24.04%	1938000

2.2 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
<b>Shares Premium Account</b>		
Balance as at the beginning of the year	74,261,290	42,375,370
Add: Shares Premium received during the year	(20,129,733)	31,885,920
Balance as at the end of the year	<u>54,131,557</u>	<u>74,261,290</u>
<b>Preoperative Expenses</b>		
Balance W/O	(10,109,944)	(13,478,929)
	<u>3,369,981</u>	<u>3,369,961</u>
	<u>(6,739,963)</u>	<u>(10,108,968)</u>
<b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	(74,228,839)	(30,288,584)
Add: Profit for the year	(46,263,685)	(43,914,816)
Balance as at the end of the year	<u>(120,492,424)</u>	<u>(74,203,412)</u>
Less: Adjustment of pre acquisition Loss arising due to investment in Subsidiary	(183,841)	(25,427)
Less: Share of loss of minority of current year	<u>(120,676,265)</u>	<u>(74,228,839)</u>
<b>Total</b>	<u>(73,264,671)</u>	<u>(10,677,493)</u>

2.2A Minority Interest  
Opening Minority Interest  
Subsequent increase/(decrease) in during the year\*

As at  
31 March 2017

As at  
31 March 2016

\*The current period total decrease in the minority is Rs. 25427 which is adjusted against upto the available balance of last year. The Balance Rs. 25427 is adjusted against the majority interest subject to profits earned by subsidiary in subsequent years will be allocated to the majority interest until this minority's share of losses absorbed by the majority has been recovered.





Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.3 Long-term borrowings		
Secured:		
Term Loan	79,589,967	79,589,967
From Banks		
From others	81,098	533,957
Vehicle Loan		
Unsecured:		
Bonds/debentures	-	-
Loans & Advances from Related Parties	17,518,745	19,520,734
From Others		
Total	<u>97,189,810</u>	<u>99,644,658</u>
Additional information:		

Note 1 : Secured Loans  
Short particulars of the property or asset(s) charged (including complete address and location of the property)

1. Land of Industrial Unit located at Village ATTA, Distt. Mewat, Sohna, Haryana measuring 8095 Sq. Mtrs. i.e. 2 Acres i.
2. DDA SFS MIF Flats No. 100-B First Floor Block No. DG-11, Vikas Puri, New Delhi measuring 753 Sq. Feet in the name of
3. Plot No. 121, Village Jaitpur, Vaishpur, Greater Noida, U P measuring 200 Sq Mtrs. in the name of Dr. Meenakshi Kur
4. GF bearing no. SK-3/621, Residential Colony, Shakti Khand-III, Indrapuram, Ghaziabad owned by Sh. Sanjeev Malik
5. Property No.- 51 Block No. A-1, Safdarjung Enclave, New Delhi measuring 600 Sq. Feet in the name of Sh. Sachin Si
6. First Charge on all Fixed/Block Assets both present and future of the Company to secure the said Credit facilities, in
7. Hypothecation of moveable assets forming part of fixed/block assets.
8. Vehicle Loan is secured against hypothecation of vehicles.
9. Industrial Construction on plot of land comprised in Khat No. 339 Ka/393 Ka. Khas No. 2008/1490, Kita 1, in Village T
10. Land and building at Premises No. 1, Ramesh Mitra Road, Bhawanipur, Kolkatta, West Bengal- 700025 owned by P

2.4 Other long-term liabilities

NIL	NIL
0	0

2.5 Long-term provisions

NIL	NIL
0	0



Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.6 Short Term Borrowings</b>		
Loans Repayable on Demand		
From Banks *	153,260,215	130,075,303
From other Parties		
	<u>153,260,215</u>	<u>130,075,303</u>

\*Hypothecation of goods and debts to secure cash credit facility  
\* Hypothecation of current assets

**2.7 Trade payables**

Micro, small and medium enterprises	83,027,204	80,754,485
Others	5,943,681	6,111,866
Less Inter Company Balance		
	<u>77,083,523</u>	<u>74,642,619</u>

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Ent

**2.8 Other Current Liabilities**

Withholding and other taxes payable	2,546,851	206,527
Expenses Payable	753,968	640,773
Other Payables	1,195,699	2,568,534
Advance received from customer	1,570,889	1,695,631
	<u>6,067,407</u>	<u>5,111,465</u>

**2.9 Short-term provisions**

Provision for Income Tax		
Total	<u>Nil</u>	<u>Nil</u>



Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.11 Non-current investments	Nil	Nil
2.12 Long-term loans and advances (Unsecured and considered good, unless otherwise stated)		
Capital Advances	3,074,084	3,133,801
Security deposits	1,903,242	2,188,470
Other Loans and Advances	-	521,708
	<u>4,977,306.00</u>	<u>5,843,979.00</u>
2.13 Inventories (at cost or net realisable value, whichever is lower)		
Raw material	5,363,412	36,351,196
Work-in-progress	14,409,411	6,415,880
Finished goods	3,929,312	13,378,181
Goods-in-transit (raw material)	-	-
Stores and spares	1,483,674	2,436,833
Ware house	3,687	-
less: Unrealized Profit in closing stock	-	-
	<u>25,189,496</u>	<u>58,582,090</u>



Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.14 Trade receivables</b>		
(Unsecured and considered good, unless otherwise stated)		
Outstanding for a period less than six months from the date they are due for payment	49,800	31,688,397
Outstanding for a period exceeding six months from the date they are due for payment	48,952,968	20,441,462
Less Inter company balances	(5,943,681)	(6,111,866)
	<u>43,059,087</u>	<u>46,017,993</u>
<b>2.15 Cash and cash equivalents</b>		
Cash in hand	907,811	1,062,122
Balances with banks:		
- in current accounts	119,904	356,466
- fixed deposits	-	-
Other bank balances * :	-	297,353
	<u>1,027,715</u>	<u>1,715,941</u>
* includes deposits amounting to Rs. 200,000 (previous year Rs. 200,000 ) pledged with bank against bank		
<b>2.16 Short-term loans and advances</b>		
(Unsecured and considered good, unless otherwise stated)		
Loan and Advances Others	(86)	1,121,609
Advance Paid To Supplier	14,634,635	11,637,500
Balances with Revenue Authorities	727,168	2,597,902
TDS Receivable	114,582	88,308
Prepaid expenses	102,654	118,649
	<u>15,578,953</u>	<u>15,563,968</u>
<b>2.17 Other current assets</b>		
Unsecured:		
Interest accrued but not due on fixed deposits	-	9,167
EMD (ASTRU)	-	-
	<u>-</u>	<u>9,167</u>



Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.18 Revenue from operations</b>		
Sale of products		
Manufactured goods	76,948,254	262,032,636
Traded Goods	1,670,287	21,728,604
Other operating revenue	-	-
Less Inter Co Traded Goods	(75,315)	(923,143)
<b>Revenue from operations (gross)</b>	<b>78543226</b>	<b>282838097</b>
<b>2.19 Other income</b>		
Interest income	51,917	541,367
Short & Excess	-	-
Other Income	421,288	2,041,420
	<b>473,205</b>	<b>2,582,787</b>
<b>2.20a Cost of materials consumed</b>		
Raw material consumed		
Inventory at the beginning of the year	36,351,196	54,430,104
Add: Purchases	42,202,974	203,003,091
	<b>78,554,170</b>	<b>257,433,195</b>
Less: inventory at the end of the year	5,363,412	38,351,196
Packing Material	953,159	(1,691,473)
	<b>74,143,917</b>	<b>219,390,526</b>
<b>2.20b Purchase of Stock-in-Trade</b>		
Purchase Of Traded Goods	75,315	19,584,408
Less Inter Co	(75,315)	(923,143)
<b>Total</b>	<b>-</b>	<b>18,641,263</b>
<b>2.21 Decrease in stock</b>		
Opening stock		
Work in progress	6,415,880	4,016,211
Finished goods	13,378,181	30,180,583
Traded goods	-	2,250,075
Closing stock		
Work in progress	14,409,411	6,415,880
Finished goods	3,929,312	13,378,181
Traded goods	3,687	-
	<b>1,451,651</b>	<b>16,652,908</b>





Starlit Power Systems Limited  
Notes to the Consolidated financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.22 Employee benefit expense</b>		
Salaries wages, bonus and allowances	5,437,824	8,369,780
Contribution to provident and other funds	101,039	206,005
Leave encashment	-	-
Director Remuneration	1,733,000	2,448,000
Staff & Worker Welfare	131,567	2,477
	<u>7,403,430</u>	<u>11,026,262</u>
<b>2.23 Finance costs</b>		
Interest & Other Expenses	24,543,736	27,988,265
Applicable Net Gain/Loss on Foreign Currency transactions an	(48,180)	952,295
	<u>24,495,556</u>	<u>28,940,560</u>
<b>2.24 Other expenses</b>		
Power and fuel	6,012,182	8,735,568
Travelling and conveyance	317,475	689,984
Legal and professional	856,734	947,203
Payment to auditors		
- audit fees	111,000	111,000
- tax audit fees	36,000	36,000
- Company Law Matters	30,000	30,000
- Management Services	5,000	5,000
- Other Services	1,000	1,000
Taxation Matters		
Interest on late payment of taxes	202,673	487,463
Rent	1,296,000	1,145,000
Freight	161,500	966,856
Repairs and maintenance		
- plant and machinery	58,843	286,353
- others	1,225,603	1,687,362
Communication	185,084	231,404
Advertisement	34,568	34,125
Security Expenses	401,691	531,745
Printing and stationery	113,650	150,939
Sales promotion	404,387	1,501,279
Insurance	259,796	213,051
Miscellaneous	2,126,611	3,954,834
Consumables	121,421	322,446
Clearing & Forwarding	-	4,125
Membership fee & Subscription	13,250	53,125
Rates & Taxes	306,451	248,516
Donation	-	-
Discounts	-	19,504
Bad-debts & Advances written-off	192,533	479,524
Deferred revenue expenditure w/off	3,369,981	3,369,981
ROC & other statutory fee	205,965	447,850
Accounting Charges	65,000	15,000
Shop Expenses	-	-
	<u>18,114,398</u>	<u>26,686,237</u>



2.25 Calculation of Deferred Tax

Deferred tax liabilities (Net)

Amount (Rs. Amount (Rs.))

Deferred Tax Assets

1 Current Year Loss

159894774  
3166243  
22668187  
36082557

2 Expenses Disallowed u/s 43B  
Total

-23698447  
198113314 61217014.1

Deferred Tax Liabilities

1) Difference In WDV of Fixed Assets

27901271 8621492.67

Net Deferred Tax Liability as on 31/03/2017

52595521.5

Net Deferred Tax Liability as on 31/03/2016

34535856.5

Provision for Deferred Tax Expense

18059664.9



**Starlit Power Systems Limited**  
**Notes to the Consolidated financial statements as at 31 March 2017**  
 (All amounts are in Indian Rupees)

**2.10. Fixed assets**

Asset Description	Gross Block			Depreciation			Net Block			
	As at 1 April 2016	Additions	Disposals	Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Adjustment	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>										
Industrial Plot at Sohla	5,721,386				5,721,386		280,419		5,721,386	5,721,386
Building at Sohla	8,094,152				8,654,152	1,614,432	3,426		6,799,291	7,079,720
Motor Cycle	42,150				42,150	26,338	1,410		12,386	15,812
Laboratory Equipments	10,034				10,033	3,851	104,676		4,760	6,180
Office Equipments	1,116,416	3,507			1,116,923	822,881	5,559,210		193,346	293,335
Plant & Machinery	83,292,131	117,240			83,409,371	12,323,239	63,353		65,526,922	70,968,891
Computer and computer Peripherals	916,413				916,413	794,596	82,225		58,454	321,817
Furniture & Fixture	710,616				710,616	314,629	849,327		413,962	486,167
Electrical Installation	7,917,265				7,917,265	1,486,955	14,810		5,580,993	6,430,310
Telephone	62,786				62,786	18,408	14,810		31,668	46,178
Truck	917,036				917,036	438,058	144,375		334,603	478,878
Mould	39,270				39,270	16,876	6,810		15,584	22,394
Motor Car	1,876,688				1,876,688	164,927	164,927	255,770	779,826	1,365,671
Tractor	315,893				315,893	511,017	10,094		0	351,743
Generator	391,947				391,947	124,745	26,476		107,585	3,866
UPS	19,550				19,550	2,172	17,850		1,694	3,048
Fire Fighting Equipments	1,507,613				1,507,613	166,968	97,328		1,243,317	1,340,644
Water Dispenser	35,050				35,050	13,465	2,386		19,279	21,585
Factory Building Unit 2	79,391,994	1,108,450			80,500,444	2,580,153	2,726,738		75,191,533	76,811,841
Software	986,878				986,878	576,368	270,927		149,589	410,511
IBM Server	169,725				169,725	32,387	17,369		69,968	87,338
Goodwill Recognized on Acquisition	194,558				194,558				194,558	194,536
Capital WIP(P&M)	45,226,821	18,680,933			55,919,487		7,987,307		55,919,487	45,226,821
<b>Current Year</b>	<b>239,496,450</b>	<b>19,909,230</b>	<b>992,681</b>	<b>7,987,307</b>	<b>250,425,632</b>	<b>21,849,961</b>	<b>10,429,413</b>	<b>390,609</b>	<b>218,536,867</b>	<b>217,646,488</b>
<b>Previous Year</b>										

