



*Sharad Shah & Co.*  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF STARLITE LIGHTING LIMITED**

**Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying standalone financial statements of **Starlite Lighting Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

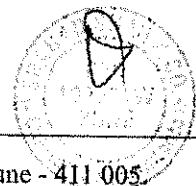
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

We have taken into account the provisions of the Act and the Rules made thereunder including 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



**Address:** Gokul Nagar 'B', 1184/4, Fergusson College Road, Shivajinagar, Pune - 411 005

**Phone No.:** 91 - 20 - 2553 5405 / 2553 5426 / 2553 6624

**Email ID:** info@ssandco.com **Website:** www.ssandco.com

Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS financial statements.<sup>1</sup>

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 23, 2016 and September 22, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position.
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified bank notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016.



For Sharad Shah & Co.  
Chartered Accountants  
Firm Registration Number: 109931W

A handwritten signature in black ink, appearing to read "Sunil S. Kadam".

(Sunil S. Kadam)  
Partner  
Membership Number 42756

Place: Pune

Date: 12 7 MAY 2017

**Annexure A to Independent Auditors' Report**

Referred to in the Independent Auditors' Report of even date to the members of Starlite Lighting Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion, the frequency of verification is reasonable. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.



- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Sales tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) In our opinion and according to the information and explanation given to us the dues outstanding of income-tax, sales tax, service tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



# Sharad Shah & Co.

Chartered Accountants

Continuation Sheet No.:

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.



For Sharad Shah & Co.  
Chartered Accountants  
Firm Registration Number: 109931W

*Sunil S. Kadam*

Sunil S. Kadam  
Partner

Membership Number 42756

Place: Pune

Date: 27 MAY 2017

**Annexure B to the Auditor's Reports**

**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 controls over financial reporting of **Starlite Lighting Limited** ('The Company') as of 31<sup>st</sup> March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

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

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 judgement, 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 the 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<sup>st</sup> March 2017, 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 Sharad Shah & Co.  
Chartered Accountants  
Firm Reg. No. 109931W

A handwritten signature in black ink, appearing to read "Sunil S. Kadam".

(Sunil S. Kadam)  
Partner  
Membership No.42756

Place: Pune

Date: 27 MAY 2017



Starlite Lighting Limited  
Balance Sheet as at 31 March 2017

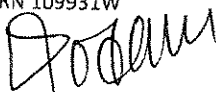
Particulars	Note No.	Amount in Rs.		
		March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	1,32,80,01,396	1,42,15,43,500	1,16,41,25,268
Capital work in progress	3	-	2,83,00,534	17,48,14,635
Other Intangible assets	4	38,69,481	52,35,005	66,98,184
<b>Financial assets</b>				
Investments	5(a)	10,89,500	10,89,500	13,59,500
Trade receivables	5(b)	31,47,488	1,42,83,495	1,08,61,748
Other financial assets	5(d)	2,15,22,302	3,49,07,124	4,85,54,617
Deferred tax assets (net)	6	11,54,39,351	5,22,89,935	4,59,45,834
Other Non-Current Assets	7	6,86,56,372	11,10,74,262	13,19,71,863
<b>Total Non-Current Assets</b>		<b>1,54,17,25,889</b>	<b>1,66,87,23,355</b>	<b>1,58,43,31,649</b>
<b>Current assets</b>				
Inventories	8	55,72,21,661	44,95,84,053	32,51,24,083
<b>Financial assets</b>				
Trade receivables	5(b)	43,10,76,146	38,07,37,812	37,55,30,047
Cash and cash equivalents	5(c)	1,62,26,146	1,21,40,551	1,10,33,979
Other financial assets	5(d)	1,33,84,822	1,36,47,493	1,36,47,493
Other current assets	9	18,35,10,771	10,45,19,421	38,84,07,347
		1,20,14,19,545	96,06,29,330	1,11,37,42,949
<b>Total Current Assets</b>		<b>1,20,14,19,545</b>	<b>96,06,29,330</b>	<b>1,11,37,42,949</b>
<b>TOTAL ASSETS</b>		<b>2,74,31,45,434</b>	<b>2,62,93,52,686</b>	<b>2,69,80,74,598</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10(a)	12,50,00,000	12,50,00,000	12,50,00,000
Other equity				
Reserves and surplus	11	(34,96,93,615)	(13,54,21,858)	(7,76,82,386)
Other reserves	11			
<b>Total equity</b>		<b>(22,46,93,615)</b>	<b>(1,04,21,858)</b>	<b>4,73,17,614</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	12(a)	70,70,58,239	1,04,70,47,596	1,00,47,85,609
Other financial liabilities	12(b)	63,61,13,445	56,09,30,904	54,26,17,879
Employee defined benefit liabilities	13	97,15,173	71,85,984	49,71,261
Other non-current liabilities				
<b>Total non-current liabilities</b>		<b>1,35,28,86,857</b>	<b>1,61,51,64,484</b>	<b>1,55,23,74,748</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	12(a)	80,96,88,096	72,58,45,070	85,98,44,584
Trade payables	12(c)	34,16,79,192	14,48,50,962	14,64,08,700
Other financial liabilities	12(b)	39,74,74,606	11,73,54,777	6,24,13,656
Employee defined benefit liabilities	13	75,05,833	20,81,985	17,78,925
Other Current Liabilities	14	6,36,04,465	3,44,77,266	2,79,36,371
<b>Total Current Liabilities</b>		<b>1,61,49,52,193</b>	<b>1,02,46,10,060</b>	<b>1,09,83,82,236</b>
<b>Total liabilities</b>		<b>2,96,78,39,049</b>	<b>2,63,97,74,544</b>	<b>2,65,07,56,984</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,74,31,45,434</b>	<b>2,62,93,52,686</b>	<b>2,69,80,74,598</b>
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1-27			

Summary of Significant Accounting Policies

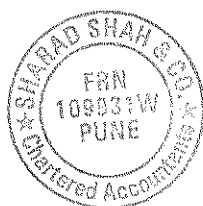
The Notes referred to above form an integral part of the Balance sheet

As per our report of even date

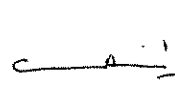

For Sharad Shah & Co.  
Chartered Accountants  
FRN 109931W



(Sunil S. Kadam)  
Partner  
MRN: 42756

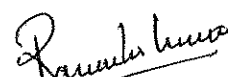


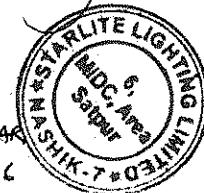
For and on behalf of Board of Directors  
of Starlite Lighting Limited

   
(Shekhar Bajaj) Chairman  
DIN: 00089358  
(Ravindra Bharati) Managing Director  
DIN: 00148936

Place: Pune  
Date:

27 MAY 2017

  
RAVINDRA T. UTTEKAR  
M.No. ACA 29666  
COMPANY SECRETARY



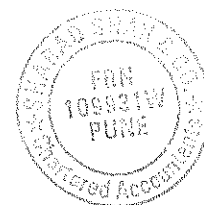
Starlite Lighting Limited  
Statement of Profit & Loss for the year ended 31 March 2017

Amount in Rs.

Particulars	Note No.	March 31, 2017	March 31, 2016
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	15	1,20,25,74,677	1,58,18,19,226
Other income	16	6,56,22,492	6,67,35,431
Other gains/(losses)		-	-
<b>Total Income</b>		<b>1,26,81,97,169</b>	<b>1,64,85,54,657</b>
<b>EXPENSES</b>			
Cost of raw material consumed	17(a)	93,67,34,159	1,15,25,77,757
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	17(b)	(1,13,52,432)	(1,77,44,488)
Excise duty		12,13,25,684	15,82,84,600
Employee benefits expense	18	5,03,89,152	5,05,32,545
Depreciation and amortization expense	19	5,31,14,880	4,37,17,750
Other expenses	20	4,87,75,235	5,57,18,489
Finance Cost	21	34,63,19,760	26,90,96,755
<b>Total expense</b>		<b>1,54,53,06,438</b>	<b>1,71,21,83,408</b>
Profit/(loss) before exceptional items and tax from continuing operations		(27,71,09,268)	(6,36,28,751)
Exceptional items		-	-
Profit/(loss) before and tax from continuing operations		(27,71,09,268)	(6,36,28,751)
(1) Current tax		-	-
(2) Adjustment of tax relating to earlier periods		-	-
(3) Deferred tax		(6,31,49,416)	(63,44,101)
Income tax expense		(6,31,49,416)	(63,44,101)
<b>Profit for the year from continuing operations</b>		<b>(21,39,59,852)</b>	<b>(5,72,84,650)</b>
<b>Profit/(loss) for the year</b>		<b>(21,39,59,852)</b>	<b>(5,72,84,650)</b>

Other comprehensive income not to be reclassified to profit or loss in subsequent periods:

contd..

