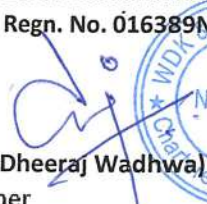





# SHARIKA ENTERPRISES PRIVATE LIMITED

CIN-U51311DL1998PTC093690

404, Chiranjiv Tower,43, Nehru place, New Delhi-110019

## BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As on 31.03.2017 (in Rs.)	As on 31.03.2016 (in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	10,00,000	10,00,000
(b) Reserves and Surplus	2	10,06,57,883	11,70,70,888
		<b>10,16,57,883</b>	<b>11,80,70,888</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowing	3	4,25,14,756	-
(b) Other Non-Current Liabilities	4	50,000	50,000
		<b>4,25,64,756</b>	<b>50,000</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	4,40,37,178	4,76,33,238
(h) Trade Payables	6	3,13,06,139	1,73,18,158
(c) Other Current Liabilities	7	1,81,80,743	1,30,69,592
(d) Short-Term Provisions	8	1,23,40,581	47,40,919
		<b>10,58,64,640</b>	<b>8,27,61,907</b>
<b>Total Equity &amp; Liabilities</b>		<b>25,00,87,279</b>	<b>20,08,82,795</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible Assets	9	5,08,49,154	4,38,71,168
(b) Non current Investment	10	2,27,37,654	6,14,60,815
(c) Other Non current Assets	11	-	-
(d) Deferred Tax Asset		11,42,636	3,67,417
		<b>7,47,29,445</b>	<b>10,56,99,400</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	47,03,382	28,57,797
(b) Trade receivables	13	12,19,60,325	5,37,66,260
(c) Cash and Bank Balances	14	1,48,19,962	60,47,081
(d) Short-term loans and advances	15	2,49,11,922	2,36,35,589
(e) Other current assets	16	89,62,244	88,76,669
		<b>17,53,57,834</b>	<b>9,51,83,395</b>
<b>Total Assets</b>		<b>25,00,87,279</b>	<b>20,08,82,795</b>
<b>The accompanying Notes and Significant Accounting Policies are forming part of these Financial Statements</b>			
<p><b>As per our Report of even date attached</b>  <b>FOR WDK &amp; ASSOCIATES</b>  Chartered Accountants  Firm Regn. No. 016389N</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p><b>(CA. Dheeraj Wadhwa)</b> Partner M.No.091143</p> <p>New Delhi 19.07.2017</p> </div> <div style="width: 45%;"> <p><b>For and on behalf of the board of SHARIKA ENTERPRISES PRIVATE LIMITED</b></p>  <p>Rajinder Kaul DIN 01609805</p>  <p>Ravinder Bhan DIN 01609915</p>  <p>Vikas Pandey Finance Officer</p> </div> </div>			

# SHARIKA ENTERPRISES PRIVATE LIMITED

CIN-U51311DL1998PTC093690

404, Chiranjiv Tower, 43, Nehru place, New Delhi-110019

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the year ended 31.03.2017 (in Rs.)	For the year ended 31.03.2016 (in Rs.)
<b>Revenue</b>			
Revenue from operations	17	18,47,66,301	12,03,80,790
Other Income	18	30,49,522	26,22,995
<b>Total Revenue(I)</b>		<b>18,78,15,823</b>	<b>12,30,03,784</b>
<b>Expenses:</b>			
Operating Expenses	19	10,14,78,475	6,21,85,672
Changes in Inventories	20	(18,45,585)	2,07,544
Employee Benefit Expense	21	2,65,06,985	2,05,26,954
Finance Costs	22	80,41,483	64,41,185
Depreciation & Amortization Cost	23	37,09,398	38,34,316
Other Expense	24	1,46,49,653	1,68,57,085
<b>Total Expenses(II)</b>		<b>15,25,40,410</b>	<b>11,00,58,756</b>
<b>Profit before exceptional and extraordinary items and tax (III): (I- II)</b>		<b>3,52,75,413</b>	<b>1,29,45,028</b>
Prior Period Adjustments & Extraordinary Items (IV)		-	-
<b>Profit before tax (V): (III-IV)</b>		<b>3,52,75,413</b>	<b>1,29,45,028</b>
<b>Tax expense:</b>			
(1) Current tax		1,23,40,581	47,30,889
(2) Earlier Year Tax		13,99,895	38,61,566
(3) Deferred tax		(7,75,219)	(2,899)
<b>Total Tax Expense(VI)</b>		<b>1,29,65,257</b>	<b>85,89,556</b>
<b>Profit/(Loss) for the period (V-VI)</b>		<b>2,23,10,156</b>	<b>43,55,472</b>
Earning per equity share:			
(1) Basic/Diluted		223	44
The accompanying Notes and Significant Accounting Policies are forming part of these Financial Statements			

