

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

23. Significant Accounting Policies

a) Basis of Preparation

The Financial Statements of the Company are prepared on accrual basis under the historical cost convention and are consistent with those followed in the previous year. The Financial statements have been prepared with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

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

c) Fixed Assets

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

d) Depreciation/Amortisation

Fixed assets are accounted at cost less accumulated depreciation. Depreciation charged on Written Down basis as per schedule XIV in terms of section 205 and 350 of the companies act, 1956 at the following rates:

S. No.	Particulars	Rate of Depreciation
1.	Factory Land	00.00%
2.	Factory Building	10.00%
3.	Plant & Machinery	13.91%
4.	Furniture & Fixture	18.10%
5.	Office Equipment	13.91%
6.	Computer & Fax	40.00%
7.	Vehicles	25.89%



Handwritten signature and blue circular stamp of SHANKAR ENTERPRISES PVT. LTD. New Delhi.

e) **Non- Current Investments**

The Non current investments are taken at Cost.

f) **Employee Benefits**

i) **Post Employment Benefit Plans**

No Provision for Gratuity payable to staff has been made during the year and shall be recognized as an expense when employees have rendered services entitling them to contributions.

ii) **Other Employee Benefits**

The short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include leave encashment, arrears on account of salary increment, Festival and dearness allowance etc.

g) **Revenue Recognition**

Sale of Goods

Sales are recorded at Invoice Value, net of VAT/Sales Tax and Excise. Revenue from sales is recognized at the point of dispatch when risk and reward of ownership stand transferred to the customers.

Income From Services

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

Interest and Other Income

Interest and other Income is recognized on time proportion basis.

h) **Taxation**

Income Taxes consist of current taxes and changes in deferred tax liabilities and/or assets

Current Tax is the amount of tax payable on the taxable Income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.



i) Inventories

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

j) Provisions, Contingent Liabilities & Contingent Assets Etc.

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

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

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

Additional Information to the Financial Statement

24. Contingent Liabilities and Commitments

- a) Contingent liabilities: Nil. (Nil)
- b) Estimated cost of contracts remaining to be executed on capital account and not provided for Nil (previous year Rs. Nil).

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

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

26. Related Party Disclosure:

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

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

- a) Elettromeccanica Colombo Di Mainini Gianangelo & C.S.A.S (EC)- holding 51% Equity shares of EIPL in which SEPL holds 49% Equity.
- b) Elettromeccanica India Pvt. Ltd. (EIPL) - Holding 49% Equity Share
- c) Sharika Lightec Pvt. Ltd. (SLPL) - Subsidiary Company
- d) High Tension Associates (HTA) – Partnership firm holding 38% Share



ii) Key Management Personnel of the Company:

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

iii) Relative of the Key Management Personnel of the Company:

- a) Mr. MK. Koul -Father of Mr. Arun Kaul (Director)
- b) Ms. Shefali Bali Bhan – Wife of Mr. Ravinder (Director)

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

(Figures in Rs.)

Nature of Transaction	Related party where common control exists	Key Management Personnel	Relative of the Key Management Personnel
Fixed Assets Purchases	Nil	Nil	Nil
Material Purchases	86,88,292.00	Nil	Nil
Sales	9,93,192.00		
Sales of fixed assets	Nil	Nil	Nil
Rent & Lease charges	2,70,000.00	2,10,000.00	Nil
Remuneration/Consultancy	Nil	90,00,000.00	7,20,000.00
Interest Paid	Nil	Nil	Nil
Dividend Paid	Nil	Nil	Nil
Revenue recd from HTA	2,42,554.00	Nil	Nil
Balance outstanding at the year end			
Amount Payable	1,01,997.00	85,20,772.00	Nil
Amount Receivable	32,28,854.00	Nil	Nil

27. Transfer Pricing

The Company is in the process of updating the documentation for international transactions entered into with the associated enterprises during the year since the law requires such information and documentation to be prepared and maintained. The Management is of the opinion that its international transactions are at arms length and the law with respect to Transfer pricing will not have any impact on the financial statements.



28. Corporate Information

Sharika Enterprises Pvt. Ltd. (SEPL), was incorporated on 6th May 1998 to undertake activities of consultancy and marketing services primarily in the power sector for Indian and International Power Equipment Manufacturers.

