

# ***STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED***



## **FIFTY SEVEN ANNUAL REPORT 2019-20**

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

SHRI RAMGOPAL PATWARI	- Chairman & Director(w.e.f.25-08-2020)
SHRI SANJAY PATWARI	- Managing Director(w.e.f.25-08-2020)
SMT SANGEETA TIBREWALA	- Director
SHRI NIKHIL CHANDULAL POPAT	- Independent Director
SHRI RAVI SHANKAR SHARMA	- Independent Director

**AUDIT COMMITTEE MEMBERS**

Mr. Ravi Shankar Sharma	- Chairman
Mr. Nikhil Chadulal Popat	- Member
Mrs. Sangeeta Tibrewala	- Member

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Nikhil Chandulal Popat	- Chairman
Mr. Ravi Shankar Sharma	- Member
Mrs. Sangeeta Tibrewala	- Member

**Chief Financial Officer**

Mr. Pavan Kumar Rathi

**Company Secretary**

Bysani Sani Sushmitha	(Resigned w.e.f. 25.08.2020)
Parul Gupta	(Appointed w.e.f. 25.08.2020)

**Statutory Auditor**

K.Y & CO  
Chartered Accountants  
Plot No:14, M-05, Mezzanine Floor, Shangrila Plaza,  
Road No2, Banjara Hills, Hyderabad-500034

**RTA**

CIL Securities Ltd  
Raghav Ratna Towers, 214, Chirag Ali Lane, Abids,  
Hyderabad, Telangana 500001

**BANKER**

BANK OF INDIA	- SECUNDERABAD
SYNDICATE BANK	- SECUNDERABAD

**REGD. & CORPORATE OFFICE**

603, Plot No 14, Shangrila Plaza,  
Banjara Hills, Hyedrabad-500034, Telengana  
Website: [www.starliteglobal.in](http://www.starliteglobal.in)  
Email: [info@starliteglobal.in](mailto:info@starliteglobal.in)  
CIN: L17110TG1962PLC000915

**NOTICE**

**Notice** is hereby given that the 57<sup>th</sup> Annual General Meeting of **STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED** (CIN: L17110TG1962PLC000915) will be held on Wednesday, 30<sup>th</sup> September, 2020 at 02:00 P.M. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unit No.603, Shangrila Plaza, Plot No:14 Road No:2, Banjara Hills, Hyderabad – 500 034, Telangana.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated financial statements for the financial year ended 31st March, 2020 along with Reports of the Board of Directors and Auditors thereon and to pass the following resolution:

**“RESOLVED THAT** the audited Financial Statements including Standalone and Consolidated financial statements for the financial year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mrs. Sangeeta Tibrewala (DIN: 01508371), who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Sangeeta Tibrewala (DIN: 01508371), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To ratify the appointment of M/S K.Y & CO, Chartered Accountants (Firm Registration No.016381S) as Statutory Auditor of the Company as approved by Members at the Fifty seventh Annual General Meeting of the Company, to hold office until the conclusion of Fifty nine Annual General Meeting, and at such remuneration as the Board have fixed in this regard.

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Company do hereby confirm, ratify and approve the related party transactions as detailed below entered/ to be entered into by the Company for the financial year 2019-20 and authorize the Audit Committee and the Board of Directors of the Company to enter into arrangements/ transactions with the following entities and finalize all such terms and conditions, as it may deem fit, within the limits mentioned below:

Sl. No	Name(s) of the Related party	Nature of Relationship	Nature of Transaction	Duration of Transactions	Value Value in Lakhs (in INR)
1	Mr. Ram Gopal Patwari	Managerial Personnel	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-19 to 31-03-20	65.01
2	Mr. Sanjay Patwari	Managerial Personnel	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-19 to 31-03-20	69.32
3	Mr. Sandeep Patwari	Share Holder	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-19 to 31-03-20	66.48
4	M/s. Starlite Spintech Limited	Associate Company	Interest Received on inter-corporate lending	01-04-19 to 31-03-20	0.34
9	Mr. Ram Gopal Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-19 to 31-03-20	1.63

10	Mr. Sanjay Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-19 to 31-03-20	1.58
11	Mr. Sandeep Patwari	Share Holder	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-19 to 31-03-20	(3.93)
13	M/s. Starlite Spintech Ltd	Associate Company	Sale of Land	01-04-19 to 31-03-20	849.45
14	Mrs. Chanda Patwari	Share Holder	Rental Payout in terms of lease agreement with the Company	01-04-19 to 31-03-20	8.91

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Company do hereby confirm & approve related party transactions as detailed below proposed to be entered into by the Company for the financial year 2020-21, and authorize the Audit Committee and the Board of Directors of the Company to enter into arrangements/ transactions with the following entities and finalize all such terms and conditions, as it may deem fit, within the limits mentioned below:

Sl. No	Name(s) of the Related party	Nature of relationship	Nature of Transaction	Duration of Transactions	Value(In Lakhs) INR
1	Mr. Ram Gopal Patwari	Managerial Personnel	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-20 to 31-03-21	100.00
2	Mr. Sanjay Patwari	Managerial Personnel	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-20 to 31-03-21	100.00
3	Mr. Sandeep Patwari	Share Holder	Share of Rental Income pursuant to Joint Venture Agreement/s	01-04-20 to 31-03-21	100.00
4	M/s. Starlite Spintech Limited	Associate Company	Inter-corporate Lending/Borrowing and interest thereon	01-04-20 to 31-03-21	1,000.00 & 140.00
9	Mr. Ram Gopal Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-20 to 31-03-21	50.00
10	Mr. Sanjay Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-20 to 31-03-21	50.00
11	Mr. Sandeep Patwari	Share Holder	Rental Deposits collected/Repaid under Joint Venture Agreement/s	01-04-20 to 31-03-21	50.00
13	M/s. Starlite Spintech Ltd	Associate Company	Sale of Land	01-04-20 to 31-03-21	1200.00

14	Mrs. Chanda Patwari	Share Holder	Rental payout pursuant to Lease Agreement	01-04-20 to 31-03-21	9.80
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“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds with regard to any transaction with related party(ies) and execute such agreements, documents and writings and to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion for the purpose of giving effect to this Resolution, in the best interest of the Company”.

5. To consider appointment of **Mr. Ram Gopal Patwari**, (DIN: 00975555), Managing Director of the Company, as an Executive Director and Chairman on the Board of the Company and if thought fit, to pass the following resolution as Special Resolution, with or without modification(s):

“**RESOLVED THAT** pursuant to the provisions under Sections 117(3), 152, 170, 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and further subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for the appointment of Mr. Ram Gopal Patwari (DIN: 00975555) as Executive Director and Chairman, liable to retire by rotation, of the Company with effect from 25 August, 2020 on the terms and conditions including the remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Directors of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies.”

**RESOLVED FURTHER THAT** the remuneration as set out in the explanatory statement forming part of this resolution payable to Mr. Ram Gopal Patwari, Chairman and Executive Director, is subject to the condition that:

- a) the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or
  - b) if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits.
- A. Salary and Perquisites: Rs. 24,00,000/- per annum. or within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
- B. The Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - iii. Encashment of the leave at the end of the tenure.

## C. Other terms:

- i. He shall be entitled to re-imbusement of actual outof-pocket expenses incurred in connection with the business of the Company.
- ii. He shall be entitled to re-imbusement of entertainment expenses incurred for the business of the Company.
- iii. As long as he functions as Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
- iv. He shall be entitled to earned/privileged leave as per the Rules of the Company.
- v. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point
  - 1) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 197 of the Companies Act, 2013, along with the perquisites stated under point
  - 2) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.
- vi. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Director of the Company and as may be delegated to him from time to time.
- vii. He shall be liable to retire by rotation. Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of appointment shall be placed for the approval of the Shareholders in the Annual General Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Ram Gopal Patwari, Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board.

6. To consider the appointment of **Mr. Sanjay Patwari (DIN:00253330)** as Managing Director of the Company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

**“RESOLVED THAT** pursuant to the provisions under Sections 117(3), 170, 196, 197, 198, 203, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and further subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded for the appointment of Mr. Sanjay Patwari (DIN: 00253330) as Managing Director of the Company for a period of 5 (Five) years with effect from 25 August, 2020 on the terms and conditions including the remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

**RESOLVED FURTHER THAT** the remuneration as set out in the explanatory statement forming part of this resolution payable to Mr. Sanjay Patwari (DIN: 00253330), Managing Director for a period of 5 (Five) years w.e.f. 25<sup>th</sup> August, 2020, is subject to the condition that:

- a) the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or



- b) if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits.
- A. Salary and Perquisites: Rs. 24,00,000/- per annum. or within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
- B. The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - iii. Encashment of the leave at the end of the tenure.
- C. Other terms:
- i. He shall be entitled to re-imbursment of actual outof-pocket expenses incurred in connection with the business of the Company.
  - ii. He shall be entitled to re-imbursment of entertainment expenses incurred for the business of the Company.
  - iii. As long as he functions as Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
  - iv. He shall be entitled to earned/privileged leave as per the Rules of the Company.
  - v. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point
    - 1) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point
    - 2) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.
  - i. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from time to time.
  - ii. He shall not be liable to retire by rotation. Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of appointment shall be placed for the approval of the Shareholders in the Annual General Meeting.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Sanjay Patwari (DIN: 00253330) Managing Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board."

7. To consider re-appointment of **Mr. Nikhil Chandulal Popat (DIN:06448649) as Independent Director** on the Board of the Company and if thought fit, to pass the following resolution as Special Resolution, with or without modification(s):

**"RESOLVED THAT**, in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities



and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, Mr. Nikhil Chandulal Popat (DIN: 06448649) who was re-appointed as an Additional Independent Director of the Company with effect from 28<sup>th</sup> October, 2019 under Section 161 of the Companies Act, 2013 and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28<sup>th</sup> October, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

8. To consider re-appointment of **Mr. Ravi Shankar Sharma (DIN: 01427090) as Independent Director** on the Board of the Company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

“**RESOLVED THAT**, in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, Mr. Ravi Shankar Sharma (DIN: 01427090) who was re-appointed as an Additional Independent Director of the Company with effect from 28<sup>th</sup> October, 2019 under Section 161 of the Companies Act, 2013 and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 28<sup>th</sup> October, 2019 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

By order of the Board  
For **STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

Place: Hyderabad  
Date: 25.08.2020

Sd/-  
Sanjay Patwari  
Managing Director  
(DIN: 00253330)

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and Circular No. HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as ‘Circulars’) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment is provided separately.(See Annexure to this Notice)
3. Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed to and forms part of this Notice.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email from its registered email address to info@starliteglobal.in with a copy marked to [www.evotingindia.com](http://www.evotingindia.com).
6. Since the AGM being held through VC/OAVM, the Route Map is not attached to this Notice.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Members can contact the Company or Company's Registrars and Transfer Agents, M/s CIL Securities Limited for assistance in this regard.

8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s CIL Securities Limited in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to M/s CIL Securities Limited in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s CIL Securities Limited in case the shares are held in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s CIL Securities Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 25, 2020 through email: [info@starliteglobal.in](mailto:info@starliteglobal.in). The same will be replied by the Company suitably.
14. Members are requested to note that, dividends, if any, if not en-cashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report and FAQ of investor page on Company's website.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website, websites of the Stock Exchanges i.e. Metropolitan Stock Exchange of India at [www.msei.in](http://www.msei.in) respectively, and on the website [www.evotingindia.com](http://www.evotingindia.com)
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of CDSL.
18. Instructions for e-voting and joining the AGM are as follows:
  - A. VOTING THROUGH ELECTRONIC MEANS
    - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
    - ii. The remote e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 22 September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM

through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- iii. The Board of Directors has appointed Akhil Mittal (Membership No. ACS 38717) of Akhil Mittal & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com). However, if he/she is already registered with CSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on "Shareholders" module.
  - (iii) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at-least **4 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@starliteglobal.in](mailto:info@starliteglobal.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

General Guidelines for Members

- I. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
- II. There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- III. **The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.**
- IV. The declared Results, along with the Scrutinizer’s Report, will be available forthwith on the Company’s corporate website [www.starliteglobal.in](http://www.starliteglobal.in) under the section ‘Investor Relations’ and on the website of CDSL; such Results will also be forwarded to the Metropolitan Stock Exchange of India Limited, where the Company’s shares are listed.

By order of the Board  
For **STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

Sd/-

Sanjay Patwari  
Managing Director  
(DIN: 00253330)

Place: Hyderabad  
Date: 25.08.2020



**Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013****ITEM NO 4:**

Your company has entered into transactions with the entities, as mentioned in the Resolution, which are falling under the definition of "related party" as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Pursuant to provisions of Section 188(1) of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section requires a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of Ordinary Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15(3) of the said Rules. Further, as required under Regulation 23 of SEBI Listing Regulations, all material related party transactions shall require approval of the shareholders through Resolution. The Company, in ordinary course of its business, regularly does the transactions with the related parties including those mentioned in the Notice on an arm's length basis. On basis of the same, the Company hereby proposes to seek shareholders' approval for the said transactions by way of an Ordinary Resolution under Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI Listing Regulations, to enable the Company to enter into Related Party Transactions in one or more tranches. The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are mentioned in the said resolution item no. 4 of the Notice.

Further, as per Regulation 23(5) OF SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), the transaction between Holding Company and its wholly-owned Subsidiary Company whose accounts are consolidated are exempted for the approval of member. Therefore, any Related Party Transaction between the Company and Starlite Fashions Private Limited and Starlite Global Enterprises FZE are exempted for approval of member.

During the Financial year 2020-2021, the Equity Shares of your Company got listed with Metropolitan Stock Exchange of India on July 21, 2020, accordingly the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applicable from the date of listing. Your Company has entered into Related Party Transactions with Related Parties as defined under section 2(76) of the Companies Act, 2013 and applicable Accounting Standards, as detailed below during FY 2019-20, which are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company and therefore approval of the Members is sought to ratify below mentioned related party transaction made by the Company during FY 2019-20.

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all entities falling under the definition of related parties shall not vote to approve any related party transaction, irrespective of whether the entity is a party to the transaction or not. Therefore, none of the Promoter Group entities holding share(s) will vote on the above Resolution.

The Board considers that the proposed arrangements with the related parties, are in the ordinary course of business. Except all promoter Directors who holds directorship in some of the related parties, none of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution as set out in Item No.4 of this Notice for approval of the Members.

**ITEM NO 5:**

Mr. Ram Gopal Patwari vacated office as Managing Director with effect from 25<sup>th</sup> August 2020. The Board at the aforesaid meeting, on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the appointment of Mr. Ram Gopal Patwari as Chairman and Executive Director of the Company as set out in the Resolution.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Ram Gopal Patwari as Chairman and Executive Director of the Company, has been received by the Company and consent has been filed by Mr. Ram Gopal Patwari pursuant to Section 152 of the Act.

Mr. Ram Gopal Patwari, aged 80 years was designated as Chairman and Managing Director of the Company till 25<sup>th</sup> August 2020. He has been affiliated with the Company as Managing Director of the Company since 1971 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Spinning Mills, Textile and Real Estate Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. It may be recalled that Mr. Ram Gopal Patwari, at the request of the Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board'), recognising the need for orderly transition has agreed to continue as Chairman in Executive capacity and also play the role of Mentor to the management.

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended, No listed entity shall appoint a person or continue the directorship of any person as an Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The Board of Directors of the Company in its meeting held on 25<sup>th</sup> August 2020, in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date, considered and approved the appointment of Mr. Ram Gopal Patwari as Executive Director of the Company in terms of provisions of Sections 117(3), 152, 170, 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, liable to retire by rotation, subject to the approval of members by way of special resolution as mandated under Regulation 17 of the Regulations, as amended, the age of Mr. Ram Gopal Patwari being more than seventy five years during his proposed tenure.

The Board of Directors of the Company ('the Board') at the meeting held on 25<sup>th</sup> August, 2020, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Ram Gopal Patwari as Chairman & Executive Director of the Company with effect from the said date.

- a) the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or
- b) if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits.

A. Salary and Perquisites: Rs. 24,00,000/- per annum. or within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.

B. The Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. Encashment of the leave at the end of the tenure.

C. Other terms:

- i. He shall be entitled to re-imbursalment of actual outof-pocket expenses incurred in connection with the business of the Company.
  - ii. He shall be entitled to re-imbursalment of entertainment expenses incurred for the business of the Company.
  - iii. As long as he functions as Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
  - iv. He shall be entitled to earned/privileged leave as per the Rules of the Company.
  - v. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point
- 1) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 197 of the Companies Act, 2013, along with the perquisites stated under point
  - 2) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.



- vi. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Director of the Company and as may be delegated to him from time to time.
- vii. He shall be liable to retire by rotation. Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of appointment shall be placed for the approval of the Shareholders in the Annual General Meeting.

The brief resume of Mr. Ram Gopal Patwari as Chairman & Executive Director of the Company, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolution as mentioned at item no. 5 of this Notice for approval of the Members of the Company. Mr. Ram Gopal Patwari is interested in the proposed resolution. Mr. Sanjay Patwari & Mrs. Sangeeta Tibrewala being related to Mr. Ram Gopal Patwari, may also be deemed to be interested in the said resolution. None of the other directors or key managerial personnel of the Company are concerned or interested in the proposed Resolution.

#### **ITEM NO 6:**

Mr. Sanjay Patwari, aged 56 years is presently designated as Managing Director of the Company. He has deep exposure in Marketing, Purchase, Production. He has in-depth knowledge of the core business of the Company i.e. Spinning Mills, Textile and Real Estate Industry. He has been affiliated with the Company as a member of the Board of Directors since 1988-89 and from then the Company has gained from his visionary approach. He has a vast experience of about three decades and wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of industrial units of the Company along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board. Mr. Sanjay Patwari has been instrumental in pressing forward the art of manufacturing and keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company.

In appreciation of contributions and continuing commendable leadership of Mr. Sanjay Patwari, Managing Director and pursuant to provisions of 117(3), 170, 196, 197, 198, 203, Schedule V as applicable and other applicable provisions, if any of the Companies Act, 2013, the Board has proposed to appoint him as Managing Director of the Company for a period of 5 (Five) years on the terms and conditions as set out below as recommended by the Nomination and Remuneration Committee in its Meeting held on 25<sup>th</sup> August 2020 and further approved by the Board of Directors in its meeting held on 25<sup>th</sup> August 2020.

The material terms of appointment and remuneration are given below:-

- a) the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or
  - b) if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits.
- A. Salary and Perquisites: Rs. 24,00,000/- per annum. or within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
  - B. The Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:
    - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
    - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
    - iii. Encashment of the leave at the end of the tenure.

## C. Other terms:

- i. He shall be entitled to re-imbusement of actual outof-pocket expenses incurred in connection with the business of the Company.
- ii. He shall be entitled to re-imbusement of entertainment expenses incurred for the business of the Company.
- iii. As long as he functions as Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
- iv. He shall be entitled to earned/privileged leave as per the Rules of the Company.
- v. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point
  - 1) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point
  - 2) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.
- vi. Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Joint Managing Director of the Company and as may be delegated to him from time to time.
- vii. He shall not be liable to retire by rotation. Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of appointment shall be placed for the approval of the Shareholders in the Annual General Meeting.

The Board of Directors of the Company ('the Board') at the meeting held on 25<sup>th</sup> August, 2020 , on the recommendation of the Nomination & Remuneration Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Sanjay Patwari as Managing Director of the Company with effect from the said date.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 06 of the Notice.

The brief resume of Mr. Sanjay Patwari as Managing Director of the Company, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolution as mentioned at item no. 6 of this Notice for approval of the Members of the Company. Mr. Sanjay Patwari is interested in the proposed resolution. Mr. Ram Gopal Patwari & Mrs. Sangeeta Tibrewala being related to Mr. Sanjay Patwari, may also be deemed to be interested in the said resolution. None of the other directors or key managerial personnel of the Company is concerned or interested in the proposed resolution.

**ITEM NO 7:**

Mr. Nikhil Chandulal Popat, aged 57 years is a Non-Executive Independent Director of the Company since 12<sup>th</sup> December, 2014. He is a qualified Company Secretary. He has over 37 years of work experience in the field of Trade, Finance, Accounts and Construction. He is the Managing Director of Popat and Popat Consulting Private Limited.

The members of the Company in their Annual General Meeting held on 30 September, 2015 approved the appointment of Mr. Nikhil Chandulal Popat as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

In terms of the above, the present tenure of Mr. Nikhil Chandulal Popat as a Non-Executive Independent Director of the Company was supposed to expire on 11<sup>th</sup> December 2019. However, the Board of Director of the Company in their meeting held on 28<sup>th</sup> October 2019 re-appointed Mr. Nikhil Chandulal Popat as a Non-Executive Independent Director (Additional Director) of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to approval of Shareholder in the Annual General Meeting. In accordance with the provisions of Section 161 of

Companies Act, 2013, Mr. Nikhil Chandulal Popat shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years.

The Board of Directors of the Company in its meeting held on 25<sup>th</sup> August 2020, in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date, considered and approved the appointment of Mr. Nikhil Chandulal Popat as a Non-Executive Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 for a period of 5 (Five) Years, subject to the approval of members by way of special resolution.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Nikhil Chandulal Popat as a candidate for the office of Non Executive Independent Director of the Company. In the opinion of the Board, Mr. Nikhil Chandulal Popat fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non Executive Independent Director of the Company and is independent of the management.

Mr. Nikhil Chandulal Popat is the Chairman of Nomination and Remuneration Committee of the Company.

Mr. Nikhil Chandulal Popat is not related in any capacity whether directly or indirectly with any other Director, Manager and Key Managerial Personnel (KMP) of the Company.

Mr. Nikhil Chandulal Popat has a vast experience on all aspects of Trade, Finance, Accounts and Construction is an expert in the field of finance and the Company has been taking his guidance and supervision over a period of years since his appointment as a result of which the Company has been able to generate the avenues of finance in a feasible manner which in turn has resulted in growth and success of the Company. With the appointment of Mr. Nikhil Chandulal Popat, the Company can continue to take advantage of his valuable guidance and achieve further growth and success in the subsequent period.

In view of his enriched experience and appreciable contribution, the approval of members by way of special resolution is being sought to appoint Mr. Nikhil Chandulal Popat as a Non Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution as set out at Item No. 07 of the Notice in relation to appointment of Mr. Nikhil Chandulal Popat as a Non Executive Independent Director, for the approval by the members of the Company.

The brief resume of Mr. Nikhil Chandulal Popat as a Non Executive Independent Director of the Company, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

Except Mr. Nikhil Chandulal Popat, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 07 of the Notice.

#### **ITEM NO: 8**

Mr. Ravi Shankar Sharma, aged 77 years is a Non-Executive Independent Director of the Company since 12<sup>th</sup> December, 2014. He is Bachelor-Engineering in Chemical Technology. He has over 47 years of diversified work experience in the various industries like IT Services, Manufacturing, Automative, Financial Services, Power, Clinical and Telecom.

The members of the Company in their Annual General Meeting held on 30 September, 2015 approved the appointment of Mr. Ravi Shankar Sharma as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

In terms of the above, the present tenure of Mr. Ravi Shankar Sharma as a Non-Executive Independent Director of the Company was supposed to expire on 11<sup>th</sup> December 2019. However, the Board of Director of the Company in their meeting held on 28<sup>th</sup> October 2019 re-appointed Mr. Ravi Shankar Sharma as a Non-Executive Independent Director (Additional Director) of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to approval of Shareholder in the Annual General Meeting. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Ravi Shankar Sharma shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years.

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended, No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The Board of Directors of the Company in its meeting held on 25<sup>th</sup> August 2020, in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on even date, considered and approved the appointment of Mr. Ravi Shankar Sharma as a Non-Executive Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 for a period of 5 (Five) Years, subject to the approval of members by way of special resolution as mandated under Regulation 17 of the Regulations, as amended, the age of Mr. Ravi Shankar Sharma being more than seventy five years during her proposed tenure.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Ravi Shankar Sharma as a candidate for the office of Non Executive Independent Director of the Company. In the opinion of the Board, Mr. Ravi Shankar Sharma fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non Executive Independent Director of the Company and is independent of the management.

Mr. Ravi Shankar Sharma holds the position of Chairman of the Audit Committee of Board of the Company. He is a Member of Audit Committee and Nomination and Remuneration Committee of the Company.

Mr. Ravi Shankar Sharma is not related in any capacity whether directly or indirectly with any other Director, Manager and Key Managerial Personnel (KMP) of the Company.

Mr. Ravi Shankar Sharma has a vast experience on all aspects of IT Services, Manufacturing, Automative, Financial Services, Power, Clinical and Telecom and the Company has been taking his guidance and supervision over a period of years since his appointment as a result of which the Company has been able to generate the avenues of finance in a feasible manner which in turn has resulted in growth and success of the Company. With the appointment of Mr. Ravi Shankar Sharma, the Company can continue to take advantage of his valuable guidance and achieve further growth and success in the subsequent period.

In view of his enriched experience and appreciable contribution, the approval of members by way of special resolution is being sought to appoint Mr. Ravi Shankar Sharma as a Non Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution as set out at Item No. 08 of the Notice in relation to appointment of Mr. Ravi Shankar Sharma as a Non Executive Independent Director, for the approval by the members of the Company.

The brief resume of Mr. Ravi Shankar Sharma as a Non Executive Independent Director of the Company, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

Except Mr. Ravi Shankar Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 08 of the Notice.

By order of the Board  
**For STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

Place: Hyderabad  
Date: 25.08.2020

Sd/-  
Sanjay Patwari  
Managing Director  
(DIN: 00253330)

**STATEMENT OF PARTICULARS  
(ANNEXURE-A)**

**(PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013) MR. RAM GOPAL PATWARI, EXECUTIVE DIRECTOR  
AND MR. SANJAY PATWARI, MANAGING DIRECTOR**

<b>Sl. No.</b>	<b>Particulars/Subject</b>	<b>Information</b>
1.	Nature of industry	Spinning Mill, Real Estate and Solar Power
2.	Date or expected date commercial Production of commencement of the Company	The Company has been operating since 1962.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	In the Financial Year 2019-2020, the Company made a turnover of Rs. 12,95,44768 (Gross) and Profit of Rs. 5,45,89,697 after tax.
5.	Export performance collections and net foreign exchange	There was no export during the financial year 2019-2020, but the Company has earned 12022\$(USD) equivalent to 8.37 lakhs.
6.	Foreign Investments or collaborators, if any.	The Company has a foreign subsidiary with name Starlite Global Enterprises (FZE) in UAE

**I. INFORMATION ABOUT THE APPOINTEE**

**A. MR. RAM GOPAL PATWARIL, EXECUTIVE DIRECTOR**

1.	Background Details	Mr. Ram Gopal Patwari, aged 80 years was designated as Chairman and Managing Director of the Company till 25th August 2020. He has been affiliated with the Company and managing Director of the Company since 1971 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Spinning Mills, Textile and Real Estate Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel.
2.	Past remuneration	Mr. Ram Gopal Patwari has been drawing the minimum remuneration of Rs 12 lakhs p.a. subject to the maximum salary of Rs 18 lakhs approved in the Annual General Meeting held on 30.09.2015 as per the then prevailing Section II of Part II of Schedule V of the Companies Act, 2013 Pursuant to the shareholder's approval granted in the Annual General Meeting held on 30.09.2015.
3.	Recognition or awards	None
4.	Job profile and his suitability	Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Spinning Mills, Textile and Real Estate Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the re-appointment of Mr. Ram Gopal Patwari as Chairman & Executive Director, liable to retire by rotation, w.e.f. 25th August 2020, as per the details stated in explanatory statement of Item No. 05 of the Notice.



5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 06 of the Notice. The remuneration proposed is within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders which is comparable with the Companies of the same size and profitability.
7.	Pecuniary relationship directly or indirectly with the Company personnel, if any	Mr. Ram Gopal Patwari is related to Mr. Sanjay Patwari and Mrs. Sangeeta Tibrewala, no other director or relative is having any material pecuniary relationships with the Company. During the period ended on 31 March, 2020, related party transaction as mentioned. Mr. Ram Gopal Patwari also drew their remunerations in the period amounting to Rs.12,00,000 FY 2019-20. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transaction every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transaction is prejudicial to the interest of the Company.

**B. MR. SANJAY PATWARI, MANAGING DIRECTOR**

1.	Background Details	Mr. Sanjay Patwari holds a Bachelor's Degree B.Tech Textile. Mr. Sanjay Patwari has deep exposure in Marketing, Purchase, Production. He has in-depth knowledge of the core business of the Company i.e. Spinning Mills, Textile and Real Estate Industry. He has been affiliated with the Company as a member of the Board of Directors since 01 July, 1996 and from then the Company has gained from his visionary approach. He has a vast experience of about three decades and wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of industrial units of the Company.
2.	Past remuneration	Mr. Sanjay Patwari has been drawing the minimum remuneration of Rs 24 lakhs p.a. as per the then prevailing Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the shareholder's approval granted in the Annual General Meeting held on 30.09.2019.
3.	Recognition or awards	During the tenure of Sanjay Patwari, the Company has got listed it on Metropolitan Stock Exchange of India.
4.	Job profile and his suitability	Sanjay Patwari has been instrumental in pressing forward the art of business operations and keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the re-appointment of Sanjay Patwari as Managing Director for a further period of 5 (Five) Years w.e.f. 25 <sup>th</sup> August 2020, as per the details stated in explanatory statement of Item No. 06 of the Notice.
5.	Remuneration proposed	Salary, other perquisites and other terms as fully set out in the explanatory statement of item no. 06 of the Notice. The remuneration proposed is within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is within the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders which is comparable with the Companies of the same size and profitability.

7.	Pecuniary relationship directly or indirectly with the Company personnel, if any	Mr. Sanjay Patwari is related to Mr. Ram Gopal Patwari and Ms. Sangeeta Tibrewala, no other director or relative is having any material pecuniary relationships with the Company. During the period ended on 31 March, 2020, related party transaction as mentioned. Mr. Sanjay Patwari also drew their remunerations in the period amounting to Rs.9,00,000 FY 2019-20. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transaction every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transaction is prejudicial to the interest of the Company.
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## II. OTHER INFORMATION

1.	Reason of loss or inadequate profits	In the Financial Year ended 31 March, 2020, the Company made Profit after Tax of Rs. 5,45,89,697.  The proposed remuneration is within than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.
2.	Steps taken or proposed to be taken for improvement	The Company has adopted the following measures to improve the profitability: <ul style="list-style-type: none"> <li>• Modernization of existing facilities to improve overall operating efficiency and gear up for catering to higher demand.</li> <li>• Widening of customer base and better market penetration, especially in overseas market.</li> <li>• Conscious effort to develop products/customers base in alternate market segments.</li> <li>• Technology up gradation by way of investing in state of the art machinery to meet stringent quality requirements of customers.</li> <li>• Focus on significant improvements in operating costs.</li> <li>• Cost control in all areas.</li> <li>• Deeper penetration in the replacement market in India &amp; abroad.</li> <li>• Improving the quality to make products competitive in Indian &amp; Overseas markets.</li> </ul>
3.	Expected increase in the productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

### **BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

<b>Name of Director</b>	Mr. Ram Gopal Patwari	Mr. Sanjay Patwari
<b>Date of Birth</b>	04/01/1940	15/07/1964
<b>DIN</b>	<u>00975555</u>	<u>00253330</u>
<b>Year of Appointment</b>	1971	1988-89
<b>Expertise in specific Functional Area</b>	Mr. Ram Gopal Patwari has been affiliated with the Company as a member of the Board of Directors since 1971 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Spinning Mills, Textile and Real Estate Industry. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company.	Mr. Sanjay Patwari has deep exposure in Marketing, Purchase, Production. He has in-depth knowledge of the core business of the Company i.e. Spinning Mills, Textile and Real Estate Industry. He has been affiliated with the Company as a member of the Board of Directors since 01 July, 1996 and from then the Company has gained from his visionary approach. He has a vast experience of about three decades and wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of industrial units of the Company.



