

**STARLIT POWER SYSTEM LIMITED**  
**ANNUAL REPORT 2017-18**

## Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their 10<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

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

(Amount In Rs lakhs)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
<b>Income</b>	<b>832.92</b>	<b>715.31</b>	<b>722.91</b>	<b>699.36</b>
Less: Interest cost	181.18	244.96	181.17	244.93
Depreciation	100.11	104.29	100.02	104.19
<b>Profit before Tax &amp; Minority Interest</b>	<b>(455.76)</b>	<b>(645.07)</b>	<b>(445.72)</b>	<b>(624.77)</b>
<b>Less: Provision for Tax</b>	<b>202.27</b>	<b>(180.60)</b>	<b>202.13</b>	<b>(238.45)</b>
- Current		-		-
- Taxes for Earlier Years		-		-
- Deferred	<b>202.27</b>	<b>(180.60)</b>	<b>202.13</b>	<b>(238.45)</b>
<b>Profit after Tax but before Minority Interest &amp; Extraordinary Items</b>	<b>(608.30)</b>	<b>(464.47)</b>	<b>(647.85)</b>	<b>(386.32)</b>
Minority Interest	(0.92)	(1.84)		-
<b>Profit available for Appropriation</b>	<b>(607.38)</b>	<b>(462.63)</b>	<b>(647.85)</b>	<b>(386.32)</b>

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

#### STANDLAONE

During the year under review, on standalone basis, your Company earned total revenue of Rs. 722.91/- lakhs as compared to Rs. 699.36/- lakhs in the previous year. Profit/Loss after tax is Rs. (647.85)/- lakhs as against Rs. (386.32)/- lakhs in the previous year.

#### CONSOLIDATED

During the year under review, on consolidated basis, your Company's total revenue is Rs. 832.92/- lakhs as compared to Rs. 715.31/- lakhs in the previous year. Profit/Loss after tax is Rs. (607.38)/- lakhs as against Rs. (462.63)/- 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 2017-18. Hence no dividend has been recommended by the Directors for FY 2017-18.

**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 31.03.2017.

**6. Change of Name**

The Company has not changed its name during the financial year 2017-18.

**7. Share Capital**

There were no any fresh allotments made during the year under review.

**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. Sunil Pahilajani was appointed as Additional Director (Independent) of the company by the Board of Directors w.e.f 19.12.2017.

Ms. Sangeeta Jaryal was appointed as Additional Director (Independent) of the company by the Board of Directors w.e.f 19.12.2017.

Ms. Jitender Singh resigned as Director of the company by the Board of Directors w.e.f 27.01.2018.

Mr. Kunj bihari Yadav was appointed as Company Secretary of the company by the Board of Directors w.e.f 17.11.2017.

#### **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

#### **10. Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, six Board Meetings and four 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.

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 2017-18
- The percentage increase in the median remuneration of employees in the financial year, the number of permanent employees
  - There has been not been any increase in the remuneration of the employees during the F.Y 2017-18. The total number of permanent employees on the payroll of the Company as on 31.03.2018 were 11
- 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 2017-18
- 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 2017-18 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 2017-18
- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company
  - During the F.Y 2017-18 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 under:

M/s. Vivaan Vyapaar Private Limited holding 91% shareholding is the subsidiary of the company as on 31<sup>st</sup> March, 2018

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:**

M/s D D Nagpal & Company, Chartered Accountants & Associates, was re-appointed as Auditors of the company for a term of five years at the last Annual General Meeting and, being eligible, they offer themselves for reappointment for a period of 5 years from the conclusion of last Annual General Meeting 10<sup>th</sup> Annual General Meeting till the conclusion of 15<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 2017-18.

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

In terms of Section 204 of the Act and Rules made there under, Ms. Parinita Bhutani, Practicing Company Secretary has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor in

the prescribed form MR 3 is enclosed as **Annexure I** 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 2017-18.

**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 II** .



**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 has been declared under NPA Classification as on 31st March, 2018. However as on date of this report the NPA has been removed by the bank.

**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 2017-18

**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 note no 19 of Consolidated Financial Statements.

Further 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 III**

### **31. Management Discussion and Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2018.

### **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 materials 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. 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.

### **34. 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.

### **35. 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 adopts the most efficient and effective ways of manufacturing in order to use only optimum energy for manufacturing.
(iii)	the capital investment on energy conservation equipment's	Neither an additional investment has been made nor proposed for reduction of consumption of 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.
(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. 10378935.



**36. Corporate Social Responsibility (CSR)**

The CSR is not presently applicable to the Company.

**37. 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.

**38. 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—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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.

**39. 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).

**40. Listing With Stock Exchanges:**

The Company got listed in the BSE on 12<sup>th</sup> Jan, 2018. The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed.

#### **41. 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

Kamaljeet Singh Jaswal  
Executive Director & CFO  
DIN:02340493

Place: New Delhi

Date: 30.05.2018



COP No. 15908

## CS PARINITA BHUTANI

Practicing Company Secretary

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Starlit Powers Systems Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31<sup>st</sup>, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Starlit Powers Systems Limited** ("The Company") for the period ended on March 31<sup>st</sup>, 2018 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;





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## CS PARINITA BHUTANI

Practicing Company Secretary

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Company has made general compliances under the said Act.**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Company has made general compliances under the said Act.**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Company has not issued any security in the period under review.**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable during the period under review.**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Company has not issued any debt security. Not Applicable during the period under review.**
- 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; **Not Applicable as the company is not registered as the Registrars to an Issue and Share Transfer Agents during the period under review.**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable during the period under review.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable during the period under review.**

I have relied on the representation made by the Company and its officers for systems and mechanism formed by the company for compliance under other applicable acts, Laws and Regulations of the Company and records in pursuit there to, on test check basis, we report that the company has complied with the following laws applicable to the company.





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## CS PARINITA BHUTANI

Practicing Company Secretary

- Payment of wages Act, 1936
- The Minimum Wages Act, 1948
- Employees State Insurance Act,
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment Of Bonus Act, 1965
- The Payment of Gratuity Act, 1972

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above.

### **I further report that**

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 while the dissenting members' views are captured and recorded as part of the minutes.







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## CS PARINITA BHUTANI

Practicing Company Secretary

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.

For Parinita Bhutani  
Practicing Company Secretary



Certificate of Practice No.15908

Date: 21<sup>st</sup> August, 2018

Place: Delhi

\*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.



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## CS PARINITA BHUTANI

Practicing Company Secretary

### 'ANNEXURE A'

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

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

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

For Parinita Bhutani  
Practicing Company Secretary

*Parinita*

Certificate of Practice No.15908



Date: 21<sup>st</sup> August, 2018

Place: Delhi





# STARLIT POWER SYSTEMS LIMITED

[2017-18]

a) Bodies Corp.	-	-	-	-	2898770	-	2898770	28.80	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	940000	-	940000	9.34	4622581	-	4622581	45.79	-
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	650000	-	650000	6.46	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	2420000	-	2420000	24.04	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	9868710	196150	10064866	100.0	10064866	--	10064866	100.00	0

## B) Shareholding of Promoter- EQUITY SHARES

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SACHIN SHRIDHAR	850053	8.45	0	850053	8.45	0	0



2.	SURINDER PAL	211775	2.10	0	211775	2.10	0	0
3	YOGESH KUMAR GUPTA	112500	1.12	0	112500	1.12	0	0
4	LALIT SHARMA	40000	0.40	0	40000	0.40	0	0
5	PURABI SHRIDHAR	33125	0.33	0	33125	0.33	0	0
6	SANTOSH SHARMA .	20000	0.20	0	20000	0.20	0	0
7	SADHU RAM SHARMA	20000	0.20	0	20000	0.20	0	0
8	SHRUTIKA SHRIDHAR	10000	0.10	0	10000	0.10	0	0
9	MEENAKSHI KUMAR	3125	0.03	0	3125	0.03	0	0

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

Sl. No.	Name of shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**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
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	5692581	56.56	5692581	56.56
	At the end of the year	5717017	56.80	5717017	56.80

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

Sl. No.	Name of shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>YOGESH KUMAR GUPTA</b>				
	At the beginning of the year	112,500	1.12	112,500	1.12
	Allotment made	NIL	NIL	NIL	NIL

At the end of the year	112,500	1.12	112,500	1.12
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**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	97189810	-	-	97189810
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	97189810	-	-	97189810
<b>Change in Indebtedness during the financial year</b>				
Additions	192036087	-	-	192036087
Reduction	-	-	-	-
<b>Net Change</b>	192036087	-	-	192036087
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	289225897	-	-	289225897
ii) Interest due but not paid	-	-	-	--
iii) Interest accrued but not due	-	-	-	--
<b>Total (i+ii+iii)</b>	289225897	-	-	289225897

**VI) 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	Kamaljeet Singh Jaswal	
1	<b>Gross salary</b>	1245000	54000	1785000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>NIL</b>		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	<b>Stock Option</b>			
3	<b>Sweat Equity</b>			
4	<b>Commission</b> - as % of profit - others, specify...			
5	<b>Others, please specify</b>			

Total (A)	115000	45000	160000
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## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	<b>Total (1)</b>					<b>NIL</b>
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>					
	<b>Total Managerial Remuneration</b>					
	<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>	Nil	300000	Nil	300000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-		-
2	<b>Stock Option</b>		-		-
3	<b>Sweat Equity</b>		-		-
4	<b>Commission</b>		-		-
	- as % of profit		-		--
	others, specify...		-		-
5	<b>Others, please specify</b>		-		-
	<b>Total</b>		300000		300000

## VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					

<b>Punishment</b>					
<b>Compounding</b>					
<b>B. DIRECTORS</b>					
<b>Penalty</b>					
<b>Punishment</b>					
<b>Compounding</b>					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>					
<b>Punishment</b>					
<b>Compounding</b>					

By Order of the Board of Directors  
For Starlit Power Systems Limited

**Yogesh Kumar Gupta**  
Managing Director  
DIN:00315397

**Kamaljeet Singh Jaswal**  
Executive Director & CFO  
DIN:02340493

**Place: Delhi**

**Date: 14.08.2018**

**Starlit Power Systems Limited**  
 Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029  
 CIN:L37200DL2008PLC174911  
 Standalone Balance Sheet as at 31st March 2018