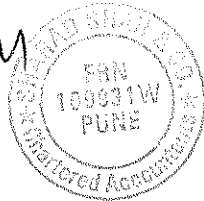


Starlite Lighting Limited  
Statement of Profit & Loss for the year ended 31 March 2017  
Other Comprehensive Income

Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	Amount in Rs.	
	March 31, 2017	March 31, 2016
Re-measurement gains (losses) on defined benefit plans	(3,11,905)	(4,54,822)
Income tax effect	(3,11,905)	(4,54,822)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	(3,11,905)	(4,54,822)
Other comprehensive income for the year, net of tax		
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(3,11,905)</b>	<b>(4,54,822)</b>
Profit/(loss) for the year	(21,39,59,852)	(5,72,84,650)
Total comprehensive income for the year	(21,42,71,757)	(5,77,39,472)
Earnings per share for continuing operations		
- Basic	-27.85	-7.50
- Diluted	-27.85	-7.50
NOTES FORMING PART OF FINANCIAL STATEMENTS 1-27		

For Sharad Shah & Co.  
Chartered Accountants  
FRN 109931W

(Sunil S. Kadam)  
Partner  
MRN: 42756

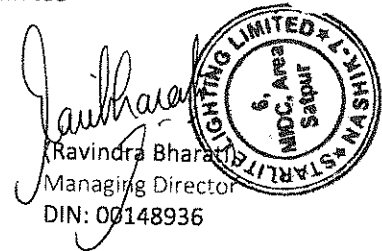


Place: Pune

Date: 27 MAY 2017

For and on behalf of Board of Directors  
of Starlite Lighting Limited

(Shekhar Bajaj)  
Chairman  
DIN: 00089358



(Ravindra Bharati)  
Managing Director  
DIN: 00148936

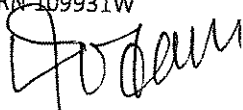
*Ravindra T. Uttekar*

RAVINDRA T. UTTEKAR  
M.No. ACA 29666  
COMPANY SECRETARY

Starlite Lighting Limited  
Statement of Cash Flow for the year ended 31 March 2017

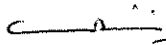
	Amount in Rs	
	March 31, 2017	March 31, 2016
<b>Operating activities</b>		
Profit before tax	(27,71,09,268)	(6,36,28,751)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	5,31,14,880	4,37,17,750
Finance costs (including fair value change in financial instruments)	34,63,19,760	26,90,96,755
Finance income (including fair value change in financial instruments)	(14,66,565)	(26,11,100)
Dividend Income	(87,226)	(1,08,950)
<b>Working capital adjustments:</b>		
Increase in trade and other receivables and prepayments	(11,81,93,676)	27,50,28,930
Increase in inventories	(10,76,37,608)	(12,44,59,970)
Movement in Non Current Assets	5,58,02,712	3,45,45,094
Movements in provisions, gratuity	31,66,475	25,17,783
Increase in trade and other payables	19,68,28,230	(15,57,738)
Increase in Current Liabilities	2,91,27,200	65,40,895
Decrease in other financial assets	(2,62,671)	-
Increase in other financial liabilities	35,53,02,370	7,32,54,146
Difference in FA Block Deduction and sale value	2,35,99,626	7,59,14,475
Income Tax Paid	55,85,04,239	58,82,49,318
<b>Net cash flows from operating activities</b>	<b>55,85,04,239</b>	<b>58,82,49,318</b>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	23,19,06,982	7,05,99,626
Purchase of property, plant and equipment	(18,54,13,325)	(29,96,28,143)
Interest received	14,66,565	26,11,100
Dividends Received	87,226	1,08,950
<b>Net cash flows used in investing activities</b>	<b>4,80,47,447</b>	<b>(22,63,08,467)</b>
<b>Financing activities</b>		
Interest Paid	(34,63,19,760)	(26,90,96,755)
Proceeds from borrowings	(25,61,46,331)	(9,17,37,526)
Repayment of borrowings	-	-
<b>Net cash flows from/(used in) financing activities</b>	<b>(60,24,66,091)</b>	<b>(36,08,34,281)</b>
Net increase in cash and cash equivalents	40,85,595	11,06,570
Net foreign exchange difference		
Cash and cash equivalents at the beginning of the year	1,21,40,551	1,10,33,979
<b>Cash and cash equivalents at year end</b>	<b>1,62,26,146</b>	<b>1,21,40,551</b>
<b>Cash and cash equivalents reported in Balance Sheet</b>	<b>1,62,26,146</b>	<b>1,21,40,551</b>
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS 1-27</b>		

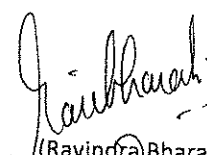
For Sharad Shah & Co.  
Chartered Accountants  
FRN 109931W

  
(Sunil S. Kadam)  
Partner  
MRN: 42756



For and on behalf of Board of Directors  
of Starlite Lighting Limited

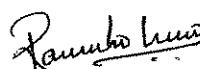
  
(Shekhar Bajaj)  
Chairman  
DIN: 00089358

  
(Ravindra Bharati)  
Managing Director  
DIN: 00148936



Place: Pune

Date: **27 MAY 2017**

  
RAVINDRA T. UTTEKAR CS  
M.No. ACA 29666

Starlite Lighting Limited  
Statement of Changes in Equity for the year ended 31 March 2017

a. Equity Share Capital

Equity Shares of INR 10 each issued and fully paid	INR
At 1 April 2015	12,50,00,000
At 31 March 2016	12,50,00,000
Increase/(decrease) during the year	-
At 31 March 2017	12,50,00,000

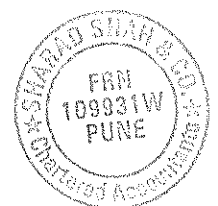
b. Other Equity

Amount in Rs.

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
As at April 1, 2015	6,46,11,857	3,50,00,000	(17,72,94,243)	(7,76,82,386)
Profit for the period			(5,72,84,650)	(5,72,84,650)
Other Comprehensive Income (net)				-
<b>Total Comprehensive income</b>	-	-	<b>(5,72,84,650)</b>	<b>(5,72,84,650)</b>
Adjustment w.r.t. Actuarial Gain on Gratuity			(4,54,822)	(4,54,822)
<b>At 31 March 2016</b>	<b>6,46,11,857</b>	<b>3,50,00,000</b>	<b>(23,50,33,715)</b>	<b>(13,54,21,858)</b>

Amount in Rs.

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
As at April 1, 2016	6,46,11,857	3,50,00,000	(23,50,33,715)	(13,54,21,858)
Profit for the period	-	-	(21,39,59,852)	(21,39,59,852)
Other Comprehensive Income (net)				-
<b>Total Comprehensive income</b>	-	-	<b>(21,39,59,852)</b>	<b>(21,39,59,852)</b>
Adjustment w.r.t. Actuarial Gain on Gratuity			(3,11,905)	(3,11,905)
<b>At 31 March 2017</b>	<b>6,46,11,857</b>	<b>3,50,00,000</b>	<b>(44,93,05,472)</b>	<b>(34,96,93,615)</b>



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## 1. Corporate information

The standalone financial statements comprise financial statements of Starlite Lighting Limited for the year ended 31 March 2017. The company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at No. 6, MIDC Satpur, Trambakeshwar Road, Nashik

Starlite Lighting Limited is engaged in the business of manufacturing and distribution of Lighting Products. The company manufactures CFL and LED Lamps alongwith its components and accessories. The company has diversified in the business of manufacturing of Water Heaters and Air Conditioners. The company caters to needs of Indian markets as well as international markets. The financial statements are presented in Indian Rupee (INR). The financial statements were authorised for issue by the directors on May 26, 2017

## 2. Significant accounting policies

### 2.1 Basis of preparation

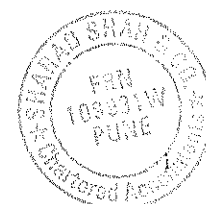
The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III),

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2017 are the first the company has prepared in accordance with Ind-AS. Refer note on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected SLL's financial position, financial performance and cash flows which is separately presented in the annual report.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Deposits for Operating Lease.
- Provisions relating to Employee Benefits (Gratuity and Leave Encashments)

In addition, the carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR, except when otherwise indicated.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## a) Current versus non-current classification

The presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## b) Foreign currencies

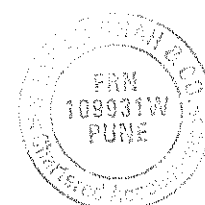
### i) Transactions and balances

Transactions in foreign currencies are initially recorded by the entity at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

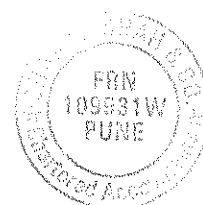
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability

## d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the





# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

## i. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The company's prices are net of Warranty and any claims from the customers

> are settled by corresponding claim from the RM Supplier or through discount.

- 1) Domestic Sales are recognized, on dispatch from the point of sale, i.e., when the risks and rewards are transferred to the buyer.
- 2) Export sales are recognized on the date of the mate's receipt/shipped on board and initially recorded at the relevant exchange rates prevailing on the date of the transaction.
- 3) Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

## ii. Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## iii. Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## iv. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

## e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The company has been issued eligibility certificate under Package Scheme of Incentives, 2007. Under the scheme, the company is entitled for Industrial Promotional Subsidy of Rs. 9,545.95 lakhs or to the extent of the amount of taxes payable under MVAT Act, 2002 & CST Act 1956, by the project in respect of sale of finished products, eligible for incentive after adjustment of set off or other credit available within a period of seven years, whichever is lower. The Eligibility Certificate is issued in respect of manufacturing of Compact Fluorescent Lamps and its accessories, Tube Lights, Luminaries and its accessories, Electronic Iron, Induction Cookers, Electric Fans and its accessories and Electronic Domestic Appliances and its Accessories. In addition to these products, the Company has considered taxes paid by it, in respect of additional items / products for claiming Industrial Promotional Subsidy, for which application to the implementing agency has been made.