*[Signature]*  
**D. D. NAGPAL & CO.**  
 Chartered Accountants  
 Firm Registration number: 066411 N  
 D. D. NAGPAL  
 Partner  
 Membership No: 085366  
 Plaza, New Delhi  
 Date: 29.05.2017



For and on behalf of the Board of Directors of  
**Starlit Power Systems Limited**  
*[Signature]*  
**Kamaljeet Singh Jaswal**  
 Director  
 DIN: 01340493  
**Yogesh Kumar Gupta**  
 Managing Director  
 DIN: 00312527  
**Archieva Mishra**  
 Company Secretary  
 Membership No: 33940  
 DIN: 01340493



# **D D NAGPAL & COMPANY**

**CHARTERED ACCOUNTANTS**  
6H GOPALA RAJENDRA PLACE DELHI-110008  
PHONES: 25821021, 25821040  
Email id : [ddnagpal@gmail.com](mailto:ddnagpal@gmail.com)

## **Independent Auditor's Report To the Members of Starlit Power Systems Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Starlit Power Systems Limited ('the Company')**, which comprise the Balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and the statement of change in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are



appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit & Loss account, its cash flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure B", which is based on the Auditors' Report of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
  - (g) Attention is invited to Note No. 12 stating that liability in respect of Leave Encashment and Gratuity has not been ascertained by the management till date and no provision in this regard as per AS-15 has been made by the company.



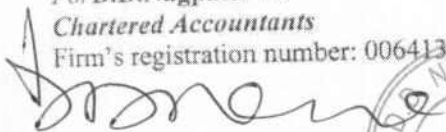


- (h) Attention is invited to Note No.26 stating that some of balance of debtors, creditors, and loan and advances are subject to confirmation from respective parties. We have relied on the representation of the management that no significant impact is expected on the working results of the company on this account.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in financial statements; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosures in its standalone financial statement as to holding as well as dealings in specified bank notes (SBN) during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the company.

For D.D. Nagpal & Co

Chartered Accountants

Firm's registration number: 006413N



**DevDhar Nagpal**

Partner

Membership number: 085366



New Delhi

29<sup>th</sup> May 2017

### Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories 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. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the Cost Records maintained by the company as prescribed by the Central Government under sub section (1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund,



income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year. However there are certain delay observed in deposition of dues by the Company with the appropriate authorities in India. The Arrear as on 31st march 2017 on the aforesaid due s were as below.

According to information and explanation given to us following undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2017 for a period of more then six months from the date they become payable

2	VAT Payable	3.05 lakh
4	TDS Payable	0.503 lakhs
5	Provident fund	0.919 lakhs

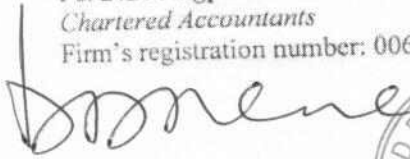
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) During the year there is no repayment regarding term loan of the company so the account is considered as non performing.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. Based on the information & explanation given to us by the management term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Company has not made any preferential allotment during the year. According to the information and explanations give to us and based on our examination of the records of the Company, the Company fulfill all the compliance requirement regarding preferential allotment.



(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For **D.D. Nagpal & Co**  
Chartered Accountants  
Firm's registration number: 006413N



**DevDhar Nagpal**  
Partner  
Membership number: 085366



New Delhi  
29<sup>th</sup> May 2017.

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Starlit Power System Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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





A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

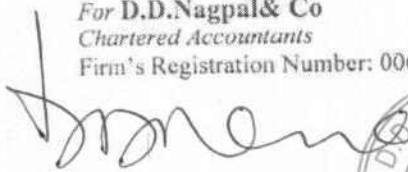
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D.D.Nagpal & Co  
Chartered Accountants  
Firm's Registration Number: 006413N

  
DevDhar Nagpal  
Partner  
Membership Number: 085366



New Delhi  
29<sup>th</sup> May 2017

## STARLIT POWER SYSTEMS LIMITED

### A. SIGNIFICANT ACCOUNTING POLICIES

#### **1. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value (if any). GAAP comprise mandatory accounting standards as prescribed by the companies (Accounting Standard) Rules, 2014 and the provision of the Companies Act, 2013. Accounting Policies Have been consistently applied except where a newly issued accounting standards as initially adopted or are vision to an existing accounting standard requires a change in the accounting policy here to in use.

#### **2. Use of Estimates**

The preparation of financial statements requires estimate and assumption to be made that the effect reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known\materialized.

#### **3. Accounting for Fixed Assets**

Fixed assets are stated at their cost of construction or acquisition less depreciation, amortization and impairment loss, if any. All costs attributable to bring the fixed assets to a working condition are capitalized. MODVAT/CENVAT availed for purchase of fixed assets is deducted from the cost in respect of certain land, cost of development is capitalized.

#### **4. Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortization.

#### **5. Depreciation Accounting**

- i.) Depreciation on fixed assets is provided at the rates and in the manner specified in schedule -II of the Companies Act, 2013 on Straight Line Method basis during the year.
- ii.) Individual Assets costing less than Rs. 5000/- are depreciated in full in the year of purchase.
- iii.) Intangible Assets are amortized over a period of 5 years.