As per our Report of even date attached

FOR WDK & ASSOCIATES

Chartered Accountants

Firm Regn. No. 016389N

(CA. Dheeraj Wadhwa)

Partner

M.No.091143

New Delhi

19.07.2017

For and on behalf of the board of  
SHARIKA ENTERPRISES PRIVATE LIMITED

Rajinder Kaul  
DIN 01609805

Ravinder Bhan  
DIN 01609915

Vikas Pandey  
Finance Officer



# SHARIKA ENTERPRISES PRIVATE LIMITED

Notes Forming Part of the Balance Sheet and Statement of Profit & Loss

**Note: 1 Share Capital**

Particulars	As on 31.03.2017 (in Rs.)	As on 31.03.2016 (in Rs.)
<b>AUTHORIZED CAPITAL</b>		
100000 Equity Shares of Rs. 10/- each.	10,00,000	10,00,000
	10,00,000	10,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
100000 Equity Shares of Rs. 10/- each, fully paid-up	10,00,000	10,00,000
<b>Total</b>	<b>10,00,000</b>	<b>10,00,000</b>

Shareholders (holding Equity shares as on 31st March, 2017)

1. Shareholders' Name	No. of Shares Held	Percentage
Rajinder Kaul	26,000	26.00%
Ravinder Bhan	17,858	17.86%
Arun Kaul	17,857	17.86%
Mukta Mani Kaul	3,286	3.29%
Hansa Kaul	2,857	2.86%
Sanjay Verma	14,285	14.29%
Vikas Pandey	7,143	7.14%
Meghana Zutshi Kaul	7,143	7.14%
Shray Bhan(Minor)	3,571	3.57%

2. Reconciliation of the Number of Shares and amount outstanding at the beginning and at the end of the reporting period		
Particulars		
Equity share outstanding at the beginning of the Year	100000 (Rs.1000000)	100000 (Rs.1000000)
Equity Share Issued during the Year	-	-
Equity share outstanding at the end of the Year	100000 (Rs.1000000)	100000 (Rs.1000000)

**3. Terms/rights attached to equity shares**

In the event of liquidation of the Company, the holder 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.

4. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

5. The Company has not issued any Fresh Equity shares during the year.




# SHARIKA ENTERPRISES PRIVATE LIMITED

*Notes Forming Part of the Balance Sheet and Statement of Profit & Loss*

## **Note : 2 Reserves & Surplus**

<b>General Reserve</b>		
Balance at the beginning of the year	10,00,000	10,00,000
Transferred from Surplus in Statement of Profit & Loss	-	-
Balance at the end of the year	10,00,000	10,00,000
<b>Balance in statement in Profit &amp; Loss</b>		
Balance brought forward from previous year	11,60,70,888	11,17,15,416
Less: Adjustment on account of Accumulated Losses of Sharika Lightec Pvt Ltd	1,25,86,014	-
Less: Adjustment on account of Accumulated Losses of Electromeccanica India Pvt Ltd	2,61,37,147	-
Add: Profit for the Year as per Statement of Profit & Loss	2,23,10,156	43,55,472
	9,96,57,883	11,60,70,888
<b>Total</b>	<b>10,06,57,883</b>	<b>11,70,70,888</b>

## **Note : 3 Long Term Borrowings**

HDFC Vehicle loans	66,21,875	-
India Bulls Commercial Credit Ltd.	3,49,45,884	-
India Bulls Housing Finance Limited	9,46,997	-
<b>Total</b>	<b>4,25,14,756</b>	<b>-</b>