The accompanying Financial Statements reflect the results of the activities undertaken by the company during the year ended March 31, 2013.

These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act 1956.

Previous years' figures have been regrouped/reclassified wherever necessary to correspond with the current years' classification/disclosure.

**For WDK & ASSOCIATES
Chartered Accountants**


(Dheeraj Wadhwa)
Partner



On behalf of the Board


(Director)



(Director)

New Delhi,
22nd August, 2013

AUDITORS' REPORT

To
The Board Of Directors of
Sharika Enterprises Pvt. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Sharika Enterprises Pvt. Ltd.** ("the Company") which comprise the Balance Sheet as at 31st March, 2013 and the statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March , 2013, and
- ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on the date.

Report on Other Legal and Regulatory Requirement

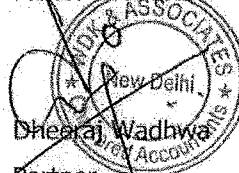
1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts 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 and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274(1)(g) of the Act.

New Delhi
August 22, 2013

For WDK & ASSOCIATES
Chartered Accountants

FRNo. 016389N



Partner

M.No. 091143

ANNEXURE

Annexure referred to in paragraph '3' of Audits Report to the Members of Sharika Enterprises Pvt. Ltd. on the accounts for the year ended 31st March 2013.

i) **In respect of its Fixed Assets**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.
- b) The management, during the year, has not physically verified all the assets but there is a regular programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c) In our Opinion and according to the information and explanation given to us, the company has not disposed off any of the assets during the year.

ii) **In respect of its Inventories**

- a) As explained to us, the stock of raw materials and finished goods has been physically verified by the management at regular intervals during the year. In respect of stock of stores and spares there is a perpetual inventory system and a substantial portion of Stock have been verified during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventors followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of Inventories. The discrepancies noticed on physical verification of inventory as compared to the book records were not material having regard to the size of the operations of the company.

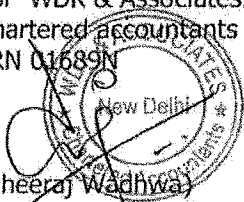
- iii) According to the information and explanation given us, the Company has granted interest free unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding amount at the year end amounted to Rs. 1,25,75,492. The terms for loans do not stipulate any repayment schedule and the loans are repayable on demand.

The Company has not taken any loans, secured or unsecured from companies, Firms or parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii) (e) to 4(iii)(g) of the Order are not applicable.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal Control procedures commensurate with the size of the business of the Company and nature of its business, with regards to the purchase of inventory and fixed assets and for the sale of the stock. Further on the basis of our examination and according to the explanations given to us, we have neither come across nor have been informed of any instance of major weakness in aforesaid internal control procedures.
- v) a) According to the information and explanation given to us, we are of the opinion that during the year, transactions that were required to be entered in to the register maintained under section 301 of the Company Act, 1956 have been entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained under section 301 of the companies act, 1956 and exceeding the value of rupees five lacs in respect of each party, during the year have been made at prices which are reasonable having regard to prevailing market prices as the relevant time.
- vi) The Company has not accepted any deposits from the public during the period. Hence the directive issued by the Reserve Bank of India and the provision of section 58AA of the Companies Act, and the rules framed there under are not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of Cost records under clause (d) of sub-section 209 of the Companies Act, 1956 for the products of the Company.
- ix) **In respect of Statutory Dues:**
- a) According to the records produced before us and other information and explanation given to us, the Employees' Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the Authorities.
- b) According to the information and explanations given to us, there are no undisputed dues payable in respect of Income Tax, Wealth Tax, sales Tax, Custom Duty, excise Duty, Cess on 31st March 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no disputed dues payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, excise Duty, Cess on 31st March 2013.
- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year.

- xi) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company has no debentures.
- xiii) As the company is not a chit fund / nidhi/ mutual/ societies to which the provisions of special stature relating to Chit fund are applicable, paragraph 4(xiii) of the order is not applicable.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing / trading in securities and other investments. In view of the same clause 4 (xiii) of the order is not applicable
- xv) We have been informed that during the year, the company has not given any guarantee for loans taken by its fellow subsidiaries, associates and other from banks or financial institutions.
- xvi) The Company has not obtained any term loans except cc limit from Citi Bank and vehicle loan from ICICI and HDFC Bank which continued during the year. The vehicle purchased is hypothecated to bank towards the said loan.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the year, short-term funds have not been used to finance long term Investments and vice versa.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue of shares during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed / reported during the year.