## 6. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment recoverable amount of assets is determined. An Impairment Loss is recognized whenever the carrying cost of assets except the recoverable amount is greater of assets net selling price or its value in use. In assessing the value of assets in use, the estimates future cash flows from the use of assets are discounted in their present value at appropriate rate. An impairment loss is revised if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value or the respective assets.

## 7. Foreign Currency Transaction

- i.) Foreign Currency transactions are recorded at the exchange rates prevailing at the date of the transaction.
- ii.) Monetary items determinate in foreign currencies are reported using the closing rate at the year end. 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.
- iii.) The gain and losses arising out of settlement or on transaction is recognized as Income/Expenditure, as the case may be, in the statement of profit and loss.

## 8. Accounting for Investment

- i.) As a conservative and prudent policy, The Company does not provide for increase in the value of individual investment held by it on the date of Balance Sheet.
- ii.) Current Investments are carried at lower of cost or Fair value.

## 9. Inventories

- i.) Inventories are valued at lower of cost or net realizable value except for scrap. Scrap is valued at net realizable value. Cost is determined using first in first out(FIFO) method.
- ii.) Stationery, Uniforms, Medical expenses are charged off to the revenue at the time of purchase.

## 10. Revenue Recognition

- i.) Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- ii.) Dividend income is recognized when right to receive dividend is established.
- iii.) Interest income is recognized on accrual basis.
- iv.) Tax deducted at source thereon is treated as advance tax.



#### 11. Event Occurring After Balance Sheet Date

- i.) Assets and Liabilities are adjusted for events occurring after Balance Sheet date that provide additional evidence to assist the estimation of amounts relating to condition existing at the balance sheet date.
- ii.) Dividends which are provided/declared by the Company after the Balance Sheet date but before approval of financial statements are adjusted.

#### 12. Employees Retirement Benefits

- i.) **Provident Fund:** The Company has charged Rs.1,01,039 (Previous year Rs.2,06,005) for provident fund contribution to the profit and loss account. The contributions towards these schemes by the Company are at rates specified in the rules of the schemes.
- ii.) **Superannuation Fund:** Company has no Superannuation fund in place.
- iii.) **Gratuity and Leave Encashment:** Liability in respect of Leave encashment and gratuity is not ascertained by the management till date and no provision has been made as per AS-15.

#### 13. Borrowing Cost

Borrowing cost attributable to qualifying assets are capitalized up to the date the assets are ready to put to use. A qualifying asset is one that necessary taxes substantial period of time to get ready for intended use. All other Borrowing costs are charged to statement of profit and loss .

#### 14. Operating Lease

Lease Payments/rentals under operating lease are expensed with reference to the terms of lease and others considerations.

#### 15. Accounting For Taxes on Income

- I. Provision for current tax is made on the basis of estimated tax payable on income for the relevant accounting year in accordance with the Income Tax Act 1961.
- II. The Deferred tax liability on account of timing differences between the book profits and the taxable profits for the year is accounted for using the tax rates as applicable as on the balance sheet date.
- III. Deferred tax assets arising from timing difference are recognized to the extent there is virtual certainty that these would be realized in future.

#### 16. Earnings Per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period .Diluted earning per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential average market value of the outstanding shares .Dilutive potential equity shares are converted as of



the beginning of the period unless issued the number of shares and potential equity shares are determined independently for each period presented .

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits/consolidation and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Particulars	Period Ended 31 <sup>st</sup> March 2017	Period Ended 31 <sup>st</sup> March 2016
Profit/(loss) after tax (Rs) A	(3,86,32,385)	(4,45,04,875)
Extraordinary Item	NIL	NIL
Profit/(loss) after Extraordinary item	(3,86,32,385)	(4,45,04,875)
Number of Equity shares at the end of the period B	1,00,64,866	80,51,893
Nominal Value of Equity Shares	10,06,48,660	8,05,18,930
Weighted Average Number of Equity shares (Basic )-C	1,00,64,866	70,38,808
Weighted Average Number of Equity shares (Diluted )-D	1,03,61,896	73,35,838
Basic EPS before Extraordinary Item ( A/C)	(3.84)	(6.32)
Diluted EPS before Extraordinary Item (A/D)	(3.73)	(6.07)
Basic EPS after Extraordinary Item ( A/C)	(3.84)	(6.32)
Diluted EPS after Extraordinary item (A/D)	(3.73)	(6.07)

#### 17. Provisions, Contingent Liabilities and Contingent Assets

- A present obligation which could be reliably estimated is provided for in the accounts if it is probable that an outflow of resource embodying economic benefit will be required for its settlements.
- Contingent liabilities are disclosed by way of notes to the balance sheet.
- Contingent assets are neither recognized nor disclosed.

#### 18. Contingent liability

- Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs-Nil
- Claims against the company not acknowledgment as debts Rs Nil
- Export obligation in respect of machineries imported under Zero Duty EPCG Scheme is amounting to Rs.1,88,64,384- as on 31/03/2017.
- Liability in respect of Leave encashment and gratuity is not ascertained by the management till date and no provision has been made as per AS-15.





## B. NOTES TO FINANCIAL STATEMENT

### 19. Related Party Transactions

Sl. No.	Particulars	C\Y Amount (INR)	P\Y Amount (INR)
I	Vivaan Vyapaar Private Limited ( Earlier known as Planet Battery Pvt. Limited )		
	Sales of goods	75315/-	1044306/-
	Purchase of goods	-	-
	Advance given		640000
	Other Expenses- Schemes and Business Promotions	34567/-	-
II	Sachin Sridhar, Director (Payable)	256472	1003472/-
III	Reimbursement of Expenses Yogesh Kumar Gupta, MD	-	-
	Sachin Sridhar, Director	503000	76,15,203/-
IV	Director Remuneration		
	Mr. Yogesh kumar Gupta	1140000/-	11,40,000/-
	Mr. Kamaljeet Singh Jaiswal	528000/-	5,28,000/-
	Mr. Ramesh Hanumantraojoshi	65000/-	7,80,000/-
V	Starlit Infrastructure Ltd	4,15,000/-	2,40,010/-
VI	Starlite Finance Ltd (Unsecured Loan)	32,45,091/-	66,00,000/-
VII	Starlite Finance Ltd (Interest Payable)	2,90,616/-	95,091/-

### 20. Segment Reporting

The company at presently engaged in the business of manufacture and sale of automotive inverter batteries and Lead, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business geographical segment as envisaged in AS-17 are applicable to the company.