## **Note : 4 Other Non-Current Liabilities**

Security for Rent- SLPL	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

## **Note : 5 Short Term Borrowings**

<b>Secured</b>		
Bank Cash Credit with J & K Bank	2,29,16,147	3,32,28,881
Short term loan from NSIC Ltd.	1,39,21,574	36,74,336
<b>Unsecured</b>		
From Directors	71,99,457	1,07,30,021
<b>Total</b>	<b>4,40,37,178</b>	<b>4,76,33,238</b>

## **Note : 6 Trade Payables**

Trade Payable	3,13,06,139	1,73,18,158
<b>Total</b>	<b>3,13,06,139</b>	<b>1,73,18,158</b>

## **Note : 7 Other Current Liabilities**

<b>Statutory Liabilities</b>		
Duties and Taxes	60,50,692	9,82,783
EPF Payable	9,31,542	1,44,318
ESIC Payable	40,924	14,112
<b>Others Liabilities:</b>		
Current Maturities of Long Term Loans	23,31,071	5,503
Advances from Customers	52,54,138	51,06,083
Non Trade Payable	1,11,390	-
Other Expenses payable	3,42,888	1,08,248
Employee Banefits Payable	30,18,098	65,08,545
Security Deposits	1,00,000	2,00,000
<b>Total</b>	<b>1,81,80,743</b>	<b>1,30,69,592</b>

## **Note : 8 Short Term Provisions**

Provision for Income Tax	1,23,40,581	47,40,919
<b>Total</b>	<b>1,23,40,581</b>	<b>47,40,919</b>

Total









**Notes Forming Part of the Balance Sheet and Statement of Profit & Loss**

Note 9: Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31.03.2016	Addition	TRANSFER	AS ON 31.03.2017	AS ON 31.03.2016	FOR THE YEAR	Sale/Adjust ments	AS ON 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
<b>Tangible Assets</b>										
Land	1,83,81,155	-	-	1,83,81,155	-	-	-	-	1,83,81,155	1,83,81,155
Building(Noida)	2,89,40,760	7,78,940.00	-	2,97,19,700	1,10,48,425	16,98,431	-	1,27,46,856	1,69,72,844	1,78,92,335
Plant & Machinery	69,34,916	-	-	69,34,916	22,78,742	4,75,514	-	27,54,255	41,80,661	46,56,175
Office Equipment	18,21,419	38,697	-	19,10,116	15,72,721	1,34,180	-	17,06,902	2,03,214	2,48,698
Computers	54,64,645	2,38,928	-	57,03,573	45,30,658	3,74,064	-	49,04,722	7,98,851	9,33,987
Furniture and Fixtures	36,11,265	1,07,825	-	37,19,090	26,97,807	2,58,541	-	29,56,348	7,62,742	9,13,458
Vehicles	65,89,020	95,84,389	16,87,976.00	1,44,85,433	57,43,659	7,68,668	15,76,581	49,35,745	95,49,688	8,45,361
<b>Total</b>	<b>7,17,43,180</b>	<b>1,07,98,779</b>	<b>16,87,976</b>	<b>8,08,53,983</b>	<b>2,78,72,011</b>	<b>37,09,398</b>	<b>15,76,581</b>	<b>3,00,04,828</b>	<b>5,08,49,154</b>	<b>4,38,71,168</b>
Previous Year	6,78,66,571	38,76,609	-	7,17,43,180	2,40,37,695	38,34,316	-	2,78,72,011	4,38,71,168	4,38,28,875

(Amount in Rs.)