## f) Taxes

### i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

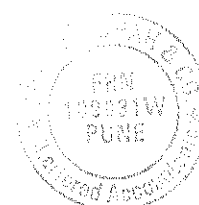
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

## Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added tax, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

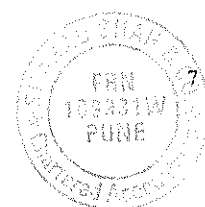
The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## g) Non-current assets held for distribution to owners and discontinued operations

The Company classifies non-current assets and disposal as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal of company is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Companies), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal Company to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal Company),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

- ▶ The asset (or disposal Company) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal Companies are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## h) Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- a) Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
  - i. Freehold land is carried at historical cost
  - ii. Leasehold land, buildings (including leasehold land appurtenant thereto) are carried at historical cost less accumulated depreciation / amortisation over the lease period. Cost of renovation of leased premises is capitalised as leasehold improvement cost.
- b) Subsequent expenditures related to an item of fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

- i. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.
  - ii. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.
- c) Assets which are depreciated over useful life/residual value different than those indicated by schedule II are as under:

Sr. No.	Asset Account Name	Useful Life - Years
1	Land – Leasehold	99
2	Building Factory	30
3	Plant & Machinery	30
4	Electrical Installation	10
5	Furniture & Fixture	10
6	Computers	3
7	Vehicles	8
8	Tools & Equipment	15
9	Office Equipment	5
10	Software - Intangible	3

As per schedule II of Companies Act 2013, Life of plant and machinery is prescribed 15 years. Company considers its life to 30 years taking in account technical evaluation.

## d) Transition to Ind AS

On transition to Ind AS, SLL has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

### a) Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

The depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## a) Transition to Ind AS

On transition to Ind AS, SLL has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and

# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

used those carrying value as the deemed cost of the property, plant and equipment.

## b) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

## i) Borrowing costs

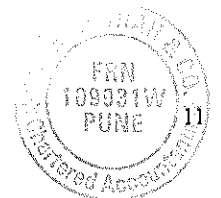
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

## j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.





# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## i. Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.n). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

## ii. Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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

## l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

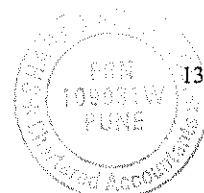
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

## m) Provisions

### i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example,



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## ii. Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

## iii. Restructuring provisions

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

## iv. Decommissioning liability

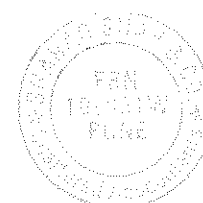
The Company records a provision for decommissioning costs of a manufacturing facility for the production of fire retardant materials. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## A. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## B. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

wholly within the control of the entity.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable

## n) Gratuity and other employee benefits

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

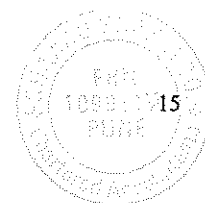
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## i. Financial assets

### Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether SLL has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Subsequent measurement

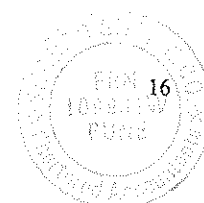
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt instrument at FVTPL

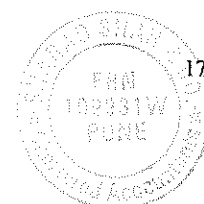
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Lease receivables under Ind-AS 17
- (d) Trade receivables or any contractual right to receive cash or another financial asset that result

## Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

from transactions that are within the scope of Ind AS 11 *Construction Contracts* and Ind AS 18 *Revenue* (referred to as 'contractual revenue receivables' in these illustrative financial statements)

- (e) Loan commitments which are not measured as at FVTPL
- (f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contractual revenue receivables, and
- All lease receivables resulting from transactions within the scope of Ind-AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

For recognition of impairment loss on other financial assets and risk exposures (i.e. financial assets and exposures not covered under simplified approach), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- o All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- o Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

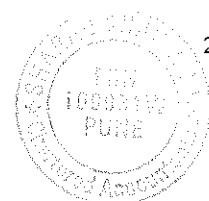
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

## Loans and borrowings

This is the category most relevant to the Company. After initial recognition, borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

## Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### a) Intra group Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) or the amount initially recognised less cumulative amortisation, where appropriate.



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

## De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### b) Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

## c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## d) Cash dividend and non-cash distribution to equity holders of the parent

The company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

## e) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

In case of trade receivables that have been factored but do not meet the derecognition criteria, such trade receivables are not netted off and the corresponding amount is shown as short term borrowings under current financial liabilities. In case of channel financing facility, the corresponding amount is shown as current liabilities.

## f) Trade and other payables

These amounts represent liabilities for goods and services provided to SLL prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## g) Intra group Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) or the amount initially recognised less cumulative amortization, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

## h) Segment reporting

An operating segment is a component of SLL that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by company into a single operating segment if aggregation is consistent with the core principle of this Ind AS, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

Company reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of SLL believes that information about the segment would be useful to users of the financial statements

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category



# Starlite Lighting Limited

Notes to the financial statements for the year ended 31 March 2017

In view of adoption of Ind AS effective April 1, 2016, the Company has, pursuant to the provisions of Ind AS 108, identified its business segments as its primary reportable segments, which comprises of Lighting Products; Air Conditioners and Water Heater Segments.

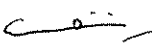
i) Contributed equity

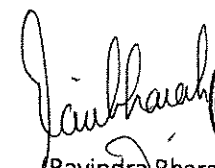
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

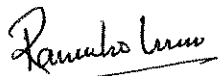
j) Earnings per share

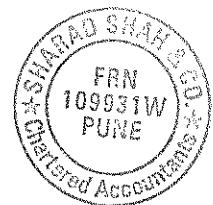
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

For and on behalf of Board of  
Starlite Lighting Limited

  
(Shekhar Bajaj)  
Chairman  
DIN: 00089358

  
(Ravindra Bharati)  
Managing Director  
DIN: 00148936  

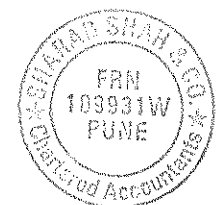

  
RAVINDRA T. UTTEKAR  
M.No. ACA 29666  
COMPANY SECRETARY



Note 3: Property, Plant and Equipments

Amount in Rs

Particulars	Land and Building	Technical Equipment and Machinery	Other Equipments, Operating and Office Equipments	Total	Advance Payments and Construction in progress
<b>Cost</b>					
As of April 1, 2015	43,63,45,586	98,01,77,852	1,32,31,490	1,42,97,54,928	17,48,14,635
Additions	12,12,13,754	17,69,29,045	14,85,344	29,96,28,143	
Disposals / Adjustments					
Transferred to Assets Held for Sale				-	
Currency Translation				-	
Reclassification				-	
<b>As of 31 March, 2016</b>	<b>55,75,59,340</b>	<b>1,15,71,06,897</b>	<b>1,47,16,834</b>	<b>1,72,93,83,071</b>	<b>(14,65,14,101)</b>
Additions	1,70,000	21,34,61,576	82,283	21,37,13,859	2,83,00,534
Disposals / Adjustments		31,08,90,934		31,08,90,934	(2,83,00,534)
Transferred to Assets Held for Sale					
Currency Translation				-	
Reclassification				-	
<b>As of 31 March, 2017</b>	<b>55,77,29,340</b>	<b>1,05,96,77,540</b>	<b>1,47,99,117</b>	<b>1,63,22,05,997</b>	<b>-</b>
<b>Accumulated Depreciation</b>					
As of April 1, 2015	2,90,24,185	22,77,34,606	88,70,869	26,56,29,660	
Charge	99,99,312	3,09,89,352	12,21,247	4,22,09,911	
Disposals / Adjustments					
Transferred to Assets Held for Sale				-	
Currency Translation				-	
Reclassification				-	
<b>As of 31 March, 2016</b>	<b>3,90,23,497</b>	<b>25,87,23,958</b>	<b>1,00,92,116</b>	<b>30,78,39,571</b>	<b>-</b>
Charge	1,19,84,320	3,89,90,395	7,74,641	5,17,49,356	
Disposals / Adjustments		5,53,84,326		5,53,84,326	
Transferred to Assets Held for Sale					
Currency Translation				-	
Reclassification				-	
<b>As of 31 March, 2017</b>	<b>5,10,07,817</b>	<b>24,23,30,027</b>	<b>1,08,66,757</b>	<b>30,42,04,601</b>	<b>-</b>
<b>Net Carrying Amount</b>					
As of April 1, 2015	40,73,21,401	75,24,43,246	43,60,621	1,16,41,25,268	17,48,14,635
As of 31 March, 2016	51,85,35,843	89,83,82,939	46,24,718	1,42,15,43,500	2,83,00,534
As of 31 March, 2017	50,67,21,523	81,73,47,512	39,32,361	1,32,80,01,396	-