21. Additional information pursuant to Schedule III of Companies Act, 2013 have been given to the extent applicable to the company

(a) Value of Raw material consumed

Lead & Other Material Rs. -7,30,86,249/-

Note: Packing and other material consumed are not considered as Raw materials and hence no separate figures are given.

(b) Value of Imported and indigenous Raw material, packing & other material consumed

(i) Imported Rs. 26,56,420/-

(ii) Indigenous Rs. 7,13,82,988/-



(C) Information for each class of goods (Major Items)  
Manufactured and sold during the year

Particulars	Unit	Installed capacity	Actual Production	Sales (Quantity)	Sales (Value)
Batteries-	PCS	2,00,000	4,850	4870	1,50,19,109
Lead	KGS	8,000,000	3,69530	3,96,517	4,50,87,033

As certified by the management.

(d) Particulars of Opening and Closing Stock of Finished Goods after adjusting Returns

Particulars	Unit	Opening Stock (Qty)	Opening Stock (value)	Closing stock (Quantity)	Closing stock (Value)
Batteries	PCS	193	9,20,328	173	6,69,702
Lead	KGS	49,288	59,82,530	765	93,606/-
<b>TOTAL*</b>			69,02,857		7,63,308/-

## 22. Auditor remuneration

Sl No.	Nature of payment	2016-17	2015-16
1	Audit Fees	100,000	100,000
2	Tax Audit	25,000	25,000
3	Management Services	-	-
4	Company Law Matters	25,000	25,000
5	Other Services	-	-
6	Taxation Matters	-	-

## 23. Commitments

Capital commitment towards building is not ascertained by the management till date.

## 24. Interest in Joint Venture

The Company had signed a joint venture agreement with Guangdong Dynavolt Power Technology Co Limited.

25. In the opinion of the board the Current assets, Loans & advances are realizable at a value which is at least equal to the amount, at which these are stated in the Ordinary course of business

26. Debtors and creditors balances are subject to reconciliation/ Confirmation, however in the opinion of the management, these will not have any significant impact on the profit for the year and on the net worth of the company on balance sheet date.





27. The Company has not received information from vendors regarding their status under the Micro Small and Medium Enterprises, Development Act 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under the Act has not been given.

**28. Cash Flow Statement**

Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement"

**29. Foreign Exchange Earnings and Outgo:-**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Foreign Exchange Earnings</b>		
FOB Value of Exports	1,30,58,513	2,33,82,830
Sponsorship Fee	NIL	NIL
Other Receipt	NIL	NIL
<b>Total</b>	<b>1,30,58,513</b>	<b>2,33,82,830</b>
<b>Foreign Exchange Outgo</b>		
CIF Value Of imports	4,75,510	45,708,967
Interest & Finance Charges	NIL	NIL
Foreign travel	Nil	107,575
Professional Charges	NIL	NIL
Subscription and Membership fees	NIL	NIL
Brand promotion Expenses	NIL	NIL
Aircraft Running and Maintenance	NIL	NIL
Personnel training	NIL	NIL
Other Matters (Advance For Machinery)	NIL	NIL
<b>Total</b>	<b>4,75,510</b>	<b>45,816,542</b>

**30. Disclosure of specified bank notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:-**

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016		486272	486272
(+) Permitted Receipts			
(-) Permitted Payments		8000	8000
(-) Amount Deposited in Banks			
Closing Cash in hand as on 30.12.2016		478272	478272





STARLIT POWER SYSTEMS LIMITED  
Balance Sheet as at 31st March 2017  
(All amounts are in Indian Rupees)

	Note No	As at 31 March 2017	As at 31 March 2016
<b>Equity and liabilities</b>			
Shareholder's funds	2.1	100,648,660	80,518,930
Share capital	2.2	(63,737,317)	(8,345,180)
Reserves and surplus			
Share application money pending allotment			
Non-current liabilities	2.3	97,189,810	99,644,658
Long-term borrowings			
Deferred tax liabilities (Net)	2.4	-	-
Other long-term liabilities	2.5	-	-
Long-term provisions			
Current liabilities	2.6	153,260,215	130,075,303
Short Term Borrowings	2.7	72,665,648	70,200,699
Trade payables	2.8	5,968,850	4,975,659
Other current liabilities	2.9	-	-
Short-term provisions			
<b>Total</b>		<b>365,995,866</b>	<b>377,070,069</b>
<b>Assets</b>			
Non-current assets			
Fixed assets			
Tangible assets	2.10	162,165,777	171,669,716
Intangible assets	2.10	209,557	497,849
Capital work-in-progress	2.10	55,919,487	45,226,821
Non-current investments	2.11	1,000,000	1,000,000
Deferred tax assets (Net)	2.25	57,562,560	33,737,588
Long term loans and advances	2.12	4,860,606	5,727,279
Current assets	2.13	23,422,015	55,258,449
Inventories	2.14	44,268,018	47,368,658
Trade receivables	2.15	431,697	663,025
Cash and cash equivalents	2.16	16,136,148	15,911,517
Short-term loans and advances	2.17	-	9,167
Other current assets			
<b>Total</b>		<b>365,995,866</b>	<b>377,070,069</b>

Significant accounting policies & notes to financial statements  
The notes are an integral part of these financial statements

A & B

As per our separate report of even date attached

For D D NAGPAL & CO.  
Chartered Accountants  
Firm Registration number: 006419 N

D DNAGPAL  
Partner  
Membership No: 065366

Place: New Delhi  
Date: 29.05.2017



Yogesh Kumar Gupta  
Managing Director  
DIN : 00315397

For and on behalf of the Board of Directors of  
Starlit Power Systems Limited

Kamaljeet Singh Jaswal  
Director  
DIN : 02340493

Aradhana Mishra  
Company Secretary  
Membership No: 33940



**STARLIT POWER SYSTEMS LIMITED**  
**Statement of Profit and Loss for the period ended on 31st March 2017**  
 (All amounts are in Indian Rupees)