Note : Depreciation on fixed assets has been provided as per WDV rates determined as per the Companies Act, 2013




**SHARIKA ENTERPRISES PRIVATE LIMITED**  
Notes Forming Part of the Balance Sheet and Statement of Profit & Loss

**Note : 10 Non Current Investments**

Particulars	As on 31.03.2017 (in Rs.)	As on 31.03.2016 (in Rs.)
<b>Long Term Investment</b>		
<b>Equity Shares</b>	3,14,60,825	3,14,60,825
Less: Adjustment on account of Accumulated Losses of Elettromeccanica India Pvt Ltd (Elettromeccanica India Pvt Ltd)	2,61,37,147	
	53,23,678	3,14,60,825
<b>Equity Shares</b>	2,99,99,990	2,99,99,990
Less: Adjustment on account of Accumulated Losses of Sharika Lightec Pvt Ltd (Sharika Lightec Pvt .Ltd.)	1,25,86,014	
	1,74,13,976	2,99,99,990
<b>Total</b>	<b>2,27,37,654</b>	<b>6,14,60,815</b>

**Note : 11 Other Non Current Assets**

Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 12 Inventories**

Finished Goods	47,03,382	28,57,797
<b>Total</b>	<b>47,03,382</b>	<b>28,57,797</b>

**Note : 13 Trade Receivables**

<b>Unsecured, Considered Good :</b>		
Outstanding for more than six month	3,88,47,072	3,12,80,892
Others	8,31,13,253	2,24,85,367
<b>Total</b>	<b>12,19,60,325</b>	<b>5,37,66,260</b>

**Note : 14 Cash & Bank Balances**

<b>Cash &amp; Cash Equivalent</b>		
Cash-in-Hand	6,02,430	3,42,217
Sub Total (A)	<b>6,02,430</b>	<b>3,42,217</b>
<b>Balance with Banks</b>		
In Current Accounts	14,77,442	6,90,052
In Deposit Accounts (ag. margin money)	1,27,40,090	50,14,811
Sub Total (B)	<b>1,42,17,532</b>	<b>57,04,863</b>
<b>Total [ A + B ]</b>	<b>1,48,19,962</b>	<b>60,47,081</b>

**Note :15 Short Term Loans and Advances**

<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
<b>a) Unsecured, Considered Good :</b>		
Related Parties	1,33,47,079	1,35,24,609
Advance to Suppliers	75,42,322	55,62,807
Loans & Advances to Staff	34,62,554	25,62,754
Other Loans & Advances	5,59,967	19,85,419
<b>Total</b>	<b>2,49,11,922</b>	<b>2,36,35,589</b>

**Note : 16 Other Current Assets**

<b>a) Unsecured, Considered Good :</b>		
<b>Balance With Revenue Authorities</b>		
TDS/Advance Tax (Earlier Years)	10,89,329	28,84,253
TDS/Advance Tax (Current Year)	15,04,514	-
Recoverable Duties & Taxes from Govt.	29,06,789	26,28,062
<b>Others:-</b>		
Security Deposit	8,55,102	5,85,796
Earnest Money Deposits	26,06,510	27,78,558
<b>Total</b>	<b>89,62,244</b>	<b>88,76,669</b>

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## SHARIKA ENTERPRISES PRIVATE LIMITED

*Notes Forming Part of the Balance Sheet and Statement of Profit & Loss*

**Note : 17 Revenue from Operations**

Particulars	For the year ended 31.03.2017 (in Rs.)	For the year ended 31.03.2016 (in Rs.)
Sales of Product	13,93,37,099	8,00,38,957
Sale of Service	4,54,29,202	4,03,41,833
<b>Total</b>	<b>18,47,66,301</b>	<b>12,03,80,790</b>

**Note : 18 Other Income**

Expenses recovered from the client	16,12,374	13,97,630
Interest on Fixed Deposits Receipts	5,41,656	3,74,605
Rent Income	2,70,000	2,70,000
Exchange Fluctuation	-	3,08,665
Miscellaneous Income	3,96,887	2,72,095
Profit on sale of Vehicle	2,28,605	-
<b>Total</b>	<b>30,49,522</b>	<b>26,22,995</b>

**Note : 19 Cost of Operations**

Purchases & Consumables	8,93,51,150	4,16,98,890
Consumables	21,07,953	2,96,746
Customs Duty	31,71,425	19,54,394
Clearing & forwarding	6,87,941	46,71,563
Freight & Carriage Inward	1,54,252	3,18,029
EPC & Site Project Expenses	52,32,532	1,19,08,972
Factory Power & Fuel	4,00,298	8,65,568
Factory Rent	1,18,680	1,51,763
Factory Maintenance	2,54,245	3,14,538
Testing Charges	-	5,210
<b>Total</b>	<b>10,14,78,475</b>	<b>6,71,85,672</b>