Particulars	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Assets</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment		140900864	162165777	171669715
(b) Capital work-in-progress	3	55919487	55919487	45226821
(c) Intangible Assets		110448	209557	497849
<b>(d) Financial Assets</b>				
i. Investments	4	1000000	1000000	1000000
ii. Loans & Advances	5	4605376	4860606	5727279
iii. Trade Receivables				
iv. Others				
(e) Deferred tax assets (net)	6	37369406	57582560	33737588
(f) Other non-current assets				
<b>Total non current assets</b>		<b>239905581</b>	<b>281737987</b>	<b>257859252</b>
<b>(2) Current Assets</b>				
(a) Inventories	7	37261910	23422015	55258449
<b>(b) Financial Assets</b>				
i. Investments				
ii. Trade Receivables	8	52206829	44268018	47368658
iii. Cash and cash equivalents	9	4883333	431697	663025
iv. Loans & Advances	10	1641172	16136148	15911517
iv. Others				
(c) Other current assets				9167
<b>Total Current assets</b>		<b>95993244</b>	<b>84257878</b>	<b>119210816</b>
<b>Total Assets</b>		<b>335898825</b>	<b>365995866</b>	<b>377070068</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	11	100648660	100648660	80518930
(b) other equity	12	(125,152,984)	(63,737,317)	(8,345,180)
<b>Total Equity</b>		<b>(24,504,324)</b>	<b>36911343</b>	<b>72173750</b>
<b>(2) Liabilities</b>				
<b>(I) Non-Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
i. Borrowings	13	289225897	97189810	99644658
ii. Others				
<b>(b) Provisions</b>				
<b>(c) Deferred Tax Liabilities (Net)</b>				
<b>(d) Other non-current liabilities</b>				
<b>Total Non Current Liabilities</b>		<b>289225897</b>	<b>97189810</b>	<b>99644658</b>
<b>(II) Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
i. Borrowings	14	19513631	153260215	130075303
ii. Trade Payables	15	45816188	72665648	70200699
iii. Others				
<b>(b) Other Current liabilities</b>				
(c) Provisions	16	5847433	5968850	4975658
		0	0	0
<b>Total Current Liabilities</b>		<b>71177252</b>	<b>231894713</b>	<b>205251660</b>
<b>Total Liabilities</b>		<b>360403149</b>	<b>329084523</b>	<b>304896318</b>
<b>Total Equity and Liabilities</b>		<b>335898825</b>	<b>365995866</b>	<b>377070068</b>

**Significant Accounting Policies**  
 the notes are in integral part of these financial  
 Statements As per our report of even date attached

A & B

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

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

D D Nagpal  
 FCA  
 Membership No. 85366  
 Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
 Managing Director      Director      Company Secretary  
 DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
 Place: New Delhi



## Starlit Power Systems Limited

Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029

CIN:L37200DL2008PLC174911

Standalone Statement of Profit & Loss Account For Period ended on 31st March 2018

Particulars	Note No	For the period ended 31.03.2018	For the period ended 31.03.2017
Revenue from operations	17	72,291,150	69,463,097
Other Income	18	10,357,924	473,205
<b>Total Revenue</b>		<b>82,649,074</b>	<b>69,936,302</b>
<b><u>Expenses:</u></b>			
Cost of material consumed	19	60,252,604	74,143,917
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	1,965,910	(104,509)
Employee benefit expense	21	8,498,810	6,428,730
Financial costs	22	18,116,960	24,493,494
Depreciation and amortization expense	3	10,001,616	10,419,354
Other expenses	23	28,385,669	17,032,673
<b>Total Expenses</b>		<b>127,221,569</b>	<b>132,413,659</b>
<b>Profit before exceptional items and tax</b>		<b>(44,572,495)</b>	<b>(62,477,357)</b>
Exceptional Items			
<b>Profit before tax</b>		<b>(44,572,495)</b>	<b>(62,477,357)</b>
<b>Tax expense:</b>		<b>20,213,154</b>	<b>(23,844,972)</b>
(1) Current tax			
(2) Deferred tax	6	20,213,154	(23,844,972)
<b>Profit after tax</b>		<b>(64,785,649)</b>	<b>(38,632,385)</b>
Other Comprehensive Income			
<b>Profit/(Loss) for the period</b>		<b>(64,785,649)</b>	<b>(38,632,385)</b>
<b>Earning per equity share:</b>			
(1) Basic		-6.44	(3.84)
(2) Diluted		-6.44	(3.73)

Significant Accounting Policies  
the notes are in integral part of these financial  
Statements As per our report of even date attached

A & B

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

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

D D Nagpal  
FCA  
Membership No. 85366  
Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
Managing Director      Director      Company Secretary  
DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
Place: New Delhi

**Starlit Power Systems Limited**  
**Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029**  
**CIN:L37200DL2008PLC174911**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018**

PARTICULARS	2017-18	2016-17
	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	(44,572,495)	(62,477,357)
ADJUSTMENTS FOR:-		
Depreciation	10,001,616	10,419,354
Interest Income	(125,200)	(51,917)
Preoperative Expenses W/o	3,369,981	3,369,981
Adjusmets in Fixed assets		7,987,367
Loss on sale of fixed assets	9,995,549	282,406
Interest Charges	18,116,960	24,541,674
<b>Operating profits before working capital changes :</b>	<b>(3,213,589)</b>	<b>(15,928,492)</b>
ADJUSTMENTS FOR:-		
Inventories	(13,839,895)	31,836,434
Sundry debtors	(7,938,811)	3,100,640
Trade & other receivables	14,494,976	(215,464)
Trade payables & other liabilities	(26,970,877)	3,458,141
short term provision	-	
Cash generated from (used) in operation	(37,468,196)	22,251,259
Direct taxes paid	-	
<b>Net Cash flow from operating activities (A)</b>	<b>(37,468,196)</b>	<b>22,251,259</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of fixed assets	(13,141)	(19,909,230)
Sale of fixed assets	1,380,000	319,666
Transfer of fixed assets		
Increase Decrease In Loan & Advances	255,230	866673
Interest received	125,200	51,917
<b>Net Cash flow used in investment activities (B)</b>	<b>1,747,289</b>	<b>(18,670,974)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan paid/recovered	192,036,087	(2,454,848)
Interest paid	(18,116,960)	(24,541,674)
Increase / decrease in term loans ( net )		
Increase / decrease in cash credits from banks	(133,746,584)	23,184,912
<b>Net Cash flow used in financing activities (C)</b>	<b>40,172,543</b>	<b>(3,811,610)</b>
Cash Flow from Extraordinary items (D)	-	
Increase in cash flow from extraordinary Items	-	
<b>Net decrease in cash and cash equivalents : (A+B+C+D)</b>	<b>4,451,636</b>	<b>(231,325)</b>
Cash & cash equivalents at opening	431,697	663,025
Cash & cash equivalents at closing	4,883,333	431,697

**Auditors' Report**

As per our Report of even date attached.

For D D NAGPAL & Co.  
Chartered Accountants

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

D D Nagpal  
Partner  
M.No. 085366  
Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
Managing Director      Director      Company Secretary  
DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
Place: New Delhi

**Notes forming part of Balance Sheet and Profit & Loss A/c**

**Note- 11 Share Capital**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>a) AUTHORIZED CAPITAL</b>				
Equity Shares of Rs. 10/- each.	12,000,000	120,000,000	12,000,000	120,000,000
<b>b) ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- each, each Fully Paid up (includes 8,40,000 equity shares issued as bonus shares on 01.08.94 by capitalization of General Reserve)	10,064,866	100,648,660	10,064,866	100,648,660
	<b>10,064,866</b>	<b>100,648,660</b>	<b>10,064,866</b>	<b>100,648,660</b>
<b>c) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING</b>				
At the beginning of the period	10,064,866	80,518,930	8,051,893	80,518,930
add: Issue of Bonus Share		20,129,730	2,012,973	20,129,730
At the end of the period	<b>10,064,866</b>	<b>100,648,660</b>	<b>10,064,866</b>	<b>100,648,660</b>
<b>d) Rights, preferences and restrictions attached to Shares</b>				
<b>Equity Shares:</b>				
The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company				
<b>e) Details of Shareholders holding more than 5% shares in the Company:</b>				
	As at 31 March 2018		As at 31 March 2017	
Name of Shareholder	No of Shares	% Held	No of Shares	% Held
Starlit Finance Limited	745733	6.17%	74573300.00%	7.41%
Sachin Shridhar	680042	5.63%	68004200.00%	6.76%
Starlit Infrastructure Limited	631633	5.23%	63163300.00%	6.28%
Yms Finance Private Limited (Earlier known as Pyramid Sales Pvt. Ltd.)	1494375	12.37%	149437500.00%	14.85%
Guangdong Dynavolt Power Technology Co Limited	1936000	16.03%	193600000.00%	19.24%
<b>Total</b>	<b>5487783</b>		<b>5487783</b>	
<b>Note:</b>				
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				

**Note- 12 Other Equity**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Capital Investment Subsidy	-	-	-
b) Capital Redemption Reserve	-	-	-
b) Securities Premium reserve	54,131,557	<b>54,131,557</b>	74,261,290
d) Customer protection Fund	-	-	-
e) Investor Service Fund	-	-	-
f) Other Reserve (General Reserve)	-	-	-
Preoperative Expenses	(6,739,963)	(10,109,944)	-13479925
Balance W/o	3,369,981	3,369,981	3369981
	(3,369,982)	(6,739,963)	(10,109,944)
<b>a. Surplus</b>			
Opening balance	(111,128,911)	(72,496,526)	(27,991,651)
(+) Net Profit/(Net Loss) For the current year	(64,785,649)	(38,632,385)	(44,504,875)
(+) Transfer from Reserves	-	-	-
(-) Proposed Dividends	-	-	-
(-) Adjustment of pre acquisition loss arising due to investment in subsidiary	-	-	-
(-) Interim Dividends	-	-	-
(-) Transfer to Reserves:	-	-	-
i). Customer Protection Fund	-	-	-
ii). Investor Service Fund	-	-	-
Closing Balance	(175,914,560)	(111,128,911)	(72,496,526)
<b>Total</b>	<b>(125,152,985)</b>	<b>(63,737,317)</b>	<b>(8,345,180)</b>

**Note- 4 Non-Current Investments**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
Unquoted			
Vivaan Vypaar Pvt Ltd ( Formerly Planet Battery Pvt Ltd)	1,000,000	1,000,000	1000000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

