

# 6<sup>TH</sup> ANNUAL REPORT

1996-97

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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**STARLITE COMPONENTS LIMITED**





## STARLITE COMPONENTS LIMITED

### CHAIRMAN & MANAGING DIRECTOR

Shri Arvind S. Bharati

### DIRECTORS

Smt. Rochana Bharati

Shri V. Subramonian

Shri S.K.Soni

Shri G.K.Srikantan

### BANKERS

UTI Bank Limited

Canara Bank

The Nasik Peoples' Co-op. Bank Ltd.

### AUDITORS

M/s. H V Godse & Co.

Chartered Accountants,

Pune.

### REGISTERED & ADMN OFFICE

7, MIDC, Satpur, Nashik - 422 007.

### FACTORY

7, MIDC, Satpur, Nashik - 422 007.

64/B, MIDC, Satpur, Nashik - 422 007.

### REGISTRARS & SHARE TRANSFER AGENTS

Mondkar Computers Private Limited

21, Shakil Niwas,

Mahakali Caves Road, Andheri (East),

Mumbai - 400 093.

### EQUITY SHARES LISTED AT

*The Stock Exchange, Mumbai*

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

*Pune Stock Exchange Ltd.*

PMT Commercial Building, Deccan Gymkhana, Pune - 411 004.

*The Stock Exchange - Ahmedabad,*

Kamdhenu Complex, Sahjanand College, Panjarapole, Ahmedabad - 380 015.

*Coimbatore Stock Exchange Ltd.*

CSX Towers, 683-686, Trichy Road, Singanallur, Coimbatore - 641 005.





## STARLITE COMPONENTS LIMITED

### NOTICE

NOTICE is hereby given that Sixth Annual General Meeting (Adjourned) of the Members of STARLITE COMPONENTS LIMITED, will be held at F - 108, M. I. D. C., Satpur, Nasik -422 007 on Friday, September 18, 1998 at 09:00 a.m. to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt audited Profit and Loss Account for the year ended March 31, 1997 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise Board of Directors to fix their remuneration.

By Order of the Board of Directors

Place : Nasik.  
Date : 06.08.1998

(ARVIND BHARATI)  
Chairman & Managing Director.

Registered Office :  
7, M.I.D.C Area, Satpur, Nasik - 422 007.

#### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. MEMBERS ARE REQUESTED TO PLEASE BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
3. MEMBERS ARE REQUESTED TO NOTIFY CHANGE IN ADDRESS, IF ANY, TO THE REGISTRARS AND SHARE TRANSFER AGENTS QUOTING THEIR FOLIO NUMBERS AT AN EARLY DATE.
4. MEMBERS HOLDING SHARES IN THE SAME NAME UNDER MORE THAN ONE FOLIO ARE REQUESTED TO APPLY FOR CONSOLIDATION OF SUCH FOLIOS AND SEND RELEVANT SHARE CERTIFICATES TO THE REGISTRARS FOR MAKING NECESSARY ENTRIES.
5. MONDKAR COMPUTERS PVT. LTD. ARE REGISTRARS AND SHARE TRANSFER AGENTS OF THE COMPANY. THE MEMBERS ARE REQUESTED TO ADDRESS SHARE TRANSFERS AND OTHER CORRESPONDENCE TO THEM DIRECTLY AND NOT TO THE COMPANY.
6. THIS ADJOURNED ANNUAL GENERAL MEETING IS CALLED TO TRANSACT THE BUSINESS THAT REMAINED UNFINISHED AT THE ORIGINAL ANNUAL GENERAL MEETING HELD ON 26.12.1997. CONCLUSION OF THIS MEETING WILL ENABLE THE COMPANY TO HOLD SUBSEQUENT ANNUAL GENERAL MEETINGS.



# STARLITE COMPONENTS LIMITED

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Sixth Annual Report together with the audited statements of accounts for the year ended 31st March, 1997.