	Notes No.	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue:</b>			
Revenue from operations (gross)	2.18	76,948,254	262,032,636
Less: Excise duty		7,485,157	27,007,898
Revenue from operations (net)		69,463,097	235,024,740
Other income	2.19	473,205	2,582,787
<b>Total revenue</b>		<b>69,936,302</b>	<b>237,607,527</b>
<b>Expenses:</b>			
Cost of materials consumed	2.20	74,143,917	219,390,526
Purchase of Stock-in-Trade		Nil	Nil
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.21	(104,509)	15,056,158
Employee benefit expenses	2.22	6,428,730	10,583,262
Finance costs	2.23	24,493,494	28,936,469
Depreciation and amortization expense	2.10	10,419,354	11,336,124
Other expenses	2.24	17,032,873	26,335,994
<b>Total expenses</b>		<b>132,413,659</b>	<b>311,638,533</b>
<b>Profit/ (loss) before tax</b>		<b>(62,477,357)</b>	<b>(74,031,006)</b>
<b>Tax expense:</b>			
Provision for tax under MAT			
Less: MAT Credit Entitlement AY 2014-15			
Less: Prior Period Taxes			
Deferred tax	2.25	(23,844,972)	(29,526,131)
<b>Profit/ (loss) for the year Before Extraordinary Items</b>		<b>(38,632,385)</b>	<b>(44,504,875)</b>
Extraordinary Items			
<b>Profit/ (loss) for the year after Extraordinary Items</b>		<b>(38,632,385)</b>	<b>(44,504,875)</b>
<b>Earning per equity share Before Extraordinary Item:</b>			
(1) Basic		(3.84)	(6)
(2) Diluted		(3.73)	(6)
<b>Earning per equity share after Extraordinary Items:</b>			
(1) Basic		(3.84)	(6)
(2) Diluted		(3.73)	(6)

As per our separate report of even date attached

For D D NAGPAL & CO.  
 Chartered Accountants  
 Firm Registration number: 006413 N

D D NAGPAL  
 Partner  
 Membership No: 085366

Place: New Delhi  
 Date: 29.05.2017



For and on behalf of the Board of Directors of  
 Starlit Power Systems Limited

Yogesh Kumar Gupta  
 Managing Director  
 DIN : 00315397

Kamaljeet Singh Jaswal  
 Director  
 DIN : 02340493

Archana K  
 Company Secretary  
 Membership





**STARLIT POWER SYSTEMS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017**  
 (All amounts are in Indian Rupees)

PARTICULARS	2016-17	2015-16
	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	(62,477,357)	(74,031,006)
ADJUSTMENTS FOR:-		
Depreciation	10,419,354	11,336,124
Interest Income	(51,917)	(541,367)
Preoperative Expenses W/o	3,369,981	3,369,981
Adjustments in Fixed assets	7,987,367	
Interest Charges	24,541,674	27,984,174
Loss on Sale of Assets	282,408	1,448,703
<b>Operating profits before working capital changes :</b>	<b>(16,928,492)</b>	<b>(30,433,391)</b>
ADJUSTMENTS FOR:-		
Inventories	31,836,434	31,443,593
Sundry debtors	3,100,640	(23,696,502)
Trade & other receivables	(215,464)	8,671,998
Preoperative Expenditure		
Trade payables & other liabilities	3,458,141	14,501,196
<b>Cash generated from (used) in operation</b>	<b>22,251,259</b>	<b>486,894</b>
Direct taxes paid		
<b>Net Cash flow from operating activities</b>	<b>22,251,259</b>	<b>486,894</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of fixed assets	(19,909,230)	(46,858,727)
Sale of Fixed Assets	319,666	3,090,729
Increase/Decrease in Loan & Advances	866,673	(2,205,101)
Interest received	51,917	541,367
Subsidy Received		
<b>Net Cash flow used in investment activities</b>	<b>(18,670,974)</b>	<b>(44,431,732)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan paid/recovered	(2,454,848)	(6,494,334)
Interest paid	(24,541,674)	(27,984,174)
Increase in security Premium		31,885,920
Increase in Share Capital		19,380,000
Increase / decrease in cash credits from banks	23184912	23,936,842
<b>Net Cash flow used in financing activities</b>	<b>(3,611,610)</b>	<b>40,704,254</b>
<b>Net increase/(decrease) in Cash and Cash equivalents :</b>	<b>(231,325)</b>	<b>(3,240,584)</b>
Cash & cash equivalents at opening	663,025	3,903,609
Cash & cash equivalents at closing	431,697	663,025

As per our separate report of even date attached

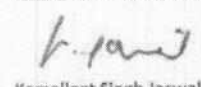
For D D NAGPAL & CO.  
 Chartered Accountants  
 Firm Registration number: 006413 N

  
 D D NAGPAL  
 Partner  
 Membership No: 085766  
 New Delhi  
 Place: New Delhi  
 Date: 29.05.2017



  
 Yogesh Kumar Gupta  
 Managing Director  
 DIN : 00315397

For and on behalf of the Board of Directors of  
 Starlit Power Systems Limited

  
 Kamaljeet Singh Jaswal  
 Director  
 DIN : 02340493

  
 Archana Mishra  
 Company Secretary  
 M. No:33940



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

2.1 Share capital

	As at 31 March 2017	As at 31 March 2016
Authorized: 12,000,000 (previous year 10,000,000) equity shares of Rs.10 each	120,000,000	100,000,000
Issued, subscribed and paid up 10064866 (previous year 8051893) equity shares of Rs.10 each, fully paid up	100,648,660	80,518,930

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
At the beginning of the period	8051893	80518930	6115893	61158930
Add: Issue of Bonus shares	2012973	20129730	1936000	19360000
Outstanding as at the end of the period	10064866	100648660	8051893	80518930

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share.  
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31st March 2017		As at 31st March 2016	
	%	Number	%	Number
Starlit Finance Limited	9.26%	932166	9.26%	745733
Sachin Shridhar	8.45%	850053	8.45%	680042
Starlit Infrastructure Limited	7.84%	789541	7.84%	631633
Yms Finance Private Limited (Earlier known as Pyramid Sales I	18.56%	1867969	18.56%	1494375
Guangdong Dynavolt Power Technology Co Limited	24.04%	2420000	24.04%	1936000