For WDK & Associates.
Chartered accountants
FRN 01689N


(Dheera) Wadhwa
Partner.
Membership No. 091143
Place: New Delhi
Date: 22nd August 2013

INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

Assessment Year

2013-14

[Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3, ITR-4,
ITR-4S (SUGAM), ITR-5, ITR-6 transmitted electronically with digital signature]

DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU

PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name SHARIKA ENTERPRISES PVT LTD			PAN AAECS7986G		
	Flat/Door/Block No 404, CHIRANJIV TOWER-43		Name Of Premises/Building/Village		Form No. which has been electronically transmitted ITR-6	
	Road/Street/Post Office		Area/Locality NEHRU PLACE			
	Town/City/District NEW DELHI		State DELHI	Pin 110019	Status Pvt Company	
	Designation of AO(Ward/Circle) DCIT / ACIT CO. CIR 8(1)			Original or Revised ORIGINAL		
	E-filing Acknowledgement Number 840704131281113		Date(DD/MM/YYYY) 28-11-2013			
COMPUTATION OF INCOME AND TAX THEREON	1	Gross total income			1	16421033
	2	Deductions under Chapter-VI-A			2	5000
	3	Total Income			3	16416033
	3a	Current Year loss, if any			3a	0
	4	Net tax payable			4	5326179
	5	Interest payable			5	250577
	6	Total tax and interest payable			6	5576756
	7	Taxes Paid	a	Advance Tax	7a	2600000
			b	TDS	7b	748706
			c	TCS	7c	0
d			Self Assessment Tax	7e	2230000	
e			Total Taxes Paid (7a+7b+7c +7d)	7e	5578706	
8	Tax Payable (6-7e)			8	0	
9	Refund (7e-6)			9	1950	

This return has been digitally signed by **RAJINDER KAUL**
in the capacity of Director having PAN **AAEPK5066G** from
IP Address 182.68.88.202 on 28-11-2013 at NEW DELHI
Dsc SI no 538686603143500448692829CN=TCS sub-CA for TCS 2011,
& issuer OU=Sub-CA, O=Tata Consultancy Services Ltd., C=IN



AAECS7986G06840704131281113ECC8EEE3AAF76C524C3FBDD3AF7784C3C30

SHARIKA ENTERPRISES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As on 31.03.2013 (in Rs.)	As on 31.03.2012 (in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,000,000	1,000,000
(b) Reserves and Surplus	2	101,541,057	90,343,316
		102,541,057	91,343,316
(2) Non-Current Liabilities			
(a) Long term Borrowing	3	4,302,443	1,023,284
(b) Deferred tax Liabilities (net)		118,370	248,905
		4,420,813	1,272,189
(3) Current Liabilities			
(a) Short-Term Borrowings	4	6,679,484	11,416,392
(b) Trade Payables	5	20,119,692	15,315,247
(c) Other Current Liabilities	6	11,171,047	13,943,479
(d) Short-Term Provisions	7	35,000,000	30,000,000
		72,970,223	70,675,118
Total Equity & Liabilities		179,932,093	163,290,623
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	8	46,857,349	50,117,944
Intangible Assets		-	-
(b) Non current Investment	9	50,290,150	22,147,596
(c) Other Non current Assets	10	834,617	625,299
		97,982,116	72,890,839
(2) Current Assets			
(a) Inventories	11	5,649,661	4,506,731
(b) Trade receivables	12	16,532,559	11,476,650
(c) Cash and Bank Balances	13	3,693,329	3,645,821
(d) Short-term loans and advances	14	17,849,274	36,241,490
(e) Other current assets	15	38,225,154	34,529,092
		81,949,977	90,399,784
Total Assets		179,932,093	163,290,623
Significant Accounting Policies	23		
Notes forming part of Financial Statements	1 to 22		
<p><i>As per our Report of even date attached</i></p> <p>FOR WDK & ASSOCIATES Chartered Accountants Firm Regn. No. 016389N</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>(CA. Dheeraj Wadawa) Partner M.No.091143 New Delhi 22nd August 2013</p> </div> <div style="width: 45%; text-align: center;"> <p>For and on behalf of the board of SHARIKA ENTERPRISES PRIVATE LIMITED</p>  <p>(DIRECTOR)</p>  <p>(DIRECTOR)</p> </div> </div>			