**Note : 20 Changes in Inventories**




<b>Opening Stock:-</b>		
Finished Goods	28,57,797	30,65,341
	<b>28,57,797</b>	<b>30,65,341</b>
<b>Less:- Closing Stock</b>		
Finished Goods	47,03,382	28,57,797
	<b>47,03,382</b>	<b>28,57,797</b>
<b>Total</b>	<b>(18,45,585)</b>	<b>2,07,544</b>

**Note : 21 Employee Benefit Expenses**

Salaries, Wages, Bonus and Other Benefits	2,47,93,479	1,86,34,213
Employees Provident Fund	9,74,286	8,44,153
Employees State Insurance	1,40,270	90,803
Staff Welfare	5,98,950	9,57,785
<b>Total</b>	<b>2,65,06,985</b>	<b>2,05,26,954</b>

**Note : 22 Finance Cost**

Bank Charges	19,84,759	7,18,953
Interest on Borrowings	45,74,886	52,52,191
Interest on vehicle loan	40,356	-
Loan Processing Charges	1,44,538	10,000
Other Finance Costs	12,96,944	4,66,041
<b>Total</b>	<b>80,41,483</b>	<b>64,47,185</b>





**Notes Forming Part of the Balance Sheet and Statement of Profit & Loss**

**Note : 23 Depreciation & Amortisation Expenses**

Depreciation	37,09,398	38,34,316
<b>Total</b>	<b>37,09,398</b>	<b>38,34,316</b>

**Note : 24 Other Expenses**

Auditors' Remuneration	3,73,750	3,45,953
Business Promotion	10,54,396	12,68,230
Carriage Outward	41,350	-
Conveyance	5,83,027	4,56,532
Development Charges	-	94,000
Diwali Expense	76,192	1,32,457
Donation	5,000	40,000
Electricity & Water Expenses	10,82,287	8,78,498
Freight Outward	4,65,008	4,75,396
Insurance Expenses	2,12,094	2,55,565
Legal & Professional Fees	19,32,676	17,20,697
Office Expenses	1,96,096	1,45,908
Office Rent	7,67,668	6,27,763
Packing Expenses	-	4,113
Postage & Courier	1,24,717	6,54,786
Printing & Stationery	2,97,389	7,18,225
Rates & Taxes	1,975	2,23,992
Repair & Maintenance- Office	2,43,112	2,15,575
Repair & Maintenance- Office Equipments	-	5,91,166
Repair & Maintenance- Vehicle	1,28,348	3,75,233
Sales Tax Demand	94,636	79,659
Staff Training & Recruitment	17,250	12,882
Subscription, Registration & other Fees	1,19,292	1,34,551
Telephone & Internet Expense	14,15,168	14,01,480
Tender Fees	2,03,247	1,49,120
Tour & Travel Expenses	34,49,246	39,35,315
Vehicle running expenses	16,12,549	11,99,119
Miscellaneous Expenses	1,39,282	7,20,541
Exchange Fluctuation	13,899	-
<b>Total</b>	<b>1,46,49,653</b>	<b>1,68,57,085</b>








### Independent Auditor's Report

TO THE MEMBERS OF SHARIKA ENTERPRISES PRIVATE LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of SHARIKA ENTERPRISES PRIVATE LIMITED ("the Company") which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 the design, implementation and maintenance of adequate internal financial control that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor





considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub Section (11) of the Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - 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 2" to this report;

- g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For WDK & Associates

Chartered Accountants

FRN- 016389N



Dheeraj Wadhwa

Partner

Membership Number: 091143

Place: New Delhi

Date: 19-07-2017

## Annexure- 1 to the Auditors' Report

Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors Report of even date

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) Some of the fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations to us and on the basis of our examination of the records of the company, the title deed of the immovable property is held in the name of the company.
- ii)
  - a) The Management has physically verified the inventory during the year. In our opinion, frequency of the verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records needs to be reconciled.
- iii)
  - a) According to the information and explanations to us, the company has granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii) (b) of the Order is not commented upon in respect of repayment of the principal amount.
  - c) In the absence of any stipulated repayment schedule, we cannot comment on the overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The loans given are to the wholly owned Subsidiary Company and no fresh investments are made during the year.
- v) The Company has not accepted any deposits from the public.
- vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the products and services of the Company.