<b>Qualifications</b>	M.Com	B.Tech Textile
<b>Terms and conditions of appointment or reappointment</b>	appointment as Chairman and Executive Director liable to retire by rotation	appointment as Managing Director for a period of 5 Years
<b>Directorships held in listed companies</b>	Not Applicable	Not Applicable
<b>Chairmanship of Committees in other listed Companies</b>	Not Applicable	Not Applicable
<b>Number of shares held in the Company</b>	9,36,608 Equity Shares	4,90,496 Equity Shares
<b>Disclosure of relationships between directors interse</b>	Mr.Ram Gopal Patwari is related to Mr.Sanjay Patwari and Ms.Sangeeta Tibrewala	Mr.Sanjay Patwari is related to Mr. Ram Gopal Patwari and Ms. Sangeeta Tibrewala

<b>Name of Director</b>	<b>Mr. Nikhil Chandulal Popat</b>	<b>Mr. Ravi Shankar Sharma</b>
<b>Date of Birth</b>	20/10/1963	30/10/1943
<b>DIN</b>	06448649	01427090
<b>Date of Appointment</b>	12/12/2014	12/12/2014
<b>Expertise in specific Functional Area</b>	Mr. Nikhil Chandulal Popat, aged 57 years is a Non-Executive Independent Director of the Company since 12 <sup>th</sup> December, 2014. He is a qualified Company Secretary. He has over 37 years of work experience in the field of Trade, Finance, Accounts and Construction. He is the Managing Director of Popat and Popat Consulting Private Limited.	Mr. Ravi Shankar Sharma, aged 77 years is a Non-Executive Independent Director of the Company since 12 <sup>th</sup> December, 2014. He is Bachelor-Engineering in Chemical Technology. He has over 47 years of diversified work experience in the various industries like IT Services, Manufacturing, Automotive, Financial Services, Power, Clinical and Telecom.
<b>Qualifications</b>	Company Secretary	Bachelor-Engineering in Chemical Technology
<b>Terms and conditions of appointment or reappointment</b>	To appoint Mr. Nikhil Chandulal Popat as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013.	To appoint Mr. Ravi Shankar Sharma as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years in terms of the provisions of Section 149 of the Companies Act, 2013.
<b>Directorships held in listed companies</b>	Not Applicable	Not Applicable
<b>Chairmanship of Committees in other listed Companies</b>	Not Applicable	Not Applicable
<b>Number of shares held in the Company</b>	Not Applicable	Not Applicable
<b>Disclosure of relationships between directors interest</b>	Not Applicable	Not Applicable

**DIRECTORS' REPORT**

**To the Members,**

The Directors of your Company have pleasure in submitting this 57<sup>th</sup> Annual Report on the working of your Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020.

**1. SUMMARY OF FINANCIAL PERFORMANCE**

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31.03.20	31.03.19	31.03.20	31.03.19
Total Revenue	1295.45	983.05	3069.80	3200.05
Total Expenses	1162.87	910.95	2786.60	3043.79
Exceptional Items	495.30	0.00	495.30	0.00
<b>Profit or( Loss) before Tax</b>	<b>627.88</b>	<b>72.11</b>	<b>778.49</b>	<b>156.26</b>
Less: Current Tax	104.67	13.69	111.55	13.69
: Deferred Tax	-22.69	3.375	-20.45	0.50
<b>Profit or Loss After Tax</b>	<b>545.90</b>	<b>55.06</b>	<b>687.40</b>	<b>142.11</b>
Add/(Less) Minority Interest	--	--	--	--
Add: Balance as per last Balance Sheet	--	--	--	--
Less: Transfer to Reserves	--	--	--	--
Less: Dividend on Preference Shares	--	--	--	--
Less: Dividend Tax	--	--	--	--
<b>Balance Transferred to Balance Sheet</b>	<b>545.90</b>	<b>55.06</b>	<b>687.40</b>	<b>142.11</b>

**1.1. FINANCIAL PERFORMANCE FOR THE YEAR - Standalone**

- The revenue of the Company has increased by 31.78% to Rs.1295.45 lakhs as compared to Rs.983.05 lakhs in the previous year.
- The Profit after Tax of the Company has increased by 892% to Rs.545.90 lakhs as compared to ₹.55.06 lakhs in the previous year, mainly due to exceptional income of Rs.495.30lakh realized in the year under report.

**1.2. FINANCIAL PERFORMANCE FOR THE YEAR – Consolidated**

- The Consolidated revenue of the Company has decreased by 4.07% to Rs.3069.79 lakhs as compared to Rs.3200.05 lakhs in the previous year.
- The Profit after Tax of the Company has increased by 384% to Rs.687.39 lakhs as compared to Rs.142.10 lakhs in the previous year, mainly due to exceptional income of Rs.495.30lakh realized in the year under report.

**2. SHARE CAPITAL**

The Authorized Share Capital of the Company is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs 10 each, out of which the issued and paid up Capital of the Company is Rs. 3,97,28,240 divided into 39,72,824 equity shares of Rs 10 each.

During the year under review, the Company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
NIL	Nil	Nil	Nil	Nil

**3. TRANSFER TO RESERVES**

There is no transfer of amount made to General Reserve.

**4. DIVIDEND**

In view of the ongoing plans to expand capacity of the plant, the Board of Directors has felt it prudent to conserve the financial resources of the Company. Consequently, no dividend has been recommended by the Board for the financial year under review.

**5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In compliance with the provisions of Section 205C and other applicable provisions of Companies Act, 1956 and Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, Dividends that are unpaid/unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government into the specified bank account of the IEPF, Government of India, towards unclaimed or unpaid dividend amount for any financial year. As per the said Rules, the corresponding equity shares in respect of which Dividend remains unclaimed or unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority.

The Company has unclaimed Dividend which shall be transferred to Investor Education and Protection Fund after the completion of seven years pursuant to Sections 124 and 125 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). During the financial year 2019-20, there was no unpaid or unclaimed dividend which required to be transferred to the IEPF Authority, in compliance with the aforesaid Rules.

**6. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

There has been no change in Nature of Business of the Company during the Financial Year 2019-20. Your Company is constantly striving to create world class solutions in real estate and uplift the quality of life. Over the decades it has been engaged in a well thought out diversified business activities and in that process, it has been evolving as a professionally managed organization striving for excellence.

During the last few years, your Company has established Forward integration projects by setting up 3MW solar projects and 90000 sq feet plug and play RTO Office space in Hyderabad. Beside this, your company has continued to do well in its overseas subsidiaries yielding good results for the Company.

**7. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT**

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year, i.e., March 31, 2020 and the date of this Report.

However during financial year 2020-21, the Company got listed on Metropolitan Stock Exchange of India w.e.f 21<sup>st</sup> July 2020.

**8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Sl.No.	Name subsidiary/ Joint Venture/ Associate Company	Date of Incorporation/ Acquisition	Country	Business
1	Starlite Global Enterprises FZE	07/07/2010	UAE	General Trading
2	Starlite Fashion Private Limited	09/07/1999	India	Retails Textiles & Property Management
3	Starlite Global Enterprises Maroco	24/12/2012	Morocco	General Trading
4	Texyarn Starlite, Tanger	19/04/2016	Tanger Free Zone, Morocco	Fabrication of cotton Yarn and establishment of Industrial shed in free zone.

The Company has following subsidiary companies during the year under review as per details given hereunder:  
During the year under review, no company became or ceased to be a subsidiary, joint venture or associate of the Company.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 (as amended), a statement containing the salient features of Financial Statements of the aforesaid Subsidiaries (including highlights of their performance and contribution to the overall performance of the Company) has been provided in Form AOC-1 which forms part of this Annual Report and the same is annexed as **Annexure - I** to this Board's Report.

The Audited Consolidated Financial Statements (CFS) of your Company for the financial year ended March 31, 2020, prepared in compliance with the provisions of Ind AS 27 issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India also form part of this Annual Report.

Details of the Subsidiaries are given in the Extract of Annual Return in Form No. MGT - 9 as on March 31, 2020 and the same is annexed as **Annexure - II** to this Board's Report.

## 9. AUDIT AND AUDITORS

### 9.1. STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Act read with provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s K.Y & CO, Chartered Accountants (ICAI Firm Registration No. 016381S) was appointed as the Auditors of the Company for a consecutive period of 5 (five) years from conclusion of the 55th AGM held in the year 2018 until conclusion of the 59th AGM of the Company scheduled to be held in the year 2022.

Your Company has received a certificate from M/s K.Y & CO, Chartered Accountants confirming their eligibility to continue as the Auditors of the Company in terms of the provisions of the Act and the Rules framed thereunder.

The reports given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

### 9.2. SECRETARIAL AUDITORS

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board at its meeting held on August 25 2020 appointed Mr. Akhil Mittal (ICSI Membership No. ACS 38717 and C. P. No. 21095) of M/s. Akhil Mittal & Associates, Company Secretaries, Hyderabad, as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2020 and to submit Secretarial Audit Report.

The Secretarial Audit Report as received from M/s. Akhil Mittal & Associates in the prescribed Form No. MR - 3 is annexed to this Board's Report and marked as **Annexure - IV**.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## 10. CORPORATE GOVERNANCE

In compliance with Regulation 34 of the Listing Regulations read with Schedule V thereto, the Corporate Governance Report of your Company for the financial year ended March 31, 2020 is annexed as **Annexure - V** and forms part of this Annual Report.

## 11. SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on March 31, 2020, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's Report and Financial Statements which form part of this Annual Report.

## 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### 12.1. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken – Your Company was the first to establish a 3MW Solar Power generation plant.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Not applicable in view of the nature of activities carried on by the Company.
- c) Impact of the measures taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – About 5700 tonnes of CO2 offset by Renewable Energy generation at its Sadashivpet land for the State Government of Telengana and this resulted in offsetting 5700 tonnes of CO2 per year . Hence your Company has contributed greatly for use of Renewable Energy.
- d) Total energy consumption and energy consumption per unit of production as per Form A to the Annexure to the Rules in respect of industries specified in the Schedule thereto - Not applicable.

**12.2. TECHNOLOGY ABSORPTION**

Your Company is consistently implementing the latest technology available while commissioning the solar power plant and in construction activities relating to the proposed commercial and shopping complex.

**12.3. FOREIGN EXCHANGE EARNING AND OUTGO**

There is foreign exchange inflow and Outflow during the year under review, the details of same are given in Notes of the Financial Statement.

Foreign Exchange Earnings	8,37,000/-
Foreign Exchange Outgo	31,00,000/-

**13. COMMITTEES**

The Chairman informed the members that the Company has 2 Committees for the year 2019- 20 as report:

**13.1 AUDIT COMMITTEE**

The Audit Committee constituted has following members:

S.No.	Name of the Director	Position	Category
1	Mr. Ravi Shankar Sharma	Chairman	Independent Director
2	Mr. Nikhil Chandulal Popat	Member	Independent Director
3	Mrs. Sanjay Patwari	Member	Non-Executive Director

Since Mr. Sanjay Patwari is holding the position of whole time Director of the Company, it is necessary, as per the **SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015** to reconstitute the Committee.

The Audit Committee with following members was constituted and approved on the Board Meeting held on 25.08.2020:-

1. Mr Ravi Shankar Sharma
2. Mr. Nikhil Chandulal Popat
3. Mrs. Sangeeta Tibrewala

**13.2 NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee constituted has following members:

S.No.	Name of the Director	Position	Category
1	Mr. Nikhil Chandulal Popat	Chairman	Independent Director
2	Mr. Ravi Shankar Sharma	Member	Independent Director
3	Mrs. Sangeeta Tibrewala	Member	Non-Executive Director

The Management has constituted two more Committees in the Board meeting held on 25.08.2020.

**13.3 CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

At the end of Financial year 2019-2020 the Company has crossed the threshold limit of net profit of rupees five crore and therefore has constituted Corporate Social Responsibility Committee in its Board meeting dated 25<sup>th</sup> August 2020.

Following are the member of the Corporate Social Responsibility Committee:

S.No.	Name of the Director	Position	Category
1	Mr. Ravi Shankar Sharma	Chairman	Independent Director
2	Mr. Ram Gopal Patwari	Member	Director
3	Mrs. Sangeeta Tibrewala	Member	Non-Executive Director

The Company is already involved in Corporate Social Responsibility activities. The Chairman would like to apprise that the Company through its group company has spent Rs.12.82 lakhs in Gau Shala at Dabilpur, Medchal District.

The Corporate Social Responsibility Committee shall be forming the CSR policy of the Company and also recommend the activities to be undertaken by the Company for the contribution under CSR during financial year 2020-2021.

### 13.4 STAKEHOLDER COMMITTEE

The board of Directors in their Board Meeting dated 25th August 2020 constituted Stakeholder Committee and following are the member of Stakeholder Committee:

S.No.	Name of the Director	Position	Category
1	Ms. Ravi Shankar Sharma	Chairman	Independent Director
2	Mr. Ram Gopal Patwari	Member	Director
3	Mr. Sanjay Patwari	Member	Director

### 14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as **Annexure II** which forms an integral part of this Report.

### 15. LISTING OF COMPANY'S SHARES:

Your Board would be glad to inform you that that our Company has been listed on the Metropolitan Stock Exchange of India with effective from 21<sup>st</sup> July 2020.

### 16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In terms of Section 186 of the Act and Rules framed thereunder, details of the Loans given and Investments made by your Company have been disclosed in the Notes to Financial Statements for the year ended March 31, 2020, which forms part of this Annual Report. Your Company has not given any guarantee or provided any security during the year under review.

### 17. RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2020, all transactions with the Related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations").

During the year under review, your Company did not enter into any Related Party Transaction which requires prior approval of the Members. All Related Party Transactions entered into by your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations.

During the year under review, there have been no materially significant Related Party Transactions having potential conflict with the interest of the Company. All Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis. Necessary disclosures required under the Ind AS 24 have been made in the Notes to the Financial Statements for the year ended March 31, 2020.

Details pursuant to the transactions to compliance of section 134(3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 are annexed herewith as per prescribed Form AOC-2 as **Annexure-III**.

**18. DIRECTORS AND KEY OFFICERS**

Your Board comprises persons namely-

Sl. No.	Name of the Director	Designation
1	Mr. Ram Gopal Patwari	Managing Director
2	Mr. Sanjay Patwari	Whole time Director
3	Mrs. Sangeeta Tibrewala	Director
4	Mr. Ravi Shankar Sharma	Independent Director
5.	Mr. Nikhil Chandulal Popat	Independent Director

During the year under review there has been changes in the Board composition as Mr. Sanjay Patwari was appointed as a Whole time Director dated in the extraordinary meeting held on 28<sup>th</sup> May 2019.

The Board has, at its meeting held on August 25, 2020, approved the appointment of:

1. Mr. Ram Gopal Patwari, Managing Director of the Company, is reappointed as an Executive Director and Chairman on the Board of the Company with effect from August 25, 2020, liable to retire by rotation, subject to the approval of the shareholders.
2. Mr. Sanjay Patwari, as Managing Director of the Company for a term of 5 years with effect from August 25, 2020, subject to approval of the shareholders of the Company.
3. Ms. Parul Gupta Company Secretary and Compliance officer of the Company

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee reappointed Mr. Ravi Shankar Sharma and Mr. Nikhil Chandulal Popat (whose tenure as Independent Director was slated to complete on 11<sup>th</sup> December 2019) as Independent Directors on the Board of Directors of the Company in accordance with Section 149(4) of the Act, with effect from October 28<sup>th</sup>, 2019 to hold office for a term of 5 (five) consecutive years, subject to the approval of shareholders at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sangeeta Tibrewala, the Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and offers herself for re-appointment.

The Board recommends appointment of Director seeking appointment for the consideration of members of the Company in the ensuing Annual General Meeting. Appropriate resolutions and brief profile of for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting.

**18.1 KEY OFFICERS**

Mr. Pavan Rathi was appointed as Chief Financial officer and Ms. Sai Susmitha Bysani was appointed as Company Secretary in the Board meeting dated on 6<sup>th</sup> June 2019.

However, Ms. Sai Susmitha Bysani has tendered her resignation as Company Secretary and Compliance officer of the Company w.e.f 25<sup>th</sup> August, 2020 due to personal reasons and Ms. Parul Gupta was appointed as Company Secretary and Compliance officer and KMP of the Company in the Board meeting dated on 25<sup>th</sup> August 2020.

**19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

Total 8 (Eight) Board Meetings were held during the financial year 2019-20 as required u/s 134 (3) (b) of the Companies Act, 2013 and rules made thereunder. The intervening gap between two board meetings was within the period prescribed under the Companies Act, 2013 and as per Secretarial Standard-1. The prescribed quorum was presented for all the Meetings.

Board Meeting No.	Date of Board Meeting
01/2019-20	23-04-2019
02/2019-20	02-05-2019
03/2019-20	16-05-2019
04/2019-20	06-06-2019
05/2019-20	26-08-2020
06/2019-20	05-09-2019
07/2019-20	28-10-2019
08/2019-20	10-02-2020



Sl. No.	Name of the Director	No. of Board Meeting held	No. of Board Meeting Attended
1	Mr. Ram Gopal Patwari	8	8
2	Mr. Sanjay Patwari	8	8
3	Mrs. Sangeeta Tibrewala	8	6
4	Mr. Ravi Shankar Sharma	8	8
5.	Mr. Nikhil Chandulal Popat	8	8

## 20. INDEPENDENT DIRECTORS

### DECLARATION OF INDEPENDENT DIRECTORS

Mr. Ravi Shankar Sharma and Mr. Nikhil Chandulal Popat, Independent Directors of your Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

## 21. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. DEPOSITS

The Company has not accepted any deposits under the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

## 23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Your Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

## 24. DISCLOSURES ON REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

Details as required under Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), were not applicable to the Company for the financial year 2019-2020.

**25. RISK MANAGEMENT**

The Company has in place a mechanism to identify, assess, monitor, and mitigate various risks to key business set for the Company. As a part of Risk Management the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly. The Board does not foresee any risk which might threaten the existence of the Company.

**26. DISCLOSURE ON CONFIRMATION WITH SECRETARIAL STANDARD**

The Directors Confirm that the Secretarial standard issued by the Institute of Company Secretaries of India to be complied pursuant to the Companies Act 2013 and rules there made thereunder , have been duly Complied with.

**27. CERTIFICATE ON COMPLAINE OF CORPORATE GOVERNANCE**

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, a Certificate on Corporate Governance is not applicable.

**28. STATEMENT OF DEVIATION OR VARIATION**

In accordance with Regulation 32 read with Schedule V of the SEBI(Listing Obligation and Disclosure Requirement) Regulation 2015 Companies which have listed their specified securities shall furnish in the Report an explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue etc.

Since our Company has not made such transaction, so the same is not applicable on our Company.

**29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis report is a report enclosed as **Annexure VI** to this report.

**30. SUSPENSION OF TRADING**

As per Secretarial Standard 4, since the entity was listed on Metropolitan stock Exchange dated 21<sup>st</sup> August 2020, so the Board confirms that there is no suspension of trading.

**31. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 a committee called Internal Complaints Committee has been established to provide a mechanism to redress grievances pertaining to sexual harassment at workplace and Gender Equality of working women. During the year Company has not received any complaint pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**32. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Hyderabad  
Date: 25-08-2020

Sd/-  
(Sanjay Patwari)  
Managing Director  
(DIN:00253330)

Sd/-  
(Ram Gopal Patwari)  
Director  
(DIN:00975555)

**ANNEXURE - I****(Refer Item No.18 of the Directors Report)**

Statement Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act 2013,  
Read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed form  
AOC-1 relating to subsidiary companies

₹ In Lakhs

Sl.No	Name of the subsidiary company	Reporting Currency	Exchange Rate (₹ Per Unit)	Share Capital	Reserves & Surplus	Total Assets	Total liabilities	Investments	Turnover	Profit before Taxation	Provision For Taxation	Profit After Taxation	Proposed dividend	Extent of Shareholding (in percentage)	Country
1	M/s.Starlite Fashion Private Limited	INR	-	55.00	(34.27)	797.43	776.70	-	43.53	48.25	6.65	38.41	-	100	INDIA
2	M/s.Starlite Global Enterprises -FZE	AED	20.53	19.31	379.24	1267.69	398.55	-	2168.02	91.18	-	91.18	-	100	UAE
3	M/s.Starlite Global Enterprises Maroc, Tanger, Morocco	MAD	7.43	7.17	(2.15)	48.15	43.13	-	(Non-Operational)				100% Step down Subsidiary of FZE	Morocco	
4.	Texyarn Starlite, Tanger Free Zone, Tanger, Morocco	MAD	7.43	7.17	-	279.10	271.93	-	(Non-Operational)				100% Step down Subsidiary of FZE	Morocco	

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

Place: Hyderabad  
Date: 25-08-2020

Sd/-  
(Sanjay Patwari)  
Managing Director  
(DIN:00253330)

Sd/-  
(Ram Gopal Patwari)  
Director  
(DIN:00975555)

**ANNEXURE - II**

(Refer Item No.14 of the Directors Report)

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17110TG1962PLC000915
2.	Registration Date	03/07/1962
3.	Name of the Company	STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED.
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	OFFICE NO.603, SHANGRILA PLAZA, PLOT NO.14, ROAD NO.2, BANJARA HILLS, HYDERABAD
6.	Whether listed company	Metropolitan Stock Exchange of India*
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Raghav Ratna Towers, 214, Chirag Ali Ln, Abids, Hyderabad, Telangana 500001

\*The Equity Share of the Company were listed on Metropolitan Stock Exchange of India w.e.f. 21<sup>st</sup> July 2020.**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RENTING OF IMMOVABLE PROPERTY AND LAND	681- Real estate activities with own or leased property	74.51 %
2	GENERATION & DISTRIBUTION OF SOLAR POWER	35105-Electrical Power Generation Using Solar Power	25.49 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the company	CIN/GLN	holding/ subsidiary/ associate	% of shares held	applicable section
1	Starlite Fashion Pvt. Ltd Suite No.601, Shangrila Plaza, Plot No.14, Road No.2, Banjara Hills, Hyderabad TG 500034	U72200TG1999PTC032067	Wholly Owned Subsidiary	100	Sec 2(87)
2	Starlite Global Enterprises FZE SAIF Zone, Post Box 120692, Sharjah (UAE)	Not applicable	Subsidiary	100	Sec 2(87)
3	Starlite Global Enterprises Maroc, Tanger, Morocco	Not applicable	Step down Subsidiary	100	Sec 2(87)
4	Texyarn Starlite Tanger Free Zone, Tanger, Morocco.	Not applicable	Step down Subsidiary	100	Sec 2(87)

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

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
(1) Indian									
a) Individual/ HUF	-	2960846	2960846	74.53	-	2960846	2960846	74.53	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	-	2960846	2960846	74.53	-	2960846	2960846	74.53	0
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	-	111978	111978	2.79		111978	111978	2.79	No Change
c) Central Govt.									
d) State Govt(s).									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	-	111978	111978	2.82		111978	111978	2.82	No Change
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	110888	110888	2.79		110888	110888	2.79	No Change
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1lakh	-	94650	94650	2.38		94650	94650	2.38	No Change
ii) Individual shareholders holding nominal share capital in excess of ₹1lakh	-	694462	694462	17.48		694462	694462	17.48	No Change
c) Others (specify)									
Non Resident Indians									

Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies- D R									
<b>Sub-total (B)(2):-</b>	-	900000	900000	22.65		900000	900000	22.65	No Change
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	1011978	1011978	25.47		1011978	1011978	25.47	No Change
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	3972824	3972824	100		3972824	3972824	100	No Change

## ii. Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Ram Gopal Patwari	936608	23.58	-	936608	23.58	-	No Change
2.	Sanjay Patwari	490496	12.34	-	490496	12.34	-	No Change
3.	Smt. Sangeeta Tibrewala	74662	1.88	-	74662	1.88	-	No Change
4.	Mr. Sandeep Patwari	391442	9.85	-	391442	9.85	-	No Change
5.	Mrs. Chanda Patwari	541894	13.64	-	541894	13.64	-	No Change
6.	Mrs. Prachi Patwari	103000	2.59	-	103000	2.59	-	No Change
7.	Mr. Udhav Patwari	90000	2.26	-	90000	2.26	-	No Change
8.	Smt. Shailaja Patwari	103000	2.59	-	103000	2.59	-	No Change
9.	Miss Vedika Patwari	83252	2.09	-	83252	2.09	-	No Change
10.	Master Vedant Patwari	64944	1.64	-	64944	1.64	-	No Change
11.	R.G.Patwari, Karta Ramgopal Sandeep Kumar	16466	0.41	-	16466	0.41	-	No Change
12.	R.G.Patwari, Karta Ramgopal Sanjay Kumar	16466	0.41	-	16466	0.41	-	No Change
13.	Smt. Chanda Patwari – Trustee Patwari & Sons	48616	1.22	-	48616	1.22	-	No Change



## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2960846	74.53%	2960846	74.53%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	2960846	74.53%	2960846	74.53%

## iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Top 10 Share Holders	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Andhra Pradesh Industrial Development Corporation	At the beginning of the year	110888	5.61	110888	5.61
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	110888	5.61	110888	5.61
2	Canara Bank	At the beginning of the year	111978	2.81	111978	2.81
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	111978	2.81	111978	2.81
3	Smt. Bharatlal Patwari	At the beginning of the year	93750	2.360	93750	2.360
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	93750	2.360	93750	2.360
4	Sri Ramjilal Patwari	At the beginning of the year	85786	2.159	85786	2.159
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	85786	2.159	85786	2.159
5	Sri Rajesh Tibrewala	At the beginning of the year	73068	1.839	73068	1.839
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	NIL			

		increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		At the end of the year	73068	1.839	73068	1.839
6	Sri Ganesh Kumar Patwari	At the beginning of the year	64716	1.629	64716	1.629
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	64716	1.629	64716	1.629
7	Smt. Liladevi Patwari	At the beginning of the year	57190	1.440	57190	1.440
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	57190	1.440	57190	1.440
8	Mr.Naresh Kumar Patwari	At the beginning of the year	46474	1.170	46474	1.170
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	46474	1.170	46474	1.170
9	Smt. Manbhari Devi Patwari	At the beginning of the year	45150	1.136	45150	1.136
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	45150	1.136	45150	1.136
10	Sri Mahesh Kumar Patwari	At the beginning of the year	43722	1.101	43722	1.101
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
		At the end of the year	43722	1.101	43722	1.101

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors/Key Managerial Personnel	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		At the beginning of the year	936608	23.57	936608	23.57
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
		At the end of the year	936608	23.57	936608	23.57

2	Sri Sanjay Patwari	At the beginning of the year	490496	12.34	490496	12.34
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
		At the end of the year	490496	12.34	490496	12.34
3	Smt. Sangeeta Tibrewala	At the beginning of the year	74662	1.88	74662	1.88
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
		At the end of the year	74662	1.88	74662	1.88

**I. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1688.52	759.89	-	2448.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1688.52	759.89	-	2448.41
<b>Change in Indebtedness during the financial year</b>				
* Addition	176.35	959.47	-	1135.82
* Reduction	-	(668.27)	-	(668.27)
<b>Net Change</b>	176.35	291.20	-	467.55
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1864.87	1051.09	-	2915.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1864.87	1051.09	-	2915.86

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sl. No.	Particulars of Remuneration	Name of MD	Name of WTD	Total
		Ram Gopal Patwari	Sanjay Patwari	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	9,00,000	21,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify.	-	-	
5	Others, please specify	-	-	
	Total (A)	12,00,000	9,00,000	21,00,000
	Ceiling as per the Act	₹ 24.00 lacs		

## B. Remuneration to other directors

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Overall Ceiling as per the Act					
	Total Managerial Remuneration	-	-	-	-	
	Overall Ceiling as per the Act					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- N.A

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO PAVAN KUMAR RATHI	Total
1	Gross salary			6,41,000	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total			6,41,000	

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

BY ORDER OF THE BOARD OF DIRECTORS  
FOR STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED

Place: Hyderabad  
Date: 25.08.2020

Sd/-  
(Sanjay Patwari)  
Managing Director  
(DIN:00253330)

Sd/-  
(Ram Gopal Patwari)  
Director  
(DIN:00975555)

**Annexure III****Details of the Related Party Transactions  
Form No. AOC-2**

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:

(₹in lakhs)

Sl. No	Name(s) of the Related party	Nature of relationship	Nature of Transaction	Duration of Transactions	Value
1	Mr. Ram Gopal Patwari	Managerial Personnel	Share of Rental Income	01-04-19 to 31-03-20	65.01
2	Mr. Sanjay Patwari	Managerial Personnel	Share of Rental Income	01-04-19 to 31-03-20	69.32
3	Mr. Sandeep Patwari	Share Holder	Share of Rental Income	01-04-19 to 31-03-20	66.48
4	M/s. Starlite Spintech Limited	Associate Company	Interest Received	01-04-19 to 31-03-20	0.34
5	M/s. Starlite Global Enterprises FZE	Subsidiary Company	Interest Received	01-04-19 to 31-03-20	9.06
6	M/s. Starlite Fashions Pvt Ltd	Subsidiary Company	Advance Received	01-04-19 to 31-03-20	665.82
7	Mr. Ram Gopal Patwari	Managerial Personnel	Managerial Remuneration	01-04-19 to 31-03-20	12.00
8	Mr. Sanjay Patwari	Managerial Personnel	Managerial Remuneration	01-04-19 to 31-03-20	9.00
9	Mr. Ram Gopal Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement	01-04-19 to 31-03-20	1.63
10	Mr. Sanjay Patwari	Managerial Personnel	Rental Deposits collected/Repaid under Joint Venture Agreement	01-04-19 to 31-03-20	1.58
11	Mr. Sandeep Patwari	Share Holder	Rental Deposits collected/Repaid under Joint Venture Agreement	01-04-19 to 31-03-20	(3.93)

12	M/s. Starlite Global Enterprises-FZE	Subsidiary	Gain on Foreign Exchange	01-04-19 to 31-03-20	9.44
13	M/s. Starlite Spintech Ltd	Associate Company	Sale of Land	01-04-19 to 31-03-20	849.45
14	Mrs. Chanda Patwari	Share Holder	Rental Income	01-04-19 to 31-03-20	8.91
15	Mr. Ram Gopal Patwari Mr. Sanjay Patwari	Managerial Personnel	Travelling Expenses	01-04-19 to 31-03-20	6.27 25.08
16	M/s. Starlite Fashions Pvt Ltd	Subsidiary Company	Sale of Land	01-04-19 to 31-03-20	60.00
17	M/s. Starlite Fashions Pvt Ltd	Subsidiary Company	Interest Payout	01-04-19 to 31-03-20	41.46

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR STARLITE GLOBAL ENETRPRISES (INDIA) LIMITED**

Place: Hyderabad  
Date: 25-08-2020

Sd/-  
Sanjay Patwari  
Managing Director  
(DIN: 00253330)

Sd/-  
Ram Gopal Patwari  
Director  
(DIN: 00975555)



**ANNEXURE-IV****FORM NO MR - 3****Secretarial Audit Report****for the financial year ended 31<sup>st</sup> March, 2020**

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

To,

The Members,

**Starlite Global Enterprises (India) Limited**

Suite No.603, Shangrila Plaza,

Plot No.14, Road No.2,

Banjara Hills, Hyderabad-500034.

