

8TH ANNUAL REPORT

1998-99

CERTIFIED TRUE COPY
For Starlite Components Ltd


Director

Report  junction.com



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 Eighth Annual General Meeting of the Members of STARLITE COMPONENTS LIMITED will be held at F 108, M.I.D.C., Satpur, Nasik -422 007 on Friday, December 31, 1999 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 June 30, 1999 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Smt. Rochana Bharati, who retires by rotation and being eligible offers herself for re-appointment.
3. 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 : 25.11.1999

(ARVIND BHARATI)
Chairman & Managing Director.

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

NOTES TO NOTICE:

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. The Members' Register and Share Transfer Book will remain closed on 31st December, 1999.
3. Members are requested to please bring their copies of the Annual Report to the meeting.
4. 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.
5. 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 Registrar for making necessary entries.
6. 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.

By Order of the Board of Directors

Place : Nasik.
Date : 25.11.1999

(ARVIND BHARATI)
Chairman & Managing Director.

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



STARLITE COMPONENTS LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Eighth Annual Report together with the audited statements of accounts for the year ended 30th June, 1999.

FINANCIAL RESULTS : The financial results for the year ended 30th June, 1999 are briefly stated below.

	1998-99 (12 months)	(Rs. in lacs) 1997-98 (15 months)
Sales and Other Income	697.45	801.08
Operating Profit (Before Interest, Depreciation and Tax)	146.68	150.43
Less: Interest and other financial charges	79.04	51.33
Depreciation	33.23	35.41
Profit before Tax	34.41	63.69
Provision for Tax (MAT)	3.61	1.44
Profit after Tax	30.80	62.25

OPERATIONS

Your directors are pleased to inform that the Company has achieved turnover of Rs. 697.45 lacs for the year under consideration as against the turnover of Rs. 801.08 lacs in the previous period and earned net profit after tax of Rs. 30.80 lacs.

DIVIDEND

In order to conserve resources for future requirements, no dividend is being recommended for the year under review.

FIXED DEPOSITS

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

DIRECTORS

Smt. Rochana Bharati Director of the Company is retiring by rotation and being eligible has offered herself for reappointment.

You are requested to appoint Director.

STATUTORY DISCLOSURES

Information as per Section 217(1) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure to this report.

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 and fix their remuneration.

ANNUAL LISTING FEES

Company's shares are listed at the Stock Exchanges at Mumbai, Pune, Ahmedabad and Coimbatore. Annual Listing Fees for the year 1999-2000 have been paid to all these Stock Exchanges.

Y2 K COMPLIANCE

Company's operations are Y2 K compliant and no system break down / failure is anticipated.

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. 28,40,019/- 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.

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 : 25.11.1999

(ARVIND BHARATI)
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) 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 30th June, 1999.

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 here below.

Particulars	Current Year	Previous Period
A. Power and Fuel Consumption		
1) Electricity		
a) Purchased Units	1,72,990	1,45,960
Total Amount (Rs.)	8,17,048	5,71,213
Rate/Unit (Rs.)	4.72	3.91
b) Own Generation	Nil	Nil
2) Others	Nil	Nil
B. Consumption per unit of production		
Electricity (Unit Per Kg.)	110.20	57.17
Electricity (Unit Per KPS.)	6.96	7.73

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, the Company exported goods worth Rs. Nil. There was an outgo of Rs. 80,00,490/- on account of import of material.

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 up to 12.03.1999 and Rs. 50,000/- per month or Rs. 6,00,000/- per annum thereafter.

For and on behalf of the Board of Directors.

Place: Nasik.
Date: 25.11.1999

(ARVIND BHARATI)
Chairman & Managing Director

AUDITORS' REPORT

To the members of M/s STARLITE COMPONENTS LIMITED.

We have audited the attached Balance Sheet of STARLITE COMPONENTS LTD. as at 30th June, 1999 and report that:

- 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.
- 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 :
 - 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.
 - In our opinion proper books of account as required by the law have been kept by the company so far as appears from our examination of such books.
 - The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - 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:
 - in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 30th June, 1999 and
 - in so far 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 : 26th November, 1999.