**Note- 5 Long Term loans And Advances**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
Capital Advances	3,074,064	3,074,064	3133801
Security deposits	1,531,312	1,786,542	2071770
Other Loans and Advances	-	-	521708
<b>Total</b>	<b>4,605,376</b>	<b>4,860,606</b>	<b>5,727,279</b>

**Note- 6 Deferred Tax Assets**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
At the start of the year	57,582,560	33,737,588	
Change/(debit) to statement of Profit & Loss	20,213,154	(23,844,972)	
<b>At the end of year</b>	<b>37,369,406</b>	<b>57,582,560</b>	<b>33,737,588</b>

**Note-7 Inventories**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
a. Raw Materials and components	22,652,891	5,363,412	36351196
b. Work-in-progress	8,801,523	14,409,411	6415880
c. Finished goods	5,807,496	2,161,831	10054540
d. Stock-in-trade	-	-	-
e. Stores and spares	-	1,483,674	2436833
f. Material at Site	-	3,687	-
f. Others (Stationary)	-	-	-
<b>Total</b>	<b>37,261,910</b>	<b>23,422,015</b>	<b>55,258,449</b>

**Note- 8 Trade Receivable**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
Sundry Debtors (Unsecured considered good, unless otherwise stated)			
(I) Outstanding for more than 6 months - Considered Doubtful	1,285,200	49,800	30387878
(II) Other Debts Considered Good	50,921,629	44,218,218	16980780
<b>Total</b>	<b>52,206,829</b>	<b>44,268,018</b>	<b>47,368,658</b>

**Note- 9 Cash and cash equivalents**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
a. Balances with banks			
Current A/c	4,020,734	323,423	53240
Fixed Deposit Accounts:			
i. Against Members Security Deposits			
ii. Public Issue Deposits			
iii. Others			297353

b. Accrued Interest			
c. Cash on hand	862,599	108,274	312,432
d. Others (specify nature)	-		
<b>Total</b>	<b>4,883,333</b>	<b>431,697</b>	<b>663,025</b>

**Note- 10 Short Term Loans & Advances**

Particulars	As at 31st March 2018	As at 31.03.2017	As at 01st April 2016
<b>a. Loans and advances to related parties</b>			
Secured, considered good	Nil	Nil	
Unsecured, considered good			
Doubtful			
Less: Provision for doubtful loans and advances			
Intra Company Transaction			
<b>b. Others</b>			
Secured, considered good	640,000	639,914	1761609.23
Unsecured, considered good			
Share Application Money Refundable			
Advances recoverable in cash or in kind or for value to be received	107,065	102,654	118649
Considered good			
Rent receivable			
Deposit with Government Departments	894,106.83	15,393,580.00	14031258.58
<b>Total</b>	<b>1,641,172</b>	<b>16,136,148</b>	<b>15,911,517</b>

**Note- 13 Long Term Borrowings**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
<b>Secured:</b>			
<b>Term Loan</b>			
From Banks	201,122,307	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	88,103,590	17,518,745	19,520,734
<b>Total</b>	<b>289,225,897</b>	<b>97,189,810</b>	<b>99,644,658</b>

NOTE: Banker (Punjab National Bank) has accepted company proposal of revival of business and has therefore restructured the borrowing during the year .

**Note- 14 Short Term Borrowings**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
<b>Loans Repayable on Demand</b>			
From Banks *			
From other Parties	19,513,631	153,260,215	130,075,303
<b>Total</b>	<b>19,513,631</b>	<b>153,260,215</b>	<b>130,075,303</b>

**Note- 15 Trade Payables**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
Micro, small and medium enterprises			
Others	45,816,188	72,665,648	70,200,699
<b>Total</b>	<b>45,816,188</b>	<b>72,665,648</b>	<b>70,200,699</b>

**Note- 16 Other Current Liabilities**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
Withholding and other taxes payable	4564268	2,540,101	206527
Expenses Payable	1584	662,161	504966
Other Payables	1108688	1,195,699	2568534

Advance received from customer	172,893	1,570,889	1,695,631
<b>Total</b>	<b>5,847,433</b>	<b>5,968,850</b>	<b>4,975,658</b>

**Note- 17 Revenue From Operations**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Sale of products		
Manufactured goods	72,291,150	76,948,254
Traded Goods		
Other operating revenue		
<b>Total</b>	<b>72,291,150</b>	<b>76,948,254</b>

**Note- 18 Other Income**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest income	125,200.00	51,917
Short & Excess		-
Other Income	10,232,724	421,288
<b>Total</b>	<b>10,357,924</b>	<b>473,205</b>

**Note- 19 Cost of material consumed**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Raw material consumed		
Inventory at the beginning of the year	5,363,412	36,351,196
Add: Purchases	76058409	42,202,974
	81421821	78554170.00
Less: inventory at the end of the year	22652891	5,363,412
Packing Material	1483674	953,159
<b>Total</b>	<b>60,252,604</b>	<b>74,143,917</b>

**Note- 20 Change in Inventories**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening stock:		
Work in progress	14,409,411	6,415,880
Finished goods	2,161,831	10,054,540
Traded goods	3,687	-
	16,574,929	16,470,420
Less : Closing Stock		
Work in progress	8,801,523	14,409,411
Finished goods	5,807,496	2,161,831
Traded goods		3,687
	1,965,910	(104,509)
<b>Total</b>	<b>1,965,910</b>	<b>(104,509)</b>

**Note-21 Employee Benefits Expense**

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Salaries and incentives		
i. Directors	835,000.00	1,733,000
ii. Employees	7,629,475	4,508,824
(b) Contributions to -		
EPF	25,757	101,039
ii. FPF		
iii. ESI		
(c) Gratuity fund contributions		



(d) Social security and other benefit plans for overseas employees		
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), Staff welfare expenses	8,578	85,867
(e) Others		
<b>Total</b>	<b>8,498,810</b>	<b>6,428,730</b>

**Note- 22 Finance Cost**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest paid	18116959.75	24,541,674
Applicable Net Gain/Loss on Foreign Currency transactions and translations		(48,180)
<b>Total</b>	<b>18,116,960</b>	<b>24,493,494</b>

**Note- 23 Other Expenses**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Power and fuel		
Travelling and conveyance	6,091,344	5,893,682
Legal and professional	532,974	193,242
Payment to auditors	1,390,451	827,731
- audit fees		
- tax audit fees	100,000	100,000
- Company Law Matters	25,000	25,000
- Management Services	25,000	25,000
- Other Services		-
- Taxation matters		-
Interest on late payment of taxes		-
Rent	14,538	202,673
Freight	250,000	936,000
Repairs and maintenance	96,864	161,500
- plant and machinery		
- others	232,495	58,843
Communication	259,593	1,071,213
Advertisement	96,452	155,088
BSE LISTING ANNUAL FEES		34,568
Printing and stationery	579,600	401,691
COMMISSION AND BROKERAGE	21,322	93,780
Insurance	105,000	369,820
MISCELL	97,637	259,796
Consumables	105,087	2,013,444
Clearing & Forwarding	1,895,167	121,421
Membership fee & Subscription	65,080	-
Rates & Taxes	23,000	13,250
EXPENSES OF IMPORT	1,113,831	306,451
OTHER EXP	375,773	
Deferred exp	154,227	-
Preoperative Expenditure w/off		192,534
Office Expenses	3,369,981	3,369,981
Excise Demand	192,569	205,965
Loss on sale of Fixed Assets(P&M and Car)	1,177,135	
	9,995,549	
<b>Total</b>	<b>28,385,669</b>	<b>17,032,673</b>

**Note 24 Contingent Liabilities:**

Particular	As at 31st March, 2018	As at 31st March, 2017
Central Exercise	1,432,997.00	
TDS		50300
PF		91900
VAT	546,960.00	305000

**Note 25**

Some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. No significant impact is expected on the Profit and loss account on this account. The effect of the same if any which is not likely to be material will be adjusted at the time of confirmation.

**Starlit Power Systems Limited**  
**Notes to the financial statements as at 31 March 2018**  
**(All amounts are in Indian Rupees)**

**3 Fixed assets**

Asset Description	Gross block				Depreciation			Net block		
	As at 1 April 2017	Additions	Disposals	adjustment	As at 31 March 2018	As at 1 April 2017	For the year	Adjustment	As at 31 March 2018	As at 31 March 2017
Tangible assets	5,721,386	-	-	-	5,721,386	-	-	-	5,721,386	5,721,386
Industrial Plot at Sohna	8,694,152	-	-	-	8,694,152	1,894,861	280,429	-	6,518,862	6,799,291
Building at Sohna	42,150	-	-	-	42,150	29,784	3,426	-	8,960	12,386
Motor Cycle	10,033	-	-	-	10,033	5,272	1,420	-	3,341	4,761
Laboratory Equipments	1,119,923	-	-	-	1,119,923	926,558	84,575	-	1,011,133	108,790
Office Equipments	83,372,955	-	19,593,346	-	63,779,609	17,871,698	5,552,866	8,978,297	49,333,342	191,365
Plant and computer Peripheral	916,413	-	-	-	916,413	857,949	10,373	-	868,322	65,501,257
Computer & Fixture	710,616	-	-	-	710,616	296,654	82,225	-	378,879	58,464
Furniture & Fixture	7,917,265	13,141	-	-	7,930,406	2,336,282	850,062	-	4,744,062	413,962
Electrical Installation	57,036	-	-	-	57,036	28,031	13,717	-	3,186,344	5,580,983
Telephone	917,036	-	-	-	917,036	582,433	144,375	-	15,288	29,005
Truck	39,270	-	-	-	39,270	23,686	6,810	-	190,228	334,603
Mould	1,200,000	-	1,200,000	-	-	420,174	19,327	439,501	8,774	15,584
Motor Car	-	-	-	-	-	-	-	-	-	779,826
Tractor	391,947	-	-	-	391,947	107,585	26,476	-	-	-
Generator	19,550	-	-	-	19,550	17,856	341	-	134,061	-
UPS	1,507,613	-	-	-	1,507,613	264,296	97,328	-	18,197	284,362
Fire Fighting Equipments	80,500,444	-	-	-	80,500,444	5,308,912	2,728,758	-	1,145,988	1,694
Factory Building Unit 2	-	-	-	-	-	-	-	-	8,037,670	1,243,317
Intangible assets	-	-	-	-	-	-	-	-	-	75,191,532
Software	986,879	-	-	-	986,879	847,290	49,554	-	896,844	-
IBM Server	109,725	-	-	-	109,725	39,757	49,554	-	20,414	139,589
Brand	-	-	-	-	-	-	-	-	-	69,968
Capital WIP	55,919,487	-	-	-	55,919,487	-	-	-	55,919,487	-
Current Year	250,153,880	13,141	20,793,346	-	229,373,675	31,859,058	10,001,616	9,417,798	32,442,876	196,930,799
Previous Year	239,224,698	19,909,230	992,681	7,987,367	250,153,880	21,630,312	10,419,354	390,609	218,294,821	217,394,385