We have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by **Starlite Global Enterprises (India) Limited, CIN: L17110TG1962PLC000915** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit and considering the various relaxations granted by the Securities and Exchange Board of India, the Ministry of Corporate Affairs and other government authorities due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder, as amended from time to time and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, to the extent, applicable, according to the provisions of:

- I. The Companies Act, 2013 (**'the Act'**) and the Companies (Amendment) Act, 2017 (to the extent notified and applicable) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) (as amended by the Finance Act, 2017) and the rules made thereunder; (**Not applicable during the audit period**)
- III. The Depositories Act, 1996 (as amended by the Finance Act, 2017) and the regulations and bye-laws framed there under; (**Not applicable during the audit period**)
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable during the audit period.**)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :- (**Not applicable during the audit period**)
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (last amended upto August 14, 2017); (**Not applicable during the audit period**)
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (last amended on August 14, 2017); **(Not applicable during the audit period)**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (last amended on March 6, 2017); **(Not applicable during the audit period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (last amended on February 15, 2017); **(Not applicable during the audit period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (last amended on March 6, 2017) regarding the Companies Act and dealing with Client; **(Not applicable during the audit period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 (last amended on March 6, 2017); **(Not applicable during the audit period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (last amended on March 6, 2017). **(Not applicable during the audit period)**

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

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Stock Exchange; and **(Not applicable during the audit period)**
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 . **(Not applicable during the audit period)**

During the year under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Standards, etc., mentioned above.

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- ii. Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Equity Shares of the Company were listed on Metropolitan Stock Exchange of India with effect from 21<sup>st</sup> July 2020.

**Note:** This report is to be read with my letter of even date which is annexed as Annexure- A and forms as integral part of this report.

Date : 25.08.2020  
Place: Hyderabad

For Akhil Mittal & Associates  
Company Secretaries  
Sd/-  
Akhil Mittal  
Company Secretary in Practice  
ACS No.38717, CP No.21095  
UDIN: A038717B000611201

## ANNEXURE - 'A'

To,  
The Members,  
**Starlite Global Enterprises (India) Limited**  
Suite No.603, Shangrila Plaza,  
Plot No.14, Road No.2,  
Banjara Hills, Hyderabad-500034.

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

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

Date : 25.08.2020  
Place: Hyderabad

For Akhil Mittal & Associates  
Company Secretaries  
Sd/-  
Akhil Mittal  
Company Secretary in Practice  
ACS No.38717, CP No.21095  
UDIN: A038717B000611201

**ANNEXURE-V**  
**CORPORATE GOVERNANCE REPORT**

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Since the Company got listed on Metropolitan Stock Exchange of India with effect from 21<sup>st</sup> July 2020, the Corporate Governance Report for the period ended 31<sup>st</sup> March 2020 has been prepared to the extent applicable for the said period.

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance creates a need to embrace a corporate culture of transparency, accountability, ethical environment, legality, and proper disclosures. Your Company passionately believes in such corporate culture which also helps it to maximize stakeholders' value on a sustainable footing. It is also the professed belief of the Company that through good corporate governance it would be able to protect, augment and meet the trust and expectations of the shareholders, customers, employees, suppliers, government agencies and the society.

Although corporate governance has been legally mandated in various aspects it is always the endeavor that the Company should go beyond adherence to the regulatory framework, and, adopt and observe the best and honest corporate practices.

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all stakeholders. The Company carries its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the applicable laws and regulations in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

Your Company continues to conform to the processes and practices in accordance with the Corporate Governance practices as specified by the Securities and Exchange Board of India (SEBI).

Your Board of Directors wholeheartedly supports and endorses Corporate Governance practices adopted by your Company in accordance with the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (in short "Listing Regulations") and beyond.

**BRIEF PROFILE OF THE DIRECTORS**

S.No	Name of the Director	Qualification
1.	Mr. Ram Gopal Patwari	M.Com
2.	Mr. Sanjay Patwari	B.Tech Textile
3.	Mr. Ravi Shankar Sharma	Bachelor-Engineer in Chemical Technology
4.	Ms. Sangeeta Tibrewala	Chartered Accountant
5.	Mr. Nikhil Chandulal Popat	Company Secretary

**COMPOSITION OF BOARD OF DIRECTORS**

The Company has as an active, informed, and independent Board, which is a pre-requisite for strong and effective Corporate Governance. The Board plays an essential part in supervising how the management safeguards the interest of all the stakeholders.

The Board critically evaluates the strategic direction of the Company and exercises, proper control to ensure that the business of the Company is conducted in the best interests of all stakeholders including the shareholders and society at large. One of the main functions of the Board is that of the trusteeship to protect and enhance the shareholders and enterprise values.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors and is duly constituted under the Chairmanship of an Executive Director. The Board Members possess adequate qualifications, knowledge, expertise and experience to provide strategic guidance to the Company.

The Company will be appointing Independent Director in due course of time for the optimum Composition of Board as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board of Directors as on March 31, 2020, the number of other committees of which a Director is a Member/Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

S.No	Name of the Directors	Category of the Directors	No. of membership on Board committees including the Company	No. of chairpersonship on Board committees including the Company	No. of meetings which Director was entitled to attended	No. of meeting attended	Attendance (in percentage)	Whether attended AGM/EGM
1.	Shri. Ram Gopal Patwari	Managing Director	Nil	Nil	8	8	100	Yes
2.	Mr. Sanjay Patwari	Whole-Time Director	1	Nil	8	8	100	Yes
3.	Mrs. Sangeeta Tibrewala	Non executive Director	2	Nil	8	6	80	Yes
4.	Mr. Ravi Shankar Sharma	Independent Director	2	1	8	8	100	Yes
5.	Mr. Nikhil Chandulal Popat	Independent Director	2	1	8	8	100	Yes

Your Company has a balanced and diverse Board which includes Executive Directors and Non- Executive Independent Directors (including one Non-Executive Independent Woman Director). The Executive Directors on the Board are highly experienced professionals in their respective areas; and give directions to the management on operational issues, adopt systems and best practices in management. The Non-Executive Independent Directors also play a significant role in improving the Board's efficacy with their independent judgment on issues of strategy, performance, resources, standards of conduct etc., through giving valuable inputs.

In the opinion of the Board, all independent directors fulfill the conditions specified in the Companies Act, 2013 (in short "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and Listing Regulations for appointment as Independent Director/s and they are independent of the Management.

The Independent Directors of the Company have declared that they meet the criteria for "independence" and / or "eligibility" as prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013 (as amended) (the "Act") and have given necessary confirmations in terms of Regulation 25(8) of the Listing Regulations. Based on the said declarations and confirmations received from the Independent Directors, the Board of Directors confirms the same.

The Company is in compliance with the provisions regarding Board, its composition and committees under the Act and the Listing Regulations including Regulation 17(1) thereof.

As required under Para C(2) of Schedule V to the Listing Regulations, based on the latest disclosures received by the Company, following are the number of other directorships and the names of the listed entities where the Directors of the Company are also a Director and the category of their directorships therein:

Name of the Directors	No. of Directorships including the Company	Directorships and its category in listed entities other than the Company
Mr. Ram Gopal Patwari	3	Nil
Mr. Sanjay Patwari	4	Nil
Ms. Sangeeta Tibrewala	1	Nil
Mr. Ravi Shankar Sharma	1	Nil
Mr. Nikhil Chandulal Popat	2	Nil

None of the directors on the Board of the Company is a member of more than 10 committees and / or Chairperson of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the Listing Regulations.

The Board has devised proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

**MEETING OF BOARD OF DIRECTORS**

The Board of Directors of the Company met 8 (Eight) times during the financial year ended March 31, 2020. At least one meeting of the Board was held in every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year ended March 31, 2020. The details are as follows:

S.No	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1.	23-04-2019	5	3	2
2.	02-05-2019	5	3	2
3.	16-05-2019	5	2	2
4.	06-06-2019	5	2	2
5.	26-08-2019	5	3	2
6.	05-09-2019	5	3	2
7.	28-10-2019	5	3	2
8.	10-02-2020	5	3	2

**INDEPENDENT DIRECTORS' SEPARATE MEETING**

Schedule IV to the Act and the Listing Regulations mandate the Independent Directors to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management.

During the financial year ended March 31, 2020, the Independent Directors met on 26<sup>th</sup> August 2019, *inter alia*, to review performance of Non-Independent Directors & the Board as a whole, to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

**CODE OF CONDUCT**

The Board of Directors of the Company has adopted a Code of Conduct for the Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads of the Company.

**BOARD COMMITTEES**

The Board of Directors of the Company has promulgated various committees and has delegated specific responsibilities to them. The Committees review items in great detail before they are placed at the Board meetings for consideration. The Committees follow the defined guidelines and established framework for their operations.

The Board at its meeting held on August 25, 2020 amended the terms of reference of various committees in compliance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015.

**AUDIT COMMITTEE**

The Board of Directors of the Company has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors and the Board.

**TERMS OF REFERENCE**

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. Terms of reference of the Audit Committee include overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of auditors to the Board of Directors, review of adequacy of internal control systems and internal audit function, review of utilization of loans, advances and investments made by the Company in its subsidiary companies above certain threshold and other matters specified under the Listing Regulations and the Act. The Audit Committee also reviews information as per the requirement of Part C of Schedule II to the Listing Regulations.

**Composition, Meetings and Attendance**

The composition of the Audit Committee is in accordance with the provisions of the Act and Regulation 18 of the Listing Regulations.

As on March 31, 2020, the Audit Committee comprised of 1 (one) Executive Directors, 2 (two) of whom are Independent Directors. All the members of the Audit Committee are financially literate with majority having accounting or related financial management expertise. The Chairman of the Committee is an Independent (Non-Executive) Director, nominated by the Board. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

During the financial year ended March 31, 2020, 4 (four) Audit Committee meetings were held on 02.05.2019, 05.09.2019, 28.10.2019 and 10.02.2020. The composition and attendance of the members of the Audit Committee are as follows:

**Audit Committee Members**

- Mr. Ravi Shankar Sharma -Independent Director(Chairman)
- Mr. Nikhil Chandulal Popat -Independent Director
- Mr. Sanjay Patwari -Director\*

\*Since the Composition of the Audit Committee was formed but it was not as per the provisions Companies Act 2013, since Mr. Sanjay Patwari, Director was acting as a the whole time director since 2<sup>nd</sup> May 2019. The Company again re constituted the Committee as per Companies Act 2013 and SEBI (LODR) Regulations 2015.

S.No	Name	Number of meetings which director was entitled to attended	Number of meeting attended	Attendance(In percentage)
1.	Mr. Ravi Shankar Sharma	4	4	100
2.	Mr. Nikhil Chandulal Popat	4	4	100
3.	Mr. Sanjay Patwari	4	4	100

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries related to accounts to the satisfaction of the shareholders.

The board of Directors in their Board Meeting dated 25th August 2020 re-constituted Audit Committee pursuant to SEBI (LODR) Regulations 2015 and following are the member of Audit Committee:

- Mr. Ravi Shankar Sharma -Independent Director(Chairman)
- Mr. Nikhil Chandulal Popat -Independent Director
- Mrs. Sangeeta Tibrewala -Director

**Nomination and Remuneration Committee**

The Board of Directors of the Company constituted a Nomination and Remuneration Committee in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 19 of the Listing Regulations.

**Terms of Reference** The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Section 178 of the Act and Regulation 19 of the Listing Regulations. The broad terms of reference of the Committee include:

- i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees of the Company;
- iii. To identify persons who are qualified to become directors and who may be appointed in senior management;
- iv. To evaluate the performance of all Directors;
- v. To recommend to the Board, all remuneration, in whatever form, payable to senior management.



**Composition, Meetings and Attendance**

As on March 31, 2020, the Nomination and Remuneration Committee comprised of 3 (Three) Non-Executive Directors, 2 (two) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee. The details of the composition, meetings and attendance of the members of the Nomination and Remuneration Committee are as follows:

**Nomination and Remuneration Committee Members**

- Mr. Nikhil Chandulal Popat - Independent Director (Chairman)
- Mr. Ravi Shankar Sharma - Independent Director
- Mrs. Sangeeta Tibrewal - Director

S.no	Name	Number of meetings which director was entitled to attended	Number of meeting attended	Attendance (In percentage)	Date of meetings
1.	Mr. Nikhil Chandulal Popat	5	5	100	02.05.2019 06.06.2019
2.	Mr. Ravi Shankar Sharma	5	5	100	05.09.2019
3.	Mrs. Sangeeta Tibrewala	5	5	100	28.10.2019 10.02.2020

The Board along with the Committee periodically reviews the succession plans for appointment to the Board and Senior Management Personnel of the Company.

**Nomination and Remuneration Policy**

In compliance with the requirements of Section 178 of the Act including Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs), Functional Heads and other employees of the Company. The Policy provides for Board diversity criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid / payable to them, etc.

**Corporate Social Responsibility (CSR) Committee**

The **Corporate Social Responsibility (CSR) Committee** comprising Non-Executive Independent Directors was constituted by the Board of Directors on the 25<sup>TH</sup> August 2020, to recommend the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. It will also monitor the CSR Policy of the Company from time to time. The composition of the SRC Committee and attendance of its members are as follows:

- Mr. Ravi Shankar Sharma - Independent Director
- Mr. Ram Gopal Patwari - Director
- Mrs. Sangeeta Tibrewala - Non Executive Director

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprising Non-Executive Chairman and Directors was constituted by the Board of Directors on the 25<sup>TH</sup> August 2020, to consider and resolve/redress the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates and other related issues, in consonance with the requirements of Section 178 of the Companies Act, 2013 ("Act"), the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 20 of the Listing Regulations. The composition of the SRC Committee and attendance of its members are as follows:

- Mr. Ravi Shankar Sharma - Independent Director
- Mr. Ram Gopal Patwari - Director
- Mr. Sanjay Patwari - Director

**MEETING OF THE MEMBERS**

As per the provisions of the Companies Act 2013, the Shareholder meeting is required to meet once in a year

Type of Meeting	Date of Meeting	Total number of members to attended meeting	Attendance (Percentage) of Members
Extra ordinary General Meeting	28.05.2019	206	Total members attended – 8 (68.32%)
Annual General Meeting	30.09.2019	206	Total members attended – 8 (68.32%)

**GENERAL SHAREHOLDER INFORMATION****MEANS OF COMMUNICATION****a) Financial Results:**

Since our company is listed on 21<sup>st</sup> July 2020, so the the quarterly/half-yearly unaudited - financial results subjected to limited review, and the annual audited financial results (inshort Financial Results) shall be uploaded on Company's website [www.starliteglobal.in](http://www.starliteglobal.in) available under Statutory Information on a regular basis.

**Other Information /Website**

Various notices/other information mandated to be published as per the provisions of the Companies Act, 2013 and Listing Regulations etc., are published in the leading newspapers, from time to time.

**Management Discussion and Analysis Report**

The Managements' Discussion and Analysis Report is placed in the separate section of the Annual report.

**Members (Shareholders)**

The Company had 206 members as on the 31st March, 2020, the main channel of communication to the members is through the Annual Report. Besides the audited accounts for the financial year and consolidated accounts thereto, the said Report, inter alia, includes the Directors' Report, containing the reports on Corporate Governance and Managements' Discussion and Analysis and that of the Statutory Auditors.

The AGM is the principal forum for interaction by the Board of Directors and the Management with shareholders. Here, the Directors answer specific queries, whenever, raised by members. The Board acknowledges its responsibility towards its members and therefore encourages open and active dialogue with them.

**Annual Book Closure**

Your Company's Register of Beneficial Owners, Register of Members and Share Transfer Books shall remain closed for the purpose of Annual Book Closure from Monday, the 23rd September, 2020 to Wednesday 30th September, 2020 (both days inclusive).

Record Date: Members holding shares either in physical form or in dematerialized form, as on Thursday, 10 September, 2020 i.e. cut-off date, may cast their vote electronically.

**Listing on the Stock Exchanges**

The Company's Equity Shares are listed Address of the Stock Exchanges

**The METROPOLITAN STOCK EXCHANGE OF INDIA**

Website: <https://www.msei.in> Scrip code: SGEL

**Our RTA Information:-**

Name-CIL Securities Ltd

Address: Raghav Ratna Towers, 214, Chirag Ali Lane, Abids,  
Hyderabad, Telangana 500001

**OTHER DISCLOSURES****a) Disclosures on Related Party Transactions**

No transactions which are materially significant and / or not in the ordinary course of business of the Company and / or which may have potential conflict with the interest of the Company at large have been entered into by the Company during the Financial Year 2019-20 with its Promoters, Directors, Management or their relatives or with any related party or vice versa. Disclosures of interest by Directors under relevant provisions of the Companies Act, 2013, it's Rules and Listing Regulations, are done diligently from time to time.

The transactions in terms of disclosures, if any, have been placed before the Audit Committee and the Board, and the compliances have been done, in this regard.

The details of the Related Party transactions and information are placed before the Audit Committee and after its approval; the same are placed before the Board of Directors from time to time in compliance with Regulation 23 of the Listing Regulations and Sections 177 and 188 of the Companies Act, 2013 and its Rules.

#### b) Details of Legal Compliance

No penalties or strictures have been imposed by SEBI or Stock Exchanges or any other statutory authorities on any matters relating to capital markets on the Company.

#### C) Subsidiary Companies

All subsidiary companies of your Company are Board-managed, with their respective Board of Directors having the rights and obligations to manage the companies concerned in the best interest of their stakeholders.

Sl.No.	Name subsidiary/ Joint Venture/ Associate Company	Date of Incorporation/ Acquisition	Country	Business
1	Starlite Global Enterprises FZE	07/07/2010	UAE	General Trading
2	Starlite Fashion Private Limited	09/07/1999	India	Retails Textiles
3	Starlite Global Enterprises Maroco	24/12/2012	Morocco	General Trading
4	Texyarn Starlite, Tanger	19/04/2016	Tanger Free Zone, Morocco	Fabrication and processing- cotton Yarn

#### Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

This move by the Ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs. Pursuant to the said circular, the company has forwarded e-mail communication to all shareholders whose email id were registered in the Depository records that the company intends to use the said e-mail id to send various Notices/ Correspondences etc .

By Understanding the underlying theme of the above circulars, to support this green initiative of the Government in full measure, the company is sending the documents like notice convening general meetings, financial statements, directors reports, auditor's report etc to the email address registered with the depositories by the shareholders holding shares in electronic form and for shareholders holding shares in physical form, the physical copy to the address registered with the Registrar and Share transfer Agents of the Company.

In this regard, we request shareholders who have not registered their email addresses, so far to register their email addresses, in respect of electronic holding with depository through their concerned depository participants and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent.

#### Depository Services:

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:

##### **National Securities Depository Ltd.**

Trade World, 4th Floor  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai-400013.  
**Tel :** 09 1-022-24994200  
**Fax:**091-022-24972993/24976351  
**Email :** info@nsdl.co.in

##### **Central Depository Services (India) Ltd.**

PhirozeJeejeebhoy Towers,  
17th Floor, Dalal Street,  
Mumbai - 400023.  
**Tel :** 091-022-22723333  
**Fax :** 091-022-22723199  
**Email:** investors@cdslindia.com

BY ORDER OF THE BOARD OF DIRECTORS  
STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED

Place: Hyderabad  
Date: 25-08-2020

Sd/-  
(Sanjay Patwari)  
Managing Director  
(DIN:00253330)

Sd/-  
(Ram Gopal Patwari)  
Director  
(DIN:00975555)

**ANNEXURE-VI  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

Your Directors are glad to report that there has been significant development in all divisions of the Company's operations during the year under report inspite of being substantially affected by COVID -19 pandemic.

**REAL ESTATE****Introduction**

The Real Estate sector is one of the most globally recognized sectors. Real Estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

This financial year buyers gained more confidence in buying properties with the implementation of RERA either be it in the residential sector or the commercial sector. The improved transparency and accountability have been a boon to both the buyers and the builders. In the era of RERA, the real estate sector saw a growth in sales and absorption of offices and retail outlets.

However, concerns remain with delays in implementation of certain projects by some developers due to prolonged downturn in the business and paucity of funds resulting in interventions of courts in many cases and a strong pitch for the government to lend a helping hand in the present environment of COVID -19 pandemic and resultant slowdown.

**COMMERCIAL PROJECTS**

Your Company's commercial real estate business includes developing and constructing high rise office blocks and IT/ITES parks. Commercial space offerings are a mix of "built to suit" offices, customized facilities, and pure multi-tenanted facilities.

**1. Proposed Commercial Complex At Balanagar**

Your Company has made a steady progress in the construction of a commercial complex on part of its own land at Balanagar, Hyderabad. In view of the location in a prime and upcoming area in the city of Hyderabad, your Directors have expanded the project to a full fledged shopping mall with 5 screens, food court, games area and offices covering a built up area of about 5.00 lakh Sft. at an estimated cost of ₹90 crores. The required permissions have been received and the construction has been started during previous years. Presently, the progress is bit tardy due to COVID- 19 effects and monsoon rains. Your Directors estimate that the project will be completed within a period of next 2 years. The project when completed, would add substantially to the revenues of your Company on a sustained basis.

**2. Proposed Commercial Complex At Kondapur**

As stated in our last Annual Report, the Company has still to receive the required statutory building permissions and hence, it is proposed that soon after getting the Building permissions, the excavation work will be started.

The project cost is estimated to remain the same as stated earlier. Due to present delays, the completion of the complex is expected by end 2022.

**OTHER PROJECTS**

- Presently your Company has been developing open plots for sale for housing sector both at Balanagar and at sadashivpet at its own land. Your Directors are glad to report that your Company has been dealing on its own land at Balanagar held as Stock-in-Trade and has derived a revenue of ₹. 414.14 lakhs during the year as compared to ₹. 120.32 lakhs in the previous year from sale of open land plots. Besides, an one-time income of ₹.495.30 lakhs has been realized during the year in respect of a sale of land made in an earlier year.
- Industrial Park at Sadashivpet: Due to present drive of the Indian Government to attract foreign manufacturing companies to shift to India, the Company proposes to develop an Industrial Park in about 80 Acres of its land at Sadashivpet and offer complete services to the incoming industries necessary for smooth and hassle free start of their operations.
- Through its 100% subsidiary at UAE, your Company has invested in a residential house development being developed by DAMAC Properties Co LLS, Dubai (UAE) one of the prominent developers in UAE.

- At the same time, your Company has also invested via its Moroccan step-down subsidiary in an open plot at Tanger free zone, Tanger, Morocco for development of an industrial building with about 46,311 square ft. Successful completion of this project will open many viable opportunities in the Morocco market and will generate substantial income for the Company.

### Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian Real Estate market. It would create an opportunity in trillions over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian Real Estate developers have shifted gears and accepted fresh challenges. Real Estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material, organise manpower and hiring qualified professionals in areas like project management, architecture and engineering. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

### OTHER SEGMENTS

- **Solar Power Generation:**

Your Directors are glad to report that your Company has maintained the annual export of solar power to the grid at Rs.321.40 lakhs during the year as compared to Rs.332.59 lakhs in the previous year. These figures are well within the norms of the Industry.

The State Government TRANSCO has been holding dues towards supply of power for a period of ten months as on 31.03.2020 and has been releasing payment of one month dues every month. The actual dues have been at Rs. 301.79 lakhs as on 31<sup>st</sup> March 2020 and are being maintained at the same level even during the current year affecting the cashflow statement.

- **International Trade:**

M/s Starlite Global Enterprises FZE, Sharjah, UAE ( your Company's wholly owned subsidiary incorporated in UAE) engaged in international trading of raw cotton and yarns has reported improved operations during the year. The profit of the subsidiary company is ₹. 110.072 Lakhs (AED 5.36 Lakhs) as against ₹. 91.18 Lakhs (AED 4.73 Lakhs) in the previous year. With established contacts of your Company's subsidiary with suppliers and buyers in China, Morocco, Bangladesh and India, the operations are expected to remain sustained in the current year.

- **Retail Trade:**

Your Company's Subsidiary M/s Starlite Fashion Private Limited has achieved retail sale of Garments of Rs 43.53 lakh during the year under report as compared to Rs 42.89 lakhs in the previous year. This company has also undertaken maintenance of apartments, mobilization of unsecured loans and sale of open land plots and the combined activities resulted in a profit of Rs 38.41 lakhs during the year under report as compared to a loss of Rs. 1.84 in the previous year.

- **Rental income:**

The rental income from its own property and the rental share for the property managed under joint venture agreements at Shangrila Plaza Commercial complex has slightly improved to ₹.525.43 Lakhs during the year as against ₹.493.81 Lakhs in the previous year. During the year under report, your Company has invested ₹ 331.72 Lakhs in interiors and furnitures at the property. These investments are expected to steadily increase the rental revenues of your Company during the ensuing years.

### OPERATING RESULTS OF THE COMPANY

#### Overview

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India.

The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present your Company's state of affairs, profits and cash flows for the year.

- **Net Profit**

The Profit for the Financial Year 2019-20 is Rs. 545.90 Lakhs as compare to Rs.55.06 Lakhs for the Financial year 2018-19, respectively.

- **Earnings Per Share (EPS)**

Earnings per Share {EPS}, on a Standalone basis, of your Company has increased from Rs. 1.39 during the Financial Year 2018-19 to 13.74 in the Financial Year 2019-20.

- **Share Capital:**

The Authorized Share Capital of the Company is Rs. 5, 00, 00,000/- divided into 50, 00,000 equity shares of Rs 10 each, out of which the issued and paid up Capital of the Company is Rs. 3, 97, 28,240/-

- **Reserve & Surplus (R&S):**

The total balance of Reserves & Surplus stood at Rs. 1609.45 lakhs as on the 31st March, 2020 as compared to Rs. 938.90 lakhs as on the 31st March, 2019.

- **Loans:**

During the Financial Year 2019-20, the Company has put its efforts to increase the debt to meet the fund requirements for its expansion plans. The loan has been increased by Rs.467.55 lakhs i.e. from Rs.2920.39 lakhs in the current financial year 2019-20, to Rs.2452.84 lakhs in the previous financial year 2018-19.

#### **CURRENT ASSETS:**

- **Inventories:**

During the Financial Year 2019-20, Inventory level has decreased by Rs. 124.65 lakhs i.e. from Rs.1527.15lakhs in 2019-20 to Rs.1651.80 lakhs in 2018-19.

- **Debtors:**

Sundry Debtors stood at Rs. 843.29 lakhs as on the 31st March, 2020 as compared to Rs. 269.46 lakhs as on the 31st March, 2019. Accordingly, there is an increase of Rs.573.83 lakhs. Accordingly, there is increase, these debts are considered good and realizable.

- **Loans & Advances :**

During the Financial year 2019-20, the loans and advances have been decreased by Rs. 43.96 lakhs i.e. from Rs. 122.31 lakhs as on 31st March, 2020 to Rs.166.27 lakh as on the 31st March, 2019.

- **Current Liabilities & Trade Payable:**

Current Liabilities for the Financial Year 2019-20 stood at Rs.1607.98 lakhs as compared to Rs. 1548.39 lakhs in the previous Financial year 2018-19.

- **Net Current Assets:**

During the Financial Year 2019-20, the net current assets of the Company been increased i.e. from Rs. 158.84 lakhs as on the 31st March, 2020 to Rs. (76.61) lakhs as on the 31st March, 2019.

- **Finance Cost:**

Interest amount paid by the Company on borrowings has been increased from Rs. 210.79 Lakhs in the year ended 31<sup>st</sup> March, 2019 to Rs. 235.62 Lakhs as on the 31st March, 2020.

- **Staff Expenses:**

During the Financial year 2019-20, the staff cost of the Company stood at Rs.74.15 Lakhs as compared to Rs 55.85 Lakhs in the previous Financial year 2018-19.

- **Depreciation:**

The Company has provided an amount of Rs.308.42 Lakhs for depreciation for the Financial Year 2019-20 as compared to Rs. 279.20 Lakhs in the previous Financial Year 2018-19.

#### **Key Risks**

While the management is very optimistic about the Company's growth outlook, it is subject to certain risks and uncertainties. A spade of policy reforms by the statutory bodies has made the Indian infrastructure space more attractive for the new players to enter and therefore possible rise in competition in the sector.

Your Company has around a decade of experience in the industry and has positioned itself in niche space following a conservative approach. Infrastructure being a capital intensive sector requires high level of long term financing either by own capital or by debt. Increasing interest cost during the span of a project can challenge the profit margins.

The Company has, therefore, always ensured adequate owned capital for its operations and has maintained the financial costs under strict control so that profit margins are not adversely affected. Infrastructure projects involve complex design and engineering, substantial procurement of machinery and equipment, extensive construction management and sophisticated activities executed over an extended period of time. As such. Availability of input materials, arrangement of man power and volatility in their cost could be other risks the Company is exposed to. The Company maintains a healthy and long term relationship with its suppliers and work force to ensure seamless execution of its projects. It also maintains strong execution efficiencies by effectively mobilizing its machineries and other resources.

#### Cautionary Statement

Statements in the Management Discussion and Analysis describing your Company's objectives, projections, estimates, expectations may be "forward-looking statements". Actual results may differ materially from those expressed or implied. Important factors that could make difference to the Companies approach regarding operations include economic conditions in which Atlanta Limited operates, change in government regulations, tax laws, statutes and other factors such as litigations and industrial relations.

BY ORDER OF THE BOARD OF DIRECTORS  
STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED

Place: Hyderabad  
Date: 25.08.2020

Sd/-  
(Sanjay Patwari)  
Managing Director  
(DIN:00253330)

Sd/-  
(Ram Gopal Patwari)  
Director  
(DIN:00975555 )



**CERTIFICATE BY THE CHIEF FINANCIAL OFFICER (CFO)**

To,  
The Board of Directors,  
**STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED,**  
Reg Office No.601, Shangri-la Plaza, Plot No:14 Road No:2,  
Banjara Hills, Hyderabad – 500 034, Telangana.