- vii) a) The Company is depositing, though with delays in few instances, with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax (except amount payable on account of late filing fees for TDS returns), sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were outstanding, at the end of the year, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- vii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank taken in the form of Term Loan or Cash Credit/ Over Draft Facilities. The Company did not have any debentures and government dues in the nature of loan during the year.
- ix) According to the information and explanations given by the given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments. The Term Loans or Cash Credit/Over Draft facilities taken from Bank or financial institutions were applied for the purpose they were raised.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no material fraud by the company or no fraud/ material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3 (xi) are not applicable and hence not commented upon.
- xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of the clause (xii) of the order are not applicable to the company and hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For WDK & ASSOCIATES  
Chartered Accountants  
FRN 016389N



Dheeraj Wadhwa  
Partner M. No.091143

Place: New Delhi  
Date: 19-07-2017



## Annexure - B to the Auditors' Report

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

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

### Management's Responsibility for Internal Financial Controls

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

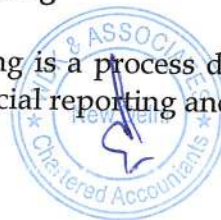
### Auditors' Responsibility

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the



preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 WDK & Associates

**Chartered Accountants**

FRN 016389N

Dheeraj Wadhwa

Partner

M. No.091143



Place: New Delhi

Date: 19-07-2017



# SHARIKA ENTERPRISES PRIVATE LIMITED

CIN-U51311DL1998PTC093690

404, Chiranjiv Tower,43, Nehru place, New Delhi-110019

## CASH FLOW STATEMENT FOR THE YEAR FINANCIAL YEAR 2015-2016

S.No.	Particulars	as at 31st March 2017	as at 31st March 2016
A.	<b>Cash Flow from Operating Activities</b>		
	Profit Before Tax	35,275,413	12,945,028
	Adjustments		
	Depreciation/amortisation	3,709,398	3,834,316
	Interest Expense	4,615,242	5,252,191
	Interest/ Other Income Received	-541,656	-374,605
	(Profit)/Loss on Sale of Fixed Assets	-228,605	-
	<b>Operating Profit before working capital changes</b>	<b>42,829,792</b>	<b>21,656,930</b>
	Movement in working capital:		
	(Increase)/Decrease in Inventories	-1,845,585	207,544
	(Increase)/ Decrease in Trade Receivables	-68,194,065	10,586,499
	(Increase)/Decrease in Loans and Advances	(1,276,332)	4,358,264
	(Increase)/Decrease in other Current Assets/ Non Current Assets	(375,985)	1,847,348
	(Increase)/Decrease in Trade Payables	13,987,980	16,346,717
	(Increase)/ Decrease in Other Current/ Non Current Liabilities	5,111,151	1,682,939
Cash generated from Operations	<b>(9,763,045)</b>	<b>11,910,401</b>	
Income Tax (Paid) /Refund	(5,850,404)	6,716,216	
<b>Net Cash from/ (used in) operating activities (A)</b>	<b>(15,613,449)</b>	<b>5,194,185</b>	
B.	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(10,798,779)	(3,876,609)
	(Purchase of Investments)/Proceeds from Sale/ Loss of Investment	340,000	4,450
	Proceeds from Interest received	541,656	374,605
	Proceeds from Sale of Fixed Assets		
<b>Net Cash from/ (used in) Investing activities (B)</b>	<b>-9,917,123</b>	<b>(3,497,554)</b>	
C.	<b>Cash Flow from Financing Activities</b>		
	Repayment of Long Term Borrowings	42,514,756	9,517,017
	Proceeds from Short Term Borrowings	-3,596,060	18,224,237
	Interest Paid	4,615,242	5,252,191
	<b>Net Cash from/ (used in) Financing activities (C)</b>	<b>34,303,454</b>	<b>3,455,029</b>
D.	<b>Net Cash Increase/(Decrease) in cash and Cash equivalents</b>	<b>8,772,882</b>	<b>5,151,660</b>
	Cash & Cash Equivalent as at beginning of the year	6,047,081	895,421
	<b>Cash and Bank as at Close of the year</b>	<b>14,819,962</b>	<b>6,047,081</b>

As per our Report of even date attached.