# **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 2018, 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 2018 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. 56.81 lakhs as at 31<sup>st</sup> March, 2018, total revenue of Rs. 6.43 lakhs and net cash flow of Rs. (0.01) 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, 2018, 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, 2018 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, 2018.
- 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

**DevDharNagpal**  
*Partner*  
Membership number: 085366

New Delhi  
29<sup>th</sup> May 2018

## **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, 2018 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 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 2018, 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

**DevDharNagpal**

*Partner*

Membership Number: 085366

New Delhi

29<sup>th</sup> May 2018



# 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 hereto 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.25,757/- (Previous year Rs.1,01,039) 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 takes 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 2018	Period Ended 31 <sup>st</sup> March 2017
Profit/(loss) after tax (Rs) A	(64,785,649)	(3,86,32,385)
Extraordinary Item	NIL	NIL
Profit/(loss) after Extraordinary item	(6,47,85,649)	(2,86,32,385)
Number of Equity shares at the end of the period B	1,00,64,866	1,00,64,866
Nominal Value of Equity Shares	10,06,48,660	10,06,48,660
Weighted Average Number of Equity shares (Basic )-C	1,00,64,866	1,00,64,866
Weighted Average Number of Equity shares (Diluted )-D	1,03,61,896	1,03,61,896
Basic EPS before Extraordinary Item ( A/C)	(6.44)	(3.84)
Diluted EPS before Extraordinary Item (A/D)	(6.44)	(3.73)
Basic EPS after Extraordinary Item ( A/C)	(6.44)	(3.84)
Diluted EPS after Extraordinary item (A/D)	(6.44)	(3.73)

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

- i. 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.
- ii. Contingent liabilities are disclosed by way of notes to the balance sheet.
- iii. Contingent assets are neither recognized nor disclosed.

#### **18. Contingent liability**

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs-Nil
- ii. Claims against the company not acknowledgment as debts Rs Nil
- iii. Export obligation in respect of machineries imported under Zero Duty EPCG Scheme is amounting to Rs.1,88,64,384- as on 31/03/2018.
- iv. 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.

v. Contingent Liability in respect of-

<b>Particulars</b>	<b>Amount</b>
CENTRAL EXCISE	1432997/-
VAT	546960/-

**B. NOTES TO FINANCIAL STATEMENT**

**19. Related Party Transactions**

<b>Sl. No.</b>	<b>Particulars</b>	<b>C\Y Amount (INR)</b>	<b>P\Y Amount (INR)</b>
I	Vivaan Vyapaar Private Limited ( Earlier known as Planet Battery Pvt. Limited )		
	Sales of goods	NIL	75315/-
	Purchase of goods	653456/-	-
	Advance given	NIL	
	Other Expenses- Schemes and Business Promotions	NIL	34567/-
II	<u>Sachin Sridhar, Director (Payable)</u>	7184672/-	256472/-
III	<u>Kamaljeet Singh, Director</u>	230000/-	
IV	Reimbursement of Expenses Yogesh Kumar Gupta, MD <u>Sachin Sridhar, Director</u>	- 331748/-	- 503000/-
V	Director Remuneration Mr. Yogesh kumar Gupta Mr. Kamaljeet Singh Jaiswal Mr. Ramesh Hanumantraojoshi	430000/- 405000/- NIL	11,40,000/- 5,28,000/- 65000/-
VI	Starlit Infrastructure Ltd	440000/-	415000/-
VII	Starlite Finance Ltd (Unsecured Loan)	2660307/-	3245091/-
VIII	Starlite Finance Ltd (Interest Payable)	NIL	290616/-
IX	Santosh Sharma (Relative)	301,00,000/-	-
X	Sachin Sridhar HUF (Director)	550000/-	-

**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. 60252004/-

**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. 10378935/-  
(ii) Indigenous Rs. 49873669/-

(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	9751	10148	46,959,039.2
Lead	KGS	8,00,000	-	173411	22863936.0

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	173	6,69,702/-	430	1,622,067/-
Lead	KGS	765	93,606/-	43517	4,057,828/-
<b>TOTAL*</b>			7,63,308/-		5,679,895/-

## 22. Auditor remuneration

Sl No.	Nature of payment	2017-18	2016-17
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 during the year 2016.

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 31.03.2018	Year ended 31.03.2017
<b>Foreign Exchange Earnings</b>		
FOB Value of Exports	NIL	1,30,58,513/-
Sponsorship Fee	NIL	NIL
Other Receipt	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>1,30,58,513</b>
<b>Foreign Exchange Outgo</b>		
CIF Value Of imports	1,03,78,935/-	4,75,510/-
Interest & Finance Charges	NIL	NIL
Foreign travel	NIL	NIL
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>1,03,78,935</b>	<b>475510</b>



**Starlit Power Systems Limited**  
 Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029  
 CIN:L37200DL2008PLC174911  
 Consolidated Balance Sheet as at 31st March 2018

Particulars	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Assets</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment		140918669	162213287	171727282
(b) Capital work-in-progress	3	55919487	55919487	45226821
(c) Intangible Assets		304984	404093	692385
(d) Financial Assets				
i. Investments		0	0	0
ii. Loans & Advances	4	4722076	4977306	5843979
iii. Trade Receivables				
iv. Others				
(e) Deferred tax assets (net)	5	37361486	52595521	34535857
(f) Other non-current assets				
<b>Total non current assets</b>		<b>239226702</b>	<b>276109694</b>	<b>258026324</b>
<b>(2) Current Assets</b>				
(a) Inventories	6	37404768	25189496	58582090
(b) Financial Assets				
i. Investments				
ii. Trade Receivables	7	56913242	43059087	46017993
iii. Cash and cash equivalents	8	5478702	1027715	1715941
iv. Loans & Advances	9	1082370	15578953	15563968
v. Others				
(c) Other current assets				9167
<b>Total Current assets</b>		<b>100879082</b>	<b>84855251</b>	<b>121889159</b>
<b>Total Assets</b>		<b>340105784</b>	<b>360964945</b>	<b>379915483</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	10	100648660	100648660	80518930
(b) other equity	11	(130,745,390)	(73,284,671)	(10,077,493)
<b>Total Equity</b>		<b>(30,096,730)</b>	<b>27363989</b>	<b>70441437</b>
<b>(2) Liabilities</b>				
<b>(I) Non-Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings	12	289225899	97189810	99644658
ii. Others				
(b) Provisions				
(c) Deferred Tax Liabilities (Net)				
(d) Other non-current liabilities				
<b>Total Non Current Liabilities</b>		<b>289225899</b>	<b>97189810</b>	<b>99644658</b>
<b>(II) Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings	13	19513631	153260215	130075303
ii. Trade Payables	14	55505751	77083524	74642619
iii. Others				
(b) Other Current liabilities	15	5957233	6067407	5111465
(c) Provisions		0	0	0
<b>Total Current Liabilities</b>		<b>80976615</b>	<b>236411146</b>	<b>209829387</b>
<b>Total Liabilities</b>		<b>370202514</b>	<b>333600956</b>	<b>309474045</b>
<b>Total Equity and Liabilities</b>		<b>340105784</b>	<b>360964945</b>	<b>379915483</b>

**Significant Accounting Policies** A & B  
 the notes are an integral part of the financial  
 Statements As per our report of even date attached

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

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

D D Nagpal  
 FCA  
 Membership No. 85366  
 Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
 Managing Director      Director      Company Secretary  
 DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
 Place: New Delhi

## Starlit Power Systems Limited

Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029

CIN:L37200DL2008PLC174911

Consolidated Statement of Profit & Loss Account For Period ended on 31st March 2018

Particulars	Note No	For the period ended 31.03.2018	For the period ended 31.03.2017
Revenue from operations	16	72,933,754	71,058,069
Other Income	17	10,357,924	473,205
<b>Total Revenue</b>		<b>83,291,678</b>	<b>71,531,274</b>
<b><u>Expenses:</u></b>			
Cost of material consumed	18	60,252,604	74,143,917
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	3,590,534	1,451,651
Employee benefit expense	20	8,498,810	7,403,430
Financial costs	21	18,117,609	24,495,556
Depreciation and amortization expense	3	10,011,040	10,429,413
Other expenses	22	28,397,469	18,114,398
<b>Total Expenses</b>		<b>128,868,066</b>	<b>136,038,365</b>
<b>Profit before exceptional items and tax</b>		<b>(45,576,388)</b>	<b>(64,507,091)</b>
Exceptional Items		4,972,857	
<b>Profit before tax</b>		<b>(40,603,531)</b>	<b>(64,507,091)</b>
<b>Total Income Tax expense:</b>		<b>20,227,170</b>	<b>(18,059,665)</b>
(1) Current tax			
(2) Deferred tax	5	20,227,170	(18,059,665)
<b>Profit after tax</b>		<b>(60,830,701)</b>	<b>(46,447,426)</b>
Other Comprehensive Income			-
Less: Share of (Profit) Transferred to Minority Interest		(92,528)	(183,841)
<b>Profit/(Loss) for the period</b>		<b>(60,738,173)</b>	<b>(46,263,585)</b>
<b>Earning per equity share:</b>			
(1) Basic		-6.03	(4.60)
(2) Diluted		-6.03	(4.60)

Significant Accounting Policies A & B  
the notes are an integral part of these financial  
Statements As per our report of even date attached

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

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

D D Nagpal  
FCA  
Membership No. 85366  
Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
Managing Director      Director      Company Secretary  
DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
Place: New Delhi

**Starlit Power Systems Limited**  
**Reg. Office: A -1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI 110029**  
**CIN:L37200DL2008PLC174911**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018**