Dear members of the Board,

I, Pavan Kumar Rathi, Chief Financial Officer of **M/s. STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED** certify that:

1. I have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, all the notes on accounts and the Boards Report.
2. These statements do not contain any materially untrue statement or omit to state any material fact or contain statements that might be misleading;
3. The financial statements and other financial information present a true and fair view of the Company's affairs, the Company's financial condition, results of operations, cash flows of the company for the period ended 31<sup>st</sup> March 2020 are in compliance with existing Accounting Standards, applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2020 are fraudulent, illegal or violative of the Company's code of conduct except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
6. I have indicated to the auditors and the audit committee of the board of directors
  - (a) Significant changes in internal control over financial reporting during the year under
  - (b) Significant changes in accounting policies during the year that the same have been disclosed in notes to the financial statements and
  - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

By order of the Board  
**For STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

Place: Hyderabad  
Date: 25.08.2020

Sd/-  
Pavan Kumar Rathi  
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Starlite Global Enterprises (India) Limited

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

We have audited the accompanying Standalone Ind AS financial statements of Starlite Global Enterprises (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Standalone financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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

**Key audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.NO	Key Audit Matter	How our audit addressed the key audit matter
-	Nil	Nil

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Emphasis of Matter**

We draw your attention to Note No. 46 to the Financial Statements which explains the uncertainties and the Management's assessment of the financial impact due to Lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of impact in the subsequent period is highly dependent upon circumstances as they evolve.

**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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 Accounting Standards specified under section 133 of the Act, read Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 33 & Note 34 to the Standalone Ind AS financial statements;
    - 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 Investor Education and Protection Fund by the Company during the year.

For **K Y & Co.**,  
Chartered Accountants  
ICAI Firm Registration Number: 016381S

Sd/-

**per CA Harikanth Yadav Godha**  
Partner  
Membership Number: 223007  
UDIN: **20223007AAAAC1690**

Place : Hyderabad  
Date : August 25, 2020

**Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date**

**TO THE MEMBERS OF STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**

- (i) (a) The Company is in the process of updating records to show full particulars, including quantity details and situation of fixed assets.
- (b) Fixed assets have not been physically verified by the management during the year and previous two years. As informed by the management, the company has a planned program of physical verification covering all the fixed assets of the Company once in three years.
- (c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in fixed assets are in the name of the Company Further, as explained to us as at balance sheet date.
- (ii) The inventories of the Company comprises of “Land held as stock in trade “for developments or sale and the Management confirms of its proper monitoring and no material discrepancies thereto were reported. However no physical verification has been done during the year.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to its wholly owned Foreign Subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 in respect of which:
- (a) The term and conditions of grant of such loans are, in our opinion, prima facie, are not prejudicial to Company's Interest.
- (b) The Schedule of repayments of principal and payment of Interest has not been stipulated. According to the information and explanations given to us by the management, such loans and advances carry interest rates and are repayable on demand and repayment or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year end for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 & section 186 of the Companies Act 2013 in respect of loans given and investments made have been complied with by the company. There are no guarantees and securities given in respect of which provisions of section 185 & section 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public with in meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits ) Rules, 2014(as amended) accordingly the provisions of the clause 3(v) of the order are not applicable.
- (vi) The maintenance of Cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues have generally been regularly deposited with appropriate authorities *though there had been many delays in depositing dues relating to Tax Deduction at Source and Provident Fund.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, customs duty, TDS , Goods and Service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of income-tax, customs duty, value added tax, Goods and Service tax and cess on account of any dispute, as at 31<sup>st</sup> March, 2020 are as follows:

Name of Statute	Nature of Dues	Amount (INR in lakhs)	Period	Forum where the dispute is pending
The Andhra Pradesh General Sales Tax	Sales Tax (APGST)	24.27	1996-97	Hon'ble High Court of Telangana

- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments. Further, term loans availed during the year from financial Institutions was prima facie for the purpose for which they are raised being towards its business needs.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information, explanations and representations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (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 **K Y & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 016381S

Sd/-

per **CA Harikanth Yadav Godha**  
Partner  
Membership Number: 223007  
UDIN: **20223007AAAACI1690**

Place : Hyderabad  
Date : August 25, 2020

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED****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 Starlite Global Enterprises (India) Limited ("the Company") as of March 31, 2020 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. 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 the 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.

**Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 March 31, 2020, 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 **K Y & Co.**,  
Chartered Accountants  
ICAI Firm Registration Number: 016381S

Sd/-

per **CA Harikanth Yadav Godha**  
Partner  
Membership Number: 223007  
UDIN: **20223007AAAACI1690**

Place : Hyderabad  
Date : August 25, 2020

**STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**  
**Balance Sheet as at 31st March, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
1	2	3	4
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	197,253,079	215,746,360
Investment Property	4	146,763,393	149,258,995
Capital work-in-progress		185,048,406	122,491,567
<b>Financial Assets</b>			
(i) Investments	5	7,331,100	7,331,100
Deferred Tax Assets (Net)	19	22,739,804	12,272,322
Other Non-Current Assets	7	703,155	1,305,407
<b>Total Non-Current assets</b>		<b>559,838,937</b>	<b>508,405,751</b>
<b>Current assets</b>			
Inventories	9	152,715,013	165,180,000
<b>Financial assets</b>			
(i) Loans	8	12,231,844	16,626,816
(ii) Trade Receivables	10	84,329,189	26,946,428
(iii) Cash and Cash equivalents	11	2,603,346	1,846,549
(iv) Bank Balances other than Cash and Cash equivalents	12	13,484,143	904,382
(v) Investments	13	12,857,468	3,938,535
(vi) Other Current Financial Assets	6	53,650	53,650
Other Current Assets	14	20,169,400	19,121,776
<b>Total Current Assets</b>		<b>298,444,053</b>	<b>234,618,136</b>
<b>Total Assets</b>		<b>858,282,990</b>	<b>743,023,887</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	15	39,728,240	39,728,240
Retained Earnings	16	160,944,764	93,890,080
Other Components of Equity	17	173,473,599	185,938,586
<b>Total Equity</b>		<b>374,146,603</b>	<b>319,556,906</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	170,276,989	157,843,680
Other Non- Current Liabilities	21	9,503,804	9,746,900
Deferred Tax Liability (Net)	19	21,795,325	13,596,863
<b>Total Non-Current Liabilities</b>		<b>201,576,118</b>	<b>181,187,443</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Other Current Financial Liabilities	20	121,762,314	87,440,333
Current Tax Liability	22	5,467,482	1,368,523
Other Current Liabilities	23	155,330,473	153,470,682
<b>Total Current Liabilities</b>		<b>282,560,269</b>	<b>242,279,538</b>
<b>Total Liabilities</b>		<b>484,136,387</b>	<b>423,466,981</b>
<b>Total Equity and Liabilities</b>		<b>858,282,990</b>	<b>743,023,887</b>

The accompanying notes are an integral part of the financial statements.

**As per our report of even date  
for K Y & Co.**

Chartered Accountants

Firm Registration No: 016381S

Sd/-

CA Harikanth Yadav Godha

Partner

Membership No: 223007

UDIN: 20223007AAAAC11690

Place : Hyderabad

Date : 25-08-2020

For and on behalf of the Board of Directors

STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-

R.G PATWARI

Managing Director

DIN : 00975555

Sd/-

Pavan Kumar Rathi

Chief Financial Officer

Sd/-

SANJAY PATWARI

Director

DIN : 00253330

Sd/-

Sai Susmitha Bysani

Company Secretary

**STARLITE GLOBAL ENTERPRISES ( INDIA ) LIMITED**  
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
1	2	3	4
<b>INCOME</b>			
(1).Revenue from operations	24	12,60,98,248	9,46,72,242
(2).Other Income	25	32,81,345	35,12,295
(3).Finance Income	26	1,65,175	1,21,237
<b>I. Total Revenue</b>		<b>12,95,44,768</b>	<b>9,83,05,774</b>
<b>Expenses:</b>			
Changes in inventories of Land	27	1,24,64,987	29,39,394
Employee Benefits Expenses	28	74,15,071	55,85,433
Operation and Other Expenses	29	4,20,02,167	3,35,70,172
Depreciation and Amortization Expenses	30	3,08,42,319	2,79,19,806
Finance Costs	31	2,35,62,311	2,10,79,740
<b>II. Total Expenses</b>		<b>11,62,86,855</b>	<b>9,10,94,545</b>
<b>III. Profit/(loss) before exceptional items and tax (I-II)</b>		<b>1,32,57,913</b>	<b>72,11,229</b>
<b>IV. Exceptional / Extra ordinary items</b>	32	4,95,30,246	-
<b>Profit/(loss) after exceptional items and tax (III+IV)</b>		<b>6,27,88,159</b>	<b>72,11,229</b>
<b>V. Tax Expenses:</b>			
(1) Current Tax		1,04,67,482	13,68,523
(2) Deferred Tax		(22,69,020)	3,36,725
<b>Income Tax Expenses</b>		<b>81,98,462</b>	<b>17,05,248</b>
<b>VI. Net Profit for the year (IV-V)</b>		<b>5,45,89,697</b>	<b>55,05,981</b>
<b>VII. Other Comprehensive Income (OCI)</b>			
(1) Items that will be reclassified to profit or loss		-	-
(2) Items that will not be reclassified to profit or loss		-	-
(3) Other comprehensive income for the year , net of income tax		-	-
<b>VIII. Total comprehensive income for the year (VI+VII)</b>		<b>5,45,89,697</b>	<b>55,05,981</b>
<b>IX. Earnings per equity share:</b>			
(1) Basic		13.74	1.39
(2) Diluted		13.74	1.39

The accompanying notes are an integral part of the financial statements

As per our report of even date  
for K Y & Co.

Chartered Accountants

Firm Registration No: 016381S

Sd/-

CA Harikanth Yadav Godha  
Partner

Membership No: 223007

UDIN: 20223007AAAACI1690

Place : Hyderabad

Date : 25-08-2020

For and on behalf of the Board of Directors

STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-

R.G PATWARI  
Managing Director  
DIN : 00975555

Sd/-

Pavan Kumar Rathi  
Chief Financial Officer

Sd/-

SANJAY PATWARI  
Director  
DIN : 00253330

Sd/-

Sai Susmitha Bysani  
Company Secretary

**STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**  
**Cash Flow Statement for the Year Ended 31st March,2020**

(Amount in ₹)

Particulars	31st March,2020	31st March,2019
<b>A Cash flow from operating activities</b>		
Profit/(Loss) before tax and exceptional items	62,788,159	7,211,230
<b>Adjustment to reconcile profit/(Loss) before tax to net cash flows:</b>		
Depreciation and amortization expense	30,842,319	27,919,806
Finance Income	(165,175)	(121,237)
Finance Cost	19,416,764	21,079,740
Interest Income from loans to subsidiaries	(940,457)	(836,142)
Interest Expenses On loans Related Party	4,145,547	2,105,538
Dividend Income from Financial Assets	(78,585)	(98,325)
<b>Operating profit before working capital changes</b>	<b>116,008,572</b>	<b>57,260,610</b>
<b>Movements in working capital</b>		
(Increase)/ Decrease in Inventories	12,464,987	2,939,393
(Increase)/ Decrease in Loans	4,394,972	39,481,531
(Increase)/ Decrease in Trade receivables	(57,382,761)	(10,419,685)
(Increase)/ Decrease in other current financial assets	4,466,211	(9,534,047)
Increase/ (Decrease) in Non current Liabilities	(243,096)	1,174,740
Increase/ (Decrease) in current Liabilities	1,859,791	(7,861,691)
<b>Cash generated from operations</b>	<b>81,568,676</b>	<b>73,040,851</b>
Direct taxes paid	(11,882,358)	(5,336,952)
<b>Net cash generated from operating activities (A)</b>	<b>69,686,318</b>	<b>67,703,899</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,853,436)	(33,615,435)
Purchase of Investment Property	-	(4,650,200)
Capital Work in progress	(62,556,839)	(70,517,328)
Gain on disposal of property, plant and equipment (net)	-	307,525
(Increase)/ Decrease in Investments	(8,918,933)	3,470,428
(Increase)/ Decrease in Bank balances other than cash and cash equivalents	(12,579,761)	(462,156)
(Increase)/ Decrease in Non Current Assets	602,252	(252,975)
Interest received from Wholly Owned subsidiary	940,457	836,142
Interest income on fixed deposits with bank	165,175	121,237
Dividend Income	78,585	98,325
<b>Net cash used in investing activities (B)</b>	<b>(92,122,500)</b>	<b>(104,664,437)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from long term borrowings	-	-
(Repayment)/proceeds of long term borrowings	12,433,309	(10,803,528)
Movement in current financial Liabilities	34,321,981	66,917,297
Finance Cost	(19,416,764)	(21,079,740)
Interest Income from loans to Related Party	(4,145,547)	(2,105,539)
<b>Net cash generated/(used in) from financing activities (C)</b>	<b>23,192,979</b>	<b>32,928,490</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>756,797</b>	<b>(4,032,048)</b>
Cash and cash equivalents at the beginning of the year	1,846,549	5,878,598
<b>Cash and cash equivalents at the end of the year</b>	<b>2,603,346</b>	<b>1,846,549</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	72,357	74,100
<b>Balances with banks</b>		
Current accounts	2,530,989	1,772,449
<b>Total cash and cash equivalents (refer note 11)</b>	<b>2,603,346</b>	<b>1,846,549</b>

**Notes:** 1. The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS -7 on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013 ( the Act ) (Companies (Indian Accounting Standards ) Rules 2015, as amended  
2. Figures in brackets indicate cash outflow

**As per our report of even date  
for K Y & Co.  
Chartered Accountants  
Firm Registration No: 016381S  
Sd/-**

CA Harikanth Yadav Godha  
Partner  
Membership No: 223007  
UDIN: 20223007AAAACI1690  
Place : Hyderabad  
Date : 25-08-2020

**For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED**

Sd/-  
R.G PATWARI  
Managing Director  
DIN : 00975555  
Sd/-  
Pavan Kumar Rathi  
Chief Financial Officer

Sd/-  
SANJAY PATWARI  
Director  
DIN : 00253330  
Sd/-  
Sai Susmitha Bysani  
Company Secretary

**A. Equity share capital**

Equity Shares of Rs.10 each, issued, subscribed and fully paid	No.	Rs.
<b>As at March 31, 2019</b>	<b>3,972,824</b>	<b>39,728,240</b>
Changes in Equity share capital	-	-
<b>As at March 31, 2020</b>	<b>3,972,824</b>	<b>39,728,240</b>

**B. OTHER EQUITY**

Particulars	Other components of equity							Total Other Equity	Total Equity
	Other Equity								
	Equity Share Capital	Capital Reserve	Capital redemption reserve	Retained Earnings	Reserve on account of Revaluation of Land	General Reserve	Actuarial gains/(losses)		
	A						B	(A+B)	
<b>As at April 01, 2018</b>	39,728,240	19,958,586	800,000	57,496,655	168,119,394	27,948,050	-	274,322,685	314,050,925
Bonus shares issued during the year	-	-	-	-	-	-	-	-	-
Profit/loss for the year	-	-	-	5,505,981	-	-	-	5,505,981	5,505,981
Transfer from retained earnings	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Amount Utilised for Bonus issue	-	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	-	-	2,939,394	-	-	-	2,939,394	2,939,394
Cost of Land Sold during the year	-	-	-	-	(2,939,394)	-	-	(2,939,394)	(2,939,394)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>39,728,240</b>	<b>19,958,586</b>	<b>800,000</b>	<b>62,942,030</b>	<b>165,180,000</b>	<b>27,948,050</b>	<b>-</b>	<b>279,828,666</b>	<b>319,556,906</b>
Bonus shares issued during the year	-	-	-	-	-	-	-	-	-
Profit/loss for the year	-	-	-	54,589,697	-	-	-	54,589,697	54,589,697
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-	-
Amount Utilised for Bonus issue	-	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	-	-	12,464,987	-	-	-	12,464,987	12,464,987
Cost of Land Sold during the year	-	-	-	-	(12,464,987)	-	-	(12,464,987)	(12,464,987)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>39,728,240</b>	<b>19,958,586</b>	<b>800,000</b>	<b>132,996,714</b>	<b>152,715,013</b>	<b>27,948,050</b>	<b>-</b>	<b>334,418,363</b>	<b>374,146,603</b>

The accompanying notes are an integral part of the financial statements.

**As per our report of even date for K Y & Co.**  
**Chartered Accountants**  
**Firm Registration No: 016381S**

**For and on behalf of the Board of Directors**  
**STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED**

Sd/-  
 CA Harikanth Yadav Godha  
 Partner  
 Membership No: 223007  
 UDIN: **20223007AAAACI1690**  
 Place : Hyderabad  
 Date : 25-08-2020

Sd/-  
 R.G PATWARI  
 Managing Director  
 DIN : 00975555  
 Sd/-  
 Pavan Kumar Rathi  
 Chief Financial Officer

Sd/-  
 SANJAY PATWARI  
 Director  
 DIN : 00253330  
 Sd/-  
 Sai Susmitha Bysani  
 Company Secretary

## 1. Corporate Information

Starlite Global Enterprises (India) Limited (referred to as "SGEIL" or "the Company" hereinafter) was incorporated in the year 1962, in the name of M/s Telangana Spinning & Weaving Mills Limited which has been changed to M/s Starlite Global Enterprises (India) Limited on 17-05-2010. The Company has its registered office Situated at 603, Shangrila Plaza, Plot No .14, Road no: 2, Banjara Hills, Hyderabad -500034. The Company is engaged in diversified business activities namely, Real Estate activities of development, lease/rent and sale of land and commercial property, generation and supply of solar power & Management and Maintenance of properties owned by the Company and those under Joint venture Agreements. The Company is also trading in shares, securities and derivatives and mutual fund investments as a supplement to its main activities and for parking of surplus funds. Further the Company is also engaged in International and Retail trade through its subsidiaries.

## 2. Significant Accounting Policies

### I. Basis of preparation

#### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

#### (ii) Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except for certain Financial assets and Liabilities (including derivative instruments) which are measured at fair value/ amortised cost;

#### (iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All Financial information are presented in rupees and rounded off to the nearest rupee.

#### (iv) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (v) Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / noncurrent classification.

##### ➤ An Asset is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be realized in, or is intended for sale or consumption, in the Company's normal operating cycle. It is held primarily for the purpose of being traded.
- (b) It is expected to be realized within 12 months after reporting date; or
- (c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting date.

##### ➤ All other assets are classified as non-current.

##### ➤ A liability is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be settled in the Company's normal operating cycle.
- (b) It is held primarily for the purpose of being traded.
- (c) It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of Equity instrument do not affect its classification.

##### ➤ All other liabilities are classified as non-current.

##### ➤ Deferred tax assets and liabilities are classified as non-current only.

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (A) Revenue Recognition:

Revenue is recognized 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 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.

However, Goods and Service Tax (GST) 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.

#### (a) Rental Income from tenants under Operating leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of Ownership to the lessee. All other leases are classified as operating leases.

#### As a lessor:

Leases in which the Company does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases.

- Lease payments under an operating lease shall be recognised as an income on a straight-line basis over the lease term unless
  - (i) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis;
  - (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Hence the Company has recognised the lease income on the basis of payments to the lessor that are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence straight line basis is avoided.

#### (b) Sale of Solar Power:

Revenue from sale of solar energy is recognised in accordance with the provisions of the power purchase agreement entered into with TSSPDCL (The Southern Power Distribution Company of Telangana). Such revenue is recognised on the basis of actual units generated and transmitted, at the tariff rate agreed between the parties.

#### (c) Sale of Land held as stock in trade:

Sale of land and plots (including development rights) held as stock in trade is recognized in the financial year in which the agreement to sell/application forms (containing salient terms of agreement to sell) is executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

### (B) Taxes:

#### Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 Group operates and generates taxable income.



Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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.

**Deferred Income Taxes:**

Deferred income taxes are recognised using the Balance Sheet Approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income Tax Liabilities are recognised for all taxable temporary differences, except 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 Income 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:

- (a) 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.
- (b) 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.

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 (either in other comprehensive income or in equity). 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. Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(C) Property Plant & Equipment & Investment Property:****(i) Property Plant & Equipment:**

PPE is measured on initial recognition at cost net of taxes/ duties, credits availed, if any, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

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. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of asset.

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 the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(ii) Capital Work in Progress:**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment or investment property. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

During the Financial Year 2019-20, the company estimates either to lease the property or make it available for sale once the asset is completed. Hence the company has reversed proportionally the Input taken on GST amounting to Rs. 122.57 Lakhs and the same has been taken to Capital Work in Progress.

**(iii) Investment Property:**

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business.

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. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

**(iv) Depreciation:**

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of assets based on internal assessment and independent technical evaluation done by the Management expert which are in accordance with Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The Estimated useful lives of assets which are in accordance with Schedule II to the companies Act, 2013, are as follows:

Assets	Estimated Useful life
Buildings RCC Frame Structure	60 years
Buildings Other than RCC Frame Structure & Factory Buildings	30 years
Plant and Machinery	15 years
Furniture and fixtures	10 years
Vehicles	10 years
Electrical Equipment	10 years
Interiors	10 years
Solar Power-Equipment	10 years
Computers	3 years

Individual items of assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

**(D) Intangible Assets:**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The Company currently does not have any intangibles assets.

**(E) Financial Instruments:****➤ Financial Assets****(i) Classification**

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

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

The classification depends on the Company'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 are recorded in profit or loss. For investments in equity instruments in subsidiaries, associates and jointly control entities these are carried at cost less diminution, if any, in these financial statements.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**➤ Subsequent Measurement of Financial Assets in form of Debt Instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company has classified its debt instruments:

**(a) Amortised Cost:**

Assets that are held for collection of contractual cash flows and where the contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**(b) Fair Value through profit or loss (FTVPL):**

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

**➤ Subsequent Measurement of Financial Assets in form of Equity Instruments**

The Company subsequently measures all equity investments which are within the scope of Ind AS 109 at fair value, other than investments in equity instruments in subsidiaries, associates and jointly controlled entities, which are carried at cost less diminution, if any.

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 in respect to Financial Instruments, which require expected lifetime losses to be recognized from initial recognition of the receivables.

**(iv) De recognition of financial instruments**

A financial asset is derecognised only when

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires

**➤ Financial liabilities**

Financial liabilities are classified, at the initial recognition, as loans and borrowings, payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

**(F) Income recognition****➤ Interest Income**

For all debt instruments measured at amortized cost, 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 amortized 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, pre- payment, 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.

**➤ Security Deposits**

Under the previous GAAP, interest free security deposits received from lessees (that are refundable in cash on completion of its term) are recorded at their transaction value. Under Ind AS, the Company fair values these security deposits if their non-cancellable period is more than one year as at the reporting date. Difference between the fair value and transaction value of the security deposits shall be recognised as deferred revenue. The corresponding adjustments shall be recognised in the profit and loss account.

**➤ Dividends**

Dividends are recognized in profit or loss only when the right to receive the payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably, which is generally when the shareholders approve the dividend.

**(G) Cash & Cash Equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of not more than twelve 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(if any) as they are considered an integral part of the company's cash management.

**(H) 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. 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 (if any) to the extent regarded as an adjustment to the borrowing costs.

**(I) Investment in Subsidiaries, Associates and Joint venture:**

Investment in subsidiaries, associates and joint venture are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit or Loss

**(J) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a finance cost.

The Company has disclosed in Note No. 33 forming part of the financial Statements, the contingent liabilities in respect of liabilities that are not ascertained or are under dispute and hence, no provisions have been made. The estimates thereof are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Assets are not ascertained nor disclosed in the Financial Statements.

**(K) Leases (as a lessee)****➤ Operating Leases**

Leases in which the Lessor does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either:

- (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met

Hence the Company has recognised the lease expenses on the basis of payments to the lessor are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence straight line basis is avoided.

**(L) Inventories:**

Inventories comprise of Land held as stock in trade which is valued at the lower of cost and net realisable value.

The Land held by the Company was converted to Stock in trade during the year 2005-06, for the purpose of development and sales based on the market rate as on that date as certified by the Sub Registrar. Prior to the conversion of land into stock in trade, it was re-valued and accordingly the revaluation reserve (as disclosed in other equity) was created.

A part of land held as stock in trade was reconverted into fixed assets during the year 2016-17 due to the same being used towards construction of a commercial complex by the Company. The re conversion is made at the same rate at which the stock in trade was valued hitherto.

The balance of the said land which is held as stock in trade for development and sale continues to be valued at the rate at which it was converted into stock in trade during the year 2005-06 being treated as cost thereto and the same is lower than market rate.

Also refer Note no 44 for deemed cost of the land considered as per IND AS 101 First Time Adoption of Indian Accounting Standards.

**(M) Employee benefits schemes:**

The adherence to the requirements of Employee benefit schemes as per Ind As-19 "Employee Benefits" is found not to be applicable to the Company being in view of limited number of staff. While its implementation is being pursued, short term employee benefits are recognised in the period in which such employee services are received.

**(N) Foreign currency transactions:**

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Under Indian GAAP, AS 11 the "Effects of changes in Foreign Exchange Rates" gives two options with regard to accounting for exchange differences arising on long-term foreign currency monetary items. The first option is that an entity recognizes exchange differences as income or expense in profit or loss in the period in which they arise. However, paragraph 46A of AS 11 also provides companies an option whereby companies can choose to defer/ capitalize exchange differences arising on long-term foreign currency monetary items. The option once selected is irrevocable and needs to be applied to all long-term foreign currency monetary items. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

If under Indian GAAP, a company had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11, then Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. It should be noted that this is an option. In other words, a first-time adopter is free to use Ind AS 21 accounting even for exchange differences arising on translation of long-term foreign currency monetary items for the period ending immediately before the beginning of the first Ind AS financial reporting period. However, the deferral/ amortization policy is not allowed for any new long-term foreign currency monetary item recognized from the first Ind AS financial reporting period.

The Company has not applied paragraph 46A of AS 11 under Indian GAAP. Consequently, it does not have the option of using deferral/ capitalization policy under Ind AS.

**(O) Earnings per share:**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**(P) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment.

Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities"

**(Q) Cash Flow Statements:**

Cash flows are reported using Indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future



cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(R) Use of Estimates and Judgements:**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

**3. Property, Plant and Equipment for the year ended March 31, 2020**

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions/Adjustments	Deductions/adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions/Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold-Land (Balanagar Property)	19,958,586	-	-	19,958,586	-	-	-	-	19,958,586	19,958,586
Buildings (Balanagar & Sadashivpet)	6,639,541	-	-	6,639,541	2,163,076	176,136	-	2,339,212	4,300,329	4,476,465
Plant & Machinery	15,178,453	1,171,377	-	16,349,830	2,632,085	1,161,414	-	3,793,499	12,556,331	12,546,368
Furniture & Fixtures	20,967,106	343,658	-	21,310,764	4,745,515	2,521,927	-	7,267,442	14,043,322	16,221,591
Electrical Equipments	8,455,110	760,893	-	9,216,003	2,496,565	1,074,372	-	3,570,937	5,645,066	5,958,545
Vehicles	7,749,974	2,633,614	-	10,383,588	2,804,164	938,854	-	3,743,018	6,640,570	4,945,810
Computers	63,405	64,704	-	128,109	60,235	8,131	-	68,366	59,743	3,170
Interiors	43,815,034	5,311,443	-	49,126,477	9,727,478	5,323,533	-	15,051,011	34,075,466	34,087,556
Solar Power- Factory Building	8,631,798	-	-	8,631,798	825,869	282,764	-	1,108,633	7,523,165	7,805,929
Solar Power-Equipments	160,415,124	-	432,252	159,982,872	50,672,784	16,859,586	-	67,532,370	92,450,502	109,742,340
<b>TOTAL</b>	<b>291,874,131</b>	<b>10,285,688</b>	<b>432,252</b>	<b>301,727,567</b>	<b>76,127,771</b>	<b>28,346,717</b>	<b>-</b>	<b>104,474,488</b>	<b>197,253,079</b>	<b>215,746,360</b>

**Property, Plant and Equipment for the year ended March 31, 2019**

(Amount in ₹)

ARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions/Adjustments	Deductions/adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold-Land (Balanagar Property)	19,958,586	-	-	19,958,586	-	-	-	-	19,958,586	19,958,586
Buildings (Balanagar & Sadashivpet)	6,981,354	-	341,813	6,639,541	2,021,228	176,136	34,288	2,163,076	4,476,465	4,960,126
Plant & Machinery	11,344,481	3,833,972	-	15,178,453	1,709,780	922,305	-	2,632,085	12,546,368	9,634,701
Furniture & Fixtures	12,298,921	8,668,185	-	20,967,106	3,001,962	1,743,553	-	4,745,515	16,221,591	9,296,959
Electrical Equipments	6,277,743	2,177,367	-	8,455,110	1,630,593	865,972	-	2,496,565	5,958,545	4,647,150
Vehicles	7,749,974	-	-	7,749,974	1,880,691	923,473	-	2,804,164	4,945,810	5,869,283
Computers	63,405	-	-	63,405	60,235	-	-	60,235	3,170	3,170
Interiors	25,321,947	18,493,087	-	43,815,034	6,145,503	3,581,975	-	9,727,478	34,087,556	19,176,444
Solar Power- Factory Building	8,631,798	-	-	8,631,798	543,105	282,764	-	825,869	7,805,929	8,088,693
Solar Power-Equipments	159,972,300	442,824	-	160,415,124	33,744,758	16,928,026	-	50,672,784	109,742,340	126,227,542
<b>TOTAL</b>	<b>258,600,509</b>	<b>33,615,435</b>	<b>341,813</b>	<b>291,874,131</b>	<b>50,737,855</b>	<b>25,424,204</b>	<b>34,288</b>	<b>76,127,771</b>	<b>215,746,360</b>	<b>207,862,653</b>



Notes:

1. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has availed the optional exemptions as per IND AS 101 and has elected to measure all of its property, plant and equipment at their previous GAAP carrying value during the FY ending 31st March 2018
2. Land at Balanagar amounting to Rs.1,99,58,586 (additions during the year 2017) relate to re-conversion of part of land admeasuring 11,055Sq Yards held as stock in trade into Fixed asset on account of its demarcation which is under construction of Commercial Complex is classified as Property Plant & Equipment till the completion of Construction as per Ind AS 16 - Property Plant & Equipment.
3. The Additions during the year for Furniture & Fixtures, Plant & Machinery & Electrical Equipment and interiors pertains to the company and relate to fit outs at the office premises managed by the company pursuant to a Joint Venture Agreement with the owners of the property.
4. The Capital Work-in -Progress as per Balance sheet relate to expenses incurred in respect of ongoing projects at Balanagar for Commercial complex.