2.2 Reserves and surplus

	As at 31st March 2017	As at 31st March 2016
<b>Shares Premium Account</b>		
Balance as at the beginning of the year	74,261,290	42,375,370
Add: Shares Premium received during the year	(20,129,733)	31,885,920
Balance as at the end of the year	<u>54,131,557</u>	<u>74,261,290</u>
<b>Preoperative Expenses</b>		
Balance W/o	(10,109,944)	(13,479,925)
	<u>3,369,981</u>	<u>3,369,981</u>
	<u>(6,739,963)</u>	<u>(10,109,944)</u>
<b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	(72,496,526)	(27,991,651)
Add: Profit for the year	(38,632,385)	(44,504,875)
Balance as at the end of the year	<u>(111,128,911)</u>	<u>(72,496,526)</u>
	<u>(63,737,317)</u>	<u>(8,346,180)</u>



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.3 Long-term borrowings</b>		
<b>Secured:</b>		
<b>Term Loan</b>		
From Banks	79,589,967	79,589,967
From others		
<b>Vehicle Loan</b>	81,098	533,957
<b>Unsecured:</b>		
Bonds/debentures	NIL	NIL
Loans & Advances from Related Parties	NIL	NIL
From Others	17,518,745	19,520,734
	<b>97,189,810</b>	<b>99,644,658</b>

**Additional Information:**

**Note 1 : Secured Loans**

Short particulars of the property or asset(s) charged (including complete address and location of the

1. Land of Industrial Unit located at Village ATTA, Distt. Mewat, Sohna, Haryana measuring 8095 Sq
2. DDA SFS MIF Flats No. 100-B First Floor Block No. DG-11, Vikas Puri, New Delhi measuring 750
3. Plot No. 121, Village Jaitpur, Vaishpur, Greater Noida, U P measuring 200 Sq Mtrs. in the name of
4. GF bearing no. SK-3/621, Residential Colony, Shakti Khand-III, Indirapuram, Ghaziabad owned by
5. Property No.- 51 Block No. A-1, Safdarjung Enclave, New Delhi measuring 600 Sq. Feet in the name of
6. First Charge on all Fixed/Block Assets both present and future of the Company to secure the said
7. Hypothecation of moveable assets forming part of fixed/block assets.
8. Vehicle Loan is secured against hypothecation of vehicles.

9. Industrial Construction on plot of land comprised in Khat No. 339 Ka/393 Ka, Khas No. 2008/1490

10. Land and building at Premises No. 1, Ramesh Mitra Road, Bhawanipur, Kolkatta, West Bengal-

**2.4 Other long-term liabilities**

NIL	NIL
-	-

**2.5 Long-term provisions**

NIL	NIL
-	-



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.6 Short Term Borrowings</b>		
Loans Repayable on Demand		
From Banks *	153,260,215	130,075,303
From other Parties	-	-
	<u>153,260,215</u>	<u>130,075,303</u>
*Hypothecation of goods and debts to secure cash credit facility		
* Hypothecation of current assets		
<b>2.7 Trade payables</b>		
Micro, small and medium enterprises	-	-
Others	72,665,648	70,200,699
	<u>72,665,648</u>	<u>70,200,699</u>
The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid / payable under the Act has not been given.		
<b>2.8 Other current liabilities</b>		
Withholding and other taxes payable	2,540,101	206,527
Expenses Payable	662,161	504,966
Other Payables	1,195,699	2,568,535
Advance received from customer	1,570,889	1,695,631
	<u>5,968,850</u>	<u>4,975,659</u>
<b>2.9 Short-term provisions</b>		
Provision for Income Tax	-	-
Total	<u>Nil</u>	<u>Nil</u>



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.11 Non - current investments</b>		
Vivaan Vypaar Pvt Ltd ( Formerly Planet Battery Pvt Ltd)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>2.12 Long-term loans and advances</b> (Unsecured and considered good, unless otherwise stated)		
Capital Advances	3,074,064	3,133,801
Security deposits	1,786,542	2,071,770
Other Loans and Advances	-	521,708
	<u>4,860,606</u>	<u>5,727,279</u>
<b>2.13 Inventories</b> (at cost or net realisable value, whichever is lower)		
Raw material	5,363,412	36,351,196
Work-in-progress	14,409,411	6,415,880
Finished goods	2,161,831	10,054,540
Goods-in-transit (raw material)	-	-
Stores and spares	1,483,674	2,436,833
Ware house	3,687	-
	<u>23,422,015</u>	<u>55,258,449</u>





**Starlit Power Systems Limited**  
**Notes to the financial statements as at 31 March 2017**  
 (All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.14 Trade receivables</b> (Unsecured and considered good, unless otherwise stated)		
Outstanding for a period less than six months from the date they are due for payment	49,800	30,387,878
Outstanding for a period exceeding six months from the date they are due for payment	44,218,218	16,980,780
	<u>44,268,018</u>	<u>47,368,658</u>
<b>2.15 Cash and cash equivalents</b>		
Cash in hand	323,423	53,240
<b>Balances with banks:</b>		
- in current accounts	108,274	312,432
- fixed deposits		
Bank Account		
Other bank balances * :		297,353
- fixed deposits (with maturity more than 12 months)		
	<u>431,697</u>	<u>663,025</u>
* includes deposits amounting to Rs. 200,000 (previous year Rs. 200,000 ) pledged with bank against bank guarantees for Sales Tax		
<b>2.16 Short-term loans and advances</b> (Unsecured and considered good, unless otherwise stated)		
Loan and Advances Others	639,914	1,761,609
Advance Paid To Supplier	14,634,635	11,637,500
Balances with Revenue Authorities	644,363	2,305,451
TDS Receivable	114,582	88,308
Prepaid expenses	102,654	118,649
	<u>16,136,148</u>	<u>15,911,517</u>
<b>2.17 Other current assets</b>		
<b>Unsecured:</b>		
Interest accrued but not due on fixed deposits	-	9167
EMD (ASTRU)	-	9167
	<u>-</u>	<u>9167</u>



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.18 Revenue from operations</b>		
Sale of products		
Manufactured goods	76,948,254	262,032,636
Traded Goods	-	-
Other operating revenue	-	-
<b>Revenue from operations (gross)</b>	<b>76,948,254</b>	<b>262,032,636</b>
<b>2.19 Other income</b>		
Interest income	51,917	541,367
Short & Excess	-	-
Other Income	421,288	2,041,420
	<b>473,205</b>	<b>2,582,787</b>
<b>2.20 Cost of materials consumed</b>		
<b>Raw material consumed</b>		
Inventory at the beginning of the year	36,351,196	54,430,104
Add: Purchases	42,202,974	203,003,091
	<b>78,554,170</b>	<b>257,433,195</b>
Less: inventory at the end of the year	5,363,412	36,351,196
Packing Material	953,159	(1,691,473)
	<b>74,143,917</b>	<b>219,390,526</b>
<b>2.21 Decrease in stock</b>		
Opening stock		
Work in progress	6,415,880	4,016,211
Finished goods	10,054,540	25,260,292
Traded goods	-	2,250,075
Closing stock		
Work in progress	14,409,411	6,415,880
Finished goods	2,161,831	10,054,540
Traded goods	3,687	-
	<b>(104,509)</b>	<b>15,056,158</b>