### FINANCIAL RESULTS

The financial results for the year ended 31st March, 1997 are briefly stated below:

	1996 . 97	(Rs. in lacs) 1995 . 96
Sales and Other Income	332.95	253.50
Operating Profit (Before Interest, Depreciation and Tax)	33.99	53.49
Less: Interest and other financial charges	17.77	8.70
Depreciation	14.97	11.28
Profit before Tax	1.25	33.51
Provision for Tax	0.15	-.-
Profit after Tax	1.10	33.51

### OPERATIONS

Your directors are pleased to inform that the Company has commenced the commercial production of lamp base caps with effect from 19th December, 1996. The product has been well - received both by the Organised as well as Unorganised Sector. Company's turnover also increased from Rs. 253.50 lacs to Rs. 332.95 lacs. However, due to increase in the cost of inputs, interest provision and write - off of expenses, the profit before tax reduced to Rs. 1.25 lacs as against the profit of Rs. 33.51 lacs in the previous year.

### DIVIDEND

In view of inadequacy of profits, no dividend is being recommended for the year under review.

### PROJECTIONS Vs. PERFORMANCE

During the year under review Company could achieve turnover of Rs. 332.95 lacs and net profit after tax of Rs. 1.10 lacs only as against the project figures of Rs. 1676/- lacs and 206/- lacs respectively.

### FIXED DEPOSITS

The Company has not accepted any fixed deposit from the public during the year under review.

### PARTICULARS OF ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION.

Particulars in respect of conservation of energy, technology absorption etc. as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are as given in the Annexure to the Report.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company exported goods worth Rs. 8,65,986/- out of which goods worth Rs. 1,46,477.00 were exported directly and goods worth Rs. 7,19,509.00 were exported through Tata Exports Limited. There was an outgo of Rs. 12,93,954/- on account of import of material and of Rs. 1,14,659/- for advertisement and sales promotion outside India.

### PARTICULARS OF EMPLOYEES

Information required pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not given as there was no employee in receipt of remuneration exceeding Rs. 3,00,000/- per annum, if employed throughout the year or Rs. 25,000/- per month if employed for a part of the year.

### DIRECTORS

During the year Mr. Gajanan Sathe, Mr. Ramesh Shahpurkar and Mr. Bharat Jaiswal resigned from the Board of Directors with effect from 12.2.1997 due to personal reasons and their pre-occupation elsewhere.

The Board expresses its gratitude for the valuable support and services rendered by these directors during the tenure of their office.



Mr. G.K.Srikantan and Mr. S.K.Soni were appointed as additional directors (Whole time directors) with effect from July 22, 1998 liable to retire by rotation.

#### **SUSPENSION OF TRADING IN SHARES BY THE STOCK EXCHANGE - MUMBAI**

The Stock Exchange - Mumbai had suspended trading in the shares of the Company on that Stock Exchange with effect from 27th January, 1997 because of shorter notice of 42 days given by the Company to the Stock Exchange regarding Book Closure / Record Date.

However, on Company giving the required undertaking, the Exchange permitted resumption of dealings in the shares with effect from 11th February, 1997.

#### **ANNUAL LISTING FEES**

Company's shares are listed at the Stock Exchanges at Mumbai, Pune, Ahmedabad and Coimbatore. Annual Listing Fees for the year 1998-99 have been paid to all these Stock Exchanges.

#### **QUALIFICATION IN AUDIT REPORT**

The auditors M/s. H.V.Godse & Co. have given qualification in respect of amounts advanced to companies under same management. The total amount of such advances is Rs. 33,85,703.90 and the same is within the limits prescribed under Section 370 of Companies Act, 1956. However, we have taken note of the qualification regarding terms of repayment, purpose and revenue loss arising out of not charging the interest on the same and are taking steps to regularise the matter in ensuing year.

#### **AUDITORS**

The Auditor of the Company Shri H. V. Godse -Proprietor of M/s. H. V. Godse & Co., Chartered Accountants, Pune who retires at the ensuing Annual General Meeting is eligible for reappointment. Members are requested to appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the continued support of Company's Bankers, Maharashtra State Financial Corporation, its suppliers and customers and all the members of staff and workers for their cooperation at all levels.