## 4. Investment Property for the year ended March 31, 2020

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions/ Adjustments	Deductions/Adjus tments	As at March 1, 2020	As at April 1,2019	Charge for the year	Deductions/Adjus tments	As at March 31,2020	As at March 31, 2020	As at March 31, 2019
Buildings (Shangrila Plaza)	153,275,748	-	-	153,275,748	5,382,171	2,495,602	-	7,877,773	145,397,975	147,893,577
Freehold Land (Sadashivpet)	1,365,418	-	-	1,365,418	-	-	-	-	1,365,418	1,365,418
<b>TOTAL</b>	<b>154,641,166</b>	<b>-</b>	<b>-</b>	<b>154,641,166</b>	<b>5,382,171</b>	<b>2,495,602</b>	<b>-</b>	<b>7,877,773</b>	<b>146,763,393</b>	<b>149,258,995</b>

## Investment Property for the year ended March 31, 2019

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions/ Adjustments	Deductions/Adjus tments	As at March 31, 2019	As at April 1,2018	Charge for the year	Deductions/Adjus tments	As at March 31,2019	As at March 31, 2019	As at March 31, 2018
Buildings (Shangrila Plaza)	148,655,548	4,620,200	-	153,275,748	2,886,569	2,495,602	-	5,382,171	147,893,577	145,768,979
Freehold Land (Sadashivpet)	1,335,418	30,000	-	1,365,418	-	-	-	-	1,365,418	1,335,418
<b>TOTAL</b>	<b>149,990,966</b>	<b>4,650,200</b>	<b>-</b>	<b>154,641,166</b>	<b>2,886,569</b>	<b>2,495,602</b>	<b>-</b>	<b>5,382,171</b>	<b>149,258,995</b>	<b>147,104,397</b>

1. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has availed the optional exemptions as per IND AS 101 and has elected to measure all of its Investment Property at their previous GAAP carrying value.
2. Free Hold land situated at Sadashivpet is classified as Investment Property as the same is held for capital appreciation in accordance with Ind As 40 - Investment Property.
3. The certain office units at Shangrila Plaza (other than the 7th floor acquired during the previous year) are under the mortgage with Bajaj Finserv Limited to secure the term loan availed .

4. Free hold Land at Sadashivpet admeasuring to an extent of 103 acres 5 guntas pertaining to the company includes 60 Acres alienated by the Government of Telangana, in respect of which, by order dated 04-02-2013, The Tahsildar, Sadashivpet Mandal , Medak District has cancelled the alienation and has resumed the land in favour of the government. However, the said land remains in the physical possession of the Company. Being aggrieved by the said order, the Company has filed a writ petition with Hon'ble High Court of Telangana , Hyderabad seeking declaration of the said order as null and void. The same writ petition is pending. Meanwhile the Hon'ble High Court has granted an interim order for maintaining status quo.

**FINANCIAL ASSETS:****NOTE NO.5  
NON CURRENT INVESTMENTS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>I. Investment in equity instruments of Subsidiary Companies ( Fully paid up)- unquoted</b>		
(a) Starlite Global Enterprises (FZE) UAE-Share of AED 150,000 -(Wholly Owned Subsidiary)	1,931,100	1,931,100
(b) Starlite Fashions Private Limited- 5,40,000 Equity Shares of 10/- each	5,400,000	5,400,000
<b>Total Non Current Investments-Unquoted</b>	<b>7,331,100</b>	<b>7,331,100</b>
<b>Aggregate amount of Unquoted Investments</b>	<b>7,331,100</b>	<b>7,331,100</b>

\*Excludes 10,000 shares held by nominee share holders whose registration in the name of company is in process.

**NOTE NO.6****OTHER FINANCIAL ASSETS**

Particulars	Non current		Current	
	As at ' March 31, 2020	As at ' March 31, 2019	As at ' March 31, 2020	As at ' March 31, 2019
Advances to related parties	-	-	53,650	53,650
<b>Total</b>	<b>-</b>	<b>-</b>	<b>53,650</b>	<b>53,650</b>

**NOTE NO.7****OTHER NON CURRENT ASSETS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Balances in Deposits with Government deposits	684,155	649,381
Other Deposits	19,000	656,026
<b>Total</b>	<b>703,155</b>	<b>1,305,407</b>

**NOTE NO.8****LOANS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>(Unsecured, considered good)</b>		
Advances to Subsidiary company (SFPL)	-	5,338,967
Advances to Wholly Owned subsidiary (SGE-FZE Dubai)	12,231,844	11,287,849
Advances to Group company (SSL)	-	-
<b>Total</b>	<b>12,231,844</b>	<b>16,626,816</b>

Note:

- Loans to WOS (SGE-FZE Dubai) was given for meeting their working capital requirements at an interest rate of 8%.
- All the loans given are in compliance with Section 186 of the Companies, Act 2013 and are generally repayable within one year unless extended by mutual Consent.

**NOTE NO.9  
INVENTORIES**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
Land held as stock in trade (at cost)	165,180,000	168,119,393
<b>Less:</b> Cost of Land Sold During the year	(12,464,987)	(2,939,393)
<b>Total</b>	<b>152,715,013</b>	<b>165,180,000</b>

**NOTE NO.10  
TRADE RECEIVABLES**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Unsecured, Considered good</b>		
TSSPDCL-Solar Bills Receivable	30,179,181	25,155,477
Rent & Electricity Charges Receivable	2,165,516	1,790,951
Other Trade Receivables	51,984,492	-
<b>Total</b>	<b>84,329,189</b>	<b>26,946,428</b>

**NOTE NO.11  
CASH AND CASH EQUIVALENTS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
Cash on hand	72,357	74,100
Balance with banks		
-In current accounts	2,530,989	1,772,449
<b>Total</b>	<b>2,603,346</b>	<b>1,846,549</b>

**NOTE NO.12  
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Balances with Banks</b>		
-In Unpaid Dividend accounts(Earmarked accounts)	442,226	442,226
-In Fixed deposits accounts with original maturity of more than 3 months but less than 12 months	13,041,917	462,156
<b>Total</b>	<b>13,484,143</b>	<b>904,382</b>

**NOTE NO.13  
INVESTMENTS**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Units/ Shares	Amount	Number of Units/ Shares	Amount
<b><u>Investments in Mutual Funds at Fair Value through profit/loss a/c (quoted)</u></b>				
HDFC Liquid Fund -Growth plan	2,544	9,857,628	-	-
<b><u>Investments in Equity Instruments at Fair Value through profit/loss a/c (quoted)</u></b>				
(a) Oil India Limited #	3,000	247,948	3,000	432,700
(b) Tata Motors Limited-Differential Voting	8,000	247,600	8,000	684,400
(c) Bharat Electronics Limited	3,000	223,350	3,000	279,750
(d) Clariant Chemicals (India) Limited	1,000	227,300	1,000	364,500
(e) Castrol India Limited	3,000	298,350	3,000	499,200
(f) HCL Technologies Ltd	400	174,560		
(g) Housing Dev & Infra Limited	6,000	8,400	6,000	155,100
(h) 8K Miles Software Services Limited	500	13,775	500	49,250
(i) Hindustan Copper Limited	3,000	63,900	3,000	146,850
(j) ICICI Prudential Life Insurance		-	1,500	525,375
(k) Hindustan Unilever Ltd.	100	216,625		
(l) Tide Water Oil Company (India) Limited	100	320,740	100	512,335
(m) Sundaram Clayton Limited	100	149,225	100	289,075
(n) Godrej Aarvet Ltd.	359	132,022		-
(o) Sarda Energy and Minerals Ltd.	1,000	117,500		-
(p) Sterlite Technologies Ltd.	1,000	63,800		-
(q) Adani Gas Ltd.	1,500	129,525		-
(r) Tata Consultancy Services Ltd.	200	365,220		-
<b>Total</b>		<b>12,857,468</b>		<b>3,938,535</b>

(#Oil India Shares have been kept as Margin for the purpose of Derivative Trading.)

**NOTE NO.14  
OTHER CURRENT ASSETS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Unsecured, considered good unless stated otherwise</b>		
Advances recoverable in cash or kind	1,023,555	1,090,889
Prepaid expenses	1,192,990	133,033
TDS receivable & Advance Tax	5,513,835	5,504,078
Balance with government authorities(Income tax refund due)	4,026,826	2,275,786
GST Input Tax Credit	740,142	10,117,991
Advances to Creditors	7,672,052	-
<b>Total</b>	<b>20,169,400</b>	<b>19,121,776</b>

**NOTE NO.15  
Equity share capital**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b><u>Authorized share capital:</u></b>		
4,800,000 (March 31, 2019 : 4,800,000) equity shares of Rs. 10/- each	48,000,000	48,000,000
200,000 9.5% Redeemable Cumulative Preference Shares of Rs.10/- each	2,000,000	2,000,000
<b>Total Authorised Share Capital</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b><u>Issued &amp; Subscribed :</u></b>		
3,972,824 - Equity shares of @ 10/- each Issued	39,728,240	39,728,240
<b>Total Subscribed Capital</b>	<b>39,728,240</b>	<b>39,728,240</b>
<b><u>Paid Up Capital:</u></b>		
3,972,824 – Equity shares of ₹ 10/-each subscribed	39,728,240	39,728,240
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>39,728,240</b>	<b>39,728,240</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year****Equity shares**

Particulars	As at ' March 31, 2020		As at ' March 31, 2019	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	3,972,824	39,728,240	3,972,824	39,728,240
Equity shares forfeited	-	-	-	-
Bonus Shares Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,972,824</b>	<b>39,728,240</b>	<b>3,972,824</b>	<b>39,728,240</b>

**(b) Terms/rights attached to equity shares**

The Company has one class of equity shares having par value of Rs. 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at ' March 31, 2020		As at ' March 31, 2019	
	No's	% holding	No's	% holding
1) R. G. Patwari	936,608	23.58	936,608	23.58
2) Sanjay Patwari	490,496	12.35	490,496	12.35
3) Smt Chanda Patwari	541,894	13.64	541,894	13.64
4) Sandeep Patwari	391,442	9.85	391,442	9.85

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**NOTE NO.16  
RETAINED EARNINGS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
General Reserve	27,948,050	27,948,050
Retained Earnings	132,996,714	65,942,030
<b>Total</b>	<b>160,944,764</b>	<b>93,890,080</b>

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>General Reserve:</b>		
Opening Balance	27,948,050	27,948,050
<b>Add:</b> Transfer from Profit/Loss	-	-
<b>Less:</b> Amount Utilised for Bonus issue	-	-
<b>Closing Balance</b>	<b>27,948,050</b>	<b>27,948,050</b>
<b>Retained Earnings:</b>		
<b>Opening Balance</b>	65,942,030	57,496,655
<b>Add:</b> Profit for the year	54,589,697	5,505,981
<b>Less:</b> Transfer to General reserve	-	-
<b>Add:</b> Transfer from revaluation reserve	12,464,987	2,939,394
<b>Closing Balance</b>	<b>132,996,714</b>	<b>65,942,030</b>

**NOTE NO.17**  
**OTHER COMPONENTS OF EQUITY**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Reserve on account of Revaluation of Land (Refer Note 43)	152,715,013	165,180,000
Capital Redemption reserve	800,000	800,000
Capital Reserve (Refer Note 43)	19,958,586	19,958,586
<b>Total</b>	<b>173,473,599</b>	<b>185,938,586</b>

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Reserve on account of Revaluation of Land (Refer Note 43)</b>		
Opening balance	165,180,000	168,119,394
Less: Revalued portion of land sold during the year	(12,464,987)	(2,939,394)
Less: Transfer to Capital Reserve on re-conversion of a portion of land to Fixed Asset	-	-
<b>Closing Balance</b>	<b>152,715,013</b>	<b>165,180,000</b>
<b>Other Reserves:</b>		
Capital Redemption Reserve	800,000	800,000
Capital Reserve	19,958,586	19,958,586
<b>Closing Balance</b>	<b>20,758,586</b>	<b>20,758,586</b>

**NOTE NO.18**  
**FINANCIAL LIABILITIES:**  
**BORROWINGS-NON CURRENT**

Particulars	Non-current		Current maturities	
	As at ' March 31, 2020	As at ' March 31, 2019	As at ' March 31, 2020	As at ' March 31, 2019
<b>Term Loans:</b>				
(i) From Banks( Secured)	48,757,579	14,545,766	7,554,432	4,062,450
(ii) From Financial Institutions (Secured)	121,519,410	130,175,200	8,655,790	5,602,323
(ii) From Financial Institutions(Unsecured)	-	13,122,714	-	1,343,936
	<b>170,276,989</b>	<b>157,843,680</b>	<b>16,210,222</b>	<b>11,008,709</b>
<b>Term Loans From Banks(Secured)</b>				
<b>Includes:</b>				
1. Term loan from HDFC Bank Limited (repayable in 60 EMI's , last repayment falling due on 05/01/2021 availed @ an Interest rate of 9.33% )	-	644,211	644,210	709,803
2. Term Loan from RBL Bank Limited (Repayable in 120 EMI's last repayment falling due on 05/07/2023 availed @ an Interest rate of 10.46 %)	8,410,899	13,901,555	3,477,303	3,352,647
3. Term Loan from Bajaj Finserv Limited (Repayable in 180 EMI's last repayment falling due on 05/09/2032 availed @ an Average Interest rate of 10.30% )	120,442,342	128,539,486	8,097,144	5,086,747
4. Term Loan from ICICI #385 (Repayable in 120 EMI's last repayment falling due on 10/10/2029 availed @ an Average Interest rate of 9.85% )	13,377,016	-	1,049,965	-

5. Term Loan from ICICI #863 (Repayable in 120 EMI's last repayment falling due on 10/01/2030 availed @ an Average Interest rate of 9.85% )	25,088,799	-	2,001,640	-
6. Term loan from Axis Bank Limited (repayable in 60 EMI's , last repayment falling due on 05/02/2025 availed @ an Interest rate of 9.33% )	1,880,865	-	381,314	-
<b>Total</b>	<b>169,199,921</b>	<b>143,085,252</b>	<b>15,651,576</b>	<b>9,149,197</b>
<b>Terms Loans from Financial Institutions (Secured):</b>				
1. Term loan from Volkswagen Finance Private Limited (repayable in 60 EMI's , last repayment falling due on 10/01/2020 availed @ an Interest rate of 8.05% )	1,077,068	1,635,713	558,646	515,576
<b>Terms Loans from Financial Institutions (Unsecured):</b>				
1. Term Loan from India Infoline Finance Limited (Repayable in 120 EMI's Last Repayment falling due on 05/04/2026 Availed @ an interest rate of 12.75 %)	-	13,122,714	-	1,343,936
<b>Net borrowings</b>	<b>1,077,068</b>	<b>14,758,428</b>	<b>558,646</b>	<b>1,859,512</b>

**NOTE NO.19  
DEFERRED TAX**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Deferred tax asset</b>		
Opening Balance	12,272,322	10,903,799
Adjustment for the year/Previous years	10,467,482	1,368,523
<b>Deferred tax Asset (net)</b>	<b>22,739,804</b>	<b>12,272,322</b>
<b>Deferred tax Liability</b>		
Opening Balance	13,596,863	11,891,615
Adjustment for the year/Previous years	8,198,462	1,705,248
<b>Deferred tax Liability (net)</b>	<b>21,795,325</b>	<b>13,596,863</b>

**NOTE NO.20  
OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Advances from related parties*		
From Promoters Group	28,197,052	8,978,238
From Starlite Fashions Private Limited(Wholly Owned Subsidiary)	76,728,699	-
From Other Group Companies	184,115	67,011,160
Unclaimed Dividend	442,226	442,226
Current Maturities of Term Loans from Banks ( Secured )	7,554,432	4,062,450
Current Maturities of Term Loans from Financial Institutions ( Secured )	8,655,790	5,602,323
Current Maturities of Term Loans from Financial Institutions ( Unsecured )	-	1,343,936
<b>Total</b>	<b>121,762,314</b>	<b>87,440,333</b>

\* (i) Loans from Promoters Group are Interest free repayable on demand.  
(ii) Loan from From Starlite Fashions Private Limited(Wholly Owned Subsidiary) carries 14% interest repayable on demand  
(iii) Loan from Group Company includes loan amounting to Rs. 66,827,045/- (For YE: 31/03/2019) repayable on demand carrying 12% Interest p.a



**NOTE NO.21  
OTHER NON CURRENT LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Security Deposits	9,503,804	9,746,900
<b>Total</b>	<b>9,503,804</b>	<b>9,746,900</b>

Represents Rental Deposits from received from tenants for property owned by company

**NOTE NO.22  
CURRENT TAX LIABILITY**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Provision for taxation	5,467,482	1,368,523
<b>Total</b>	<b>5,467,482</b>	<b>1,368,523</b>

**NOTE NO.23  
OTHER CURRENT LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Salaries Payable	437,429	273,704
TDS Payable	1,631,930	1,333,258
Customer Liability Amenities & Maintenance	13,891,462	13,997,800
Capital creditors	3,367,294	4,494,218
Audit fees Payable	692,000	774,000
Advances from customers	3,899,566	3,899,566
Deposit Under Development Agreement (Ref. Note No.37a)	127,316,948	127,316,948
Other Provisions	3,765,093	1,102,936
Other Liabilities	328,751	278,251
<b>Total</b>	<b>155,330,473</b>	<b>153,470,682</b>

**NOTE NO.24  
REVENUE FROM OPERATIONS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Revenue from operations</b>		
(i) Sale of Land held as Stock in Trade	41,414,520	12,032,000
(ii) Operating Income :		
(a) Rental Income From Own Property	18,813,071	13,734,356
(b) Rental Income Under Joint Venture Agreement (Refer Note 36 (i))	33,729,861	35,646,409
(iii) Sale of Solar Power (net)	32,140,796	33,259,478
<b>Total</b>	<b>126,098,248</b>	<b>94,672,242</b>

**NOTE NO.25  
OTHER INCOME**

<b>Particulars</b>	<b>As at ' March 31, 2020</b>	<b>As at ' March 31, 2019</b>
Dividend Income	78,585	98,325
<b><u>Profit on Investments &amp; Derivatives:</u></b>		
Mutual Funds	257,628	72,542
Foreign Exchange Futures Trading	232,237	-
Equity Shares Trading	203,596	273,997
Equity Shares Futures Trading	-	359,562
<b><u>Others:</u></b>		
Interest on advances to Wholly Owned Subsidiary	906,068	836,142
Credit Balances written back	317,193	387,183
Interest Received on Income Tax Refund	181,960	-
Miscellaneous Income	194,069	60,928
Interest Received on Inter Corporate Advances	34,389	-
Profit on sale of Building	-	452,476
Profit on Foreign Exchange fluctuation	875,620	971,139
<b>Total</b>	<b>3,281,345</b>	<b>3,512,295</b>

**NOTE NO.26  
FINANCE INCOME**

<b>Particulars</b>	<b>As at ' March 31, 2020</b>	<b>As at ' March 31, 2019</b>
Interest on bank deposits	69,761	29,405
Interest on Deposits with T.S.S.E.B	95,414	91,832
	<b>165,175</b>	<b>121,237</b>

**NOTE NO.27  
CHANGES IN INVENTORIES - LAND**

<b>Particulars</b>	<b>As at ' March 31, 2020</b>	<b>As at ' March 31, 2019</b>
<b>Opening Balance :</b>		
Inventories at beginning of the year	165,180,000	168,119,394
Inventories at End of the year	152,715,013	165,180,000
<b>Total Changes in inventories</b>	<b>12,464,987</b>	<b>2,939,394</b>

**NOTE NO.28  
EMPLOYEE BENEFITS EXPENSE**

<b>Particulars</b>	<b>As at ' March 31, 2020</b>	<b>As at ' March 31, 2019</b>
Salaries, wages and bonus	5,315,071	4,385,433
Director's Remuneration (refer note: 37)	2,100,000	1,200,000
<b>Total</b>	<b>7,415,071</b>	<b>5,585,433</b>

**NOTE NO.29  
OPERATING & OTHER EXPENDITURE**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Operating Expenditure :</b>		-
Rent Payable to Owners held through Joint Venture Agreement (Refer Note 37 (i) )	20,065,307	21,210,707
Rent-Others	891,000	-
<b>Other Expenses :</b>		
Power and fuel	674,088	619,224
Rates and taxes	210,671	143,250
Rates and taxes-Listing Fee	1,073,900	22,822
Insurance	191,787	229,985
Repairs and maintenance:		
Plant & Machinery	1,096,297	664,713
Buildings	272,787	393,878
Vehicles	150,309	121,256
Office Equipments	16,325	-
Furnitures& Interior A/c	87,216	-
Others	495,814	86,523
Travelling and conveyance	3,581,649	928,617
Communication Costs	189,411	178,373
Professional Charges	2,634,917	2,557,725
Commission & Brokerage	693,261	-
Property Tax	3,713,901	782,595
Payment to auditor (refer note below)	1,250,000	700,000
Loss due to Futures Share trading	275,766	-
Loss due to Foreign Exchange Futures Trading	-	1,197,754
Security Charges	1,512,782	1,370,353
Debit Balances Written off	96,486	42,436
Mark to Market Loss on Shares	2,233,556	1,881,493
Other Expenses	594,937	438,468
<b>Total</b>	<b>42,002,167</b>	<b>33,570,172</b>

**PAYMENT TO AUDITOR**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>As auditor</b>		
Statutory Audit fee & Limited Review	500,000	500,000
Tax audit fee	150,000	150,000
Other services ( Certificate on Transfer Pricing)	50,000	50,000
Limited Review(FY 2019-20)	300,000	-
Limited Review(Previous Years)	250,000	-
<b>Total</b>	<b>1,250,000</b>	<b>700,000</b>

**OTHER EXPENSES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Office Maintenance A/c	25,070	33,858
Advertisement Expenses	9,473	4,680
Water Charges	166,426	85,275
General Expenses	164,033	225,547
Miscellaneous expenses	2,620	28,216
Printing & Stationery	51,273	60,492
Prior Period Sales Tax	174,882	-
Postage & Courier Charges	1,160	400
<b>TOTAL</b>	<b>594,937</b>	<b>438,468</b>

**NOTE NO.30  
DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Depreciation on property, plant and equipment	28,346,717	25,424,204
Depreciation on Investment Property	2,495,602	2,495,602
<b>Total</b>	<b>30,842,319</b>	<b>27,919,806</b>

**NOTE NO.31  
FINANCE COSTS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Interest on Term Loans from Banks	3,895,132	2,412,002
Interest on Term Loans from Financial Institutions	15,138,896	15,808,308
Others	85,524	213,610
Bank charges	53,902	65,870
Interest on Inter- Corporate Advances	4,145,547	2,105,539
Interest on TDS/GST/Income Tax delayed payments	243,310	474,411
<b>Total</b>	<b>23,562,311</b>	<b>21,079,740</b>

**NOTE NO.32  
EXCEPTIONAL ITEMS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Sale of Land (Refer Note : )	49,530,246	-
<b>Total</b>	<b>49,530,246</b>	<b>-</b>

**Note No. 33: Contingent Liabilities not provided for:****(In lakhs)**

S No.	Particulars	March 31, 2020	March 31, 2019
I	Sales Tax demands for of earlier years disputed by Company amounting to Rs 24.27 lakhs (1996-97), pending with Hon'ble High Court of Andhra Pradesh, Amounts paid under protest against the said appeals have been written off during earlier years.	24.27	24.27
II	Claim by Cotton Corporation of India, Mumbai (pertaining to earlier years)in terms of Arbitration award contested by the Company and pending in appeal before Hon'ble High Court of A.P.	24.93 Plus Interest	24.93 Plus Interest
III	Claim by Dijaya Malind Properties (India) Pvt. Ltd. (DMPIPL) and Dijaya Malind Mauritius JV Ltd. (DMML) pursuant to termination of Development Agreement dated 09-04-2007 (Entered with the Company). This claim is contested by the Company before Hon'ble Arbitral Tribunal formed in terms of the said Agreement. The Arbitration proceedings and other related court cases are being contested/perused by the Company and are pending adjudication.	13,541.43	13,541.43
IV	Counter Guarantees executed in respect of Bank guarantees issued by Bank of India (BOI) favouring Director General of State Disaster Response & Fire Services, for Rs 2.48 lakhs. (for proposed Commercial complex at Balanagar)	4.86 (with Interest)	4.62 (with Interest)
V	Claims raised by ESI department in earlier years towards arrears amounting to Rs.25.95 lakhs and interest thereon for Rs.11.60 lakhs being contested by the Company in Hon'ble High Court of Telangana and have been remanded back to the Assessing officer for fresh Assessment.	25.95 Plus Interest	25.95 Plus Interest

**Note No.34: Suits filed by and against the Company pending as at Balance Sheet date:**

I	Certain "Suits" filed against the Company for monetary claims and alleged encroachment of land at Balanagar by M/s.Krishi Engines Ltd (in liquidation) and others are pending in various courts and are being pursued and contested by the Company.
II	Certain "Suits" filed by the Company: <ul style="list-style-type: none"> <li>- In respect of monetary claims and also encroachment of Company's Land at Sadashivpet/ Balanagar are pending in various courts and are pursued by the Company.</li> <li>- As more fully explained in Note 4 regarding land at Sadashivpet admeasuring 60 acres which has been alienated by Govt of Telangana, the Tahsildar, Sadashivpet Mandal, Medak District has cancelled the alienation vide order dated 04-02-2013 and has resumed the land in favour of Govt of Telangana. The Company has filed a Writ Petition with the Hon'ble High Court of Telangana, contesting the cancellation of the alienation of the said land. The writ petition is pending and meanwhile the Hon'ble High Court has granted an interim order for maintaining status quo.</li> </ul>

The liabilities, if any, in respect of pending cases have neither been ascertained nor provided and are determinable only on receipt of re- assessment order / judgment/decisions thereon

**Note No. 35: Capital Commitments****(In lakhs)**

Sl. No.	Particulars	March 31, 2020	March 31, 2019
I	<b>Capital Commitments</b> - Estimated Amount of Contracts remaining to be executed for next one year- on Capital Account	1,050.00	1,002.42
II	<b>Derivatives</b> - Value of Open Derivatives as at Balance Sheet date : <ul style="list-style-type: none"> <li>• Equity Shares Futures</li> <li>• Currency Futures</li> <li>• Share Options</li> </ul>	Nil Nil Nil	Nil 69.70 Nil

**Note No. 36: Auditors Remuneration****(In lakhs)**

Sno	Particulars	March 31, 2020	March 31, 2019
1	Statutory Audit fees	5.00	5.00
2	Tax Audit fees	1.50	1.50
3	Certificate on Transfer Pricing	0.50	0.50
4	Limited Review Reporting(FY 2019-20)	3.00	NIL
5	Limited Review Reporting(Previous Years)	2.50	NIL

**Note No. 37: Other Disclosures:**

a) A sum of Rs.1,273.17 lakhs (Previous Year Rs.1,273.17 lakhs) relates to deposit received from M/s Dijaya Malind Properties (India) Pvt Ltd (DMPIPL) in terms of MOU dated 11-08-2006, Development Agreement dt.22-11-06 and Novation cum Development Agreement cum GPA dated 09-04-2007 for development of Company's land at Balanagar. M/s Dijaya Malind Properties (India) Pvt Ltd (DMPIPL) (an Indian subsidiary of Dijaya Malind J.V (Mauritius) Ltd which again is the step down subsidiary of M/s Tropicana Corporation Berhad (TCB) (erstwhile Dijaya Corporation Berhad, Malaysia) is a party to the Agreement dated 09-04-2007 to undertake and complete the project. The Company's associates M/s Starlite Spintech Ltd (SSL) hold 26% stake in DMPIPL.

DMPIPL/ DMML/ TCB have terminated the Development Agreement dated 09-04-2007 vide their legal notice dated 03-08-2010 and have demanded a sum of Rs.13,541.43 lakhs towards refund of the deposit given to the Company as well as towards damages incurred by them. These claims have been contested by the Company before Hon'ble Arbitral Tribunal formed in terms of the said Agreement.

At the same time, the Company has filed its counter claims against DMPIPL/ DMML/ TCB for an amount of Rs.30,976 Lakhs towards the damages suffered by the Company on account of illegal termination of the said development agreement which is being pursued at the arbitration.

The Arbitration proceedings are presently under stay on account of an interim order of the Hon'ble High Court of Telangana State, Hyderabad on a petition filed by TCB and the same is being contested by the Company.

b) The Company has undertaken construction of a commercial complex at its own land which was earlier held as stock in trade and later converted to fixed asset, situated at Balanagar, Hyderabad, a prime and upcoming location. The Capital Works in progress of Rs.1,850.48 Lakhs have been incurred by the Company towards construction costs and other costs relating to this project. The project is expected to be completed by 2022. The pro-rata cost relating to the land under the project admeasuring 10,200 Sq.Yards (hitherto held as stock in trade) is re-converted at the rate at which it was earlier converted into Stock in trade; and is grouped under Fixed Assets.

c) There are no dues to Micro, Small and medium Enterprises in terms of Micro, Small & Medium Enterprises Development Act, 2006, based on the information available with the Company.

d) The Securities and Exchange Board of India through its Circular dated April 17, 2015 allowed the exit option for Non-operational Stock Exchanges including Madras Stock Exchange Limited, Chennai, Tamilnadu and gave an option to all such listed companies to get their respective securities listed in any one of the All India Stock Exchanges. Accordingly, the Company's Equity shares have been listed with effect from July 21, 2020 in Metropolitan Stock Exchange Of India (MSEI) Limited and the same are now available for trade.

e) The Company has filed applications u/s 154 of the Income Tax Act, 1961 for income Tax demands for Rs.5.99 lakhs and for Rs.5.72 lakhs for the Assessment years 2012-13 & 2013-14 in view of the Department not considering the TDS deductions correctly and the same are pending .

f) Loans given and investments made in subsidiaries for their business needs are depicted under respective heads are covered under Sec 186(4) of the Companies Act, 2013.

g) The Company is also into the business of trading in shares, securities and derivatives as part of fund management activities as supplement to its main activities.

h) In the opinion of the management the current assets, loans & advances, investments and other Assets have value on realization in the ordinary course of business, at least equal to the amount in which they are stated and provision for depreciation and for all known liabilities is adequate.

i) Rental income under joint venture agreement (Refer Note No. 24) has been accounted at Gross amounts received from the lessees and the corresponding share payable to the JV Partners has been expensed under the head 'operating expenditure'(Refer Note No. 29).

**Note No. 38: Related Party Disclosures****(a) Name of Related Parties and description of relation:**➤ **Subsidiary and Associate Companies**

- (1) Starlite Global Enterprises FZE- Wholly owned Subsidiary
- (2) Starlite Fashions Private Limited- Subsidiary Company- Wholly owned Subsidiary

➤ **Other related Parties:**

- (1) Starlite Spintech Limited- One of the Key Managerial Person is a director in this company.
- (2) Paras Information Technology Private Ltd – a company in which a relative of the Key Managerial Persons of this Company is a director.