PARTICULARS	2017-18	2016-17
	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	(45,576,388)	(64,507,091)
ADJUSTMENTS FOR:-		
Depreciation	10,011,040	10,429,413
Interest Income	(125,200)	(51,917)
Preoperative Expenses W/o	3,369,981	3,369,981
Adjustments in Fixed assets		7,987,367
Loss on sale of fixed assets	9,995,549	282,406
Exceptional Items	4,972,857	
Interest Charges	18,117,609	24,543,736
Operating profits before working capital changes :	765,448	(17,946,105)
ADJUSTMENTS FOR:-		
Inventories	(12,215,272)	33,392,594
Sundry debtors	(13,854,155)	2,958,906
Trade & other receivables	14,496,583	(5,818)
Trade payables & other liabilities	(21,687,948)	3,396,847
short term provision	-	
Cash generated from (used) in operation	(32,495,344)	21,796,424
Direct taxes paid	-	
Add Exceptional Items	4,972,857	
Net Cash flow from operating activities (A)	(37,468,201)	21,796,424
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of fixed assets	(13,141)	(19,909,230)
Sale of fixed assets	1,380,000	319,666
Transfer of fixed assets		
Increase Decrease In Loan & Advances	255,230	866673
Interest received	125,200	51,917
Net Cash flow used in investment activities (B)	1,747,289	(18,670,974)
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan paid/recovered	192,036,087	(2,454,848)
Interest paid	(18,117,609)	(24,543,736)
Increase / decrease in term loans ( net )		
Increase / decrease in cash credits from banks	(133,746,584)	23,184,912
Net Cash flow used in financing activities (C)	40,171,894	(3,813,672)
Cash Flow from Extraordinary items (D)	-	
Increase in cash flow from extraordinary Items	-	
Net decrease in cash and cash equivalents : ( A+B+C+D )	4,450,981	(688,222)
Cash & cash equivalents at opening	1,027,715	1,715,941
Cash & cash equivalents at closing	5,478,702	1,027,715

**Auditors' Report**

As per our Report of even date attached.

For D D NAGPAL & Co.  
Chartered Accountants

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

D D Nagpal  
Partner  
M.No. 085366  
Firm's Registration No.006413N

Yogesh Kumar Gupta      Kamaljeet Singh Jaswal  
Managing Director      Director      Company Secretary  
DIN : 00315397      DIN : 02340493      Membership No:33940

Date: 29.05.2018  
Place: New Delhi

**Notes forming part of Balance Sheet and Profit & Loss A/c**

**Note- 10 Share Capital**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>a) AUTHORIZED CAPITAL</b>				
Equity Shares of Rs. 10/- each	12,000,000	120,000,000	12,000,000	120,000,000
<b>b) ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- each, each Fully Paid up includes 8,40,000 equity shares issued as bonus shares on 01.08.94 by capitalization of General Reserve)	10,064,866	100,648,660	10,064,866	100,648,660
	<b>10,064,866</b>	<b>100,648,660</b>	<b>10,064,866</b>	<b>100,648,660</b>
<b>c) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING</b>				
At the beginning of the period	10,064,866	80,518,930	8,051,893	80,518,930
add: Issue of Bonus Share	-	20,129,730	2,012,973	20,129,730
At the end of the period	<b>10,064,866</b>	<b>100,648,660</b>	<b>10,064,866</b>	<b>100,648,660</b>
<b>d) Rights, preferences and restrictions attached to Shares</b>				
<b>Equity Shares:</b>				
The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company				
<b>e) Details of Shareholders holding more than 5% shares in the Company:</b>				
	As at 31 March 2018		As at 31 March 2017	
Name of Shareholder	No of Shares	% Held	No of Shares	% Held
Starlit Finance Limited	745733	6.17%	932166.00%	9.26%
Sachin Shridhar	680042	5.63%	850053.00%	8.45%
Starlit Infrastructure Limited	631633	5.23%	789541.00%	7.84%
Yms Finance Private Limited(Earlier known as Pyramid Sales Pvt Ltd )	1494375	12.37%	1867969.00%	18.56%
Guangdong Dynavolt Power Tcehnology Co Limited	1936000	16.03%	2420000.00%	24.04%
<b>Total</b>	<b>5487783</b>		<b>28639729.00%</b>	
<b>Note:</b>				
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				

**Note- 11 Other Equity**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	a) Capital Investment Subsidy	-	-
b) Capital Redemption Reserve	-	-	-
b) Securities Premium reserve	54,131,557	54,131,557	74,261,290
d) Customer protection Fund	-	-	-
e) Investor Service Fund	-	-	-
f) Other Reserve (General Reserve)	-	-	-
Preoperative Expenses	(6,739,963)	(10,109,944)	(13,479,925)
Balance W/o	3,369,981	3,369,981	3369981
	(3,369,982)	(6,739,963)	(10,109,944)
<b>a. Surplus</b>			
Opening balance	(120,676,265)	(74,228,839)	(30,288,594)
(+) Net Profit/(Net Loss) For the current year	(60,738,173)	(46,263,585)	(43,914,818)
(+) Transfer from Reserves	-	-	-
(-) Proposed Dividends	-	-	-
(-)Adjustment of pre acquisition loss arising due to investment in subsidiary	(92,527)	(183,841)	(25,427)
(-) Interim Dividends	-	-	-
(-) Transfer to Reserves:	-	-	-
i). Customer Protection Fund	-	-	-
ii). Investor Service Fund	-	-	-
Closing Balance	(181,506,965)	(120,676,265)	(74,228,839)
<b>Total</b>	<b>(130,745,390)</b>	<b>(73,284,671)</b>	<b>(10,077,493)</b>

**Note- 4 Long Term loans And Advances**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Capital Advances	3,074,064	3,074,064	3133801
Security deposits	1,648,012	1,903,242	2188470
Other Loans and Advances	-	-	521708
<b>Total</b>	<b>4,722,076</b>	<b>4,977,306</b>	<b>5,843,979</b>

**Note- 5 Deferred Tax Assets**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01st April 2016
At the start of the year	52,595,521	34,535,857	
Change/(debit) to statement of Profit & Loss	20,227,170	(18,059,665)	
Deffered tax adjustment last year	4,972,857		
others	20,278		
<b>At the end of year</b>	<b>37,361,486</b>	<b>52,595,521</b>	<b>34,535,857</b>

**Note-6 Inventories**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01st April 2016
a Raw Materials and components	22,652,891	5,363,412	36351196
b. Work-in-progress	8,801,523	14,409,411	6415880
c Finished goods	5,950,353	3,929,312	13378181
d. Stock-in-trade		-	
e Stores and spares		1,483,674	2436833
f. Material at Site		3,687	
f. Others (Stationary)			
<b>Total</b>	<b>37,404,768</b>	<b>25,189,496</b>	<b>58,582,090</b>

**Note- 7 Trade Receivable**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01st April 2016
<b>Sundry Debtors (Unsecured considered good, unless otherwise stated)</b>			
(I) Outstanding for more than 6 months - Considered Doubtful	1,285,200	49,800	31688397
(II) Other Debts Considered Good	55,628,042	43,009,287	14329596
<b>Total</b>	<b>56,913,242</b>	<b>43,059,087</b>	<b>46,017,993</b>

**Note- 8 Cash and cash equivalents**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01st April 2016
<b>a. Balances with banks</b>			
Current A/c	4,031,715	119,904	356466
Fixed Deposit Accounts:			
i. Against Members Security Deposits			
ii. Public Issue Deposits			297353
iii. Others			
<b>b. Accrued Interest</b>			
c. Cash on hand	1,446,987	907,811	1062122
d. Others (specify nature)			
<b>Total</b>	<b>5,478,702</b>	<b>1,027,715</b>	<b>1,715,941</b>

**Note- 9 Short Term Loans & Advances**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01st April 2016
<b>a. Loans and advances to related parties</b>			
Secured, considered good	Nil	Nil	
Unsecured, considered good			
Doubtful			
Less: Provision for doubtful loans and advances			
Intra Company Transaction			
<b>b. Others</b>			
Secured, considered good		(86)	1121609
<b>Unsecured, considered good</b>			
Share Application Money Refundable			
Advances recoverable in cash or in kind or for value to be received	107,065	102,654	118649
Considered good			
Rent receivable			
Deposit with Government Departments	975,305.00	15,476,385.00	14323709.5
<b>Total</b>	<b>1,082,370</b>	<b>15,578,953</b>	<b>15,563,968</b>

**Note- 12 Long Term Borrowings**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
<b>Secured:</b>			
<b>Term Loan</b>			
From Banks	201,122.307	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	88,103.592	17,518,745	19,520,734
<b>Total</b>	<b>289,225,899</b>	<b>97,189,810</b>	<b>99,644,658</b>

**Note- 13 Short Term Borrowings**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
<b>Loans Repayable on Demand</b>			
From Banks *			
From other Parties	19,513.631	153,260,215	130,075,303
<b>Total</b>	<b>19,513,631</b>	<b>153,260,215</b>	<b>130,075,303</b>

**Note- 14 Trade Payables**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
Micro, small and medium enterprises			
Others	55,505,751	77,083,523	74,642,619
<b>Total</b>	<b>55,505,751</b>	<b>77,083,524</b>	<b>74,642,619</b>

**Note- 15 Other Current Liabilities**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April 2016
Withholding and other taxes payable	4582263	2,546,851	206527
Expenses Payable	93391	753,968	640773
Other Payables	1108687	1,195,699	2568534
Advance received from customer	172,892	1,570,889	1,695,631
<b>Total</b>	<b>5,957,233</b>	<b>6,067,407</b>	<b>5,111,465</b>



**Note- 16 Revenue From Operations**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Sale of products		
Manufactured goods	72,291,150	76,948,254
Traded Goods	642,604	1,594,972
<b>Total</b>	<b>72,933,754</b>	<b>78,543,226</b>

**Note- 17 Other Income**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest income	125,200.00	51,917
Short & Excess		-
Other Income	10,232,724	421,288
<b>Total</b>	<b>10,357,924</b>	<b>473,205</b>

**Note- 18 Cost of material consumed**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Raw material consumed		
Inventory at the beginning of the year	5,363,412	36,351,196
Add: Purchases	76058409	42,202,974
	81421821	78554170.00
Less: inventory at the end of the year	22652891	5,363,412
Packing Material	1483674	953,159
<b>Total</b>	<b>60,252,604</b>	<b>74,143,917</b>

**Note- 19 Change in Inventories**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening stock:		
Work in progress	14,409,411	6,415,880
Finished goods	3,929,312	13,378,181
Traded goods	3,687	-
	18,342,410	19,794,061
Less : Closing Stock		
Work in progress	8,801,523	14,409,411
Finished goods	5,950,353	3,929,312
Traded goods		3,687
	3,590,533	1,451,651
<b>Total</b>	<b>3,590,534</b>	<b>1,451,651</b>