For WDK & Associates  
Chartered Accountants  
FRN :016389N



CA Dheeraj Wadhwa  
Partner  
Membership No: 091143

New Delhi  
22.06.2016

For and on behalf of the Board of  
SHARIKA ENTERPRISES PRIVATE LIMITED



Rajinder Kaul      Ravinder Bhan  
Director              Director  
DIN 01609805      DIN 01609915  
C-581                  A-581  
Sarita Vihar,          Sarita Vihar,  
New Delhi 110076      New Delhi 110076

## SHARIKA ENTERPRISES PRIVATE LIMITED

### Notes to the financial statements for the year ended 31<sup>st</sup> March 2017

#### 25. Corporate Information

Sharika Enterprises Pvt. Ltd. (SEPL), was incorporated on 6<sup>th</sup> May 1998 to undertake activities of consultancy and marketing services primarily in the power sector for Indian and International Power Equipment Manufacturers. The company has added trading of Electrical items primarily comprising of LED lights and other related products and components. Its operations also include a composite range of activities comprising of engineering, procurement, construction and servicing etc. of Power plants and equipments.

#### 26. Significant Accounting Policies

##### a) Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on accrual basis under the historical cost convention and are consistent with the accounting policies followed in the previous year. The Financial statements have been prepared with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014.

##### b) Use of Estimates

The preparation of financial statements require the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes and the useful lives of depreciable fixed assets.

##### c) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation /amortization. Costs include all expenses incurred to bring the assets to its present location and condition.

##### d) Depreciation/Amortisation

Fixed assets are accounted at cost less accumulated depreciation. Depreciation is provided on a pro-rata basis on Written Down Value Method (WDV) using the rates arrived based on the useful lives of assets specified in Part C of Schedule II thereto of the Companies Act, 2013 as follows:

S. No.	Particulars	Useful Life in Years
1.	Factory Building	Upto 30 Years
2.	Plant & Machinery	Upto 15 Years
3.	Furniture & Fixture	Upto 10 Years
4.	Office Equipment	Upto 5 Years /15 Years
5.	Computer Equipments	Upto 6 Years
6.	Vehicles	Upto 10 Years





**e) Non- Current Investments**

The Non current investments are taken at Cost less diminution in their value on account of accumulated losses of the Companies in which Investments are made. The provision for diminution is made if in the opinion of the Management, the decline is other than temporary.

**f) Employee Benefits**

**i) Provident Fund**

The contributions remitted to government administered Provident and Pension Fund on behalf of its employees in accordance with the relevant statute are charged to the Statement of Profit and Loss as and when due. The Company has no further obligations for future Provident/Pension fund benefits other than its monthly contributions.

**ii) Post Employment Benefit Plans**

No Provision for Gratuity payable to staff has been made during the year and shall be recognized during the period when the employee renders the services and charged as an expense at the time of actual payment made to the eligible employees.

**iii) Other Employee Benefits**

The short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services.

**g) Revenue Recognition**

**Sales**

Revenue is primarily derived from sale of Machines and their components and accessories. The sales are net of Sales Tax and Excise. Revenue from sales is recognized at the point of dispatch when risk and reward of ownership stand transferred to the customers.

**Other Operating Income**

Revenue on account of services/ consultancy and commission is recognized as and when services have been rendered in terms of the agreement..

**Other Income**

Interest and other Income is recognized on time proportion basis.

**h) Taxation**

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are recognized by way of prudence in accordance with the Accounting Standard AS 22- " Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India. Deferred tax assets or liabilities are established at the enacted tax rates.

Provision for Income Tax has been made in accordance with the assessable profits determined under the provisions of the Income Tax Act.



**i) Inventories**

Inventories are valued at lower of cost or net realisable value.

**j) Provisions, Contingent Liabilities & Contingent Assets Etc.**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

Contingent Liabilities are not recognized but are disclosed; if any, in the Notes to Accounts.