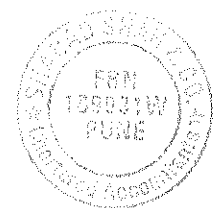


Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017

Note No 4: Intangible Assets

Amount in Rs

Particulars	Computer Software	Advance Payment and asset under construction	Total
<b>Cost</b>			
As of April 1, 2015	85,58,870	-	85,58,870
Additions	44,660	-	44,660
Disposals / Adjustments			-
Transferred to Assets Held for Sale			-
Currency Transalation			-
Reclassification			-
<b>As of 31 March, 2016</b>	<b>86,03,530</b>	<b>-</b>	<b>86,03,530</b>
Additions			-
Disposals / Adjustments			-
Transferred to Assets Held for Sale			-
Currency Transalation			-
Reclassification			-
<b>As of 31 March, 2017</b>	<b>86,03,530</b>	<b>-</b>	<b>86,03,530</b>
<b>Accumulated Amortisation</b>			
As of April 1, 2015	18,60,686		18,60,686
Charge	15,07,839		15,07,839
Disposals / Adjustments			-
Transferred to Assets Held for Sale			-
Currency Transalation			-
Reclassification			-
<b>As of 31 March, 2016</b>	<b>33,68,525</b>	<b>-</b>	<b>33,68,525</b>
Charge	13,65,524		13,65,524
Disposals / Adjustments			-
Transferred to Assets Held for Sale			-
Currency Transalation			-
Reclassification			-
<b>As of 31 March, 2017</b>	<b>47,34,049</b>	<b>-</b>	<b>47,34,049</b>
<b>Net Carrying Amount</b>			
As of April 1, 2015	66,98,184	-	66,98,184
As of 31 March, 2016	52,35,005	-	52,35,005
As of 31 March, 2017	38,69,481	-	38,69,481





Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017

Note 5: Financial Assets

5(a) Non-current investments

Amount in Rs.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Investment in equity instruments (fully paid-up) Unquoted			
54,475 (31 March 2016: 54,475, 1 April 2015 : 54,475) Equity Shares of Cosmos Co-Operative Bank Limited	10,89,500	10,89,500	10,89,500
NIL (31 March 2016: NIL, 1 April 2015 : 13,265) Equity Shares of Akola Janta Commercial Co-Operative Bank Limited	-	-	2,70,000
<b>Total (Equity Instruments)</b>	<b>10,89,500</b>	<b>10,89,500</b>	<b>13,59,500</b>

5(b) Trade receivables

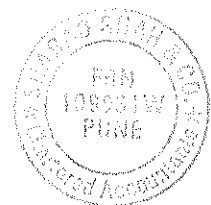
Amount in Rs.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Trade Receivables	37,17,86,000	28,40,83,306	27,21,63,744
Receivables from related parties	6,24,37,634	11,09,38,001	13,76,38,214
Less: Allowances for doubtful debts	-	-	-2,34,10,163
<b>Total receivables</b>	<b>43,42,23,634</b>	<b>39,50,21,307</b>	<b>38,63,91,795</b>
Current portion	43,10,76,146	38,07,37,812	37,55,30,047
Non-current portion	31,47,488	1,42,83,495	1,08,61,748

Break-up of security details

Amount in Rs.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	-	-	-
Unsecured, considered good	43,42,23,634	39,50,21,307	38,63,91,795
Doubtful	-	-	2,34,10,163
<b>Total</b>	<b>43,42,23,634</b>	<b>39,50,21,307</b>	<b>40,98,01,958</b>
Allowances for doubtful debts	-	-	-2,34,10,163
<b>Total trade receivables</b>	<b>43,42,23,634</b>	<b>39,50,21,307</b>	<b>38,63,91,795</b>



Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017

5(c) Cash and cash equivalents

Amount in Rs.

Particulars	Amount in Rs.		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
- In Current Accounts	30,91,730	2,12,256	3,69,875
- In EEFC Accounts	-	-	-
Deposits with maturity of less than three months	1,30,54,246	1,18,68,013	1,06,43,098
Cash on hand	80,169	60,282	21,006
<b>Total Cash and Cash Equivalents</b>	<b>1,62,26,146</b>	<b>1,21,40,551</b>	<b>1,10,33,979</b>

Disclosure of cash deposit during the demonetisation period

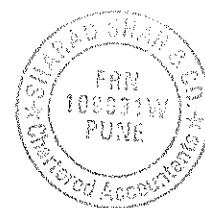
From 08 November 2016 to 30 December 2016

Amount in Rs

Particulars	Amount in Rs		
	Specified Bank Notes (500 & 1000 denomination)	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	2,10,000	7,832	2,17,832
(-) Amounts deposited in banks	2,10,000	-	2,10,000
Closing cash in hand as on 30-12-2016	-	1,49,708	1,49,708

5(d) Other financial assets

Particulars	Amount in Rs					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Ind AS Related - Financial Guarantee Asset	1,33,84,822	2,15,22,302	1,36,47,493	3,49,07,124	1,36,47,493	4,85,54,617
<b>Total other financial assets</b>	<b>1,33,84,822</b>	<b>2,15,22,302</b>	<b>1,36,47,493</b>	<b>3,49,07,124</b>	<b>1,36,47,493</b>	<b>4,85,54,617</b>



Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017  
Note 6: Deferred tax assets

Particulars	Amount In Rs.		
	March 31, 2017	March 31, 2016	April 1, 2015
Carry Forward Lossess			
- Depreciation Loss	24,34,40,611	16,24,56,518	16,59,28,383
- Business Loss	6,65,60,066	5,62,09,474	-
Accrued Expenses	5,90,884	5,64,508	-
Gratuity	20,15,627	15,43,173	10,90,944
Leave Encashment	22,13,818	16,64,286	12,03,445
	<b>31,48,21,007</b>	<b>22,24,37,959</b>	<b>16,82,22,772</b>
Difference of WDV of Fixed Assets	19,93,81,656	17,01,48,024	12,22,76,938
<b>Total</b>	<b>11,54,39,351</b>	<b>5,22,89,935</b>	<b>4,59,45,834</b>

The company is recognising deferred tax asset on account of unused business losses and depreciation losses based on future business plans with its customers.

Movement in deferred tax assets

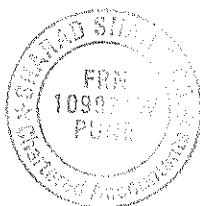
Amount In Rs.

Particulars	Unabsorbed depreciation loss	Unabsorbed business loss	Defined Benefit Obligations	Provisions	Other items	Total
At 1st April 2015	16,59,28,383	-	22,94,389	-	-	16,82,22,772
(Charged) / credited:						
1. to profit or loss account	34,71,865	(5,62,09,474)	(9,13,070)	(5,64,508)	-	(5,42,15,187)
2. To other comprehensive income						
3. Deferred Tax on basis adjustment						
At 31 March 2016	16,24,56,518	5,62,09,474	32,07,459	5,64,508	-	22,24,37,959
(Charged) / credited:						
1. to profit or loss account	(8,09,84,093)	(1,03,50,592)	(10,21,987)	(26,376)	-	(9,23,83,048)
2. To other comprehensive income						
3. Deferred Tax on basis adjustment						
At 31 March 2017	<b>24,34,40,611</b>	<b>6,65,60,066</b>	<b>42,29,446</b>	<b>5,90,884</b>	<b>-</b>	<b>31,48,21,007</b>

Difference of WDV of Fixed Assets

Amount In Rs.

Particulars	March 31, 2017	March 31, 2016
WDV as per Income tax act	70,89,96,653	88,82,21,578
WDV as per Companies Act	1,28,51,11,007	1,37,98,65,197
Difference In WDV	<b>(57,61,14,354)</b>	<b>(49,16,43,619)</b>
Tax Rate	34.608	34.608
Deferred tax Liability	<b>(19,93,81,656)</b>	<b>(17,01,48,024)</b>



Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

Note 7: Other non-current assets

Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Advances	18,02,070	2,47,55,577	2,72,98,930
Security Deposits			
- With Government Authorities	1,50,000	1,50,000	1,50,000
- With Others	2,72,76,005	33,63,047	28,14,296
Balances with Govt Authorities	3,94,28,297	8,28,05,638	10,17,08,637
<b>Total other non-current assets</b>	<b>6,86,56,372</b>	<b>11,10,74,262</b>	<b>13,19,71,863</b>

Note 8: Inventories

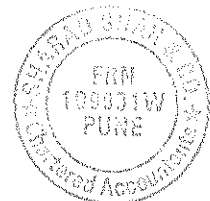
Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Raw Materials	33,75,41,942	22,54,24,785	15,33,89,423
Work-in-progress	13,48,33,101	15,43,55,837	13,57,35,530
Finished goods	4,73,00,796	1,64,25,628	1,73,01,447
Good in transit	-	1,93,73,237	-
Stores and Spares	2,03,44,644	2,00,91,012	95,84,569
Others	1,72,01,178	1,39,13,554	91,13,114
<b>Total Inventories</b>	<b>55,72,21,661</b>	<b>44,95,84,053</b>	<b>32,51,24,083</b>

Note 9: Other current assets

Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Prepayments	1,59,51,898	45,97,691	55,89,309
Advances to Suppliers	2,31,80,194	1,17,92,564	9,74,96,330
Advances to Others	1,09,08,196	1,19,35,801	20,39,37,441
Interest Receivable	11,68,196	4,87,968	1,98,802
VAT Refund Receivable	-	-	8,00,63,666
Industrial Promotion Subsidy under PSI, 2007- Receivable	12,82,90,676	6,43,40,154	8,33,515
Derivative not designated as hedges Principal Swap	40,11,611	1,13,65,243	2,88,284
<b>Total</b>	<b>18,35,10,771</b>	<b>10,45,19,421</b>	<b>38,84,07,347</b>



Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017  
10(a). Equity Share Capital

Authorised Share Capital

Particulars	Amount in Rs	
	Equity Shares	
	No.	INR
At 1 April 2015	1,25,00,000	12,50,00,000
Increase/(decrease) during the year	-	-
At 31 March 2016	1,25,00,000	12,50,00,000
Increase/(decrease) during the year	-	-
At 31 March 2017	1,25,00,000	12,50,00,000

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Board of Directors have not declared dividend for the year ending 31st March, 2017.