**Key Managerial personnel & other related Parties:**

Sno	Name of the related party	Nature of the relationship
1	Managing Director	Ram Gopal Patwari (KMP of the company)
2	Whole Time Director	Sanjay Patwari (KMP of the company)
3	Women Director	Sangeeta Tibrewala (Daughter of KMP)
4	Relative of Key Managerial Personnel	Sandeep Patwari (Son of KMP) Chanda Patwari(Wife of KMP)
5	CFO(KMP)	Pavan Kumar Rathi
6	Company Secretary	Sai Susmitha Bysani

**Terms & Conditions:**

Transactions related to investment in wholly owned subsidiary companies in their Equity capital is depicted at its face value. All other transactions have been executed on normal commercial terms and conditions and on arm's length basis. All outstanding balances are unsecured and are repayable in cash.

The Company has entered into Joint Venture agreements with related parties for sharing of rental income earned from operating leases in the ratio of 60:40.

The company has complied with the provisions of Section of 185 & 186 of Companies Act, 2013 for advances made to wholly owned subsidiary companies.

**(b) Transactions With Related Parties:****(In lakhs)**

Name of the Related Party	Nature of Transaction	For the Year Ended 31st March ,2020	For the Year Ended 31st March ,2019
Ram Gopal Patwari	Rent Payable to Owners in terms of Joint Venture Agreements (Refer Note No. 29)	64.96	69.69
Sanjay Patwari		69.27	71.39
Sandeep Patwari		66.42	71.02
Starlite Spintech Limited	Interest (Paid)/received on advances	0.34	(21.05)
Starlite Global Enterprises FZE-UAE		9.06	8.36
Ram Gopal Patwari	Managerial Remuneration	12.00	12.00
Sanjay Patwari		9.00	NIL
Ram Gopal Patwari	Rental deposits collected by the Company on behalf of Owners (net)	0.53	(1.76)
Sanjay Patwari		(0.52)	3.32
Sandeep Patwari		(6.03)	3.80
Starlite Spintech Limited	i) Advance repaid/(received)-Net	338.67	(1,040.02)
	ii) Sale of Land	849.45	NIL
	iii) Interest (received)/paid	(0.34)	21.06
Starlite Fashions Pvt Limited	i) Advance given/(received)- Net	(880.68)	(30.22)
	ii) Sale of Land	60.00	NIL
	iii) Interest paid during the year	41.46	NIL
Ram Gopal Patwari	Travelling Expenses	6.27	5.76
Sanjay Patwari		25.08	1.97
Chanda Patwari	Rent Paid	8.91	NIL



## (c) Outstanding Balances receivable / (payable) as at the end of the year: (In lakhs)

Name of the Related Party	As at 31st March, 2020	As at 31st March, 2019
Ram Gopal Patwari	(193.07)	(13.53)
Sanjay Patwari	(26.59)	(5.23)
Sandeep Patwari	(43.46)	(63.37)
Starlite Fashions Private Limited.	(767.29)	53.39
Starlite Global Enterprises FZE	122.32	112.88
Starlite Spintech Limited( Trade Receivables-Sale of Land)	519.84	(668.27)
Dijaya Malind Properties (India) Private Limited	(1273.16)	(1273.16)
Paras Information Technologies Pvt Ltd	(1.84)	(1.84)
Starlite Fashions Private Limited – Investment	54.00	54.00
Starlite Global Enterprises FZE – Investment	19.31	19.31
Relatives of Key Managerial Personnel	18.84	6.37

## Note No. 39: Earnings per Share (In lakhs)

Sl.No.	Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
1.	Nominal value of equity share	10.00	10.00
2.	Profit for the year	545.90	55.06
3.	Profit Attributable to Equity Shareholders	545.90	55.06
4.	Weighted average No. of Ordinary Equity Shares (Nos)	39,72,824	39,72,824
5.	Basic Earnings Per Share	13.74	1.39
6.	Diluted Earnings Per Share	13.74	1.39

## NOTE NO.. 40: Details of Loans Given, Investments made and Guarantees given covered under Sec. 186(4) of the Companies Act, 2013 (In lakhs)

Particulars	For the year March 31, 2020	For the year March 31, 2019
<b>A) Loans &amp; Advances</b> (Refer NOTE NO.: 8 )		
i) Starlite Fashions Pvt Ltd	Nil	53.39
ii) Starlite Global Enterprises FZE	122.32	112.88
<b>B) Investments</b> (Refer Note No.5) (Unquoted Shares) (At cost)		
i) Starlite Fashions Pvt Ltd	54.00	54.00
ii) Starlite Global Enterprises FZE	19.31	19.31

## NOTE NO.. 41: Segment Reporting (In lakhs)

S.no	Particulars	For the year 31 <sup>st</sup> March,2020	For the year 31 <sup>st</sup> March,2019
1	<b>Segment Revenue</b>		
	<b>Identifiable Segments</b>		
	A. Sale of Land held as stock in trade(incl. exceptional Items)	909.45	120.32
	B. Rental Income from Operating Leases	525.43	493.81
	C. Sale of Solar Power	321.41	332.59
	<b>Total Segment Revenue</b>	<b>1756.29</b>	<b>946.72</b>
	<b>Segment Result</b>		
	A. Sale of Land held as stock in trade	782.14	88.73
	B. Rental Income from Operating Leases	40.69	125.73
	C. Sale of Solar Power	(18.61)	131.89
	<b>Total Segment result</b>	<b>804.22</b>	<b>346.35</b>

	<b>Less:</b> Unallocable Expenses	(210.80)	(310.58)
	<b>Add:</b> Unallocable Income	34.46	36.34
	<b>Profit Before Tax</b>	<b>627.88</b>	<b>72.11</b>
	<b>Less:</b> Tax Expense	(81.98)	(17.05)
	<b>Profit After Tax</b>	<b>545.90</b>	<b>55.06</b>
<b>2</b>	<b>Segment Assets</b>		
	<b>Identifiable Segment Assets</b>		
	A. Land held as Stock in trade	2260.23	1651.80
	B. Rental Assets	4071.77	3580.89
	C. Solar Power Plant	1344.53	1471.80
	<b>Add:</b> Unallocated Common Assets:	906.30	725.75
	<b>Total Assets</b>	<b>8582.83</b>	<b>7430.24</b>
<b>3</b>	<b>Segment Liabilities</b>		
	<b>Identifiable Segment Liabilities</b>		
	A. Land held as stock in trade	1451.08	1452.14
	B. Rental Assets	1474.84	1218.29
	C. Solar Power Plant	1239.20	1318.92
	<b>Add:</b> Unallocated Common Liabilities(Other than Equity)	676.24	245.32
	<b>Total Liabilities</b>	<b>4841.36</b>	<b>4234.67</b>

**NOTE NO. 42: Expenditure in Foreign Currency****1. Expenditure in Foreign currency during the year**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Foreign Travel Expenses of Managerial Person	31.35	7.73

**2. Earnings in Foreign currency**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on advances to wholly subsidiary	9.44	8.36

**NOTE NO. 43: Risk Management Framework:**

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee.

The Audit Committee and the Risk Management Committee meets regularly to review risks as well as the progress against the planned actions, Key business decisions are discussed at the periodic meetings.

The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

➤ **Financial Risk**

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and credit risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

➤ **Liquidity Risk**

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet.

➤ **Foreign Exchange Risk:**

Fluctuations in foreign currency exchange rates may have an impact on the statements of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Exposures on foreign currency loans are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses Futures & Options contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit and loss and statements of other comprehensive income.

➤ **Interest Rate Risk:**

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees.

➤ **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade & other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence & goodwill. Outstanding customer receivables are regularly monitored.

The Company has a policy for an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12-month expected credit loss for other receivables. An impairment analysis is performed at each reporting date on an individual basis for major parties. In addition, a large number of minor receivables are combined into homogenous categories and assessed for impairment collectively.

Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low. Impairment on these items are measured on the 12-month expected credit loss basis.

➤ **Derivative Financial Instruments:**

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current and noncurrent assets and liabilities.

Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative. The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates and commodity prices. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions.

**NOTE NO. 44: First Time Adoption of Ind AS:**

During the previous year 2017-18 the Company had for the first time prepared its financial statements in accordance with Ind AS. The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements as at and for the year ended 31 March 2019.

In preparing its opening Ind AS Balance Sheet i.e as at April 01, 2016 the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities (if any).

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

Accordingly the company has elected to opt for Cost model for all the Property Plant & Equipment and investment Property subsequent

The Company has also Classified Property Plant & Equipment and Investment Property based on the definitions given under Ind AS-16 Property Plant & Equipment and Ind AS- 40 Investment Property.

**(a) Investment In Subsidiaries& Wholly Owned Subsidiaries:**

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, jointly controlled entities and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109. The Company has elected to measure such investments at cost in accordance with Ind AS 27.

**(b) Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(c) Security Deposits:**

The Company does not have security deposits with non-cancellable period of more than one year as at the reporting date that needs to be recognised and carried at fair values.

**(d) Accounting Treatment of existing Revaluation reserve accounted as per previous GAAP:**

Ind AS Transition Facilitation Group' (ITFG) of Ind AS (IFRS) Implementation Committee has been constituted for providing clarifications on timely basis on various issues related to the applicability and /or implementation of Ind AS under the Companies (Indian Accounting Standards) Rules, 2015, raised by preparers, users and other stakeholders.

Ind AS Transition Facilitation Group (ITFG) considered some issues received from members and decided to issue following clarifications on May 5, 2017:

One of the clarifications made by ITFG was existing Revaluation reserve which provides for:

Paragraph 10 of Ind AS 101, First-time Adoption of Indian Accounting Standards provides as follows:

“Except as described in paragraphs 13–19 and Appendices B–D, an entity shall, in its opening Ind AS Balance Sheet:

- (a) Recognise all assets and liabilities whose recognition is required by Ind AS;
- (b) Not recognise items as assets or liabilities if Ind AS does not permit such recognition;
- (c) reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS; and
- (d) Apply Ind AS in measuring all recognised assets and liabilities.

Further paragraph 11 of Ind AS 101 provides that, the accounting policies that an entity uses in its opening Ind AS Balance Sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind AS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind AS.

Accordingly, as per the above requirements in the given case balance outstanding in the revaluation reserve should be transferred to retained earnings or if appropriate, another category of equity disclosing the description of the nature and purpose of such amount in accordance with the requirements of paragraph 79(b), Ind AS 1, Presentation of Financial Statements. This is because after transition, the Company is no longer applying the revaluation model of Ind AS 16; instead it has elected to apply the cost model approach.

It may be noted that the requirements of Companies Act, 2013 for declaration of dividend will be required to be evaluated separately.

Further, it may also be noted that in accordance with Ind AS 12, Income Taxes, deferred tax would need to be recognised on any difference between the carrying amount and tax base of assets and liabilities. No deferred tax is created on equity components. However, since the asset has been revalued, there will be difference for the amount between carrying value and tax base. Hence, deferred tax will have to be recognised on such asset.

**(e) Clarifications issued by CBDT on MAT Provisions applicable to Ind AS reporters:**

- (1) As per the Finance Bill - 2017, the starting point for computation of MAT liability is profit before other comprehensive income reported in Ind AS compliant financial statements. This profit shall be first adjusted for items which are specified in the existing provisions of section 115JB of the Act and thereafter adjustments shall be made for specific Ind-AS related items provided above in the proposed amendments.
- (2) The proposed amendments state that book profit for MAT purposes (discussed in FAQ 1 above) shall be increased / decreased by all amounts credited/debited to OCI that will not be re-classified to profit or loss, except certain specified exclusions. There is no adjustment proposed for items of OCI that will be re-classified to profit or loss. Accordingly, OCI items that will be reclassified to profit or loss shall be included in the book profit for MAT purposes in the year of such reclassification.
- (3) The changes in fair value of such equity instruments will be included in book profit of the financial year in which the investment is disposed, realised or otherwise transferred.

**NOTE NO. 45: Reserve on account of Revaluation of Land:**

The Land held by the Company was converted to Stock in trade during the year 2005-06, for the purpose of development and sales based on the market rate as on that date as certified by the sub registrar. Prior to the conversion of land into stock in trade, it was re-valued and accordingly the revaluation reserve was created (Refer Note No. 17).

A part of land held as stock in trade was reconverted into fixed assets during the year 2016-17 due to the same being used towards construction of a commercial complex by the company. The re conversion is made at the same rate at which the

stock in trade is valued hitherto. Accordingly the portion of revaluation reserve amounting to Rs. 1,99,58,586 was transferred to Capital Reserves (Refer Note No. 17 and Note No. 3)  
Also refer Note no 44 for deemed cost of the land considered as per IND AS 101 First Time Adoption of Indian Accounting Standards.

Ind AS Transition Facilitation Group' (ITFG) of Ind AS (IFRS) Implementation Committee has been constituted for providing clarifications relating to the applicability and /or implementation of Ind AS under the Companies (Indian Accounting Standards) Rules, 2015, raised by preparers, users and other stakeholders.

One of the clarifications made by ITFG was relating to treatment of existing Revaluation Reserve created prior to transition to IND AS, which states that as per paragraph 11 of Ind AS 101, the accounting policies that an entity uses in its opening Ind AS Balance Sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind AS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind AS.

Accordingly, based on the above clarification, the existing balance outstanding in the revaluation reserve has been transferred to and disclosed under the head "Other Components of Equity" disclosing the description of the nature and purpose of such amount in accordance with the requirements of paragraph 79(b), Ind AS 1, Presentation of Financial Statements. Subsequently to transition to IND AS, the Company is no longer applying the revaluation model of Ind AS 16, instead it has elected to apply the cost model approach.

It may be noted that the requirements of Companies Act, 2013 for declaration of dividend will be required to be evaluated separately.

**NOTE NO. 46: Note on COVID-19**

The outbreak of novel Coronavirus (COVID-19) pandemic has effected globally. The Company is in the business of Real Estate, Rental and generation of power. The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government. The Company has considered possible effects of COVID-19 on the recoverability of its investments, property, plant and equipment (PPE), loans and receivables, etc in accordance with Ind AS.

During the previous year ended March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of the assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

**Note no 47:** The previous year GAAP figures have been regrouped / reclassified where ever necessary to confirm to Ind AS presentation requirements.

In terms of our report attached of the even date

**As per our report of even date  
for K Y & Co.  
Chartered Accountants  
Firm Registration No: 016381S**

Sd/-

CA Harikanth Yadav Godha  
Partner  
Membership No: 223007  
UDIN: **20223007AAAACI1690**  
Place : Hyderabad  
Date : 25-08-2020

**For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED**

Sd/-

R.G PATWARI  
Managing Director  
DIN : 00975555

Sd/-

Pavan Kumar Rathi  
Chief Financial Officer

Sd/-

SANJAY PATWARI  
Director  
DIN : 00253330

Sd/-

Sai Susmitha Bysani  
Company Secretary



**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Starlite Global Enterprises (India) Limited**

**Report on the Consolidated Indian Accounting Standards (Ind-AS) Financial Statements****Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of **Starlite Global Enterprises (India) Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Consolidated state of affairs of the Group as at March 31, 2020, their Consolidated profit including other comprehensive income, their Consolidated cash flows and Consolidated statement of changes in equity for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated IND AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.NO	Key Audit Matter	How our audit addressed the key audit matter
-	Nil	Nil

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Emphasis of Matter**

We draw your attention to Note No. 44 to the Financial Statements which explains the uncertainties and the Management's assessment of the financial Impact due to Lock-downs and other restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of impact in the subsequent period is highly dependent upon circumstances as they evolve.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated statement of changes in equity of the Group in accordance with accounting principles generally



accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial Ind AS statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

#### **Other Matter**

- a) We did not audit the financial statements / financial information of Starlite Fashions Private Limited & Starlite Global Enterprises (FZE) UAE subsidiaries, whose financial statements / financial information reflect total assets of Rs. 17,76,82,105 /- as at March 31, 2020, total revenues of Rs. 18,24,86,021/- and net cash flow amounting to Rs. (1,25,57,229)/- for the year ended on 31<sup>st</sup> March, as considered in the Consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements / financial information of step down subsidiaries Texyarn Starlite, Tanger, Morocco Free Zone and Starlite Global Enterprises Maroc, whose financial statements / financial information reflect total assets of Rs. 2,77,04,161/-as at March 31, 2020, having no revenues for the year ended on 31<sup>st</sup> March, as considered in the Consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid step down subsidiaries, is based solely on such unaudited financial statements / unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure A" 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 Consolidated Ind AS financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group – Refer Note 32 & 33 to the Consolidated Ind AS financial statements;
- ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020;

For **K Y & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016381S

Sd/-

per **CA Harikanth Yadav Godha**

Partner

Membership Number: 223007

UDIN: **20223007AAAACJ6531**

Place : Hyderabad

Date : August 25, 2020

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **Starlite Global Enterprises (India) Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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.

**Auditor's 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") issued by ICAI 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 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 Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 March 31, 2020, 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 ICAI.

For **K Y & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016381S

Sd/-

per **CA Harikanth Yadav Godha**

Partner

Membership Number: 223007

UDIN: **20223007AAAACJ6531**

Place : Hyderabad

Date : August 25, 2020

**STARLITE GLOBAL ENTERPRISES (INDIA) LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
1	2	3	4
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	197,253,079	218,025,595
Investment Property		173,143,012	168,524,208
Capital work-in-progress		185,048,406	122,491,567
<b>Financial Assets</b>			
(i) Investments	5	23,591,153	16,129,471
Deferred Tax Assets (Net)	18	23,404,965	12,272,322
Other Non-Current Assets	7	808,058	6,166,727
<b>Total Non-Current assets</b>		<b>603,248,673</b>	<b>543,609,890</b>
<b>Current Assets</b>			
Inventories	8	155,467,223	169,138,149
<b>Financial assets</b>			
(i) Loans		-	-
(ii) Trade Receivables	9	84,329,189	46,508,425
(iii) Cash and Cash equivalents	10	5,430,534	16,345,581
(iv) Bank Balances other than Cash and Cash equivalents	11	13,484,143	904,382
(v) Investments	12	12,857,468	3,938,535
(vi) Other Current Financial Assets	6	53,650	53,650
Other Current Assets	13	92,506,734	59,935,896
<b>Total Current Assets</b>		<b>364,128,941</b>	<b>296,824,618</b>
<b>Total Assets</b>		<b>967,377,614</b>	<b>840,434,508</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity share capital	14	39,728,240	39,728,240
Retained Earnings	15	228,211,514	146,398,170
Other Components of Equity	16	183,621,386	192,543,341
<b>Total Equity Attributable to Equity Shareholders of Company</b>		<b>451,561,140</b>	<b>378,669,751</b>
Non-Controlling Interest		-	-
<b>Total Equity</b>		<b>451,561,140</b>	<b>378,669,751</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	17	170,276,989	157,843,680
Other Non- Current Liabilities	20	36,970,606	38,274,761
Deferred Tax Liability (Net)	18	21,795,325	12,707,476
<b>Total Non-Current Liabilities</b>		<b>229,042,920</b>	<b>208,825,917</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Other Current Financial Liabilities	19	109,973,933	94,496,747
Current Tax Liability	21	6,200,001	1,368,523
Other Current Liabilities	22	170,599,620	157,073,570
<b>Total Current Liabilities</b>		<b>286,773,554</b>	<b>252,938,840</b>
<b>Total Liabilities</b>		<b>515,816,474</b>	<b>461,764,757</b>
<b>Total Equity and Liabilities</b>		<b>967,377,614</b>	<b>840,434,508</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for K Y & Co.

Chartered Accountants

Firm Registration No: 016381S

Sd/-

CA Harikanth Yadav Godha  
Partner

Membership No: 223007

UDIN: 20223007AAAACJ6531

Place : Hyderabad

Date : 25-08-2020

For and on behalf of the Board of Directors

STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-

R.G PATWARI  
Managing Director  
DIN : 00975555

Sd/-/-

Pavan Kumar Rathi  
Chief Financial Officer

Sd/-

SANJAY PATWARI  
Director  
DIN : 00253330

Sd/-

Sai Susmitha Bysani  
Company Secretary

**STARLITE GLOBAL ENTERPRISES ( INDIA ) LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
1	2	3	4
<b>INCOME</b>			
(1).Revenue from operations	23	298,736,351	315,763,448
(2).Other Income	24	8,077,648	4,120,651
(3).Finance Income	25	165,175	121,237
<b>I. Total Revenue</b>		<b>306,979,174</b>	<b>320,005,336</b>
<b>Expenses:</b>			
Cost of Material Consumed		154,794,851	204,218,003
Changes in Inventories	26	13,670,926	4,643,934
Employee benefits expense	27	8,409,418	6,352,001
Operating & Other expenditure	28	43,794,717	35,564,508
Depreciation and amortization expense	29	31,807,961	29,322,634
Finance costs	30	26,181,847	24,278,317
<b>II. Total Expenses</b>		<b>278,659,720</b>	<b>304,379,397</b>
<b>III. Profit(loss) before exceptional items and tax (I-II)</b>		<b>28,319,454</b>	<b>15,625,939</b>
IV. Exceptional / Extra ordinary items	31	49,530,246	-
<b>Profit(loss) after exceptional items and tax (III+IV)</b>		<b>77,849,700</b>	<b>15,625,939</b>
<b>V. Tax Expenses:</b>			
(1) Current Tax		11,154,642	1,368,523
(2) Deferred Tax		(2,044,794)	46,694
<b>Income Tax Expenses</b>		<b>9,109,848</b>	<b>1,415,217</b>
<b>VI. Net Profit for the year (IV-V)</b>		<b>68,739,852</b>	<b>14,210,722</b>
<b>VII. Other Comprehensive Income (OCI)</b>			
(1) Items that will be reclassified to profit or loss		-	-
(2) Items that will not be reclassified to profit or loss		-	-
<b>VIII Total comprehensive income for the year (VI+VII)</b>		<b>68,739,852</b>	<b>14,210,722</b>
<b>Profit for the year Attributable to</b>			
<b>(i) Owners of Parent Company(SGEIL)</b>		<b>68,739,852</b>	<b>14,210,722</b>
<b>(i) Non Controlling Interests</b>		<b>-</b>	<b>-</b>
		<b>68,739,852</b>	<b>14,210,722</b>
<b>IX. Earnings per equity share:</b>			
(1) Basic		17.30	3.58
(2) Diluted		17.30	3.58

The accompanying notes are an integral part of the financial statements

**As per our report of even date  
for K Y & Co.  
Chartered Accountants  
Firm Registration No: 016381S**

**For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED**

Sd/-

Sd/-

Sd/-

CA Harikanth Yadav Godha  
Partner  
Membership No: 223007  
UDIN: 20223007AAAACJ6531  
Place : Hyderabad  
Date : 25-08-2020

R.G PATWARI  
Managing Director  
DIN : 00975555  
Sd/-  
Pavan Kumar Rathi  
Chief Financial Officer

SANJAY PATWARI  
Director  
DIN : 00253330  
Sd/-  
Sai Susmitha Bysani  
Company Secretary



## Consolidate Cash Flow Statement for the Year Ended 31st March,2020

Amount in ₹)

Particulars		31st March,2020	31st March,2019
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit/(Loss) before tax and exceptional items</b>	77,849,700	15,625,939
	<b>Adjustment to reconcile profit/(Loss) before tax to net cash flows:</b>		
	Depreciation and amortization expense	31,807,961	29,322,634
	Finance Income	(165,175)	(121,237)
	Finance Cost	26,181,847	24,278,317
	Interest Expenses from loans Related Party	(34,389)	2,105,539
	Unrealized foreign exchange gain on Foreign Currency Loan (net)	-	(195,704)
	Unrealized foreign exchange gain on Foreign Currency Translation Reserve	3,543,032	2,284,094
	Dividend Income from Financial Assets measured at FVTPL	(78,585)	(98,325)
	<b>Operating profit before working capital changes</b>	<b>139,104,391</b>	<b>73,201,257</b>
	<b>Other Financial assets</b>		
	(Increase)/ Decrease in Inventories	13,670,926	4,643,932
	(Increase)/ Decrease in Loans	-	100,360,499
	(Increase)/ Decrease in Trade receivables	(37,820,764)	(18,039,804)
	(Increase)/ Decrease in other current assets	(26,502,373)	2,314,759
	(Increase)/ Decrease in other Non-current assets	(11,132,643)	(1,362,733)
	Increase/ (Decrease) in Deferred Tax Liability (Net)	9,087,849	-
	Increase/ (Decrease) in Non-current Liabilities	(1,304,155)	1,087,391
	Increase/ (Decrease) in Current Liabilities	13,526,050	(14,937,945)
	<b>Cash generated from operations</b>	<b>98,629,281</b>	<b>102,637,838</b>
	Direct taxes paid	(11,051,922)	(5,336,952)
	<b>Net cash generated from operating activities (A)</b>	<b>87,577,359</b>	<b>97,300,886</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment	(8,539,843)	(33,615,435)
	Purchase of Investment Property	(7,114,406)	(6,608,068)
	Capital Work in progress	(62,556,839)	(70,517,328)
	Proceeds from Sale of Assets	1,135,000	-
	Loss/(gain) on disposal of property, plant and equipment (net)	178,592	307,525
	(Increase)/ Decrease in Bank balances other than cash and cash equivalents	(12,579,761)	(462,156)
	(Increase)/ Decrease in Non-Current Investments	(7,461,682)	(8,928,655)
	(Increase)/ Decrease in Current Investments	(8,918,933)	3,470,608
	(Increase)/ Decrease in Non-Current Assets	5,358,669	(252,975)
	Dividend Income	78,585	98,325
	Interest Income	165,175	121,237
	<b>Net cash used in investing activities (B)</b>	<b>(100,255,443)</b>	<b>(116,386,922)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Proceeds from long term borrowings	-	-
	Proceeds/(Repayment) of long term borrowings	12,433,309	(10,803,528)
	Movement in current financial Liabilities	15,477,186	63,070,212
	Finance Cost	(26,181,847)	(24,278,317)
	Interest Income from loans to Related Party	34,389	(2,105,539)
	Unrealized Foreign Exchange gain	-	195,704
	<b>Net cash generated/ (used in) from financing activities (C.)</b>	<b>1,763,037</b>	<b>26,078,532</b>
	<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(10,915,047)</b>	<b>6,992,496</b>
	Cash and cash equivalents at the beginning of the year	16,345,581	9,353,085
	<b>Cash and cash equivalents at the end of the year</b>	<b>5,430,534</b>	<b>16,345,581</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	674,330	363,978
	Balances with banks (in Current accounts)	4,756,204	15,981,603
	<b>Total cash and cash equivalents (refer note )</b>	<b>5,430,534</b>	<b>16,345,581</b>

Notes: 1. The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS -7 on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013 ( the Act ) (Companies (Indian Accounting Standards ) Rules 2015, as amended

2. Figures in brackets indicate cash outflow

As per our report of even date  
for K Y & Co.  
Chartered Accountants  
Firm Registration No: 016381S  
Sd/-

CA Harikanth Yadav Godha  
Partner  
Membership No: 223007  
UDIN: 20223007AAAACJ6531  
Place : Hyderabad  
Date : 25-08-2020

For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-  
R.G PATWARI  
Managing Director  
DIN : 00975555  
Sd/-  
Pavan Kumar Rathi  
Chief Financial Officer

Sd/-  
SANJAY PATWARI  
Director  
DIN : 00253330  
Sd/-  
Sai Susmitha Bysani  
Company Secretary



## A. Equity share capital

Equity Shares of Rs.10 each, issued, subscribed and fully paid	No.	Rs.
As at April 01, 2018	3,972,824	39,728,240
Changes in Equity share capital	-	-
As at March 31, 2019	3,972,824	39,728,240
Changes in Equity share capital	-	-
As at March 31, 2020	3,972,824	39,728,240

## B. OTHER EQUITY

Particulars	Other components of equity							Total Other Equity	Equity attributable to the equity holders of the Company	Total Equity
	Reserves and surplus									
	Equity Share Capital	Capital Reserve	Capital redemption reserve	Retained Earnings	Reserve on account of Revaluation of Land	General Reserve	Foreign Currency Translation Reserve			
A							B	(A+B)		
<b>As at April 01, 2018</b>										
Profit/loss for the year	39,728,240	19,958,586	800,000	100,373,062	168,119,394	28,874,992	4,320,661	322,446,695	362,174,935	362,174,935
Transfer from retained earnings	-	-	-	14,210,722	-	-	-	14,210,722	14,210,722	14,210,722
Transfer to General reserve	-	-	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	-	-	2,939,394	-	-	-	2,939,394	2,939,394	2,939,394
Cost of Land Sold during the year	-	-	-	-	(2,939,394)	-	-	(2,939,394)	(2,939,394)	(2,939,394)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Exchange Difference on translation of Foreign operations	-	-	-	-	-	-	2,284,094	2,284,094	2,284,094	2,284,094
<b>As at March 31, 2019</b>	39,728,240	19,958,586	800,000	117,523,178	165,180,000	28,874,992	6,604,755	338,941,511	378,669,751	378,669,751
Bonus shares issued during the year	-	-	-	-	-	-	-	-	-	-
Profit/loss for the year	-	-	-	68,739,852	-	-	-	68,739,852	68,739,852	68,739,852
Transfer to General reserve	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-
Amount Utilised for Bonus issue	-	-	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	-	-	12,464,987	-	-	-	12,464,987	12,464,987	12,464,987
Cost of Land Sold during the year	-	-	-	-	(12,464,987)	-	-	(12,464,987)	(12,464,987)	(12,464,987)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Exchange Difference on translation of Foreign operations	-	-	-	608,505	-	-	3,543,032	4,151,537	4,151,537	4,151,537
<b>As at March 31, 2020</b>	39,728,240	19,958,586	800,000	199,336,522	152,715,013	28,874,992	10,147,787	411,832,900	451,561,140	451,561,140

The accompanying notes are an integral part of the financial statements.

As per our report of even date for K Y & Co.

Chartered Accountants

Firm Registration No: 016381S

Sd/-

CA Harikanth Yadav Godha

Partner

Membership No: 223007

UDIN: 20223007AAAACJ6531

Place : Hyderabad

Date : 25-08-2020

For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-

R.G PATWARI  
Managing Director  
DIN : 00975555

Sd/-

Pavan Kumar Rathi  
Chief Financial Officer

Sd/-

SANJAY PATWARI  
Director  
DIN : 00253330

Sd/-

Sai Susmitha Bysani  
Company Secretary

**1. Corporate Information**

The consolidated financial statements comprise financial statements of Starlite Global Enterprises (India) Limited (referred to as "SGEIL" or "the company" hereinafter) and its subsidiaries (collectively, referred to as "Group" hereinafter) for the year ended 31<sup>st</sup> March, 2020. The company was incorporated in the year 1962, in the name of M/s Telangana Spinning & Weaving Mills Limited which has been changed to M/s Starlite Global Enterprises (India) Limited with effect from 17-05-2010. The company has its registered office Situated at 603, Shangrila Plaza, Plot No.14, Road no.2, Banjara Hills, Hyderabad -500034.

The Group is engaged in diversified business activity namely, Real Estate activities of development and sale of land and commercial property , generation and supply of solar power, & Management and Maintenance of properties, owned by the company and those under Joint venture Agreements. Further the Group is also trading in shares, securities and derivatives and mutual fund investments as a supplement to its main activities and is also engaged in International and Retail trade of Raw Cotton, Textiles & Garments through its subsidiaries.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 25<sup>th</sup> August, 2020.