**Note-20 Employee Benefits Expense**

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Salaries and incentives		
i. Directors	835,000.00	1,733,000
ii. Employees	7,629,475	5,437,824
(b) Contributions to -		
EPF	25,757	101,039
ii. FPF		
iii. ESI		
(c) Gratuity fund contributions	-	-
(d) Social security and other benefit plans for overseas employees		

(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), - Staff welfare expenses (e) Others	8,578	131,567
<b>Total</b>	<b>8,498,810</b>	<b>7,403,430</b>

**Note- 21 Finance Cost**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest paid	18117609.00	24,543,736
Applicable Net Gain/Loss on Foreign Currency transactions and translations		(48,180)
<b>Total</b>	<b>18,117,609</b>	<b>24,495,556</b>

**Note- 22 Other Expenses**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Power and fuel	6,091,344	6,012,182
Travelling and conveyance	532,974	317,475
Legal and professional	1,390,451	856,734
Payment to auditors		
- audit fees	100,000	111,000
- tax audit fees	25,000	36,000
- Company Law Matters	25,000	30,000
- Management Services		5,000
- Other Services		1,000
- Taxation matters		-
Interest on late payment of taxes	14,538	202,673
Rent	250,000	1,296,000
Freight	96,864	161,500
Repairs and maintenance		
- plant and machinery	232,495	58,843
- others	259,593	1,225,603
Communication	96,452	185,084
Advertisement		34,568
BSE LISTING ANNUAL FEES	579,600	401,691
Printing and stationery	21,322	113,650
COMMISSION AND BROKERAGE	105,000	404,387
Insurance	97,637	259,796
MISCELL	116,887	2,126,611
Consumables	1,895,167	121,421
Clearing & Forwarding	65,080	-
Membership fee & Subscription	23,000	13,250
Rates & Taxes	1,113,831	306,451
EXPENSES OF IMPORT	375,773	
OTHER EXP	154,227	-
Deferred exp		192,533
Preoperative Expenditure w/loff	3,369,981	3,369,981
Office Expenses	192,569	205,965
Excise Demand	1,177,135	
Loss on sale of Fixed Assets(P&M and Car)	9,995,549	
ACCOUNTING CHARGES		65,000
<b>Total</b>	<b>28,397,469</b>	<b>18,114,398</b>

**Note 23 Contingent Liabilities:**

Particular	As at 31st March, 2018	As at 31st March, 2017
Central Exercise	1,432,997.00	
TDS		50300
PF		91900
VAT	546,960.00	305000

**Note 24**

Some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. No significant impact is expected on the Profit and loss account on this account. The effect of the same if any which is not likely to be material will be adjusted at the time of confirmation.



# **DD 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 2018, 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 2018, 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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. 1(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.25 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 disclosures in the standalone Ind AS financial statement regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 9 to the Standalone Ind AS Financial Statement.

**For D.D.Nagpal & Co**

**Chartered Accountants**

Firm's registration number: 006413N

**Dev Dhar Nagpal**

*Partner*

Membership number: 085366

New Delhi

29<sup>th</sup> May 2018

## **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 2018, 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 2018 on the aforesaid dues 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, 2018 for a period of more than six months from the date they become payable

2	VAT Payable	5.46 lakh
4	CENTRAL EXCISE	14.33 lakh

- (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 over due amount of outstanding with the Punjab National Bank has been converted into a term loan by the bank in consideration of revival proposal submitted by the company.
- (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 given 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 given 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-IA of the Reserve Bank of India Act 1934.

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

**Dev Dhar Nagpal**  
*Partner*  
Membership number: 085366

New Delhi  
29<sup>th</sup> May 2018

## **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 2018 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 2018, 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

**DevDharNagpal**

*Partner*

Membership Number: 085366

New Delhi

29<sup>th</sup> May 2018

## **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.100.02 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**  
**REPORT ON CORPORATE GOVERNANCE AS ON MARCH 31, 2018**  
**[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. The Company has complied with in all material respect with the features of corporate governance as specified in the SEBI (LODR) Regulations, 2015. The securities are being regularly traded at Bombay Stock Exchange.

**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, 2018 is given below:

<b>Category</b>	<b>No. of directors</b>
<b>Non-Executive &amp; Independent Directors including the Chairman</b>	3
<b>Other Non-Executive Directors</b>	1
<b>Executive Director (CEO &amp; Managing Director)</b>	2
<b>Total</b>	6

**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	3	1	-
Kamaljeet Singh Jaswal	29/03/2012	-	Executive Director Cum CFO	5	2	-
Sanjay Arora	13/01/2015	-	Director (Independent ) & Chairman	1	3	1
Sangeeta Jaryal	19/12/2017	-	Director (Independent )	1	-	-
Sachin Shridhar	02/04/2015	-	Non-Executive Promoter Director	6	1	-

Jitender* Singh	29/07/2016	27.01.2018	Director (Independent )	-	-	-
Sunil Pahilajani	19.12.2017	-	Director (Independent )	4	2	-

(Mr. Jitender Singh has tendered resignation on 27<sup>th</sup> January, 2018)

(b) Board Meetings held during the year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
29.05.2017	5	5
28.07.2017	5	5
24.08.2017	5	5
13.11.2017	5	5
19.12.2017	7	7
14.02.2018	6	4

Name of Director	Attendance at the Board Meetings held on					
	29.05.2017	28.07.2017	24.08.2017	13.11.2017	19.12.2017	14.02.2018
Yogesh Kumar Gupta	✓	✓	✓	✓	✓	✓



Kamaljeet Singh Jaswal	✓	✓	✓	✓	✓	✓
Sanjay Arora	✓	✓	✓	✓	✓	X
Sachin Shridhar	✓	✓	✓	✓	✓	✓
Jitender Singh	✓	✓	✓	✓	✓	NA
Sangeeta Jaryal	NA	NA	NA	NA	✓	X
Sunil Pahilajani	NA	NA	NA	NA	✓	✓

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

During the year under review, the Independent Directors met on **May 30, 2017**, 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, 2018.

**(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) Risk Assessment Committee
- d) Stakeholders' Relationship Committee

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

During the year, Mr. Jitender Singh resigned from the directorship of the Company and therefore, Mr. Sunil Pahilajani was appointed in his place as the member of the Audit Committee. The Audit Committee continued working with Shri Kamaljeet Singh Jaswal as co-members & and Shri Sanjay Arora as Chairman of the Committee. During the year, the sub-committee met on four 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, 2018 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			
		29/05/2017	24/08/2017	13/11/2017	14/02/2018



Kamaljeet Singh Jaswal	Executive	✓	✓	✓	✓
Sanjay Arora	Independent	✓	✓	✓	✓
Sunil Pahilajani	Independent	x	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, 2018 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
		19/12/2017
Sangeeta Jaryal	Independent	✓
Sanjay Arora	Independent	✓
Sunil Pahilajani	Managing Director	✓

**(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, 2018 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	✓	✓
Sunil Pahilajani	Independent	✓	✓

During the year, no complaints were received from shareholders. As on March 31, 2018, 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 30, 2017, 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 there under 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, 2017	31 <sup>st</sup> March, 2018
1.	Monthly Salary	45,000	45,000
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
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	Service Contract Valid Up To	October 01, 2021*	
	<b>Period</b>	01 <sup>st</sup> April, 2017	31 <sup>st</sup> March, 2018
1.	Monthly Salary	100,000	115,000
2.	Monthly Special Allowance	Nil	Nil
3.	Performance Bonus	Nil	Nil

(W.e.f to 1<sup>st</sup> January 2018 salary of Mr. Yogender Kumar Gupta is increased from 1,00,000 to 1,15,000 per month)

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

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

## 5 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.

## 6 General Shareholders Information

(a)

(i)	AGM: Date, Time and Venue	Date: 25.09.2018 Time: 9.30 p.m Venue: Amaltas, 6 Green Park Main, New Delhi 110016
(ii)	Financial Year	April 01 to March 31
(iii)	Date of Book Closure	18 <sup>th</sup> September, 2018 till 26 <sup>th</sup> September, 2018 (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	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.
(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 2017-18.

The details of the market price data is as under:

Month	Open Price	High Price	Low Price	Close Price
Apr-17	11.0	11.0	11.0	11.0
May-17	10.3	10.3	10.3	10.3
Jun-17	10.2	10.5	10.2	10.2
Jul-17	9.3	10.2	9.3	10.2
Aug-17	9.5	9.5	9.5	9.5
Sep-17	9.11	9.11	8.65	8.65
Oct-17	8.70	8.70	8.70	8.70
Nov-17	8.0	8.5	8.0	8.0
Dec-17	7.5	11.9	7.0	11.65
Jan-18	11.0	16.05	11.0	16.05
Feb-18	16.85	23.8	15.35	22.15
Mar-18	21.05	25.7	16.7	18.9

**(c) Distribution of Shareholding as on March 31, 2018**

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF		SHARE/DEBENTURE HOLDERS	
Rs.	Rs.	Number	% to Total
<b>(1)</b>		<b>(2)</b>	<b>(3)</b>
Upto	- 5,000	151	58.5
5,001	- 10,000	73	28.3
10,001	- 20,000	12	4.6
20,001	- 30,000	1	0.4
30,001	- 40,000	2	0.8
40,001	- 50,000		
50,001	- 1,00,000	5	2
	1,00,001 and above	14	5.4
<b>TOTAL</b>		<b>258</b>	<b>100.000</b>

• Shareholding Pattern as on **March 31, 2018**

Description of Investors	No. of shares held	% of shareholding
A. Promoters	3022285	30.03
B. Public	7042581	69.97
C. Non Promoter Non Public	-	-
C1. Shares underlying DRs	-	-
C2. Shares held by Employee Trusts	-	-
<b>TOTAL</b>	10064866	100.00

\* 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 2017-18.	<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 2017-18.	Nil



3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the financial year 2017-18.	Nil
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the financial year 2017-18.	<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

## 7 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:

<b>Particulars</b>	<b>Mr. Kamaljeet Singh Jaswal</b>
<b>Date of Birth</b>	02-03-1981
<b>Date of first Appointment</b>	29-03-2012
<b>Qualification</b>	Bachelor Degree in Arts from University of Delhi.
<b>Expertise in specific functional area</b>	Administration and Accounts
<b>Directorships held in Other Public Limited Companies in India</b>	2
<b>Directorships held in Other Companies in India</b>	2
<b>Chairman/ Member of Committee of the Board of other Companies in which they are director</b>	2
<b>Shareholding in Starlit Power Systems Limited</b>	NIL
<b>Inter-se Relationship between Directors</b>	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, 2013 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 & CFO Certification**

The CEO & 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 & 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 is given by Ms. Parinita Bhutani, Company Secretary in Practice**

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.