H. V. GODSE
Proprietor



ANNEXURE TO AUDITORS' REPORT

Re: M/s Starlite Components Ltd - 30.06.1999.

(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 re-valued 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 and 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 or from the companies under the same management as defined u/s 370(1 B) of Companies Act. Hence our comment on rate of interest and terms and 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 30/6/1999 is Rs. 28,40,019/-. Considering the normal lending rate of 18% p.a. the company has incurred revenue loss of Rs. 1,79,658/- 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 & 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 & according to the explanations given to us, the Company has internal audit system commensurate with its size & 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 and E.S.I.C. are applicable to the company and the company is not 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, customs duty and excise duty were outstanding as at 30th June 1999, for a period of more than six months from due date except for sales tax dues amounting to Rs. 7,53,270/- only.
19. The provision for Income Tax is made for a period of 12 months ended on 30th June, 1999 on the basis of Minimum Alternate Tax imposed on the book profits of the Company.
20. 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.
21. 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.
22. In respect of trading activities of the company, we were informed that there were no damaged goods in possession of the company as at 30.6.1999.

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

Place: Pune.
Date : 26th November, 1999.

H. V. GODSE
Proprietor



STARLITE COMPONENTS LIMITED
BALANCE SHEET AS ON 30TH JUNE 1999

PARTICULARS	SCHEDULE NO.	AS ON 30/6/99 Rs.	AS ON 30/6/98 Rs.
A. SOURCES OF FUNDS			
1. Shareholders' Funds :			
i. Share Capital	1	84,300,000	84,300,000
ii. Reserves & Surplus	2	19,847,836	16,767,793
Total Shareholders' Funds	(A)	104,147,836	101,067,793
2. Loan Funds :			
i. Secured Loans	3	62,785,623	41,474,326
ii. Unsecured Loans	4	1,735,963	1,955,773
Total Loan Funds	(B)	64,521,586	43,430,099
TOTAL (A + B)		168,669,422	144,497,892
B. APPLICATION OF FUNDS			
3. Fixed Assets :	5		
i. Gross Block		72,067,198	69,892,892
ii. Less : Depreciation		11,870,904	8,547,981
iii. Net Block		60,196,294	61,344,911
iv. Capital Work-in-progress		10,966,707	1,982,476
Total fixed Assets	(A)	71,163,001	63,327,387
4. Investments	(B)	26,021,100	9,821,100
5. Current Assets, Loans & Advances :			
i. Inventories	7	14,516,313	12,136,765
ii. Sundry Debtors	8	30,577,032	22,653,865
iii. Cash & Bank Balances	9	1,797,078	5,497,350
iv. Loans & Advances	10	19,901,352	18,839,778
Total		66,791,775	59,127,758
Less : Current Liabilities & Provisions :			
i. Current Liabilities	11	9,869,068	4,602,565
ii. Provisions	12	635,058	470,545
Total		10,504,126	5,073,110
Net Current Assets :	(C)	56,287,649	54,054,648
6. Misc. Expenditure (To the extent not written off or adjusted)			
i. Preliminary & Public issue expenses	13	3,308,069	3,883,386
ii. Preoperative & Deferred Rev. expenses	14	11,889,603	13,411,371
Total Misc. Expenditure :	(D)	15,197,672	17,294,757
Total (A + B + C + D)		168,669,422	144,497,892
Notes on Accounts	22		

As per our report of even date annexed herewith.

For **H. V. GODSE & CO.**
CHARTERED ACCOUNTANTS

(H. V. GODSE)
PROPRIETOR

Place: Pune
Dated: 26-11-1999

For and on behalf of the Board

1. Arvind Bharati, Chairman & Managing Director
2. Smt. Rochana Bharati, Director
3. S. K. Soni, Director

Place: Nasik
Dated: 25-11-1999