**2. SIGNIFICANT ACCOUNTING POLICIES****b) Basis of preparation****(i) Compliance with Ind AS**

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

**(ii) Historical Cost Convention**

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain Financial assets and Liabilities (including derivative instruments) which are measure at fair value/ amortised cost;

(iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Group's functional currency. All Financial information are presented in rupees and rounded off to the nearest rupees.

(iv) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(v) Current and non-current classification:**

The Group presents assets and liabilities in the balance sheet based on current / noncurrent classification.

➤ An Asset is classified as current when it satisfies any of the following criteria:

(d) It is expected to be realised in, or is intended for sale or consumption, in the Group's normal operating cycle. It is held primarily for the purpose of being traded

(e) It is expected to be realised within 12 months after reporting date; or

(f) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

➤ All other assets are classified as non-current.

➤ A liability is classified as current when it satisfies any of the following criteria:

(a) It is expected to be settled in the Group's normal operating cycle.

(b) It is held primarily for the purpose of being traded.

(c) It is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of Equity instrument do not affect its classification.

- All other liabilities are classified as Non –current.
- Deferred tax assets and liabilities are classified as Non-current only.

### c) Basis of Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Group and its subsidiaries as at 31 March 2020. The subsidiaries along with M/s. Starlite Global Enterprises (India) Limited, (the parent) constituting the group for preparation of these Consolidated Financial Statements are:

Sl. No	Sl. No	Country of Incorporation	Holding as on		Financial Year ending
			March 31, 2020	March 31, 2019	
1	Starlite Fashions Pvt. Ltd*	India	98.18%	98.18%	31-03-2020
2	Starlite Global Enterprises – FZE	UAE	100%	100%	31-03-2020
3	Texyarn Starlite, Tanger, Morocco Free Zone(Step Down Subsidiary)	Morocco	100%	100%	31-03-2020
4	Starlite Global Enterprises Maroc (Step Down Subsidiary)	Morocco	100%	100%	31-03-2020

\*Excludes 1.82% shares held by nominee share holders whose registration in the name of Company is in process.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

1. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
2. Exposure, or rights, to variable returns from its involvement with the investee, and
3. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

1. Rights arising from other contractual arrangements
2. The Group's voting rights and potential voting rights
3. The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2020. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**d) Consolidation procedure:**

- (a) The financial statements of the Group and its subsidiary companies have been consolidated based on the respective Audited Balance Sheets on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses. The Balance Sheets of step down subsidiaries are not audited and the unaudited and provisional balance sheets of the same are considered for consolidation.
- (b) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (d) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (e) Non-Controlling Interest in one of the subsidiary companies consists of the amount of equity & share of Reserves and Surplus attributable to the Non-Controlling Interest holders at dates on which investment is made by the Group in the subsidiary Group and further movement if its shares, if any.
- (f) The financial statements of the overseas subsidiary are converted into Indian currency at the prevailing exchange rate as of 31<sup>st</sup> March, 2020. However, in respect of the profit and loss account items, the conversion is based on the average of the exchange rates prevailing on the opening and closing days of the financial year. In respect of General Reserves and retained earnings of FZE different rates as applicable as of that year are applied for conversion. Similar procedure is adopted in respect of certain Balance sheet items of step down subsidiaries. The resultant difference is considered under foreign currency translation reserves.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

1. Derecognizes the assets (including goodwill) and liabilities of the subsidiary
2. Derecognizes the carrying amount of any non-controlling interests
3. Derecognizes the cumulative translation differences recorded in equity
4. Recognizes the fair value of the consideration received
5. Recognizes the fair value of any investment retained
6. Recognizes any surplus or deficit in profit or loss
7. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

**e) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(A) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group 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 government. The group 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.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the group 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.

**(d) Rental Income from tenants under Operating leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of Ownership to the lessee. All other leases are classified as operating leases

**As a lessor:**

Leases in which the Group does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases.

Lease payments under an operating lease shall be recognised as an income on a straight-line basis over the lease term unless

(iii) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis;

(iv) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Hence the Group has recognised the lease income on the basis of payments to the lessor that are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence straight line basis is avoided.

**(e) Sale of Solar Power:**

Revenue from sale of solar energy is recognised in accordance with the provisions of the power purchase agreement entered into with TSSPDCL (The Southern Power Distribution Group of Telangana). Such revenue is recognised on the basis of actual units generated and transmitted, at the tariff rate agreed between the parties.

**(f) Sale of Land held as stock in trade:**

Sale of land and plots (including development rights) held as stock in trade is recognized in the financial year in which the agreement to sell/application forms (containing salient terms of agreement to sell) is executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

**(g) Sale of raw cotton:**

Sale of raw cotton is recognised when the significant risk and rewards of ownership have transferred to the buyer, the entity loses effective control and ownership over the goods, it is probable that the economic benefit will flow to the company and the amount can be measured reliably. Commission income is recognised when the deal is executed as per the terms of contract & Invoice for same is raised or amount received whichever is earlier.

**(h) Sale of Textiles & Garments:**

Sale of Textiles & Garments is recognised when the significant risk and rewards of ownership have transferred to the buyer, the entity loses effective control and ownership over the goods, it is probable that the economic benefit will flow to the company and the amount can be measured reliably.

**(B) Taxes:****(i) Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 income taxes are recognised using the Balance Sheet Approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income Tax Liabilities are recognised for all taxable temporary differences, except 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 Income 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:

- (c) 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.
- (d) 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.

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 (either in other comprehensive income or in equity). 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. Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**(C) Property Plant & Equipment & Investment Property:****(i) Property Plant & Equipment:**

PPE is measured on initial recognition at cost net of taxes/ duties, credits availed, if any, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

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. Machinery spares that meet the definition of PPE are capitalized and depreciated over the useful life of the principal item of asset. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(ii) Capital Work in Progress:**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment or investment property. Costs associated with the Commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

During the Financial Year 2019-20, the company estimates either to lease the property or make it available for sale once the asset is completed. Hence the company has reversed proportionally the Input taken on GST amounting to Rs. 122.57 Lakhs and the same has been taken to Capital Work in Progress.

**(iii) Investment Property:**

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

(c) use in the production or supply of goods or services or for administrative purposes; or

(d) Sale in the ordinary course of business.

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. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

**(iv) Depreciation:**

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of assets based on internal assessment and independent technical evaluation done by the Management expert which are in accordance with Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.



The Estimated useful lives of assets which are in accordance with Schedule II to the companies Act, 2013, are as follows:

Assets	Estimated Useful life (Years)
Buildings RCC Frame Structure	60 years
Buildings Other than RCC Frame Structure & Factory Buildings	30 years
Plant and Machinery	15 years
Furniture and fixtures	10 years
Vehicles	10 years
Electrical Equipments	10 years
Interiors	10 years
Solar Power-Equipments	10 years
Computers	3 years

Individual items of assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

**(D) Intangible Assets:**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The Group currently does not have any intangibles assets.

**(E) Financial Instruments:**

➤ **Financial Assets**

**(v) Classification**

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

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

The classification depends on the Company'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 are recorded in profit or loss. For investments in equity instruments in subsidiaries, associates and jointly control entities these are carried at cost less diminution, if any, in these financial statements.

**(vi) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

➤ **Subsequent Measurement of Financial Assets in form of Debt Instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company has classified its debt instruments:

**(c) Amortised Cost:**

Assets that are held for collection of contractual cash flows and where the contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**(d) Fair Value through profit or loss (FTVPL):**

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

**➤ Subsequent Measurement of Financial Assets in form of Equity Instruments**

The Company subsequently measures all equity investments which are within the scope of Ind AS 109 at fair value, other than investments in equity instruments in subsidiaries, associates and jointly controlled entities, which are carried at cost less diminution, if any.

**(vii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 in respect to Financial Instruments, which require expected lifetime losses to be recognized from initial recognition of the receivables.

**(viii) De recognition of financial instruments**

A financial asset is derecognised only when

- (c) The Company has transferred the rights to receive cash flows from the financial asset or
- (d) Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires

**➤ Financial liabilities**

Financial liabilities are classified, at the initial recognition, as loans and borrowings, payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

**(F) Income recognition****➤ Interest Income**

For all debt instruments measured at amortized cost, 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 amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, pre-payment, 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.

➤ **Security Deposits**

Under the previous GAAP, interest free security deposits received from lessees (that are refundable in cash on completion of its term) are recorded at their transaction value. Under Ind AS, the Group fair values these security deposits if their non-cancellable period is more than one year as at the reporting date. Difference between the fair value and transaction value of the security deposits shall be recognised as deferred revenue. The corresponding adjustments shall be recognised in the profit and loss account.

➤ **Dividends**

Dividends are recognized in profit or loss only when the right to receive the payments is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably, which is generally when the shareholders approve the dividend.

**(G) Cash & Cash Equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of not more than twelve 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(if any) as they are considered an integral part of the Group's cash management.

**(H) 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. 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 (if any) to the extent regarded as an adjustment to the borrowing costs.

**(I) Investment in subsidiaries , associates and joint venture:**

Investment in subsidiaries, associates and joint venture are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of Profit or Loss

**(J) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a finance cost.

The Group has disclosed in a note no 32 forming part of the consolidated financial Statements, the contingent liabilities in respect of liabilities that are not ascertained or are under dispute and hence, no provisions have been made. The estimates thereof reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Assets are not ascertained nor disclosed in the Consolidated Financial Statements.

**(K) Leases (as a lessee)**

**Operating Leases:**

Leases in which the Lessor does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either:

- (c) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

- (d) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met

Hence the Group has recognized the lease expenses on the basis of payments to the lessor are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence straight line basis is avoided.

**(L) Inventories:**

Inventories comprise of Land held as stock in trade which is valued at the lower of cost and net realisable value.

The Land held by the Group was converted to Stock in trade during the year 2005-06, for the purpose of development and sales based on the market rate as on that date as certified by the sub registrar. Prior to the conversion of land into stock in trade, it was re-valued and accordingly the revaluation reserve (as disclosed in other equity) was created.

A part of land held as stock in trade was reconverted into fixed assets during the year 2016-17 due to the same being used towards construction of a commercial complex by the Group. The re conversion is made at the same rate at which the stock in trade is valued hitherto.

The balance of the said land which is held as stock in trade for development and sale continues to be valued at the rate at which it was converted into stock in trade during the year 2005-06 being treated as cost thereto and the same is lower than market rate.

Also refer Note no 42 for deemed cost of the land considered as per IND AS 101 First Time Adoption of Indian Accounting Standards.

**(M) Employee benefits schemes:**

The adherence to the requirements of Employee benefit schemes as per Ind As-19 "Employee Benefits" is found not to be applicable to the Group being in view of limited number of staff. While its implementation is being pursued, short term employee benefits are recognised in the period in which such employee services are received.

**(N) Foreign currency transactions:**

Transactions in foreign currencies are initially recorded by the Group at the respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Under Indian GAAP, AS 11 the "Effects of changes in Foreign Exchange Rates" gives two options with regard to accounting for exchange differences arising on long-term foreign currency monetary items. The first option is that an entity recognizes exchange differences as income or expense in profit or loss in the period in which they arise.

However, paragraph 46A of AS 11 also provides companies an option whereby companies can choose to defer/ capitalize exchange differences arising on long-term foreign currency monetary items. The option once selected is irrevocable and needs to be applied to all long-term foreign currency monetary items. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

If under Indian GAAP, a Group had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11, then Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP Consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. It should be noted that this is an option. In other words, a first-time adopter is free to use Ind AS 21 accounting even for exchange differences arising on translation of long-term foreign currency monetary items for the period ending immediately before the beginning of the first Ind AS financial reporting period. However, the deferral/ amortization policy is not allowed for any new long-term foreign currency monetary item recognized from the first Ind AS financial reporting period.

The Group has not applied paragraph 46A of AS 11 under Indian GAAP. Consequently, it does not have the option of using deferral/ capitalization policy under Ind AS.

**(O) Foreign Currency translation reserve**

The foreign currency translation reserve represents the differences arising from translation of investments in overseas subsidiaries.

**(P) Earnings per share:**

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**(Q) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities"

**(R) Cash Flow Statements:**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**(S) Use of Estimates and Judgements:**

The preparation of the Consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

## 3. Property, Plant and Equipment for the year ended March 31, 2020

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions/Adjustments	Deductions/adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions/adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold-Land (Balanagar Property)	19,958,586	-	-	19,958,586	-	-	-	-	19,958,586	19,958,586
Buildings (Balanagar & Sadashivpet)	6,639,541	-	-	6,639,541	2,163,076	176,136	-	2,339,212	4,300,329	4,476,465
Plant & Machinery	15,336,636	1,171,377	158,183	16,349,830	2,677,646	1,176,273	60,420	3,793,499	12,556,331	12,658,990
Furniture & Fixtures	21,065,476	343,658	98,370	21,310,764	4,816,218	2,536,098	84,874	7,267,442	14,043,322	16,249,258
Electrical Equipments	8,455,110	760,893	-	9,216,003	2,496,565	1,074,372	-	3,570,937	5,645,066	5,958,545
Other Equity	7,749,974	2,633,614	-	10,383,588	2,804,165	938,853	-	3,743,018	6,640,570	4,945,809
Computers	82,919	64,704	19,514	128,109	60,234	8,132	-	68,366	59,743	22,685
Interiors	50,006,740	5,311,442	6,191,706	49,126,476	13,799,751	6,260,146	5,008,886	15,051,011	34,075,465	36,206,989
Solar Power- Factory Building	8,631,798	-	-	8,631,798	825,869	282,764	-	1,108,633	7,523,165	7,805,929
Solar Power- Equipments	160,415,124	-	432,252	159,982,872	50,672,785	16,859,585	-	67,532,370	92,450,502	109,742,339
<b>TOTAL</b>	<b>298,341,904</b>	<b>10,285,688</b>	<b>6,900,025</b>	<b>301,727,567</b>	<b>80,316,309</b>	<b>29,312,359</b>	<b>5,154,180</b>	<b>104,474,488</b>	<b>197,253,079</b>	<b>218,025,595</b>

## Property, Plant and Equipment for the year ended March 31, 2019

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions/Adjustments	Deductions/adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold-Land (Balanagar Property)	19,958,586	-	-	19,958,586	-	-	-	-	19,958,586	19,958,586
Buildings (Balanagar & Sadashivpet)	6,981,354	-	341,813	6,639,541	2,021,228	176,136	34,288	2,163,076	4,476,465	4,960,126
Plant & Machinery	11,502,664	3,833,972	-	15,336,636	1,740,483	937,163	-	2,677,646	12,658,990	9,762,181
Furniture & Fixtures	12,397,291	8,668,185	-	21,065,476	3,049,917	1,766,301	-	4,816,218	16,249,258	9,347,374
Electrical Equipments	6,277,743	2,177,367	-	8,455,110	1,630,593	865,972	-	2,496,565	5,958,545	4,647,150
Vehicles	7,749,974	-	-	7,749,974	1,880,692	923,473	-	2,804,165	4,945,809	5,869,282
Computers	82,919	-	-	82,919	60,234	-	-	60,234	22,685	22,685
Interiors	31,513,653	18,493,087	-	50,006,740	8,852,554	4,947,197	-	13,799,751	36,206,989	22,661,099
Solar Power- Factory Building	8,631,798	-	-	8,631,798	543,105	282,764	-	825,869	7,805,929	8,088,693
Solar Power- Equipments	159,972,300	442,824	-	160,415,124	33,744,759	16,928,026	-	50,672,785	109,742,339	126,227,541
<b>TOTAL</b>	<b>265,068,282</b>	<b>33,615,435</b>	<b>341,813</b>	<b>298,341,904</b>	<b>53,523,565</b>	<b>26,827,032</b>	<b>34,288</b>	<b>80,316,309</b>	<b>218,025,595</b>	<b>211,544,717</b>

## Notes:-

- 1) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has availed the optional exemptions as per IND AS 101 and has elected to measure all of its property, plant and equipment at their previous GAAP carrying value

- 2) Land at Balanagar amounting to Rs 1,99,58,586 (additions during the year 2017) relate to re-conversion of part of land admeasuring 11,055 Sq Yards held as stock in trade into Fixed asset on account of its demarcation which is under construction of Commercial Complex is classified as Property Plant & Equipment till the completion of Construction as per Ind AS 16 - Property Plant & Equipment.
- 3) The Additions during the year for Furniture & Fixtures , Plant & Machinery & Electrical Equipment and interiors pertains to the company and relate to fit outs at the office premises managed by the company pursuant to a Joint Venture Agreement with the owners of the property.
- 4) The Capital Work-in -Progress as per Balance sheet relate to expenses incurred in respect of ongoing projects at Balanagar for Commercial complex.

## 4. Property, Plant and Equipment for the year ended March 31, 2020

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Buildings (Shangrila Plaza)	153,275,748	-	-	153,275,748	5,382,171	2,495,602	-	7,877,773	145,397,975	147,893,577
Freehold Land (Sadashivpet & FZE Dubai)	20,630,631	7,114,406	-	27,745,037	-	-	-	-	27,745,037	20,630,631
<b>TOTAL</b>	<b>173,906,379</b>	<b>7,114,406</b>	<b>-</b>	<b>181,020,785</b>	<b>5,382,171</b>	<b>2,495,602</b>	<b>-</b>	<b>7,877,773</b>	<b>173,143,012</b>	<b>168,524,208</b>

## Investment Property for the year ended March 31, 2019

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Buildings (Shangrila Plaza)	148,655,548	4,620,200	-	153,275,748	2,886,569	2,495,602	-	5,382,171	147,893,577	145,768,979
Freehold Land (Sadashivpet & FZE Dubai)	18,642,763	1,987,868	-	20,630,631	-	-	-	-	20,630,631	18,642,763
<b>TOTAL</b>	<b>167,298,311</b>	<b>6,608,068</b>	<b>-</b>	<b>173,906,379</b>	<b>2,886,569</b>	<b>2,495,602</b>	<b>-</b>	<b>5,382,171</b>	<b>168,524,208</b>	<b>164,411,742</b>

## Notes:-

1. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has availed the optional exemptions as per IND AS 101 and has elected to measure all of its Investment Property at their previous GAAP carrying value.
2. Free Hold land situated at Sadashivpet is classified as Investment Property as the same is held for capital appreciation in accordance with Ind As 40 - Investment Property.
3. The certain office units at Shangrila Plaza (other than the 7th floor acquired during the previous year) are under the mortgage with Bajaj Finserv Limited to secure the term loan availed.



4. Free hold Land at Sadashivpet admeasuring to an extent of 103 acres 5 guntas pertaining to the company includes 60 Acres of land alienated by the Government of Andhra Pradesh, in respect of which, by order dated 04-02-2013, The Tahsildar, Sadashivpet Mandal , Medak District has cancelled the alienation and has resumed the land in favour of the government. However, the said land remains in the physical possession of the Company. Being aggrieved by the said order, the Company has filed a writ petition with Hon'ble High Court of Andhra Pradesh , Hyderabad seeking declaration of the said order as null and void. The same writ petition is pending. Meanwhile , the Hon'ble High Court has granted an interim order for maintaining status quo.

**FINANCIAL ASSETS:****NOTE NO. 5****NON CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	As at '	
	March 31, 2020	March 31, 2019
<b>I. Investment in Mutual Fund</b>		
Old International Isle of Man Ltd	3,766,772	3,188,149
<b>II. Advance for Purchase of Residential Unit at Dubai</b>		
Demac Homes LLC - Advance for Purchase of Residential Unit at Dubai, UAE	19,824,381	12,941,322
<b>Total Non-Current Investments</b>	<b>23,591,153</b>	<b>16,129,471</b>

**NOTE NO. 6****OTHER FINANCIAL ASSETS**

(Amount in ₹)

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
Advances given Towards purchase of Capital Assets	-	-
Advances to related parties	53,650	53,650
<b>Total</b>	<b>53,650</b>	<b>53,650</b>

**NOTE NO. 7****OTHER NON CURRENT ASSETS**

Particulars	As at '	
	March 31, 2020	March 31, 2019
Balances in Deposits with Government deposits	684,155	649,381
Other Deposits	123,903	5,517,346
Balances in Fixed deposits accounts with original maturity more than 12 months	-	-
<b>Total</b>	<b>808,058</b>	<b>6,166,727</b>

**NOTE NO. 8  
INVENTORIES**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
Land held as stock in trade	165,180,000	168,119,394
<b>Less:</b> Cost of Land Sold During the year	(12,464,987)	(2,939,394)
Closing value of land held as stock in trade	152,715,013	165,180,000
Finished Goods	2,752,210	3,958,149
<b>Total</b>	<b>155,467,223</b>	<b>169,138,149</b>

**NOTE NO. 9  
TRADE RECEIVABLES**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Unsecured, Considered good</b>		
Rent & Electricity Charges Receivable	2,165,516	1,790,951
Others	82,163,673	44,717,474
<b>Total</b>	<b>84,329,189</b>	<b>46,508,425</b>

**NOTE NO. 10  
CASH AND CASH EQUIVALENTS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
Cash on hand	674,330	363,978
Balance with banks	-	
-In current accounts	4,756,204	15,981,603
<b>Total</b>	<b>5,430,534</b>	<b>16,345,581</b>

**NOTE NO. 11  
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Other deposit accounts</b>		
Unpaid Dividend accounts (Earmarked accounts)	442,226	442,226
In Fixed deposits accounts with original maturity of more than 3 months but less than 12 months	13,041,917	462,156
<b>Figures in brackets indicate cash outflow</b>	<b>13,484,143</b>	<b>904,382</b>

NOTE NO. 12  
INVESTMENTS

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Units/ Shares	Amount	Number of Units/ Shares	Amount
<b><u>Investments in Mutual Funds at Fair Value through profit/loss a/c (quoted)</u></b>				
HDFC Liquid Fund -Growth plan	2,544	9,857,628	-	-
<b><u>Investments in Equity Instruments at Fair Value through profit/loss a/c (quoted)</u></b>				
(a) Oil India Limited #	3,000	247,948	3,000	432,700
(b) Tata Motors Limited-Differential Voting rights	8,000	247,600	8,000	684,400
(c) Bharat Electronics Limited	3,000	223,350	3,000	279,750
(d) Clariant Chemicals (India) Limited	1,000	227,300	1,000	364,500
(e) Castrol India Limited	3,000	298,350	3,000	499,200
(f) HCL Technologies Ltd	400	174,560		
(g) Housing Dev & Infra Limited	6,000	8,400	6,000	155,100
(h) 8K Miles Software Services Limited	500	13,775	500	49,250
(i) Hindustan Copper Limited	3,000	63,900	3,000	146,850
(j) ICICI Prudential Life Insurance		-	1,500	525,375
(k) Hindustan Unilever Ltd.	100	216,625		
(l) Tide Water Oil Company (India) Limited	100	320,740	100	512,335
(m) Sundaram Clayton Limited	100	149,225	100	289,075
(n) Godrej Agrovet Ltd.	359	132,022		-
(o) Sarda Energy and Minerals Ltd.	1,000	117,500		-
(p) Sterlite Technologies Ltd.	1,000	63,800		-
(q) Adani Gas Ltd.	1,500	129,525		-
(r) Tata Consultancy Services Ltd.	200	365,220		-
<b>Total</b>		<b>12,857,468</b>		<b>3,938,535</b>

NOTE NO. 13  
OTHER CURRENT ASSETS

Particulars	Current	
	As at ' March 31, 2020	As at ' March 31, 2019
<b>Unsecured, considered good unless stated otherwise</b>		
Advances recoverable in cash or kind	2,166,555	1,889,831
Prepaid expenses	1,391,295	299,214
TDS receivable	6,068,465	5,644,153
Balance with government authorities(Income tax refund due)	4,026,826	2,275,786
GST Input Tax Credit	740,142	10,117,991
Advances to Creditors	78,092,213	39,666,453
Advances to others	21,238	42,468
<b>Total</b>	<b>92,506,734</b>	<b>59,935,896</b>

NOTE NO. 14  
EQUITY SHARE CAPITAL

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Authorized share capital:</b>		
4,800,000 (March 31, 2018 : 4,800,000) equity shares of Rs. 10/- each	48,000,000	48,000,000
200,000 9.5% Redeemable Cumulative Preference Shares of Rs.10/- each	2,000,000	2,000,000
<b>Total Authorized Share Capital</b>	<b>50,000,000</b>	<b>50,000,000</b>

**Issued & Subscribed :**

3,972,824 - Equity shares of @ 10/- each Issued

39,728,240

39,728,240

**Total Issued & Subscribed Capital****39,728,240****39,728,240****Paid Up Capital:**

3,972,824 – Equity shares of ₹ 10/-each subscribed

39,728,240

39,728,240

**Total issued, subscribed and fully paid-up share capital****39,728,240****39,728,240****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity shares

Particulars	As at ' March 31, 2020		As at ' March 31, 2019	
	No of shares	Amount	No of shares	Amount
<b>Other non current assets</b>				
At the beginning of the year	3,972,824	39,728,240	3,972,824	39,728,240
Bonus Shares Issued during the year	-	-	-	-
Outstanding at the end of the year	3,972,824	39,728,240	3,972,824	39,728,240

**Note:**

During the previous year ended March 31, 2018, the company has issued 1,986,412 fully paid up bonus equity shares in the ratio of 1:1.

**(b) Terms/rights attached to equity shares**

The Company has one class of equity shares having par value of Rs. 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at ' March 31, 2020		As at ' March 31, 2019	
	No's	% holding	No's	% holding
1) R. G. Patwari	936608	23.58	936608	23.58
2) Sanjay Patwari	490496	12.35	490496	12.35
3) Smt Chanda Patwari	541894	13.64	541894	13.64
4) Sandeep Patwari	391442	9.85	391442	9.85

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**NOTE NO. 15  
RETAINED EARNINGS**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
General Reserve	28,874,992	28,874,992
Retained Earnings	199,336,522	117,523,178
<b>Total</b>	<b>228,211,514</b>	<b>146,398,170</b>

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>General Reserve:</b>		
Opening Balance	28,874,992	28,874,992
<b>Add:</b> Transfer from Profit/Loss	-	-
<b>Less:</b> Amount Utilised for Bonus issue	-	-
<b>Closing Balance</b>	<b>28,874,992</b>	<b>28,874,992</b>
<b>Retained Earnings:</b>		
<b>Opening Balance</b>	117,523,178	100,373,062
<b>Add:</b> Profit for the year	68,739,852	14,210,722
In Fixed deposits accounts with original maturity of more than 3 months but less than 12 months	-	-
Add: Transfer from revaluation reserve (Refer Note no. 17)	12,464,987	2,939,394
Foreign Currency Translation Reserve	608,505	-
Less: Consolidation Adjustment	-	-
<b>Closing Balance</b>	<b>199,336,522</b>	<b>117,523,178</b>

**NOTE NO. 16****OTHER COMPONENTS OF EQUITY**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Reserve on account of Revaluation of Land Refer (Refer Note 43)	152,715,013	165,180,000
Capital Redemption reserve	800,000	800,000
Capital Reserve (Refer Note 43)	19,958,586	19,958,586
Foreign Currency Translation Reserve	10,147,787	6,604,755
<b>Total</b>	<b>183,621,386</b>	<b>192,543,341</b>

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Reserve on account of Revaluation of Land Refer (Refer Note 43)</b>		
Opening balance	165,180,000	168,119,394
Less: Revalued portion of land sold during the year transferred to General Reserve (Refer Note 16)	(12,464,987)	(2,939,394)
Less: Transfer to Capital Reserve on re-conversion of a portion of land to Fixed Asset		
<b>Closing Balance</b>	<b>152,715,013</b>	<b>165,180,000</b>
<b>Other Reserves:</b>		
Capital Redemption Reserve	800,000	800,000
Capital Reserve	19,958,586	19,958,586
Foreign Currency Translation Reserve	10,147,787	6,604,755
<b>Closing Balance</b>	<b>30,906,373</b>	<b>27,363,341</b>

**Financial Liabilities:****NOTE NO. 17****Borrowings-Non Current**

Particulars	Non-current		Current maturities	
	As at ' March 31, 2020	As at ' March 31, 2019	As at ' March 31, 2020	As at ' March 31, 2019
<b>Term Loans:</b>				
(i) From Banks( Secured )	48,757,579	14,545,766	7,554,432	4,062,450
(ii) From Financial Institutions ( Secured)	121,519,410	130,175,200	8,655,790	5,602,323
(ii) From Financial Institutions ( Unsecured)	-	13,122,714	-	1,343,936
	<b>170,276,989</b>	<b>157,843,680</b>	<b>16,210,222</b>	<b>11,008,709</b>
<b>Term Loans From Banks(Secured) Includes:</b>				
1.Term loan from HDFC Bank Limited (repayable in 60 EMI's , last repayment falling due on 05/01/2021 availed @ an average Interest rate of 9.36% during the year)	-	644,211	644,210	709,803
2.Term Loan from RBL Bank Limited ( Repayable in 120 EMI's last repayment falling due on 05/07/2023 availed @ an average Interest rate of 10.86 % during the year)	8,410,899	13,901,555	3,477,303	3,352,647
3.Term Loan from ICICI #385 ( Repayable in 120 EMI's last repayment falling due on 10/10/2029 availed @ an average Interest rate of 9.85% during the year)	13,377,016	-	1,049,965	-
4. Term Loan from ICICI #863 ( Repayable in 120 EMI's last repayment falling due on 10/01/2030 availed @ an average Interest rate of 9.85% during the year)	25,088,799	-	2,001,640	-
5. Term loan from Axis Bank Limited (repayable in 60 EMI's , last repayment falling due on 05/02/2025 availed @ an average Interest rate of 9.21% during the year)	1,880,865	-	381,314	-
<b>Total</b>	<b>48,757,579</b>	<b>14,545,766</b>	<b>7,554,432</b>	<b>4,062,450</b>
<b>Terms Loans from Financial Institutions (Secured):</b>				
1.Term loan from Volkswagen Finance Private Limited (repayable in 60 EMI's , last repayment falling due on 10/01/2020 availed @ an Interest rate of 8.05% )	1,077,068	1,635,713	558,646	515,576
2.Term Loan from Bajaj Finserv Limited ( Repayable in 180 EMI's last repayment falling due on 05/09/2032 availed @ an average Interest rate of 10.30% )	120,442,342	128,539,486	8,097,144	5,086,747
<b>Total</b>	<b>121,519,410</b>	<b>130,175,200</b>	<b>8,655,790</b>	<b>5,602,323</b>
<b>Terms Loans from Financial Institutions (Unsecured):</b>				
1.Term Loan from India Infoline Finance Limited (Repayable in 120 EMI's Last Repayment falling due on 05/04/2026 Availed @ an interest rate of 14.55 %)		13,122,714	-	1,343,936
<b>Net borrowings</b>	<b>-</b>	<b>13,122,714</b>	<b>-</b>	<b>1,343,936</b>

**NOTE NO. 18****DEFERRED TAX**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
<b>Deferred tax asset</b>		
Opening Balance	12,272,322	10,903,799
Adjustment for the year/Previous years	11,132,643	1,368,523
<b>Deferred tax Asset (net)</b>	<b>23,404,965</b>	<b>12,272,322</b>
<b>Deferred tax Liability</b>		
Opening Balance	12,707,476	11,292,259
Adjustment for the year/Previous years	9,087,849	1,415,217
<b>Deferred tax Liability (net)</b>	<b>21,795,325</b>	<b>12,707,476</b>

**NOTE NO. 19****OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Advances from related parties #	28,381,167	75,989,398
Unclaimed Dividend	442,226	442,226
Current Maturities of Term Loans from Banks ( Secured )	7,554,432	4,062,450
Current Maturities of Term Loans from Financial Institutions ( Secured )	8,655,790	5,602,323
Current Maturities of Term Loans from Financial Institutions ( UnSecured )	-	1,343,936
Others*	64,940,318	7,056,414
<b>Total</b>	<b>109,973,933</b>	<b>94,496,747</b>

\* (i) Loans from Promoters Group are Interest free repayable on demand.