SHARIKA ENTERPRISES PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Sr. No	Particulars	Note No.	For the year ended 31.03.2013 (in Rs.)	For the year ended 31.03.2012 (in Rs.)
I	Revenue			
	Revenue from operations	16	22,795,266	16,225,427
	Other Income	17	53,301,095	73,659,042
	Total Revenue		76,096,361	89,884,469
II	Expenses:			
	Operating Expenses	18	26,180,596	25,966,200
	Employee Benefit Expense	19	17,505,960	22,393,058
	Finance Costs	20	1,539,208	1,085,019
	Depreciation	21	4,368,798	4,819,093
	Other Expense	22	10,434,593	11,480,831
	Total Expenses		60,029,155	65,744,201
III	Profit before exceptional and extraordinary items and tax	(I- II)	16,067,206	24,140,268
IV	Prior Period Adjustments & Extraordinary Items		-	-
V	Profit before tax (IX - X)	(III-IV)	16,067,206	24,140,268
VI	Tax expense:			
	(1) Current tax		5,000,000	7,500,000
	(2) Earlier Year Tax		-	(125,970)
	(3) Deferred tax		(130,535)	(43,988)
			4,869,465	7,330,042
VII	Profit/(Loss) for the period	(V-VI)	11,197,741	16,810,226
VIII	Earning per equity share:			
	(1) Basic/Diluted			168
	Significant Accounting Policies	23		
	Notes forming part of Financial Statements	1 to 21		
In terms of our Report attached.				
<p>FOR WDK & ASSOCIATES Chartered Accountants Firm Regn. No. 016389N</p>  <p>(CA. Dhoera) Wadawa Partner M.No.091143 New Delhi 22nd August 2013</p>			<p>For and on behalf of the board of SHARIKA ENTERPRISES PRIVATE LIMITED</p>   <p>(DIRECTOR) (DIRECTOR)</p>	

SHARIKA ENTERPRISES PRIVATE LIMITED

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

Note: 1 Share Capital

Particulars	As on 31.03.2013 (in Rs.)	As on 31.03.2012 (in Rs.)
AUTHORIZED CAPITAL		
100000 Equity Shares of Rs. 10/- each.	1,000,000.00	1,000,000.00
	1,000,000.00	1,000,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
<i>To the Subscribers of the Memorandum</i>		
100000 Equity Shares of Rs. 10/- each, fully paid-up	1,000,000.00	1,000,000.00
Total	1,000,000.00	1,000,000.00

Shareholders (holding more than 5% Shares)

Shareholders' Name	No. of Shares Held	Percentage
Rajinder Kaul	31,000	31.00%
Ravinder Bhan	24,500	24.50%
Arun Kaul	24,500	24.50%
Mukta Mani Kaul	10,000	10.00%
Hansa Kaul	10,000	10.00%

Note : 2 Reserve & Surplus

General Reserve		
Balance at the beginning of the year	1,000,000	1,000,000
Transferred from Surplus in Statement of Profit & Loss	-	-
Balance at the end of the year	1,000,000	1,000,000
Balance in statement in Profit & Loss		
Balance brought forward from previous year	89,343,316	72,533,090
Add: Profit for the period	11,197,741	16,810,226
	100,541,057	89,343,316
Total	101,541,057	90,343,316

Note : 3 Long Term Borrowings

Car Loan from Bank	490,747	1,023,284
Loan from NSIC	3,811,696	-
Total	4,302,443	1,023,284