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

Terms/ rights attached to preference shares

**Class I:** Each Cumulative Non-convertible preference share has a par value of INR 10. The preference shares are redeemable in three equal instalments. The preference shares carry a dividend of 9% per annum, payable at the time of redemption. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

**Class II:** Each Non-convertible preference share without dividend has a par value of INR 10. The preference shares are redeemable at premium in three equal instalments beginning from 6th year from the date of allotment. The preference shares don't carry dividend rights. The preference shares rank ahead of the equity shares in the event of a liquidation.

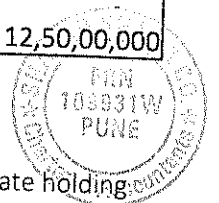
Issued Equity Capital

Equity Shares of INR 10 each issued and fully paid	Amount in Rs	
	No.	INR
At 1 April 2015	1,25,00,000	12,50,00,000
At 31 March 2016	1,25,00,000	12,50,00,000
Increase/(decrease) during the year	-	-
At 31 March 2017	1,25,00,000	12,50,00,000

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

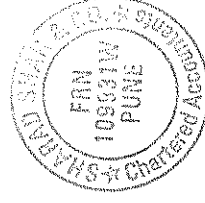
Particulars	Amount in Rs	
	31 March 2017	31 March 2016
Bajaj Electricals Limited		
23,75,000 Equity Shares	2,37,50,000	2,37,50,000
1,50,00,000 9% Preference Shares	15,00,00,000	15,00,00,000
3,00,00,000 Preference Shares	30,00,00,000	30,00,00,000



Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017  
 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No.	% Holding	No.	% Holding	No.	% Holding
<b>Equity Shares of 10 each fully paid up</b>						
Arvind Bharati	7,02,500	5.62	7,02,500	5.62	7,02,500	5.62
Ravindra Bharati	13,30,000	10.64	13,30,000	10.64	13,30,000	10.64
Chetana Gupta	7,42,500	5.94	7,42,500	5.94	7,42,500	5.94
M/s Bajaj Electricals Limited	23,75,000	19.00	23,75,000	19.00	23,75,000	19.00
M/s Jamnala & Sons	16,25,000	13.00	16,25,000	13.00	16,25,000	13.00
M/s Starlite Components Limited	9,20,000	7.36	9,20,000	7.36	9,20,000	7.36
<b>9% Preference Shares of 10 each fully paid up</b>						
M/s Bajaj Electricals Limited	15,00,00,000	100	1,50,00,000	100	-	-
<b>Preference Shares without dividend</b>						
M/s Bajaj Electricals Limited	3,00,00,000	100	3,00,00,000	100	-	-



Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

11. Other Equity

Reserves and surplus

Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Reserve	6,46,11,857	6,46,11,857	6,46,11,857
Securities Premium Reserve	3,50,00,000	3,50,00,000	3,50,00,000
Retained Earning	(44,93,05,472)	(23,50,33,715)	(17,72,94,243)
<b>Total Reserves and surplus</b>	<b>(34,96,93,615)</b>	<b>(13,54,21,858)</b>	<b>(7,76,82,386)</b>

(i)

Capital Reserve	March 31, 2017	March 31, 2016	April 1, 2015
Opening Balance	6,46,11,857	6,46,11,857	6,46,11,857
Appropriation during the year	-	-	-
<b>Closing balance</b>	<b>6,46,11,857</b>	<b>6,46,11,857</b>	<b>6,46,11,857</b>

(ii)

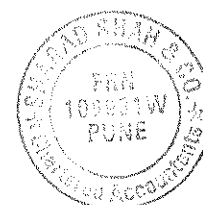
Securities Premium Reserve	March 31, 2017	March 31, 2016	April 1, 2015
Opening Balance	3,50,00,000	3,50,00,000	3,50,00,000
Appropriation during the year	-	-	-
<b>Closing balance</b>	<b>3,50,00,000</b>	<b>3,50,00,000</b>	<b>3,50,00,000</b>

(iii)

Retained Earnings	March 31, 2017	March 31, 2016	April 1, 2015
Opening Balance	(23,50,33,715)	(17,72,94,243)	(15,56,84,399)
FVTPL - Preference Share Capital <i>Refer Note 1</i>	-	-	(5,51,77,255)
FVTPL - Corporate Guarantee Initial <i>Refer Note 2</i>	-	-	6,22,02,110
Net Profit for the year	(21,42,71,757)	(5,77,39,472)	(2,86,34,699)
<b>Closing Balance</b>	<b>(44,93,05,472)</b>	<b>(23,50,33,715)</b>	<b>(17,72,94,243)</b>

**Note :**

1. Preference Share Capital has been considered as Debt Instrument under the newly adopted Ind AS by the company. Fair Value Change on Initial recognition under Ind AS has been charged to Retained Earnings.
2. Interest rate differential on Corporate Guarantee taken from Bajaj Electricals Limited will be amortised over the period of Corporate Guarantee under Finance Cost in Profit and Loss Account. The initial recognition amount has been charged to retained earnings. This amount shall not be available for distribution as it is a non-cash reserve.



Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017  
Note 12: Financial Liabilities

12(a) Non-current borrowings

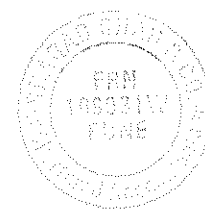
Amount in Rs.

Particulars	Terms of Repayment	Coupon/ Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>					
<b>Debentures</b>					
Non Convertible Debentures	Repayable in two equal installements after 3 years	11.72%	50,00,00,000	50,00,00,000	50,00,00,000
<b>Term Loan</b>					
From Banks					
Rupee Loan	6 Monthly Installments	12.05%	23,17,87,653	28,58,34,777	24,84,43,656
Foreign currency loan (USD)	Quarterly Repayments	11.75%	11,80,06,252	12,62,08,357	14,68,92,280
<b>Unsecured</b>					
From Related Parties					
Bajaj Electricals Limited			24,80,00,000	24,80,00,000	16,60,00,000
Deffered Payment Liabilities					
Sales Tax Deferral Loan			67,38,940	43,59,239	58,63,328
<b>Total non-current borrowings</b>			<b>1,10,45,32,845</b>	<b>1,16,44,02,373</b>	<b>1,06,71,99,264</b>
Less: Current Maturities of Long Term Debt			33,97,81,809	7,69,61,353	2,82,62,795
Less: Interest Accrued			5,76,92,797	4,03,93,424	3,41,50,861
<b>Non-current borrowings</b>			<b>70,70,58,239</b>	<b>1,04,70,47,596</b>	<b>1,00,47,85,608</b>

12(a) Current borrowings

Amount in Rs.

Particulars	Terms of repayment	Coupon/ Interest rate	March 31, 2017	March 31, 2016	April 1, 2015
<b>Loans repayable on demand</b>					
<b>Secured</b>					
From Banks					
Cash Credits	On Demand	10.35%	43,63,19,963	61,46,42,319	46,64,46,682
Buyer's Credit	On Demand	11.75%	2,13,57,445	2,27,53,936	3,26,33,324
Forward Contract Payable			-	-	19,70,38,047
<b>Unsecured</b>					
From Related Parties			17,45,41,177	8,84,48,814	16,37,26,531
From TATA Capital Finance		10.75%	17,74,69,511	-	-
			<b>80,96,88,096</b>	<b>72,58,45,069</b>	<b>85,98,44,584</b>





Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017

11.72% debenture

The 11.72% debenture are repayable in two equal annual installements of INR 25,00,00,000 each commencing on 1 April 2018. The Debentures are secured by pari passu first charge over fixed assets and guarantee from Bajaj Electricals Limited

HDFC Bank (Non Convertible Debentures)	INR 50,00,00,000	Interest Payment- Yearly	ROI 11.72%
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Secured Bank Loan

11.75% Secured loan in USD

The loan is sanctioned by Yes Bank Limited and is secured by a primary security over of pari passu charge over fixed assets and current assets and collateral security of undertaking from Bajaj Electricals Limited for maintaining shareholding at 32%

Term Loan USD 1	\$ 20,00,000 @ Rs 61.00/-	Tenure 60 Months	ROI 11.75%
Term Loan USD 2	\$ 6,00,000 @ Rs 60.73/-	Tenure 60 Months	ROI 11.75%

Secured loan in INR

Yes Bank Limited

Term Loan	INR 1,06,61,448	Tenure 60 Months	ROI 11.25%
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Ratnakar Bank Limited

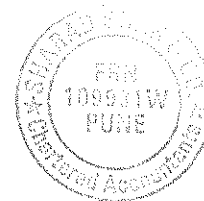
The loan is secured by a primary security over of pari passu charge over fixed assets and current assets and collateral security of undertaking from Bajaj Electricals Limited for maintaining shareholding at 32%

Term Loan 1	INR 15,00,00,000	Tenure 60 Months*	ROI 12.05%
Term Loan 2	INR 4,50,00,000	Tenure 60 Months*	ROI 12.05%
Term Loan 3	INR 5,50,00,000	Tenure 60 Months*	ROI 12.05%

\*Including 6 months morataruim

Interest rate swap

The company has an interest rate swap agreement whereby the company receives a fixed rate of interest of 11.75% and pays interest at a variable rate. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loan. The decrease in fair value of the interest rate swap has been recognised in finance costs and offset with a similar gain on the bank borrowings. The fair value remeasurment recognised in 2017 was immaterial.



## Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

## 12(b) Other financial liabilities

Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-current</b>			
<b>Ind AS Related - Fair Value on Pref Shares</b>			
1,00,00,000 9% Redeemable Preference Shares	13,02,98,061	16,06,82,543	14,52,08,107
50,00,000 9% Redeemable Preference Shares	5,89,33,630	5,21,83,565	4,71,58,058
3,00,00,000 Redeemable Preference Shares	44,51,36,318	34,61,46,524	31,28,11,090
Trade Payables	17,45,436	19,18,272	3,74,40,624
<b>Total other non-current financial liabilities</b>	<b>63,61,13,445</b>	<b>56,09,30,904</b>	<b>54,26,17,879</b>
<b>Current</b>			
Current Maturities of Long Term Debt	33,97,81,809	7,69,61,353	2,82,62,795
Interest Accrued and due	2,68,43,607	1,33,51,506	78,42,899
Interest Accrued and not due	3,08,49,190	2,70,41,918	2,63,07,962
<b>Total other current financial liabilities</b>	<b>39,74,74,606</b>	<b>11,73,54,777</b>	<b>6,24,13,656</b>

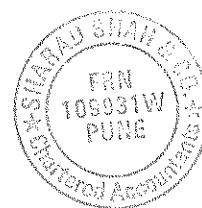
## 12(c) Trade Payables

Amount in Rs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade Payables	19,56,20,546	13,85,82,934	14,19,50,398
Trade Payables to related parties	14,60,58,646	62,68,028	44,58,301
<b>Total Trade Payables</b>	<b>34,16,79,192</b>	<b>14,48,50,962</b>	<b>14,64,08,699</b>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 50-day terms



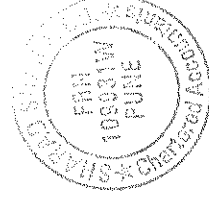
Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
	Leave Obligation	23,80,916	40,15,924	63,96,840	19,85,178	28,23,785	48,08,963	17,12,270	18,28,314
Gratuity	1,24,917	56,99,249	58,24,166	96,807	43,62,199	44,59,006	66,655	31,42,947	32,09,602
<b>Total</b>	<b>25,05,833</b>	<b>97,15,173</b>	<b>1,22,21,006</b>	<b>20,81,985</b>	<b>71,85,984</b>	<b>92,67,969</b>	<b>17,78,925</b>	<b>49,71,261</b>	<b>67,50,186</b>

## (i) Leave Obligation

The leave obligation cover the companies' liability for sick and earned leaves.

The amount of the provision of INR 23,80,916 (31 March 2016 – INR 19,85,178, 1<sup>st</sup> April 2015 – INR 17,12,270) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experiences the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leaves that is not expected to be taken or paid within the next 12 months.

Particulars	Amount in Rs	
	March 31, 2017	April 1, 2015
Current leave obligation expected to be settled within the next 12 months	23,80,916	23,80,916



## (ii) Post Employment Obligations

## Gratuity

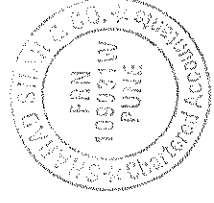
The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of services.

The amounts recognised in the balance sheet and the movement defined in the net benefit obligation over the years are as follows:

For the period	Amount in Rs	
	March 31, 2017	March 31, 2016
Present value of obligation as at the beginning of the period	44,59,006	32,09,602
Acquisition Adjustment	-	-
Interest Cost	3,53,692	2,45,583
Past service cost	-	-
Current services cost	7,75,284	6,71,215
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(75,721)	(1,22,216)
Actuarial (Gain) / Loss on obligations	3,11,905	4,54,822
Present value of obligation as at the end of the period	58,24,166	44,59,006

## Note 14: Other current liabilities

Particulars	Amount in Rs	
	March 31, 2017	April 1, 2015
Statutory Dues	55,08,781	1,45,50,798
VAT Payable	4,26,25,607	-
Employee Benefits	76,66,600	53,29,003
Outstanding Expenses	78,03,477	80,56,570
<b>Closing balance</b>	<b>6,36,04,465</b>	<b>2,79,36,371</b>



Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

Note 15: Revenue from operations

Amount in Rs

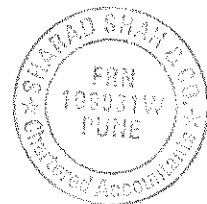
Particulars	March 31, 2017	March 31, 2016
Sale of products (including excise duty)	96,82,49,791	1,50,80,80,304
Sale of Plant & Machinery	23,19,06,982	7,05,99,626
Other operating revenue	24,17,904	31,39,296
<b>Total</b>	<b>1,20,25,74,677</b>	<b>1,58,18,19,226</b>

Sales of goods includes Excise duty collected from customers of INR 12,13,25,684 (31 March 2016: INR 15,82,84,600) Sale of goods net of excise duty is INR 84,69,24,107 (31 March 2016: INR 1,34,97,95,704)

Note 16: Other income and other gains/(losses)

Particulars	March 31, 2017	March 31, 2016
Dividend Income	87,226	1,08,950
Interest Income	14,66,565	26,11,100
Discount Received	21,639	5,08,743
Government grants <i>Industrial Promotion Subsidy Under PSI 2007</i>	6,40,47,063	6,35,06,638
<b>Total</b>	<b>6,56,22,492</b>	<b>6,67,35,431</b>

The company has been issued eligibility certificate under Package Scheme of Incentives, 2007. Under the scheme, the company is entitled for Industrial Promotional Subsidy of Rs. 9,545.95 lakhs or to the extent of the amount of taxes payable under MVAT Act, 2002 & CST Act 1956, by the project in respect of sale of finished products, eligible for incentive after adjustment of set off or other credit available within a period of seven years, whichever is lower. The Eligibility Certificate is issued in respect of manufacturing of Compact Fluorescent Lamps and its accessories, Tube Lights, Luminaries and its accessories, Electronic Iron, Induction Cookers, Electric Fans and its accessories and Electronic Domestic Appliances and its Accessories. In addition to these products, the Company has considered taxes paid by it, in respect of additional items / products for claiming Industrial Promotional Subsidy, for which application to the implementing agency has been made.



Starlite Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

Note 17(a): Cost of materials consumed

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Raw materials at the beginning of the year	24,47,98,023	15,33,89,423
Add: Purchases	95,72,12,409	1,14,25,78,520
Add: Direct Expenses	7,22,65,669	10,14,07,837
Less: Raw material at the end of the year	33,75,41,942	24,47,98,023
<b>Total cost of material consumed</b>	<b>93,67,34,159</b>	<b>1,15,25,77,757</b>

Note 17(b): Changes in inventories of work-in-progress, stock-in-trade and finished goods

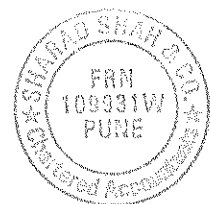
Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
<b>Opening balance</b>		
Work-in-progress	15,43,55,837	13,57,35,530
Finished goods	1,64,25,628	1,73,01,447
Traded goods	-	-
<b>Total opening balance</b>	<b>17,07,81,465</b>	<b>15,30,36,977</b>
<b>Closing balance</b>		
Work-in-progress	13,48,33,101	15,43,55,837
Finished goods	4,73,00,796	1,64,25,628
Traded goods	-	-
<b>Total closing balance</b>	<b>18,21,33,897</b>	<b>17,07,81,465</b>
<b>Total changes in inventories</b>	<b>(1,13,52,432)</b>	<b>(1,77,44,488)</b>

Note 18: Employee benefit expense

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	4,36,57,168	4,30,28,125
contribution to provident fund	45,01,400	41,54,882
Gratuity	11,67,630	8,40,644
Leave Compensation	25,745	13,61,175
Staff welfare expenses	10,37,210	11,47,719
<b>Total employee benefit expense</b>	<b>5,03,89,152</b>	<b>5,05,32,545</b>

Note 19: Depreciation and amortisation expense

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Depreciation of Property, plant and equipment	5,17,49,356	4,22,09,911
Depreciation of investment properties	-	-
Amortisation of intangible assets	13,65,524	15,07,839
<b>Total Depreciation and amortisation</b>	<b>5,31,14,880</b>	<b>4,37,17,750</b>