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

	As at 31st March 2017	As at 31 March 2016
<b>2.22 Employee benefit expense</b>		
Salaries wages, bonus and allowances	4,508,824	7,926,780
Contribution to provident and other funds	101,039	206,005
Leave encashment	-	-
Director Remuneration	1,733,000	2,448,000
Staff & Worker Welfare	85,867	2,477
	<u>6,428,730</u>	<u>10,583,262</u>
<b>2.23 Finance costs</b>		
Interest Expenses	24,541,674	27,984,174
Applicable Net Gain/Loss on Foreign Currency transac	(48,180)	952,295
	<u>24,493,494</u>	<u>28,936,469</u>
<b>2.24 Other expenses</b>		
Power and fuel	5,893,682	8,735,588
Travelling and conveyance	193,242	626,396
Legal and professional	827,731	895,358
Payment to auditors		
- audit fees	100,000	100,000
- tax audit fees	25,000	25,000
- Company Law Matters	25,000	25,000
- Management Services	-	-
- Other Services	-	-
- Taxation matters	-	-
Interest on late payment of taxes	202,873	487,483
Rent	936,000	1,009,000
Freight	161,500	966,856
Repairs and maintenance		
- plant and machinery	58,843	286,353
- others	1,071,213	1,667,362
Communication	155,088	214,377
Advertisement	34,568	34,125
Security Expenses	401,691	531,745
Printing and stationery	93,760	150,939
Sales promotion	369,820	1,501,279
Insurance	259,796	213,051
Miscellaneous	2,013,444	3,954,834
Consumables	121,421	322,446
Clearing & Forwarding	-	4,125
Membership fee & Subscription	13,250	53,125
Rates & Taxes	306,451	214,732
Discounts	-	19,504
Deferred exp	192,534	479,525
Preoperative Expenditure w/off	3,369,981	3,369,981
Office Expenses	205,965	447,850
	<u>17,032,673</u>	<u>26,335,994</u>



Starlit Power Systems Limited  
Notes to the financial statements as at 31 March 2017  
(All amounts are in Indian Rupees)

2.25 Deferred tax liabilities (Net)

Amount (Rs.)

Deferred Tax Assets

1 Loss Carry forward	155,299,129	
Loss Carry Forward	3,166,243	
Depreciation Carryforward	22,668,187	
Depreciation Carryforward	45,921,090	
2 Expenses Disallowed u/s 43B	(23,698,447)	
Total	203,356,202	62,837,066

Deferred Tax Liabilities

WDV as per co act	162,375,334	
WDV as per Income Tax act	145,370,461	
1) Difference In WDV of Fixed Assets	17,004,873	5,254,506
Net Deferred Tax Liability as on 31/03/2017		(57,582,560)
Net Deferred Tax Liability as on 31/03/2016		(33,737,588)
Provision for Deferred Tax Expense		(23,844,972)



(All amounts are in Indian Rupees)

2.10 Fixed assets

Asset Description	Gross block			Depreciation			Net block		
	As at 1 April 2016	Additions	Disposals	Adjustments	As at 31 March 2017	For the year	Adjustment	As at 31 March 2017	As at 31 March 2016
Tangible assets	5,721,386				5,721,386			5,721,386	5,721,386
Industrial Plot at Sohna	8,694,152				8,694,152	280,428		8,974,580	7,075,720
Building at Sohna	42,150				42,150	3,426		45,576	13,612
Motor Cycle	10,033				10,033	1,420		11,453	6,180
Laboratory Equipments	1,116,416	3,507			1,119,923	103,676		1,223,599	293,535
Office Equipments	83,255,715	117,240			83,372,955	5,552,550		88,925,505	70,636,667
Plant & Machinery	916,413				916,413	63,953		980,366	121,817
Computer and computer Peripherals	710,618				710,618	82,225		792,843	486,187
Furniture & Fixture	7,817,265				7,817,265	849,327		8,666,592	6,430,310
Electrical Installation	57,036				57,036	13,717		70,753	42,722
Telephone	917,036				917,036	144,375		1,061,411	478,976
Truck	30,270				30,270	6,810		37,080	22,394
Mould	1,076,688		676,688		400,000	19,876	255,770	595,776	1,365,671
Motor Car	315,893		315,893		0	164,927	134,839	1,000,000	1,248,839
Tractor	391,947				391,947	10,094		402,041	181,248
Generator	18,550				18,550	26,476		45,026	3,666
UPS	1,567,613				1,567,613	2,172		1,569,785	1,340,644
Fire Fighting Equipments	79,391,994	1,109,450			80,501,444	97,328		80,598,772	76,811,840
Factory Building Unit 2						2,728,758		2,728,758	
Intangible assets									
Software	886,879				886,879	270,522		1,157,401	410,511
IBM Server	100,725				100,725	17,366		118,091	87,338
Capital WIP(P&M)	45,226,821	18,680,033		7,987,367	55,894,117			55,894,117	48,226,821
Current Year	239,224,698	19,909,230	962,661	7,987,367	259,133,960	10,419,354	380,609	270,533,614	217,354,305
Previous Year	198,133,220	45,858,727	4,767,249		239,224,698	11,336,124	277,817	250,288,641	187,411,215



For and on behalf of the Board of Directors of  
 Starfil Power Systems Limited

*(Signature)*  
 Managing Director  
 DIN - 00315397

*(Signature)*  
 Director  
 DIN - 02340483

*(Signature)*  
 Company Secretary  
 Membership No 33940



For: D.D. NAGPAL & CO.  
 Chartered Accountants  
 Firm Registration number: 066413 N

*(Signature)*  
 Partner  
 Membership No: 085366

Place: New Delhi  
 Date: 29.05.2017