**For and on behalf of the Board of Directors.**

Place : Nasik.  
Date : 06.08.1998

**(ARVIND BHARATI)**  
Chairman

#### **ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.

Particulars	Current Year	Previous Year
<b>A. Power and Fuel Consumption</b>		
1) Electricity		
a) Purchased Units	55,993	25,486
Total Amount (Rs.)	1,48,896	69,086
Rate/Unit (Rs.)	2.66	2.71
b) Own Generation	Nil	Nil
2) Others	Nil	Nil
<b>B. Consumption per Unit of Production</b>		
Electricity (Units Per Kg.)	62.12	56.39
Electricity (Units Per Kps.)	10.38	-



## **AUDITORS REPORT**

### **To the members of M/s STARLITE COMPONENTS LTD.**

We have audited the attached Balance Sheet of STARLITE COMPONENTS LTD. as at 31st March, 1997 and report that:

- I. As required by the Manufacturing and Other Companies (Auditors Report) Order 1988, issued by Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph 1 and subject to the qualification contained in Note No. 8 of the said Annexure we state 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 account as required by the law have kept by the company so far as appears from our examination of such books.
  - C. The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
  - D. In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and Profit & Loss Account together with notes thereon give the information required by Companies Act, 1956 in the manner so required and give a true and fair view:
    1. Insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 1997 and
    2. Insofar as it relates to the Profit & Loss Account, of the profit of the company for the year ended on that date.

For H. V. Godse & CO.  
Chartered Accountants.

Place : Pune.  
Date : 7th August, 1998.

**H. V. GODSE**  
Proprietor

## **ANNEXURE TO AUDITORS' REPORT**

**Re: M/s Starlite Components Ltd. - 31.3.1997.**  
(Referred to in paragraph 1 of Audit Report.)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the end of the year and we have been informed that no serious discrepancies were noticed on such verification as compared to book records.
2. None of the fixed assets have been revalued during the year.
3. The stocks of raw materials, finished goods and work in process have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material as reported by the management and the same have been properly dealt with in the books of accounts.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair & proper in accordance with the normally accepted accounting principles.
7. No loans have been taken from companies, firms or other parties listed in the registers maintained under section 301 of Companies Act, 1956 or from the companies under the same management as defined u/s



370(1 B) of Companies Act, 1956. Hence our comment on rate of interest & terms & conditions of such loans are not required. However Company has accepted unsecured loans from Directors which are not covered u/s 370 (1 B) or u/s 301 of Companies Act, 1956.

8. Loans/Advances have been granted to companies, firms or other parties listed in the register maintained under section 301 or to companies under the same management as defined u/s 370(1 B) of Companies Act 1956. The company has not charged any interest on the same nor the terms of repayment / security are fixed. The purpose for the advance is also not defined. Total amount of such loans / advances as on 31.3.97 is Rs. 33,85,703.90. Considering the normal lending rate of 18% p.a. the company has incurred revenue loss of Rs. 7,36,708.27 calculated on the basis of average balance.
9. In respect of loans or advances in the nature of loans given by the Company to employees, the repayment is being made as stipulated.
10. 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 company and the nature of its business with regard to purchases of stores, raw materials, plant and machinery, equipment and other assets.
11. There are transactions of purchase of goods and materials, and services, made in pursuance of contract or arrangement entered in the registers maintained under section 301 and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices as available with the company for such goods, materials or services or the prices at which the transaction of similar goods, material or services have been made with other parties.
12. The company does not have any unserviceable or damaged stores. Hence no provision is necessary for the loss arising out of such damaged stores.
13. The company has not accepted any deposits from the public in terms of section 58A of the Companies Act, 1956 and rules framed thereunder.
14. We have been informed that the company has maintained reasonable records for the sale and disposal of realisable scrap and the company's operations do not generate any by-product.
15. In our opinion and according to the explanations given to us, the Company has internal audit system commensurate with its size and nature of its business.
16. The company is not required to maintain costs records as prescribed by Central Government under Section 209(1)(d) of Companies Act, 1956.
17. Provident Fund is not applicable to the company. E.S.I.C. is applicable & the company is regular in paying its dues.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31.3.97, for a period of more than six months from due date.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those incurred in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub section (1) of section 3 of the sick industrial companies (special provisions) Act, 1985 and hence reference to BIFR u/s 15 of that Act is not required.
21. In respect of trading activities of the company, we were informed that there were no damaged goods in possession of the company as at 31.3.1997.

**For H.V.Godse & Co.**  
Chartered Accountants.

Place : Pune.  
Date : 7th August, 1998.

H.V.Godse  
Proprietor