## Note 20: Other expenses

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Sub-contracting expenses	12,10,400	13,03,933
Security Charges	21,72,739	23,97,864
Freight and forwarding charges	17,42,405	95,55,795
Rent	20,55,500	21,11,900
Rates and taxes	9,17,887	6,47,225
Insurance	14,70,391	4,49,602
<b>Repairs and maintenance</b>		
Plant and machinery	11,43,559	17,00,434
Buildings	71,490	85,600
Others	4,28,860	6,26,255
Equipment Hire Charges	53,55,000	91,80,000
Advertising and sales promotion	52,513	5,96,786
Brokerage and discounts	99,06,527	95,09,416
Travelling and conveyance	59,20,413	42,42,121
Communication costs	5,18,810	7,15,719
Printing and stationery	1,28,168	1,48,721
Legal and professional fees	45,11,108	21,84,872
Office Expenses	9,94,275	7,06,618
Payment to auditor (Refer details below)	5,51,807	5,51,176
Exchange differences (net)	61,87,314	52,57,130
Investment written off	-	2,70,000
Miscellaneous expenses	34,10,258	34,79,156
Donations/Corporate Social Responsibility	1,100	-
Fair value loss on Deposits	24,710	(1,835)
<b>Total other expenses</b>	<b>4,87,75,235</b>	<b>5,57,18,489</b>

## Note 20(a): Details of payments to auditors

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Payment to auditors		
As auditor:		
Audit fee	5,00,000	5,00,000
Tax audit fee	-	-
Re-imbursment of expenses	51,807	51,176
<b>Total Payments to auditors</b>	<b>5,51,807</b>	<b>5,51,176</b>

## Note 20(b): Corporate social responsibility expenditure

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Contribution to Charity Organisation	1,100	-
<b>Total</b>	<b>1,100</b>	<b>-</b>

Amount required to be spend as per section 135 of the Act

Amount spent during the year on

(i) Construction/acquisition of an asset

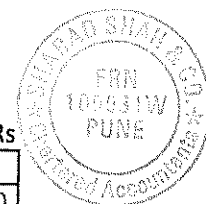
(ii) on purpose other than (i) above

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## Note 21: Finance Cost

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Interest on debts and borrowings	24,05,27,032	19,27,28,340
Other borrowing cost	1,63,82,340	85,27,635
Interest on Others	4,07,518	69,626
<b>Total interest expense</b>	<b>25,73,16,890</b>	<b>20,13,25,601</b>
Ind AS Fair Value Change in Preference Shares	7,53,55,377	5,38,35,377
Ind AS Financial Guarantee - Amortisation	1,36,47,493	1,36,47,493
Forex Premiun	34,63,19,760	26,88,08,471
	-	2,88,284
<b>Total finance costs</b>	<b>34,63,19,760</b>	<b>26,90,96,755</b>



**Note 22: Research and development costs**

The company's Research and development unit concentrates on the development of air condition and water heater. Expenditure by the said unit amounts to INR 4,49,105 of which INR 1,00,000 has been capitalised.

**Note 23 : Earning Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Particulars	Amount in Rs	
	March 31, 2017	March 31, 2016
Profit attributable to equity holders of the Company	(21,42,71,757)	(5,77,39,472)
Weighted average number of Equity shares	76,95,000	76,95,000
Basic EPS	-27.85	-7.50
Diluted EPS	-27.85	-7.50

**Note 24: Commitments and Contingencies****(a) Leases**

The company has entered into operating leases on certain items of machinery, with lease terms between three and five years. The company has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Particulars	Amount in Rs		
	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	8,28,56,884	1,61,43,300	91,80,000
After one year but not more than five years	34,56,50,177	48,62,38,282	-
More than five years	-	-	-
	<b>42,85,07,061</b>	<b>50,23,81,582</b>	<b>91,80,000</b>

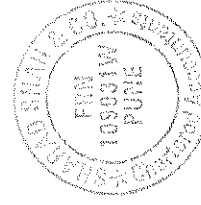
**(b) Contingent Liability**

	Amount in Rs.		
	31 March 2017	31 March 2016	31 March 2015
C Form	1,71,97,038	1,46,45,821	95,86,626
Bank Guarantee	1,79,11,300	7,43,78,500	1,79,11,300
Unpaid Preference Dividend	1,67,15,385	1,62,48,330	8,43,65,640
Bills Discounted	27,810	27,810	-
Industrial Promotion Subsidy under PSI, 2007	12,83,87,216	6,43,40,153	8,33,515
<b>Total</b>	<b>18,02,38,749</b>	<b>16,96,40,614</b>	<b>11,26,97,081</b>

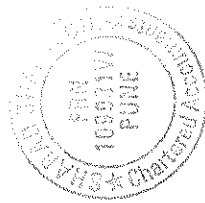




Sr No	Name of Party	Period	Sales to related Parties	Purchases from related Parties	Lease / Rent / Hire Charges	Job work & Other	Amount owed by related parties	Amount in Rs Amount owed to related parties
1	Bajaj Electrical Limited	March 31, 2017 March 31, 2016 April 1, 2015	65,42,37,188 1,02,16,48,587 66,78,31,689	14,55,97,431 - -	53,55,000 91,80,000 91,80,000	- - -	6,24,37,634 7,46,90,546 13,65,02,744	14,55,97,431 - -
2	Starlite Component Limited	March 31, 2017 March 31, 2016 April 1, 2015	2,33,87,852 13,14,63,267 39,47,680	2,99,42,639 17,13,46,344 14,88,469	1,05,000 1,05,000 1,05,000	7,43,143 9,91,809 -	- 3,25,57,197 4,03,733	- - -
3	Solarcopyer Limited	March 31, 2017 March 31, 2016 April 1, 2015	55,13,423 39,346 19,68,420	4,34,25,862 12,28,92,529 23,67,52,627	- - -	21,10,713 25,98,150 41,68,043	- - 3,71,16,269	6,985 36,90,298 18,73,420
4	Virtuoso Optoelectronics Private Limited	March 31, 2017 March 31, 2016 April 1, 2015	2,22,76,155 - -	2,91,953 - -	- - -	29,03,909 - -	- - -	- - -
5	Reprolite Papers (I) Private Limited	March 31, 2017 March 31, 2016 April 1, 2015	- - -	317 3,177 4,935	- - -	- - -	- - -	- 3,178 10,698
6	Hind Lamps Limited	March 31, 2017 March 31, 2016 April 1, 2015	- - -	91,66,908 1,43,75,020 1,17,65,559	- - -	- - -	- - -	3,30,480 22,04,302 22,03,933
7	Filament & Filament	March 31, 2017 March 31, 2016 April 1, 2015	- - -	- - -	- - -	2,75,000 3,00,000 3,00,000	- - -	1,23,750 3,70,250 3,70,250



Sr No	Loans from related parties	Period	Loans taken	Repayment	Interest Paid	Loan Payable	Amount in Rs	
							Interest Payable	Payable
1	Bajaj Electrical Limited	March 31, 2017 March 31, 2016 April 1, 2015	18,00,00,000 25,00,00,000 34,12,00,000	9,33,33,333 23,74,91,393 29,97,33,262	3,14,31,136 2,83,73,512 2,63,52,692	41,84,62,811 34,63,51,506 33,38,42,899	3,19,93,832 1,33,51,506 78,42,899	
2	Arvind Bharati	March 31, 2017 March 31, 2016 April 1, 2015	- - -	- - -	- - -	35,65,961 35,65,961 35,65,961	- - -	
3	Ashu Bharati	March 31, 2017 March 31, 2016 April 1, 2015	- - -	- - -	- - -	- 2,00,000 2,00,000	- - -	
4	Rochana Bharati	March 31, 2017 March 31, 2016 April 1, 2015	- - -	- - -	- - -	- 3,74,304 3,74,304	- - -	
5	Anand Gupta	March 31, 2017 March 31, 2016 April 1, 2015	- - -	- - -	- - -	6,12,500 6,12,500 6,12,500	- - -	
	<b>Total</b>		<b>77,12,00,000</b>	<b>63,05,57,988</b>	<b>8,61,57,340</b>	<b>1,11,23,41,207</b>	<b>5,31,88,237</b>	



Starlite Lighting Limited  
Notes to the Financial Statements for the year ended 31 March 2017

Note 26 : Segment Information

No operating segments have been aggregated to form the above reportable operating segments.

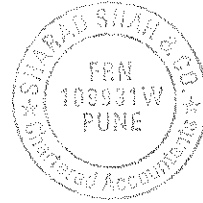
The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Geographic information

Amount in Rs

Particulars	31 March 2017	31 March 2016
Revenue from external customers*		
India	1,08,15,12,863	1,43,44,31,997
Outside India	6,55,65,248	5,26,09,267
<b>Total Revenue</b>	<b>1,14,70,78,111</b>	<b>1,48,70,41,264</b>

\*The revenue information above is based on the locations of the customers.