Note : 4 Short Term Borrowings

Bank OD With citi Bank	6,679,484	11,416,392
Total	6,679,484	11,416,392

SHARIKA ENTERPRISES PRIVATE LIMITED

Notes Forming Part of the Balance Sheet and Statement of Profit & Loss
 Note :5 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		RATE
	AS ON 31.03.2012	Addition	TRANSFER	AS ON 31.03.2013	AS ON 31.03.2012	FOR THE YEAR	AS ON 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012	
Tangible Assets										
Air Conditioner and Fridge	243,190.00	38,100.00		281,290.00	159,147.38	13,752.00	172,899.38	108,390.62	84,042.62	13.91%
Office Equipments	970,678.00	88,719.00		1,059,397.00	365,523.09	85,659.00	451,182.09	608,214.91	605,154.91	13.91%
Generator	1,103,001.00	-		1,103,001.00	154,943.85	131,875.00	786,818.85	816,182.15	948,057.15	13.91%
Computers & Laptop	3,768,759.00	378,665.00		4,147,424.00	2,520,770.69	608,000.00	3,128,770.69	1,018,653.31	1,247,988.31	40.00%
Furniture and Fixtures	3,289,326.00	267,150.00		3,556,476.00	1,078,031.50	436,359.00	1,494,390.50	2,062,085.50	2,211,294.50	18.10%
Printer	-	164,350.00		164,350.00	-	51,132.00	51,132.00	113,218.00	-	40.00%
Vehicles	6,186,377.00	31,300.00		6,217,677.00	3,985,807.14	576,052.00	4,561,959.14	1,655,717.86	2,200,469.86	25.89%
Plot at Noida	13,630,577.00	-		13,630,577.00	-	-	-	13,630,577.00	13,630,577.00	-
Building (Noida)	26,689,738.88	18,796.00		26,708,534.88	2,577,542.48	2,412,187.00	4,989,729.48	21,718,805.40	24,112,196.40	10.00%
Tools and Equipments	769,713.20	2,100.00		771,813.20	394,749.88	60,764.00	395,513.88	376,299.32	434,963.32	13.91%
Plot at J&K	4,643,200.00	77,378.00		4,720,578.00	-	-	-	4,720,578.00	4,643,200.00	-
Mobiles and Telephone Set	-	41,645.00		41,645.00	-	13,018.00	13,018.00	28,627.00	-	40.00%
Total Rs.	61,294,560.08	1,108,203.00	-	62,402,763.08	11,176,616.01	4,368,798.00	15,545,414.01	46,857,349.07	50,117,944.07	

Note : Depreciation on fixed assets has been provided as per WDV rates given in the Companies Act, 1956

SHARIKA ENTERPRISES PRIVATE LIMITED

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

Note : 5 Current Liabilities

Trade Payable	17,876,500	15,315,247
Advances from Customers	2,243,192	-
Total	20,119,692	15,315,247

Note : 4 Other Current Liabilities

Statutory Liabilities		
Duties and Taxes	1,931,818	4,064,018
Others Liabilities:		
Expenses payable	9,189,229	9,829,461
Security Refundable	50,000	50,000
Total	11,171,047	13,943,479

Note : 3 Short Term Provisions

Provision for Income Tax	35,000,000	30,000,000
Total	35,000,000	30,000,000



SHARIKA ENTERPRISES PRIVATE LIMITED

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

Note : 9 Non Current Investments

Particulars	As on 31.03.2013 (in Rs.)	As on 31.03.2012 (in Rs.)
Long Term Investment		
<u>Equity Shares</u> (Electromeccanica India Pvt Ltd)	18,885,710	18,885,710
<u>Equity Shares</u> (Sharika Lightec Pvt .Ltd.)	29,999,990	99,990
<u>Capital in High Tension Associates</u> (capital contribution in partership firm)	1,404,450	3,161,896
Total	50,290,150	22,147,596

Note : 10 Other Non Current Assets

Particulars	As on 31.03.2013 (in Rs.)	As on 31.03.2012 (in Rs.)
a) Unsecured, Considered Good :		
<u>Security Deposit</u>	834,617	625,299
Total	834,617	625,299

Note : 11 Inventories

<u>Stock in hand</u>	5,649,661	4,506,731
Total	5,649,661	4,506,731

Note : 12 Trade Receivables

a) Unsecured, Considered Good :		
Outstanding for more than six month	8,742,034	-
Others	7,790,525	11,474,608
b) Accruals		
Interest accrued on deposits	-	2,042
Total	16,532,559	11,476,650