#### **DIVIDEND AND OTHER RELATED MATTERS**

##### **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.

##### **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 1,2017	Received during the year	Redressed during the year	Pending as on March 31, 2018
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 31.03.2018 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, 2018, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	NIL	0
Demat Segment	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

Kamaljeet Singh Jaswal  
Executive Director & CFO  
DIN:02340493

**Place: New Delhi**  
**Date: 30.05.2018**

**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, 2018 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: 30.05.2018**

**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 2017-18 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 2017-18 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 2017-18;
  - Significant changes in accounting policies during the year 2017-18 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  
Place: Delhi

**Kamaljeet Singh Jaswal**  
**Executive Director & CFO**  
DIN:02340493

**Date: 30.05.2018**



## CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members,  
Starlit Power Systems Limited

We have examined the compliance of conditions of Corporate Governance by Starlit Power Systems Limited for the financial years ended March 31, 2018 as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Parinita Bhutani**

Company Secretary in Practice

(Registration No.15908)

**Date:21.08.2018**

**Place: Delhi**

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF STARLIT POWER SYSTEMS LIMITED WILL BE HELD ON TUESDAY , THE 25<sup>TH</sup> DAY OF SEPTEMBER 2018 AT 9:00 A.M. AT AMALTAS, 6 GREEN PARK MAIN, NEW DELHI 110016 TO TRANSACT THE FOLLOWING BUSINESSES:-**

**ORDINARY BUSINESS:**

1. Adoption of Financial Statements (Standalone & Consolidated) for the Financial Year ended 31st March, 2018 together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Kumar Gupta, Managing Director who retires by rotation and being eligible, offers himself for reappointment.

**Special Resolution:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and all other applicable provisions, if any, of the Companies Act, 2013 and any amendment thereto from time to time, pursuant to the recommendation of Nomination & Remuneration Committee of the Board of Directors, the approval of the Company be and is hereby accorded for appointment of Mr. Sunil Pahilajani (DIN 00455878) as Independent Director of the Company with effect from 19<sup>th</sup> December, 2017.

**RESOLVED FURTHER THAT** Directors of the Company or the Company Secretary or such other Official(s) as may be authorized by the Board, be and are hereby severally authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and all other applicable provisions, if any, of the Companies Act, 2013 and any amendment thereto from time to time, pursuant to the recommendation of Nomination & Remuneration Committee of the Board of Directors, the approval of the Company be and is hereby accorded for appointment of Ms. Sangeeta Jaryal (DIN 08024106) as Independent Director of the Company with effect from 19<sup>th</sup> December, 2017.

**RESOLVED FURTHER THAT** Directors of the Company or the Company Secretary or such other Official(s) as may be authorized by the Board, be and are hereby severally authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 62, 186, and all other applicable provisions of the Companies Act, 2013 and pursuant to the statutory approvals as are required or any other act including amendment thereto, and upon approval of the Board of Directors, the approval of the shareholders of the company be and is hereby accorded for conversion of Loan taken by the company amounting to 3.17 Crores to equity share capital or any other instrument as is considered desirable by the company.

**RESOLVED FURTHER THAT** the Board may at its discretion convert the said loan into equity or any other instrument which in the opinion of the Board is considered in the best interest of the company.

**FURTHER RESOLVED THAT** Directors of the Company or the Chief Financial Officer or the Company Secretary or such other Official(s) as may be authorized by the Board, be and are hereby severally authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 56 and all other applicable provisions, rules of the Companies Act, 2013 and pursuant to the statutory approvals as are required or any other act including amendment thereto, the approval of the shareholders of the company be and is hereby accorded for change in Management structure of the company in accordance with Revival Plan issued by the Punjab National Bank (Lender) to the company.

**RESOLVED FURTHER THAT** vide pursuant to Regulation 31 (5) (c) of SEBI LODR, 2015, the Directors of the company be and are hereby authorised to appoint new management and to use the services of some of the members of existing Board as they deem fit in order to give effect to a robust Revival Plan.”

**FURTHER RESOLVED THAT** Directors of the Company or the Chief Financial Officer or the Company Secretary or such other Official(s) as may be authorized by the Board, be and are hereby severally authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution.”

**NOTES:**

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Only registered members of the Company holding shares as on the cut-off date decided for the purpose, being 23<sup>rd</sup> September 2018, or any proxy appointed by such registered member may attend and vote at the Annual General Meeting as provided under the provisions of the Companies Act, 2013.
4. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. The cut-off date is decided for the purpose of reckoning the number of shareholders eligible to receive notice of AGM is 24<sup>th</sup> August 2018.

5. Voting Rights: Shareholders holding Equity Shares shall have one vote per share as shown against their holding and shareholders.

**6. VOTING THROUGH ELECTRONIC MEANS**

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

7. **Book Closure:** Book Closure start date shall be 18.09.2018 and Book Closure end date shall be 26.09.2018

**Note: Please read the instructions printed below before exercising your vote.**

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on 22<sup>nd</sup> September 2018 from 09:00 a.m. and ends on 24<sup>th</sup> September 2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 17<sup>th</sup> September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.



<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that
- x. Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- A. **Mukul Tyagi & Associates, Practicing Company Secretaries (COP No. 16631)** has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- B. The Scrutinizer shall, immediately after the conclusion of evoting, first count the votes casted, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two working days of the conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- C. The results declared along with the Scrutinizers Report shall be placed on the website of the Company and on the website of CDSL within two days of declaration of result on 29<sup>th</sup> September 2018 and will be communicated to the designated stock exchanges where the shares of the company are listed.

All the documents referred to in the accompanying notice and Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 will be available at the registered office of the Company during the business hours on all working days upto the date of declaration of the result.

**For and on Behalf of the Board  
For Starlit Power Systems Limited**

**Kamaljeet Singh Jaswal  
Director**

**DATE :13.08.2018  
PLACE : New Delhi**

## **EXPLANATORY STATEMENT (Pursuant To Section 102 of the Companies Act, 2013)**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item No. 3 to 6 mentioned in the Notice.

### **ITEM NO. 3:**

The Board of Directors, at its Meeting held on 19<sup>th</sup> December, 2017 appointed Mr. Sunil Pahilajani (DIN 00455878) as Additional Director of the Company. The Board appointed him as Independent Director under the Act subject to the approval of Shareholders at ensuing Annual General Meeting. Members are requested to approve the appointment as Independent Director of the Company with effect from 19<sup>th</sup> December, 2017.

The brief profile of Mr. Sunil Pahilajani is as under:

Mr. Sunil Pahilajani is a B.E. from IIT Roorkee and has been associated with various company of elite Maruti Udyog Limited, Hongo India and designated as MD and CEO of Greaves Cotton Limited since 2011. He is having more than three and half decades experience in corporate profile and has extensive experience in handling Managerial affairs of the company.

The Board recommends resolution set out at item No. 3 of the notice for your approval to be passed as Special Resolution. None of the Directors including their relatives are interested or concerned in the Resolution in the Company.

### **ITEM NO. 4:**

The Board of Directors, at its Meeting held on 19<sup>th</sup> December, 2017 appointed Mr. Sangeeta Jaryal (DIN 08024106) as Additional Director of the Company. The Board appointed her as Independent Director under the Act subject to the approval of Shareholders at ensuing Annual General Meeting. Members are requested to approve the appointment as Independent Director of the Company with effect from 19<sup>th</sup> December, 2017.

The brief profile of Ms. Sangeeta Jaryal is as under:

Ms. Sangeeta Jaryal (DIN:08024106) aged 52 years, Non Executive, Independent, Woman Director. She is a Bachelors of Arts, and has over a decade of experience in the admin functions in both public and private sectors and has expertise in human resources assessment as well as other variance analysis.

The Board recommends resolution set out at item No. 4 of the notice for your approval to be passed as Special Resolution. None of the Directors including their relatives are interested or concerned in the Resolution in the Company.

### **ITEM NO. 5:**

The Company has borrowed Loan of Rs. 3.17 Crore for the purpose of funding to Punjab National Bank (Lender). Further as per agreement held with the borrower and the company, the borrowed sum shall be converted into equity or any other instrument as may be deemed feasible for the company from time to time.

Approval is sought from shareholders of company by way of Special Resolution for conversion of the said Loan into equity or any other instrument as may be deemed feasible for the company from time to time.

The Board recommends resolution set out at item No. 5 of the notice for your approval to be passed as Special Resolution.

None of the Directors including their relatives are interested or concerned in the Resolution in the Company.



**ITEM NO. 6:**

The Company hereby put the proposal before the shareholders for their approval for change in Management Structure due to conditions stipulated by the Lender (Punjab National Bank) in the RP issued to the company as on 31<sup>st</sup> March, 2018.

The '**Company**' (Starlit Power Systems Limited) which is into battery manufacturing industry had become NPA with its sole banker/ Lender (Punjab National Bank) w.e.f. March 2016. The reason for such distressed time was because of other battery manufacturing companies located in Excise paying areas nationwide went through a slump as many players specially the big ones endowed with resources could move their production base to Excise free areas of Himachal, Uttarakhand and J&K thereby successfully avoiding paying of 12.5% of excise while also enjoying other incentives as relief from Income Tax, capital and transport subsidy etc.

Therefore majority of mid level and smaller players were as a consequence wiped out in the period 2012 till the onset of GST which has somewhat restored a level playing field thereby lending a lifeline to the surviving units.

This led to the company into financial difficulties and thus impacting the revenue cycle causing inability to pay of its debts leading to NPA. Further to resolve the matter the Bank/Lender (Punjab National Bank) has advised the Board of the company to change the management and control of the company as well.

Further as per Reserve Bank of India ("**RBI**") circular RBI/2017 – 18/31 dated February 12, 2018 ("**RBI Circular**") relating to resolution of stressed assets, the company lender Punjab National Bank ("**PNB**") has undertaken steps to cure the default on the company debt.