Starlight Lighting Limited

Notes to the Financial Statements for the year ended 31 March 2017

Note 27: Reconciliation of equity as at date of transition (01 April 2015)

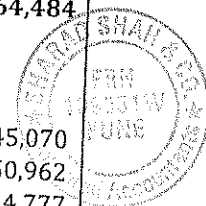
Balance Sheet

Particulars	Note No.	Previous GAAP	Adjustments	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	1,16,41,25,268	-	1,16,41,25,268
Capital work in progress	3	17,48,14,635	-	17,48,14,635
Other Intangible assets	4	66,98,184	-	66,98,184
<b>Financial assets</b>				
Investments	5(a)	13,59,500	-	13,59,500
Trade receivables	5(b)	-	(1,08,61,748)	1,08,61,748
Other financial assets	5(d)	-	(4,85,54,617)	4,85,54,617
Deferred tax assets (net)	6	4,59,45,834	-	4,59,45,834
Other Non-Current Assets	8	3,02,63,226	(10,17,08,637)	13,19,71,863
<b>Total Non-Current Assets</b>		<b>1,42,32,06,647</b>	<b>(16,11,25,002)</b>	<b>1,58,43,31,649</b>
<b>Current assets</b>				
Inventories	9	32,51,24,083	-	32,51,24,083
<b>Financial assets</b>				
Trade receivables	5(b)	38,63,91,795	1,08,61,748	37,55,30,047
Cash and cash equivalents	5(c)	1,10,33,979	-	1,10,33,979
Other financial assets	5(d)	-	(1,36,47,493)	1,36,47,493
Other current assets	10	48,98,27,699	10,14,20,352	38,84,07,347
<b>Assets classified as held for sale</b>		<b>1,21,23,77,556</b>	<b>9,86,34,607</b>	<b>1,11,37,42,949</b>
<b>Total Current Assets</b>		<b>1,21,23,77,556</b>	<b>9,86,34,607</b>	<b>1,11,37,42,949</b>
<b>TOTAL ASSETS</b>		<b>2,63,55,84,203</b>	<b>(6,24,90,395)</b>	<b>2,69,80,74,598</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11(a)	57,50,00,000	45,00,00,000	12,50,00,000
<b>Other equity</b>				
Reserves and surplus	12	(8,49,95,526)	(73,13,140)	(7,76,82,386)
Other reserves	12	-	-	-
Financial Guarantee		-	-	-
<b>Total equity</b>		<b>49,00,04,474</b>	<b>44,26,86,860</b>	<b>4,73,17,614</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	13(a)	1,00,47,85,608	-	1,00,47,85,608
Other financial liabilities	13(b)	-	(54,26,17,879)	54,26,17,879
Provisions	14	-	-	-
Employee defined benefit liabilities	15	49,71,261	-	49,71,261
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>1,00,97,56,869</b>	<b>(54,26,17,879)</b>	<b>1,55,23,74,748</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	13(a)	85,98,44,584	-	85,98,44,584
Trade payables	13(c)	18,38,49,323	3,74,40,623	14,64,08,700
Other financial liabilities	13(b)	-	(6,24,13,656)	6,24,13,656
Provisions	14	-	-	-
Employee defined benefit liabilities	15	17,78,925	-	17,78,925
Other Current Liabilities	16	9,03,50,027	6,24,13,656	2,79,36,371
<b>Total Current Liabilities</b>		<b>1,13,58,22,859</b>	<b>3,74,40,623</b>	<b>1,09,83,82,236</b>
<b>Total Current Liabilities</b>		<b>1,13,58,22,859</b>	<b>3,74,40,623</b>	<b>1,09,83,82,236</b>
<b>Total liabilities</b>		<b>2,14,55,79,728</b>	<b>(50,51,77,256)</b>	<b>2,65,07,56,984</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,63,55,84,203</b>	<b>(6,24,90,395)</b>	<b>2,69,80,74,598</b>



Starlite Lighting Limited  
 Note 27: Reconciliation of equity as at 31 March 2016  
 Balance Sheet

ASSETS	Note No.	Previous GAAP	Adjustments	March 31, 2016
<b>Non-current assets</b>				
Property, Plant and Equipment	3	1,42,15,43,500	-	1,42,15,43,500
Capital work in progress	3	2,83,00,534	-	2,83,00,534
Other Intangible assets	4	52,35,005	-	52,35,005
Financial assets				
Investments	5(a)	10,89,500	-	10,89,500
Trade receivables	5(b)	-	(1,42,83,495)	1,42,83,495
Other financial assets	5(d)	-	(3,49,07,124)	3,49,07,124
Deferred tax assets (net)	6	5,22,89,935	-	5,22,89,935
Other Non-Current Assets	8	2,82,66,789	(8,28,07,473)	11,10,74,262
<b>Total Non-Current Assets</b>		<b>1,53,67,25,263</b>	<b>(13,19,98,092)</b>	<b>1,66,87,23,355</b>
<b>Current assets</b>				
Inventories	9	44,95,84,053	-	44,95,84,053
Financial assets				
Trade receivables	5(b)	39,50,21,305	1,42,83,493	38,07,37,812
Cash and cash equivalents	5(c)	1,26,97,636	5,57,085	1,21,40,551
Other financial assets	5(d)	-	(1,36,47,493)	1,36,47,493
Other current assets	10	15,53,57,171	5,08,37,750	10,45,19,421
Assets classified as held for sale		1,01,26,60,165	5,20,30,835	96,06,29,330
<b>Total Current Assets</b>		<b>1,01,26,60,165</b>	<b>5,20,30,835</b>	<b>96,06,29,330</b>
<b>TOTAL ASSETS</b>		<b>2,54,93,85,428</b>	<b>(7,99,67,258)</b>	<b>2,62,93,52,686</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11(a)	57,50,00,000	45,00,00,000	12,50,00,000
<b>Other equity</b>				
Reserves and surplus	12	(8,44,32,034)	5,09,89,824	(13,54,21,858)
Other reserves	12	-	-	-
Financial Guarantee		-	-	-
<b>Total equity</b>		<b>49,05,67,966</b>	<b>50,09,89,824</b>	<b>(1,04,21,858)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	13(a)	1,04,70,47,596	-	1,04,70,47,596
Other financial liabilities	13(b)	-	(56,09,30,904)	56,09,30,904
Provisions	14	71,85,984	71,85,984	-
Employee defined benefit liabilities	15	-	(71,85,984)	71,85,984
Deferred tax liabilities (net)				
Other non-current liabilities		19,18,272	19,18,272	-
<b>Total non-current liabilities</b>		<b>1,05,61,51,852</b>	<b>(55,90,12,632)</b>	<b>1,61,51,64,484</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	13(a)	72,64,02,154	5,57,084	72,58,45,070
Trade payables	13(c)	14,48,50,962	-	14,48,50,962
Other financial liabilities	13(b)	-	(11,73,54,777)	11,73,54,777
Provisions	14	20,81,985	20,81,985	-
Employee defined benefit liabilities	15	-	(20,81,985)	20,81,985
Other Current Liabilities	16	12,93,30,510	9,48,53,244	3,44,77,266
<b>Total Current Liabilities</b>		<b>1,00,26,65,611</b>	<b>(2,19,44,449)</b>	<b>1,02,46,10,060</b>
<b>Total liabilities</b>		<b>1,00,26,65,611</b>	<b>(2,19,44,449)</b>	<b>1,02,46,10,060</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,05,88,17,463</b>	<b>(58,09,57,081)</b>	<b>2,63,97,74,543</b>
		<b>2,54,93,85,428</b>	<b>(7,99,67,258)</b>	<b>2,62,93,52,686</b>



Starlite Lighting Limited

Note 27: Reconciliation of total comprehensive income for the year ended 31 March 2016

Statement of profit and loss

Particulars	Note No.	Previous GAAP	Adjustments	March 31, 2016
<b>CONTINUING OPERATIONS</b>				
Revenue from operations	17	1,48,70,41,264		1,58,18,19,226
Other income	18(a)		(9,47,77,962)	
Other gains/(losses)	18(b)	32,28,793	(6,35,06,638)	6,67,35,431
<b>Total Income</b>		<b>1,49,02,70,057</b>	<b>(15,82,84,600)</b>	<b>1,64,85,54,657</b>
<b>EXPENSES</b>				
Cost of raw material consumed	19(a)	1,15,25,77,757	-	1,15,25,77,757
Purchase of traded goods				
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	19(b)	(1,77,44,488)	-	(1,77,44,488)
Excise duty			(15,82,84,600)	15,82,84,600
Employee benefits expense	20	5,09,87,367	4,54,822	5,05,32,545
Depreciation and amortization expense	21	4,37,17,750	-	4,37,17,750
Impairment of non-current assets				
Other expenses	22	5,38,21,435	(18,97,054)	5,57,18,489
Finance Cost	23	20,16,13,885	(6,74,82,870)	26,90,96,755
<b>Total expense</b>		<b>1,48,49,73,706</b>	<b>(22,72,09,702)</b>	<b>1,71,21,83,408</b>
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>				
Share of (profit)/loss of an associate and a joint venture		52,96,351	6,89,25,102	(6,36,28,751)
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>				
Exceptional items	24	52,96,351	6,89,25,102	(6,36,28,751)
<b>Profit/(loss) before and tax from continuing operations</b>				
(1) Current tax		52,96,351	6,89,25,102	(6,36,28,751)
(2) Adjustment of tax relating to earlier periods				
(3) Deferred tax		(63,44,101)	-	(63,44,101)
Income tax expense		(63,44,101)	-	(63,44,101)
<b>Profit for the year from continuing operations</b>		<b>1,16,40,452</b>	<b>6,89,25,102</b>	<b>(5,72,84,650)</b>
<b>Profit/(loss) for the year</b>		<b>1,16,40,452</b>	<b>6,89,25,102</b>	<b>(5,72,84,650)</b>