Note : 13 Cash & Bank Balances

Cash & Cash Equivalent		
Cash-in-Hand	84,182	46,560
Sub Total (A)	84,182	46,560
Balance with Banks		
In current Accounts	125,532	133,751
in Deposit Accounts	3,483,615	3,465,510
Sub Total (B)	3,609,147	3,599,261
Total [A + B]	3,693,329	3,645,821

SHARIKA ENTERPRISES PRIVATE LIMITED

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

Note :14 Short Terms Loans and Advances

<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
a) Unsecured, Considered Good :		
Advances with Electromecanica IPL	12,575,492	6,749,784
Advances with Sharika Lightec Pvt.Ltd	-	26,284,594
Other Loans & Advances	5,273,782	3,207,112
Total	17,849,274	36,241,490

Note : 15 Other Current Assets

a) Unsecured, Considered Good :		
Balance With Revenue Authorities (FBT)		
Income tax (12-13)	3,348,706	-
Indirect taxes/Duties recoverables	32,849,191	32,753,479
Other:-		
Prepaid Expenses	254,669	3,025
Unearned Income	1,772,588	1,772,588
Total	38,225,154	34,529,092



SHARIKA ENTERPRISES PRIVATE LIMITED

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

Note : 16 Revenue from Operations

Particulars	For the year	For the year
	ended 31.03.2013 (in	ended 31.03.2012
Sales	22,795,266	16,225,427
Total	22,795,266	16,225,427

Note : 17 Other Income

Consultancy & Commission income	46,222,021	66,617,591
Reimbursement of expenses	593,244	18,835
other income	606,330	2,380,356
Interest on Fixed Deposits	229,839	135,529
Closing Stock	5,649,661	4,506,731
Total	53,301,095	73,659,042

Note : 18 Cost of Operations

Purchases & Consumables	24,646,064	23,527,528
Clearing & forwarding	414,290	309,621
Job Work	272,598	86,551
Consultancy Expenses	847,644	2,042,500
Total	26,180,596	25,966,200

Note : 19 Employee Benefit Expenses

Salary & Wages	17,391,866	20,509,182
Staff welfare Expenses	114,094	1,883,876
Total	17,505,960	22,393,058

Note :20 Financial Cost

Finance & Bank Charges	1,539,208	1,085,019
Total	1,539,208	1,085,019

Note : 21 Depreciation

Depreciation	4,368,798	4,819,093
Total	4,368,798	4,819,093

Note : 22 Other Expenses

Travelling & Conveyance	2,844,703	3,378,200
Office Rent	323,905	643,860
Printing & Stationery	289,461	312,309
Legal & Professional Fees	33,090	519,790
Business Promotion	519,474	1,042,098



SHARIKA ENTERPRISES PRIVATE LIMITED

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

Repair & Maintenance	1,122,695	1,273,153
Telephone expense	934,320	684,764
Postage & Courier	107,705	118,199
Vehicle running expenses	1,359,268	997,127
Electricity & Water Expenses	885,230	467,707
Misc. Expenses	14,745	6,249
Auditors' Remuneration	252,810	328,143
Insurance Expenses	523,804	166,523
Tender Fees	-	227,029
Office Expenses	260,038	133,876
Bad Debts	686,252	72,962
Gift & Diwali Expenses	-	17,088
Books & Periodicals	73,301	2,230
Rates & Taxes	16,422	31,758
Exchange Fluctuation Loss	163,370	1,030,766
Donation	24,000	27,000
Total	10,434,593	11,480,831

Particulars	31.03.2013	31.03.2012
Payments to Auditors comprise (Inclusive of Service Tax)		
For Statutory Audit	55,180	33,708
For Taxation and other services	197,630	294,435
Total	252,810	328,143



NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

23. Significant Accounting Policies

a) Basis of Preparation

The Financial Statements of the Company are prepared on accrual basis under the historical cost convention and are consistent with those followed in the previous year. The Financial statements have been prepared with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

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

c) Fixed Assets

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

d) Depreciation/Amortisation

Fixed assets are accounted at cost less accumulated depreciation. Depreciation charged on Written Down basis as per schedule XIV in terms of section 205 and 350 of the companies act, 1956 at the following rates:

S. No.	Particulars	Rate of Depreciation
1.	Factory Land	00.00%
2.	Factory Building	10.00%
3.	Plant & Machinery	13.91%
4.	Furniture & Fixture	18.10%
5.	Office Equipment	13.91%
6.	Computer & Fax	40.00%
7.	Vehicles	25.89%



e) **Non- Current Investments**

The Non current investments are taken at Cost.

f) **Employee Benefits**

i) **Post Employment Benefit Plans**

No Provision for Gratuity payable to staff has been made during the year and shall be recognized as an expense when employees have rendered services entitling them to contributions.

ii) **Other Employee Benefits**

The short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include leave encashment, arrears on account of salary increment, Festival and dearness allowance etc.

g) **Revenue Recognition**

Sale of Goods

Sales are recorded at Invoice Value, net of VAT/Sales Tax and Excise. Revenue from sales is recognized at the point of dispatch when risk and reward of ownership stand transferred to the customers.

Income From Services

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

Interest and Other Income

Interest and other Income is recognized on time proportion basis.


h) **Taxation**

Income Taxes consist of current taxes and changes in deferred tax liabilities and/or assets.

Current Tax is the amount of tax payable on the taxable Income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Ru



SHARMA ENTERPRISES
New Delhi
LTD.

i) Inventories

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

j) Provisions, Contingent Liabilities & Contingent Assets Etc.

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

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

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

Additional Information to the Financial Statement

24. Contingent Liabilities and Commitments

- a) Contingent liabilities: Nil. (Nil)
- b) Estimated cost of contracts remaining to be executed on capital account and not provided for Nil (previous year Rs. Nil).

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

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

26. Related Party Disclosure:

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

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

- a) Elettromeccanica Colombo Di Mainini Gianangelo & C.S.A.S (EC)- holding 51% Equity shares of EIPL in which SEPL holds 49% Equity.
- b) Elettromeccanica India Pvt. Ltd. (EIPL) - Holding 49% Equity Share
- c) Sharika Lightec Pvt. Ltd. (SLPL) - Subsidiary Company
- d) High Tension Associates (HTA) – Partnership firm holding 38% Share



ii) Key Management Personnel of the Company:

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

iii) Relative of the Key Management Personnel of the Company:

- a) Mr. MK. Koul -Father of Mr. Arun Kaul (Director)
- b) Ms. Shefali Bali Bhan – Wife of Mr. Ravinder (Director)

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

(Figures in Rs.)

Nature of Transaction	Related party where common control exists	Key Management Personnel	Relative of the Key Management Personnel
Fixed Assets Purchases	Nil	Nil	Nil
Material Purchases	86,88,292.00	Nil	Nil
Sales	9,93,192.00		
Sales of fixed assets	Nil	Nil	Nil
Rent & Lease charges	2,70,000.00	2,10,000.00	Nil
Remuneration/Consultancy	Nil	90,00,000.00	7,20,000.00
Interest Paid	Nil	Nil	Nil
Dividend Paid	Nil	Nil	Nil
Revenue recd from HTA	2,42,554.00	Nil	Nil
Balance outstanding at the year end			
Amount Payable	1,01,997.00	85,20,772.00	Nil
Amount Receivable	32,28,854.00	Nil	Nil

27. Transfer Pricing

The Company is in the process of updating the documentation for international transactions entered into with the associated enterprises during the year since the law requires such information and documentation to be prepared and maintained. The Management is of the opinion that its international transactions are at arms length and the law with respect to Transfer pricing will not have any impact on the financial statements.



28. Corporate Information

Sharika Enterprises Pvt. Ltd. (SEPL), was incorporated on 6th May 1998 to undertake activities of consultancy and marketing services primarily in the power sector for Indian and International Power Equipment Manufacturers.

The accompanying Financial Statements reflect the results of the activities undertaken by the company during the year ended March 31, 2013.

These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act 1956.


Previous years' figures have been regrouped/reclassified wherever necessary to correspond with the current years' classification/disclosure.