Also post roll out of GST, the company had mobilized and deposited a sum of Rs 3.17 cr, thereafter PNB has restructured and refinanced the facilities with conditions precedent to such re-structuring. The approved Resolution Plan dated March 31, 2018 ("**RP**") sanctioned by PNB for the company with respect to its outstanding debt involves a change of management as allowed under *Clause 4 read with Annex 1 Section G Clause 13 of the RBI circular.*

The control of the company by acquisition of at least 26 percent of paid up equity of the company by a new promoter, shall involve control of the management or policy decisions and the same shall pass to the acquirer on realization of the transaction.

The Board of Directors of the company on the basis of opinion sought from their legal advisor are of the opinion that the RP sanctioned by PNB along with its subsequent implementation is exempted from the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**") as the transaction shall fall within the exemptions granted under Regulation 10 of the Takeover Regulations. Regulation 10 of the Takeover Regulations lists down several acquisitions that are exempt from fulfilling the obligations contained under Regulation 3 and 4 pertaining to open offers if stipulated conditions are met. Regulation 10(ia) unambiguously carves out an exemption from making an open offer under Regulation 3 and 4 if acquisition of shares is undertaken "*for enforcing change in management in favor of such person pursuant to a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India.*"

In the case of the company, the RP approved by the lender PNB categorically foresees a change in management and control of the company that may be effected through acquisition of shares by the acquirer. The entire scheme is being realized under the aegis of the RBI circular that lays down the revised framework for resolution of stressed assets. Clause 4 of the RBI circular under which PNB and the company through the RP desire to affect a *change in management of the company, is indisputably a debt restructuring scheme implemented in accordance with the guidelines specified by the Reserve Bank of India. The RBI circular under Clause 21 also makes an explicit reference to Regulation 10(ia) of the Takeover Regulations as a quotation to the exemption granted from making an open offer to debt restructuring schemes based on the RBI Circular.*

However, the new Promoter entity being a new comer in the technical field of battery manufacturing and marketing has requested that they would like to avail of the services of the some members of the existing promoters in both in advisory and line positions so that they can seamlessly enter into this business and revive the company. In pursuance of the exemption granted by 31 (5) (c) of LODR, if the existing promoters agree to provide such managerial support, the shareholders and the Board has no objection to the same.

In view of this, proposal is kept before the shareholders for their approval by way of Special Resolution for change in management of the company. And the Board will be authorised to remove or induce directors as may be expedient to change the management of the company.

None of the Directors are interested in this Resolution

**Details of Directors Seeking regularization at the Annual General Meeting:**

Particulars	Mr. Sunil Pahilajni (DIN 00455878)
Date of Birth	16.08.1962
Qualifications	B.E. from IIT Roorkee
Expertise in specific functional areas	Management and Leadership Roles
Directorships held in other companies (excluding foreign companies)	Five
Memberships/chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	None
Number of shares held in the Company	Nil

**For and on Behalf of the Board  
For Starlit Power Systems Limited**

**Kamaljeet Singh Jaswal  
Director**

**DATE :13.08.2018**

**PLACE : New Delhi**

**Details of Directors Seeking regularization at the Annual General Meeting:**

Particulars	Ms. Sangeeta Jaryal
Date of Birth	07.04.1965
Qualifications	Graduate
Expertise in specific functional areas	Admin, Human Resources and Finance
Directorships held in other companies (excluding foreign companies)	None
Memberships/chairmanships of committees of other companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	None
Number of shares held in the Company	NIL

**For and on Behalf of the Board  
For Starlit Power Systems Limited**

**Kamaljeet Singh Jaswal  
Director**

**DATE :13.08.2018  
PLACE : New Delhi**

## STARLIT POWER SYSTEMS LIMITED

**Registered Office:** A-1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI South Delhi DL 110029 IN

CIN: L37200DL2008PLC174911 Email Id: secretarial@starlitgroup.net

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Attendance Slip on request at the venue of the meeting.

D.P. ID*	
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Master Folio No.	
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Client ID*	
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NAME AND ADDRESS OF THE SHAREHOLDER:

No. of Share(s) held:

I/We hereby record my/our presence at the 10<sup>th</sup> Annual General Meeting of the company to be held on Tuesday, the 25<sup>th</sup> Day September 2018 at 9:00 a.m. at **AMALTAS, 6 GREEN PARK MAIN, NEW DELHI 110016**

Signature of the Shareholder or Proxy

\*Applicable for investors holding shares in electronic form

Form No. MGT-11

**PROXY FORM**

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

CIN: - **L37200DL2008PLC174911**  
Name of the Company: - **STARLIT POWER SYSTEMS LIMITED**  
Registered office: - **A-1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI South Delhi DL 110029**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/DP Id & Client Id :

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 10th Annual General Meeting of the company to be held on Tuesday, the 25th Day September 2018 at 9:00 a.m. at **AMALTAS, 6 GREEN PARK MAIN, NEW DELHI 110016**, and any adjournment thereof in respect of such resolutions as are indicated below:

Signed this..... .....day of..... ... 2018

Signature of Shareholder.....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

\*All members are requested to carry there any of the ID's such as Passport/ Pan card or Adhaar Card for Identity Verification..

\*No gifts will be distributed at the Venue of Annual General Meeting.



S.no	Particulars	For*	Against*
1.	Adoption of Financial Statements (Standalone & Consolidated) for the Financial Year ended 31st March, 2018 together with the Report of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Yogesh Kumar Gupta, Managing Director who retires by rotation and being eligible, offers himself for reappointment.		
3.	Regularization of Mr. Sunil Pahilajani (DIN 00455878) as Independent Director		
4.	Regularization of Ms. Sangeeta Jaryal (DIN 08024106) as Independent Director		

**Notes:**

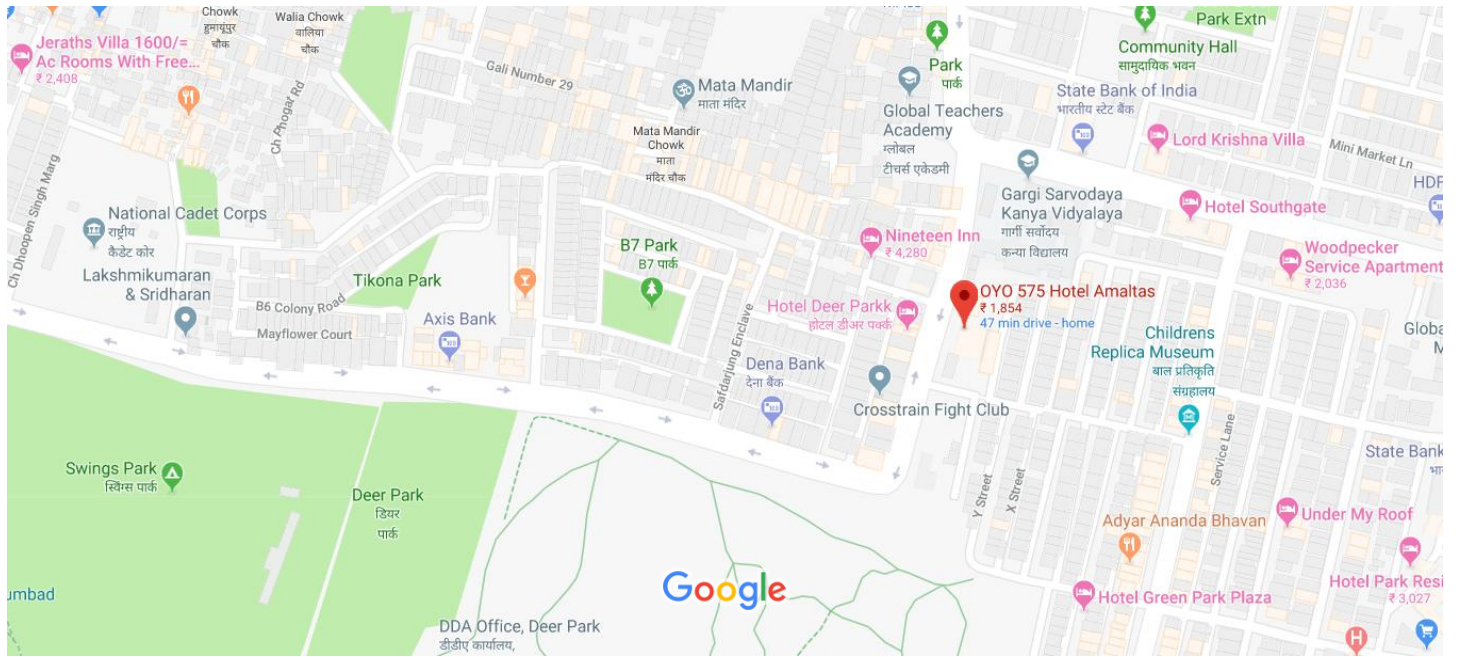
\* Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

\* A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company.

Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

\* This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at REGD. OFFICE: **A-1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI South Delhi DL 110029** not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

# Venue for 10th Annual General Meeting of Starlit Power Systems Limited



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**Form No MGT-12****Polling Paper**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21 (1)(c) of the Companies (Management and Administration) Rules, 2014]

**Name of the Company:** STARLIT POWER SYSTEMS LIMITED  
**CIN No.** L37200DL2008PLC174911  
**Registered Office:** A-1/51, LGF, SAFDARJUNG ENCLAVE NEW DELHI South Delhi DL 110029

**BALLOT PAPER**

S.no	Particulars	Details
1.	Name of the first named shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No / *Client Id No (*Applicable to investors holding shares in dematerialized Form)	
4.	Class of Share	<b>Equity Shares</b>

I hereby exercise my vote in respect of Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

S.no	Particulars	For*	Against*
1.	Adoption of Financial Statements (Standalone & Consolidated) for the Financial Year ended 31st March, 2018 together with the Report of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Yogesh Kumar Gupta, Managing Director who retires by rotation and being eligible, offers himself for reappointment.		
3.	Regularization of Mr. Sunil Pahilajani (DIN 00455878) as Independent Director		
4.	Regularization of Ms. Sangeeta Jaryal (DIN 08024106) as Independent Director		

Place:

(Signature of Shareholder)

Date:

\*All members are requested to carry their any of the ID's such as Passport/ Pan card or Aadhar Card for Identity Verification.

\*No gifts will be distributed at the Venue of Annual General Meeting.