Contingent Assets are neither recognized nor disclosed in the Financial Statements.

**27. Contingent Liabilities and Commitments**

- a) Contingent liabilities: Nil. (Nil)
- b) Estimated cost of contracts remaining to be executed on capital account and not provided for Nil (previous year Rs. Nil).
- c) Others: Defaults on account of Short deduction & Deposition of TDS and/or delay in filing of TDS returns has been provided for on the basis of Notices received till the Audit Date. However, the final settlements are pending.

**28. Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.**

In the absence of necessary information in relation to the suppliers registered as Micro or Small enterprises under Micro, Small and Medium Enterprises (Development) Act, 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be complied and disclosed.

**29. Related Party Disclosure:**

A. Related Party transactions as required by AS-18, "Related Party Disclosures" are as given below:

**i) Related Parties in the Group where common control exists:**

- a. Elettromeccanica Colombo Di Mainini Gianangelo & C.S.A.S (EC)- holding 51% Equity Shares of Elettromeccanica India Pvt. Ltd. (EIPL) in which SEPL holds 49% Equity.
- b. Elettromeccanica India Pvt. Ltd. (EIPL) - SEPL holding 49% Equity.
- c. Sharika Lightec Pvt. Ltd. (SLPL)- Subsidiary Company

**ii) Key Management Personnel of the Company/Society:**

- a. Shri Rajinder Kaul - Director
- b. Shri Ravinder Bhan - Director
- c. Shri Arun Kaul - Director
- d. Smt. Mukta Mani Kaul - Director





iii) Relative of the Key Management Personnel

- a. Ms. Mukta Mani Kaul - Wife of Mr. Rajinder Kaul
- b. Mr. Chuni Lal Kaul- Relative of Mr. Rajinder Kaul
- c. Mr. MK Koul- Father of Mr. Arun Kaul (Director)
- d. Ms. Shefali Bali Bhan- Wife of Ravinder (Director)

b) Summary of the transactions with the above related parties in the ordinary course of business is as follows:

Nature of Transaction	Related party where control exists - SLPL	Related Party Where Common Control Exists - EIPL	Key Management Personnel	Relative of the Key Management Personnel
Fixed Assets Purchases				
Material Purchases	83,11,009.00			
Finished Goods Purchased				
Sales				
Sales of fixed assets				
Clearing & Forwarding				
Share Application Money recd.				
Rent & Lease charges	2,70,000.00		4,20,000.00	76,668.00
Remuneration			98,50,000.00	10,80,000.00
Interest Paid				
Dividend Paid				
Reimbursement of Expenses				
<b>Balance outstanding at the year end</b>				
Amount Payable		6,07,500.00	25,70,000.00	81,000.00
Amount Receivable	15,61,895.00			

(Figures in Rupees)

30. The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 is provided in the table below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,19,000.00	5,97,623.00	9,16,623.00
(+) Permitted receipts	0.00	5,11,890.00	5,11,890.00
(-) Permitted payments	0.00	6,32,339.00	5,32,339.00
(-) Amount deposited in Banks	3,19,000.00	0.00	3,19,000.00
Closing cash in hand as on 30.12.2016	0.00	4,77,174.00	4,77,174.00

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016." (Thus SBN means Rs. 500 and Rs. 1000 notes)

31. All amounts in the financial statements are presented in Rupees except Share Data



32. Previous years' figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the current years' classification and disclosure.

**33. Value of imports**

Purchase of materials Rs. 1,12,22,891.00

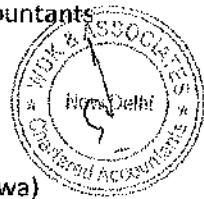
**34. Earnings in foreign exchange**

Consultancy fees Rs. 4,09,70,430.26

For WDK & ASSOCIATES  
Chartered Accountants  
FRN 01689N



(Dheeraj Wadhwa)  
Partner  
M No. 91143



On behalf of the Board of Directors



RAJINDER KAUL  
(Director)  
DIN- 01609805

RAVINDER BHAN  
(Director)  
DIN- 01609915



VIKAS PANDEY  
Finance Officer

New Delhi,  
19<sup>th</sup> July, 2017