(ii) Loan from Group Company includes loan amounting to Rs. 66,827,045/- (For YE: 31/03/2019) repayable on demand carrying 12% Interest p.a

**NOTE NO. 20****OTHER NON CURRENT LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Security Deposits	9,503,804	9,746,900
Loans from others*	27,466,802	28,527,861
<b>Total</b>	<b>36,970,606</b>	<b>38,274,761</b>

\*Security Deposits Represents Rental Deposits from received from tenants for property owned by company

\*\* Represents unsecured Loans taken by overseas subsidiary from various Body Corporates (overseas).

**NOTE NO. 21****CURRENT TAX LIABILITY**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Provision for taxation (net of advance tax)	6,200,001	1,368,523
<b>Total</b>	<b>6,200,001</b>	<b>1,368,523</b>



**NOTE NO. 22**  
**OTHER CURRENT LIABILITIES**

Particulars	As at ' March 31, 2020	As at ' March 31, 2019
Salaries Payable	437,429	273,704
TDS Payable	2,079,207	1,405,083
Customer Liability Amenities & Maintenance	13,891,462	13,997,800
Capital creditors	3,367,294	4,494,218
Audit fees Payable	769,360	901,360
Advances from customers	14,799,566	3,899,566
Deposit Under Development Agreement	127,316,948	127,316,948
Other Provisions	3,905,157	1,856,291
Other Liabilities	3,393,478	2,742,922
Trade Payables	129,465	80,065
Outstanding Expenses	510,254	105,613
<b>Total</b>	<b>170,599,620</b>	<b>157,073,570</b>

**NOTE NO. 23**  
**REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Sale of Land held as Stock in Trade	41,414,520	12,032,000
(ii) Operating Income :		
(a) Rental Income From Own Property	18,813,071	13,734,356
(b) Rental Income Under Joint Venture Agreement (Refer Note 36 (i))	33,729,861	35,646,409
(iii) Sale of Solar Power	32,140,796	33,259,478
(iv) Sale of Textiles & Garments	4,353,259	4,289,351
(v) Sale of Raw Cotton	168,284,844	216,801,854
<b>Total</b>	<b>298,736,351</b>	<b>315,763,448</b>

**NOTE NO. 24**  
**OTHER INCOME**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend Income	78,585	98,325
<b><u>Profit on Investments &amp; Derivatives:</u></b>		
Mutual Funds	257,628	72,542
Foreign Exchange Futures Trading	232,237	-
Equity Shares Trading	203,596	273,997
Equity Shares Futures Trading	-	359,562
<b><u>Others:</u></b>		
Credit Balances written back	317,981	387,183
Interest Received on Income Tax Refund	181,960	-
Miscellaneous Income	194,069	60,928
Interest Received on Inter Corporate Advances	34,389	-
Commission received	-	122,876
Profit on sale of Land or Building	3,633,800	452,476
Profit on Foreign Exchange fluctuation	800,726	971,139
Maintenance Income	1,452,000	480,000
Interest Received on Deposit for premises	321,798	475,642
Interest received on Mutual Fund	368,879	170,277
Foreign Exchange translation difference	-	195,704

<b>Total</b>	<b>8,077,648</b>	<b>4,120,651</b>
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**NOTE NO. 25  
FINANCE INCOME**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Interest on bank deposits	69,761	29,405
Interest on Deposits with T.S.S.E.B	95,414	91,832
<b>Total</b>	<b>165,175</b>	<b>121,237</b>

**NOTE NO. 26  
CHANGES IN INVENTORIES**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Changes in Inventories of land held as stock in trade (a)	12,464,987	2,939,394
Changes in Inventories of Finished goods (b)	1,205,939	1,704,540
<b>Total</b>	<b>13,670,926</b>	<b>4,643,934</b>

**NOTE NO. 26(A)**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Opening Balance :</b>		
Inventories at beginning of the year	165,180,000	168,119,394
Less : Inventories at End of the year	152,715,013	165,180,000
<b>Total Changes in inventories -Land</b>	<b>12,464,987</b>	<b>2,939,394</b>

**NOTE NO. 26(B)**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Finished Goods at cost</b>		
Inventories at beginning of the year	3,958,149	2,910,479
Inventories at End of the year	2,752,210	1,205,939
<b>Total Changes in inventories of finished goods</b>	<b>1,205,939</b>	<b>1,704,540</b>

**NOTE NO. 27  
EMPLOYEE BENEFITS EXPENSE**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Salaries, wages and bonus	5,709,418	4,902,001
Director's Remuneration (Refer Note No.37b)	2,700,000	1,450,000
<b>Total</b>	<b>8,409,418</b>	<b>6,352,001</b>

**NOTE NO. 28  
OPERATING & OTHER EXPENDITURE**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b><u>Operating Expenditure :</u></b>		
Rent Payable to Owners held through Joint Venture Agreement (Refer Note 36 (i))	20,065,307	21,210,707
<b><u>Other Expenses :</u></b>		
Power and fuel	674,088	619,224
Rates and taxes	234,871	187,457
Rates and taxes-Listing Fee	1,073,900	-
Insurance	191,787	229,985
Repairs and maintenance:		
Plant & Machinery	1,096,297	664,713
Buildings	476,724	393,878
Vehicles	150,309	121,256
Office Equipment's	16,325	-
Furniture's& Interior A/c	87,216	-
Others	495,814	86,524
Travelling and conveyance	3,581,649	928,617
Communication Costs	189,411	178,373
Professional Charges	2,797,341	2,815,580
Commission & Brokerage	941,340	633,361
Property Tax	3,713,901	782,595
Payment to auditor (refer note below)	1,484,408	924,908
Loss due to Futures Share trading	275,766	-
Security Charges	1,512,782	1,370,353
Loss due to Foreign Exchange Futures Trading	-	1,197,754
Loss on Sale of Assets	178,592	
Debit Balances Written off	96,486	42,436
Mark to Market Loss on Shares	2,233,556	1,881,493
Other Expenses	920,101	824,740
Miscellaneous expenses	-	28,246
GST Paid under Composition Scheme	58,053	84,476
Office Rent	1,248,693	357,832
<b>Total</b>	<b>43,794,717</b>	<b>35,564,508</b>

**Payment to Auditor**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>As auditor</b>		
Statutory Audit fee & Limited Review	1,284,408	724,908
Tax audit fee	150,000	150,000
<b>In other capacity</b>		
Other services ( Certificate on Transfer Pricing)	50,000	50,000
<b>Total</b>	<b>1,484,408</b>	<b>924,908</b>

**NOTE NO. 29  
DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment	29,312,359	26,827,032
Depreciation on Investment Property	2,495,602	2,495,602
<b>Total</b>	<b>31,807,961</b>	<b>29,322,634</b>

**NOTE NO. 30  
FINANCE COSTS**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Term Loans from Banks	3,895,132	2,412,002
Interest on Term Loans from Financial Institutions	15,138,896	15,808,308
Bank charges	843,335	615,940
Interest on Inter- Corporate Advances	-	2,105,539
Interest on Loan others	-	618,237
Interest on TDS/GST/Income Tax delayed payments	268,281	482,691
Others	6,036,203	2,235,600
<b>Total</b>	<b>26,181,847</b>	<b>24,278,317</b>

\* During the earlier years the company has sold portion of land at Balanagar to Starlite Spintech Limited through registered GPA the same land is now registered through Sale deed in the name of Starlite Spintech Limited and the differential amount between Stamp duty Value and Original Consideration received has been considered as Exceptional revenue.

**NOTE NO. 31  
EXCEPTIONAL ITEMS**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Land	49,530,246	-
<b>Total</b>	<b>49,530,246</b>	<b>-</b>

**Note No 32: Contingent Liabilities not provided for:****(In lakhs)**

S No.	Particulars	March 31, 2020	March 31, 2019
I	Sales Tax demands for of earlier years disputed by Company amounting to Rs 24.27 lakhs (1996-97), pending with Hon'ble High Court of Andhra Pradesh, Amounts paid under protest against the said appeals have been written off during earlier years.	24.27	24.27
II	Claim by Cotton Corporation of India, Mumbai (pertaining to earlier years)in terms of Arbitration award contested by the Company and pending in appeal before Hon'ble High Court of A.P.	24.93 Plus Interest	24.93 Plus Interest
III	Claim by Dijaya Malind Properties (India) Pvt. Ltd. (DMPIPL) and Dijaya Malind Mauritius JV Ltd. (DMML) pursuant to termination of Development Agreement (Entered with the Company) Dated 09-04-07. This claim is contested by the Company before Hon'ble Arbitral Tribunal formed in terms of the said Agreement. The Arbitration proceedings and other related court cases are being contested by the Company and are pending adjudication.	13,541.43	13,541.43
IV	Counter Guarantees executed in respect of Bank guarantees issued by Bank of India (BOI) favoring Director General of State Disaster Response & Fire Services, for Rs 2.48 lakhs. (for proposed Commercial complex at Balanagar)	4.86 (With Interest)	4.62 (With Interest)

V	Claims raised by ESI department in earlier years towards arrears amounting to Rs.25.95 lakhs and interest thereon for Rs.11.60 lakhs were contested by the Group in Hon'ble High Court of Telangana and have been remanded back to the Assessing officer for fresh Assessment.	25.95 Plus Interest	25.95 Plus Interest
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**NOTE NO. 33: Suits filed by and against the Group pending as at Balance Sheet date:**

I	Certain "Suits" filed against the Group for monetary claims and alleged encroachment of land at Balanagar by M/s.Krishi Engines Ltd (in liquidation) and others are pending in various courts and are being pursued and contested by the Group.
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II	Certain "Suits" filed by the Group: - In respect of monetary claims and also encroachment of Group's Land at Sadashivpet/ Balanagar are pending in various courts and are pursued by the Group.  - As more fully explained in Note 4 regarding land at Sadashivpet admeasuring 60 acres which has been alienated by Govt of Telangana, the Tahsildar, Sadashivpet Mandal, Medak District has cancelled the alienation vide order dated 04-02-2013 and has resumed the land in favour of Govt of Telangana. The Group has filed a Writ Petition with the Hon'ble High Court of Telangana contesting cancellation of the alienation of the said land. The writ petition is pending and meanwhile the Hon'ble High Court has granted an interim order for maintaining status quo.
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The liabilities, if any, in respect of pending cases have neither been ascertained nor provided and are determinable only on receipt of re- assessment order / judgment/decisions thereon

**NOTE NO. 34: Capital Commitments**

(In lakhs)

SI. No.	Particulars	March 31,2020	March 31,2019
I	<b>Capital Commitments</b> - Estimated Amount of Contracts remaining to be executed for next one year- on Capital Account	1,050.00	1002.42
II	<b>Derivatives</b> - Value of Open Derivatives as at Balance Sheet date : • Equity Shares Futures • Currency Futures • Share Options	Nil Nil Nil	Nil 69.70 Nil

**NOTE NO. 35: Auditors Remuneration**

(In lakhs)

Sno	Particulars	31 <sup>st</sup> March ,2020	31 <sup>st</sup> March, 2019
1	Statutory Audit fees	7.34	7.25
2	Tax Audit fees	1.50	1.50
3	Certificate on Transfer Pricing	0.50	0.50
4	Limited Review Report (FY 2019-20)	3.00	Nil
5	Limited Review Report (Previous Years)	2.50	Nil

**NOTE NO. 36: Other Disclosures:**

j) A sum of Rs.1,273.17 lakhs (Previous Year Rs.1,273.17 lakhs) relates to deposit received from M/s Dijaya Malind Properties (India) Pvt Ltd (DMPIPL) in terms of MOU dated 11-08-2006, Development Agreement dt.22-11-06 and Novation cum Development Agreement cum GPA dated 09-04-2007 for development of Company's land at Balanagar. M/s Dijaya Malind Properties (India) Pvt Ltd (DMPIPL) (an Indian subsidiary of Dijaya Malind J.V (Mauritius) Ltd which again is the step down subsidiary of M/s Tropicana Corporation Berhad (TCB) (erstwhile Dijaya Corporation Berhad, Malaysia) is a party to the Agreement dated 09-04-2007 to undertake and complete the project. The Company's associates M/s Starlite Spintech Ltd (SSL) hold 26% stake in DMPIPL.

DMPIPL/ DMML/ TCB have terminated the Development Agreement dated 09-04-2007 vide their legal notice dated 03-08-2010 and have demanded a sum of Rs.13,541.43 lakhs towards refund of the deposit given to the Company as well as towards damages incurred by them. These claims have been contested by the Company before Hon'ble Arbitral Tribunal formed in terms of the said Agreement.

At the same time, the Company has filed its counter claims against DMPIPL/ DMML/ TCB for an amount of Rs.30,976 Lakhs towards the damages suffered by the Company on account of illegal termination of the said development agreement which is being pursued at the arbitration.

The Arbitration proceedings are presently under stay on account of an interim order of the Hon'ble High Court of Telangana State, Hyderabad on a petition filed by TCB and the same is being contested by the Company.

k) The Company has undertaken construction of a commercial complex at its own land which was earlier held as stock in trade and later converted to fixed asset, situated at Balanagar, Hyderabad, a prime and upcoming location. The Capital Works in progress of Rs.1,850.48 Lakhs have been incurred by the Company towards construction costs and other costs relating to this project. The project is expected to be completed by 2022. The pro-rata cost relating to the land under the project admeasuring 10,200 Sq.Yards (hitherto held as stock in trade) is re-converted at the rate at which it was earlier converted into Stock in trade; and is grouped under Fixed Assets.

l) There are no dues to Micro, Small and medium Enterprises in terms of Micro, Small & Medium Enterprises Development Act, 2006, based on the information available with the Company.

m) The Securities and Exchange Board of India through its Circular dated April 17, 2015 allowed the exit option for Non-operational Stock Exchanges including Madras Stock Exchange Limited, Chennai, Tamilnadu and gave an option to all such listed companies to get their respective securities listed in any one of the All India Stock Exchanges. Accordingly, the Company's Equity shares have been listed with effect from July 21, 2020 in Metropolitan Stock Exchange Of India (MSEI) Limited and the same are now available for trade.

n) The Company has filed applications u/s 154 of the Income Tax Act, 1961 for income Tax demands for Rs.5.99 lakhs and for Rs.5.72 lakhs for the Assessment years 2012-13 & 2013-14 in view of the Department not considering the TDS deductions correctly and the same are pending .

o) Loans given and investments made in subsidiaries for their business needs are depicted under respective heads are covered under Sec 186(4) of the Companies Act, 2013.

p) The Company is also into the business of trading in shares, securities and derivatives as part of fund management activities as supplement to its main activities.

q) In the opinion of the management the current assets, loans & advances, investments and other Assets have value on realization in the ordinary course of business, at least equal to the amount in which they are stated and provision for depreciation and for all known liabilities is adequate.

r) Rental income under joint venture agreement (Refer Note No. 23) has been accounted at Gross amounts received from the lessees and the corresponding share payable to the JV Partners has been expensed under the head 'operating expenditure'(Refer Note No. 28) .

**NOTE NO. 37: Related Party Disclosures****(d) Name of Related Parties and description of relation:**➤ **Subsidiary and Associate Companies**

- (3) Starlite Global Enterprises FZE- Wholly owned Subsidiary
- (4) Starlite Fashions Private Limited- Subsidiary Company- Wholly owned Subsidiary

➤ **Other related Parties:**

- (3) Starlite Spintech Limited- One of the Key Managerial Person is a director in this company.
- (4) Paras Information Technology Private Ltd – a company in which a relative of the Key Managerial Persons of this Company is a director

**Key Managerial personnel & other related Parties:**

Sno	Designation of Related Party	Name of the related party & Relationship
1	Managing Director	Ram Gopal Patwari (KMP of the Company)
2	WholeTime Director	Sanjay Patwari (KMP of the Company)
3	Women Director	Sangeeta Tibrewala (Daughter of KMP)
4	Relative of Key Managerial Personnel	Sandeep Patwari (Son of KMP) Chanda Patwari(Wife of KMP) Shailaja Patwari (Daughter in Law of KMP)
5	CFO(KMP)	Pavan Kumar Rathi
6	Company Secretary	Sai Susmitha Bysani

**Terms & Conditions:**

Transactions related to investment in wholly owned subsidiary made in Equity shares are made at face value. All other transactions were made on normal commercial terms and conditions.  
All outstanding balances are unsecured and are repayable in cash.

Further the Group has entered into Joint Venture agreement with the related parties for sharing of rental income earned from operating leases in the ratio of 60:40.

Further the Group has complied with the provisions of Section of 185 & 186 of Companies Act, 2013 for advances made to wholly owned subsidiary Group.



## (e) Transactions With related parties:

(In lakhs)

Name of the Related Party	Nature of Transaction With Related Parties	For the Year Ended 31st March , 2020	For the Year Ended 31st March , 2019
Ram Gopal Patwari Sanjay Patwari Sandeep Patwari	Rent Payable to Owners in terms of Joint Venture Agreements (Refer Note No. 28)	64.96 69.27 66.42	69.69 71.39 71.02
Starlite Spintech Limited	Interest (Paid)/received on advances	0.34	(21.05)
Ram Gopal Patwari Sanjay Patwari Shailaja Patwari	Managerial Remuneration	12.00 9.00 6.00	12.00 Nil 2.50
Ram Gopal Patwari Sanjay Patwari Sandeep Patwari	Rental deposits collected by the Company on behalf of Owners (net)	0.53 (0.52) (6.03)	(1.76) 3.32 3.80
Starlite Spintech Limited	i) Advance given/(received) ii) Sale of Land iii) Interest (received)/paid iv) Purchase of Raw Cotton	338.67 849.45 (0.34) (1534.14)	(1040.02) Nil 21.06 (2032.83)
Ram Gopal Patwari Sanjay Patwari	Travelling Expenses	6.27 25.08	5.76 1.97
Chanda Patwari	Rent Paid	8.91	Nil

## (f) Outstanding Balances receivable / (payable) as at the end of the year

(In lakhs)

Name of the Related Party	As at 31st March, 2020	As at 31st March, 2019
Ram Gopal Patwari Sanjay Patwari Sandeep Patwari	(193.07) (26.59) (43.46)	(13.53) (5.23) (63.37)
Starlite Spintech Limited (Net)	519.84	(668.27)
Dijaya Malind Properties (India) Private Limited	(1273.16)	(1273.16)
Paras Information Technology Private Limited	(1.84)	(1.84)
Relatives of KMP	18.84	6.37
Starlite Spintech Limited (Deposit against Premises)	Nil	47.56

## NOTE NO. 38: Earnings per Share

(In lakhs)

Sl.No.	Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
1.	Nominal value of equity share	10/-	10/-
2.	Profit for the year	687.40	142.11
3.	Profit Attributable to Equity Shareholders	687.40	142.11
4.	Weighted average No. of Ordinary Equity Shares (No's)	39,72,824	39,72,824
5.	Basic Earnings Per Share	17.30	3.58
6.	Diluted Earnings Per Share	17.30	3.58

## NOTE NO. 39: Segment Reporting

(In lakhs)

Sno	Particulars	For the year 31 <sup>st</sup> March, 2020	For the year 31 <sup>st</sup> March, 2019
1	<b>Segment Revenue</b>		
	<b>Identifiable Segments</b>		
	A. Sale of Land held as stock in trade(incl. exceptional Items)	945.78	120.32
	B. Rental Income from Operating Leases	525.43	493.81
	C. Sale of Solar Power	321.41	332.59
	D. Sale of Raw Cotton	1682.85	2,168.02
	<b>Total Segment Revenue</b>	<b>3475.47</b>	<b>3,114.74</b>
	<b>Segment Result</b>		
	A. Sale of Land held as stock in trade	818.47	88.73
	B. Rental Income from Operating Leases	40.69	125.73
	C. Sale of Solar Power	(18.61)	131.89
	D. Sale of Raw Cotton	100.60	88.13
	<b>Total Segment result</b>	<b>941.17</b>	<b>434.48</b>
	<b>Less:</b> Unallocable Expenses	(252.29)	(363.53)
	<b>Add:</b> Unallocable Income	89.62	85.31
	<b>Profit Before Tax</b>	<b>778.50</b>	<b>156.26</b>
	<b>Less:</b> Tax Expense	(91.10)	(14.15)
	<b>Profit After Tax</b>	<b>687.40</b>	<b>142.11</b>
	Non-Controlling Interest	Nil	Nil
	<b>Profit for the year</b>	<b>687.40</b>	<b>142.11</b>
2	<b>Segment Assets</b>		
	<b>Identifiable Segment Assets</b>		
	A. Land held as Stock in trade	2260.23	1651.80
	B. Rental Assets	4071.77	3580.89
	C. Solar Power Plant	1344.53	1471.80
	D. Sale of Raw Cotton	1256.44	1,112.22
	<b>Add:</b> Unallocated Common Assets:	740.81	587.64
	<b>Total Assets</b>	<b>9673.78</b>	<b>8,404.35</b>
3	<b>Segment Liabilities</b>		
	<b>Identifiable Segment Liabilities</b>		
	A. Land held as stock in trade	1451.08	1452.14
	B. Rental Assets	1474.85	1218.29
	C. Solar Power Plant	1239.20	1318.92
	D. Sale of Raw Cotton	429.71	430.34
	<b>Add:</b> Unallocated Common Liabilities(Other than Equity)	563.32	197.96
	<b>Total Liabilities</b>	<b>5158.16</b>	<b>4617.65</b>

**NOTE NO. 40: Expenditure in Foreign Currency****3. Expenditure in Foreign currency during the year**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Foreign Travel Expenses of Managerial Person	31.35	7.73

**4. Earnings in Foreign currency**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on advances to wholly subsidiary (This was set off by way of Intercompany transactions in Consolidated financial statement)	9.44	8.36

**NOTE NO. 41: Risk Management Framework:**

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee.

The Audit Committee and the Risk Management Committee meets regularly to review risks as well as the progress against the planned actions, Key business decisions are discussed at the periodic meetings.

The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims:

- (f) improve financial risk awareness and risk transparency
- (g) identify, control and monitor key risks
- (h) identify risk accumulations
- (i) provide management with reliable information on the Company's risk situation
- (j) improve financial returns

**➤ Financial Risk**

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and credit risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

**➤ Liquidity Risk**

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet.

➤ **Foreign Exchange Risk:**

Fluctuations in foreign currency exchange rates may have an impact on the statements of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Exposures on foreign currency loans are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses Futures & Options contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit and loss and statements of other comprehensive income.

➤ **Interest Rate Risk:**

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees.

➤ **Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade & other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence & goodwill. Outstanding customer receivables are regularly monitored.

The Company has a policy for an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12-month expected credit loss for other receivables. An impairment analysis is performed at each reporting date on an individual basis for major parties. In addition, a large number of minor receivables are combined into homogenous categories and assessed for impairment collectively.

Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low. Impairment on these items are measured on the 12-month expected credit loss basis.

➤ **Derivative Financial Instruments:**

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current and noncurrent assets and liabilities.

Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative. The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates and commodity prices. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions.

**NOTE NO. 42: First Time Adoption of Ind AS:**

During the previous year 2017-18 the Company had for the first time prepared its financial statements in accordance with Ind AS. The accounting policies set out in Note No 2 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements as at and for the year ended 31 March 2019.

In preparing its opening Ind AS Balance Sheet i.e as at April 01, 2016 the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities(if any).

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

Accordingly the company has elected to opt for Cost model for all the Property Plant & Equipment and investment Property subsequent

The Company has also Classified Property Plant & Equipment and Investment Property based on the definitions given under Ind AS-16 Property Plant & Equipment and Ind AS- 40 Investment Property.

**(f) Investment In Subsidiaries& Wholly Owned Subsidiaries:**

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, jointly controlled entities and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109. The Company has elected to measure such investments at cost in accordance with Ind AS 27.

**(g) Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(h) Security Deposits:**

The Company does not have security deposits with non cancellable period of more than one year as at the reporting date that needs to be recognised and carried at fair values.

**(i) Accounting Treatment of existing Revaluation reserve accounted as per previous GAAP:**

Ind AS Transition Facilitation Group' (ITFG) of Ind AS (IFRS) Implementation Committee has been constituted for providing clarifications on timely basis on various issues related to the applicability and /or implementation of Ind AS under the Companies (Indian Accounting Standards) Rules, 2015, raised by preparers, users and other stakeholders.

Ind AS Transition Facilitation Group (ITFG) considered some issues received from members and decided to issue following clarifications on May 5, 2017:

One of the clarifications made by ITFG was existing Revaluation reserve which provides for:

Paragraph 10 of Ind AS 101, First-time Adoption of Indian Accounting Standards provides as follows:

“Except as described in paragraphs 13–19 and Appendices B–D, an entity shall, in its opening Ind AS Balance Sheet:

- (a) Recognise all assets and liabilities whose recognition is required by Ind AS;
- (b) Not recognise items as assets or liabilities if Ind AS does not permit such recognition;
- (c) reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS; and
- (d) Apply Ind AS in measuring all recognised assets and liabilities.

Further paragraph 11 of Ind AS 101 provides that, the accounting policies that an entity uses in its opening Ind AS Balance Sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind AS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind AS.

Accordingly, as per the above requirements in the given case balance outstanding in the revaluation reserve should be transferred to retained earnings or if appropriate, another category of equity disclosing the description of the nature and purpose of such amount in accordance with the requirements of paragraph 79(b), Ind AS 1, Presentation of Financial Statements. This is because after transition, the Company is no longer applying the revaluation model of Ind AS 16; instead it has elected to apply the cost model approach.

It may be noted that the requirements of Companies Act, 2013 for declaration of dividend will be required to be evaluated separately.

Further, it may also be noted that in accordance with Ind AS 12, Income Taxes, deferred tax would need to be recognised on any difference between the carrying amount and tax base of assets and liabilities. No deferred tax is created on equity components. However, since the asset has been revalued, there will be difference for the amount between carrying value and tax base. Hence, deferred tax will have to be recognised on such asset.

(j) Clarifications issued by CBDT on MAT Provisions applicable to Ind AS reporters:

- (4) As per the Finance Bill - 2017, the starting point for computation of MAT liability is profit before other comprehensive income reported in Ind AS compliant financial statements. This profit shall be first adjusted for items which are specified in the existing provisions of section 115JB of the Act and thereafter adjustments shall be made for specific Ind-AS related items provided above in the proposed amendments.
- (5) The proposed amendments state that book profit for MAT purposes (discussed in FAQ 1 above) shall be increased / decreased by all amounts credited/debited to OCI that will not be re-classified to profit or loss, except certain specified exclusions. There is no adjustment proposed for items of OCI that will be re-classified to profit or loss. Accordingly, OCI items that will be reclassified to profit or loss shall be included in the book profit for MAT purposes in the year of such reclassification.
- (6) The changes in fair value of such equity instruments will be included in book profit of the financial year in which the investment is disposed, realised or otherwise transferred.

**NOTE NO. 43: Reserve on account of Revaluation of Land:**

The Land held by the Company was converted to Stock in trade during the year 2005-06, for the purpose of development and sales based on the market rate as on that date as certified by the sub registrar. Prior to the conversion of land into stock in trade, it was re-valued and accordingly the revaluation reserve was created (Refer Note 16).

A part of land held as stock in trade was reconverted into fixed assets during the year 2016-17 due to the same being used towards construction of a commercial complex by the company. The re conversion is made at the same rate at which the stock in trade is valued hitherto. Accordingly the portion of revaluation reserve amounting to Rs. 1,99,58,586 was transferred to Capital Reserves (Refer Note 16 and Note 3).

Also refer Note no 42 for deemed cost of the land considered as per IND AS 101 First Time Adoption of Indian Accounting Standards.

Ind AS Transition Facilitation Group' (ITFG) of Ind AS (IFRS) Implementation Committee has been constituted for providing clarifications relating to the applicability and /or implementation of Ind AS under the Companies (Indian Accounting Standards) Rules, 2015, raised by preparers, users and other stakeholders.

One of the clarifications made by ITFG was relating to treatment of existing Revaluation Reserve created prior to transition to IND AS, which states that as per paragraph 11 of Ind AS 101, the accounting policies that an entity uses in its opening Ind AS Balance Sheet may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind AS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to Ind AS.

Accordingly, based on the above clarification, the existing balance outstanding in the revaluation reserve has been transferred to and disclosed under the head "Other Components of Equity" disclosing the description of the nature and purpose of such amount in accordance with the requirements of paragraph 79(b), Ind AS 1, Presentation of Financial Statements. Subsequently to transition to IND AS, the Company is no longer applying the revaluation model of Ind AS 16, instead it has elected to apply the cost model approach.

It may be noted that the requirements of Companies Act, 2013 for declaration of dividend will be required to be evaluated separately.

**NOTE NO. 44: Note on COVID-19**

The outbreak of novel Coronavirus (COVID-19) pandemic has effected globally. The Company is in the business of Real Estate, Rental and generation of power. The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government. The Company has considered possible effects of COVID-19 on the recoverability of its investments, property, plant and equipment (PPE), loans and receivables, etc in accordance with Ind AS.

During the previous year ended March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of the assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

**NOTE NO. 45:** The previous year GAAP figures have been regrouped / reclassified where ever necessary to confirm to Ind As presentation requirements.

As per our report of even date  
for K Y & Co.  
Chartered Accountants  
Firm Registration No: 016381S

Sd/-

CA Harikanth Yadav Godha  
Partner  
Membership No: 223007

UDIN: 20223007AAAACJ6531

Place : Hyderabad  
Date : 25-08-2020

For and on behalf of the Board of Directors  
STARLITE GLOBAL ENTERPRISES(INDIA) LIMITED

Sd/-

R.G PATWARI  
Managing Director  
DIN : 00975555

Sd/-

Pavan Kumar Rathi  
Chief Financial Officer

Sd/-

SANJAY PATWARI  
Director  
DIN : 00253330

Sd/-

Sai Susmitha Bysani  
Company Secretary