

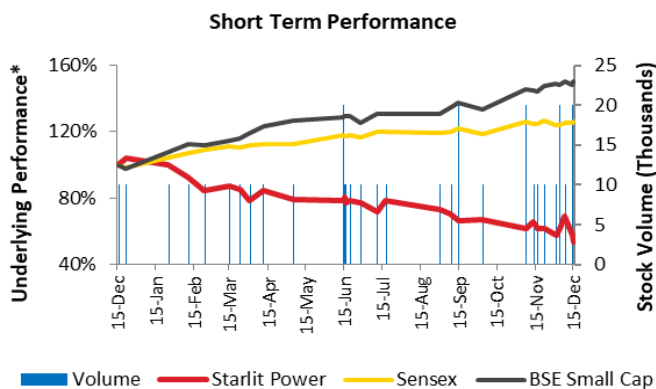
Starlit Power Systems Ltd.

Starlit Power Systems Ltd. | BSE Code: 538733 | Market Data as on Date: 15 Dec 2017

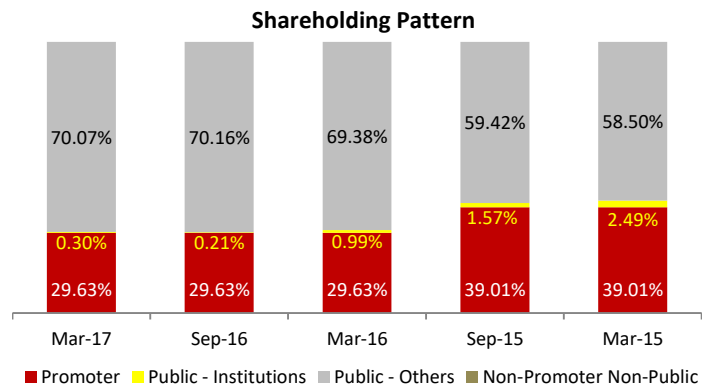
Current Price (₹)	7.00	Market Cap (₹ Crores)	7.05	Book Value (₹)	3.67
52 Week High (₹)	13.50	Shares Outstanding	1,00,64,866	P/B Ratio	1.91
52 Week Low (₹)	7.00	Beta - Sensex	(0.64)	Earnings Per Share (₹)	-
Face Value per Share (₹)	10.00	Dividend Yield (%)	-	P/E Ratio	-

Company Info:

Starlit Power Systems Limited is engaged in the recycling, refining, manufacturing, trade, import, and export of lead based products. Its lead based products include refined lead; lead alloys with calcium, antimony, selenium, tin etc.; and lead oxides such as grey oxide and red lead. It also manufactures and sells automotive, inverter, and solar batteries; and recycles old lead acid batteries. The Company was incorporated in 2008 and is based in New Delhi, India.



*Underlying price standardized based on starting stock price



CORPORATE GOVERNANCE

BOARD AND BOARD COMMITTEES (ANNUAL REPORT 2016-17)

	Members	Chairman	Independence	Meetings
Board	5	Independent Director	40%	9
Audit Committee	3	Independent Director	67%	6
Stakeholders Relationship Committee	3	Not disclosed	67%	2
Nominations & Remuneration Committee	3	Not disclosed	67%	2

The Company has disclosed the certificate obtained from the Practicing Company Secretaries certifying that the Company has complied with conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015. The Board comprises of 5 Directors including 2 Executive and 3 Non-executive Directors, of which 2 are Independent Directors. The chairman of the Board is an Independent Director.

BUSINESS OVERVIEW (AS STATED BY THE COMPANY)

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

The 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.

The economic environment, pricing pressure and decreased employee utilization rates could negatively impact the 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 Company. The tax expense may materially increase, reducing the profitability.

Lead cost that drives the price of battery is extremely critical for the 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 the 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.

Opportunity and Threats – The Company has growth opportunities in industrial and automotive divisions especially solar, e- rickshaw and commercial vehicle divisions. The 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 success. The 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 the 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 the Company.

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RESEARCH ANALYST: WAHEED SHAIKH

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