For WDK & ASSOCIATES
Chartered Accountants


(Dheeraj Wadhwa)
Partner



On behalf of the Board


(Director)


(Director)

New Delhi,
22nd August, 2013

AUDITORS' REPORT

To
The Board Of Directors of
Sharika Enterprises Pvt. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Sharika Enterprises Pvt. Ltd.** ("the Company") which comprise the Balance Sheet as at 31st March , 2013 and the statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March , 2013, and
- ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on the date.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts 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 and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
- (e) On the basis of the written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274(1)(g) of the Act.

New Delhi
August 22, 2013

For WDK & ASSOCIATES

Chartered Accountants

FRNo. 016389N

Dheeraj Wadhwa

Partner

M.No. 091143



ANNEXURE

Annexure referred to in paragraph '3' of Audits Report to the Members of Sharika Enterprises Pvt. Ltd. on the accounts for the year ended 31st March 2013.

i) **In respect of its Fixed Assets**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.
- b) The management, during the year, has not physically verified all the assets but there is a regular programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c) In our Opinion and according to the information and explanation given to us, the company has not disposed off any of the assets during the year.

ii) **In respect of its Inventories**

- a) As explained to us, the stock of raw materials and finished goods has been physically verified by the management at regular intervals during the year. In respect of stock of stores and spares there is a perpetual inventory system and a substantial portion of Stock have been verified during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventors followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of Inventories. The discrepancies noticed on physical verification of inventory as compared to the book records were not material having regard to the size of the operations of the company.

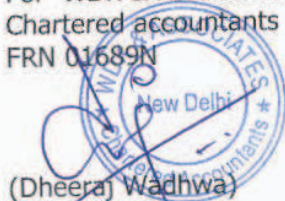
- iii) According to the information and explanation given us, the Company has granted interest free unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding amount at the year end amounted to Rs. 1,25,75,492. The terms for loans do not stipulate any repayment schedule and the loans are repayable on demand.

The Company has not taken any loans, secured or unsecured from companies, Firms or parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii) (e) to 4(iii)(g) of the Order are not applicable.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal Control procedures commensurate with the size of the business of the Company and nature of its business, with regards to the purchase of inventory and fixed assets and for the sale of the stock. Further on the basis of our examination and according to the explanations given to us, we have neither come across nor have been informed of any instance of major weakness in aforesaid internal control procedures.
- v)
 - a) According to the information and explanation given to us, we are of the opinion that during the year, transactions that were required to be entered in to the register maintained under section 301 of the Company Act, 1956 have been entered.
 - b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained under section 301 of the companies act, 1956 and exceeding the value of rupees five lacs in respect of each party, during the year have been made at prices which are reasonable having regard to prevailing market prices as the relevant time.
- vi) The Company has not accepted any deposits from the public during the period. Hence the directive issued by the Reserve Bank of India and the provision of section 58AA of the Companies Act, and the rules framed there under are not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of Cost records under clause (d) of sub-section 209 of the Companies Act, 1956 for the products of the Company.
- ix) **In respect of Statutory Dues:**
 - a) According to the records produced before us and other information and explanation given to us, the Employees' Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the Authorities.
 - b) According to the information and explanations given to us, there are no undisputed dues payable in respect of Income Tax, Wealth Tax, sales Tax, Custom Duty, excise Duty, Cess on 31st March 2013 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no disputed dues payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, excise Duty, Cess on 31st March 2013.
- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year.

- xi) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company has no debentures.
- xiii) As the company is not a chit fund / nidhi/ mutual/ societies to which the provisions of special stature relating to Chit fund are applicable, paragraph 4(xiii) of the order is not applicable.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing / trading in securities and other investments. In view of the same clause 4 (xiii) of the order is not applicable
- xv) We have been informed that during the year, the company has not given any guarantee for loans taken by its fellow subsidiaries, associates and other from banks or financial institutions.
- xvi) The Company has not obtained any term loans except cc limit from Citi Bank and vehicle loan from ICICI and HDFC Bank which continued during the year. The vehicle purchased is hypothecated to bank towards the said loan.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that during the year, short-term funds have not been used to finance long term Investments and vice versa.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue of shares during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed / reported during the year.

For WDK & Associates.
Chartered accountants
FRN 01689N



(Dheera) Wadhwa
Partner.
Membership No. 091143
Place: New Delhi
Date: 22nd August 2013