

11TH ANNUAL REPORT
2001 - 2002

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STARLITE COMPONENTS LIMITED



STARLITE COMPONENTS LIMITED

CHAIRMAN & MANAGING DIRECTOR

Shri Arvind S. Bharati

DIRECTORS

Smt. Rochana Bharati

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.

Shivleela Chambers, 752, Sadashiv Peth, R. B. Kumthekar Marg, Pune - 411 030.

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 Eleventh 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 Saturday, December 28, 2002 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended June 30, 2002 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Mr. S. K. Soni, who retires by rotation and, being eligible, offers himself 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 : 21.11.2002

(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 Register of Members and Share Transfer Book will remain closed from 25th December, 2002 to 28th December, 2002 (both days inclusive).
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 : 21.11.2002

(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 Eleventh Annual Report together with the audited statements of accounts for the year ended 30th June, 2002.

FINANCIAL RESULTS

The financial results for the year ended 30th June, 2002 are briefly stated below:

	(Rs. In lacs)	
	2001-02	2000-01
Sales and Other Income	800.41	744.40
Operating Profit (Before Interest, Depreciation and Tax)	190.24	157.13
Less: Interest and other financial charges	121.22	90.55
Depreciation	51.13	39.61
Profit before Tax	17.89	26.97
Provision for Tax (MAT)	0.07	0.20
Provision for Deferred Tax Liability	0.96	-
Profit after Tax	16.86	26.77

OPERATIONS

Your directors are pleased to inform that the Company has achieved turnover of Rs. 800.41 lacs for the year under consideration as against the turnover of Rs. 744.40 lacs in the previous year and earned net profit of Rs. 16.86 lacs.

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

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

DIRECTORS

Shri S. K. Soni, Director of the Company is retiring by rotation and being eligible, has offered himself for reappointment.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- In preparation of annual accounts, the applicable Accounting Standards have been followed and there was no material departure from the said standards.
- The accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs and profit of the Company at the end of the year.
- Adequate accounting records as per the provisions of the Companies Act, 1956 have been maintained and proper and sufficient care has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts are prepared on Going Concern Basis.

AUDITORS

The Auditors 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.

**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 : 21.11.2002

(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, 2002.

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 Year
A. Power and Fuel Consumption		
Electricity		
Purchased Units	98,867	1,64,410
Total Amount (Rs.)	5,18,557	7,70,423
Rate/Unit (Rs.)	5.24	4.69
Own Generation	Nil	Nil
Others	Nil	Nil
B. Consumption per unit of production		
Electricity (Unit Per Kg.)	191.88	196.83
Electricity (Unit Per KPS.)	14.40	9.45

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company exported goods worth Rs. 18,37,988/-. There was an outgo of Rs. 19,07,367/- 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. 12,00,000/- per annum, if employed throughout the year or Rs. 1,00,000/- per month if employed for a part of the year.

DUES OF SMALL SCALE INDUSTRIAL UNDERTAKINGS

Particulars of amount owed to small scale industrial undertakings in terms of Notification GSR 129(E) dated 22.02.1999 issued by the Department of Company Affairs is not given since information about the category of suppliers is not known.

For and on behalf of the Board of Directors

Place : Nasik.
Date : 21.11.2002

(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, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

We conducted our Audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan & perform the Audit to obtain reasonable assurance about whether the Financial Statements are free of material mis-statements. An Audit includes examining on a test basis, evidence supporting the amounts & disclosures in the Financial Statements. An Audit also includes assessing the Accounting principles used & significant estimates made by the management, as well as evaluating the overall Financial Statements presentation. We believe that our Audit provides a reasonable basis for our opinion.



As required by the Manufacturing & Other Companies (Auditor's Report) Order, 1988 issued by the Central Govt. of India in terms of sub section (4A) of Sec.227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred above, we report that-

1. We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purpose of our Audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with books of Accounts.
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act 1956.
5. On the basis of written representation received from the Directors, as on 30th June 2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2002 from being appointed as a Director in terms of sec.274 (1)(g) of the Companies Act 1956.
6. In our opinion and to the best of our information & according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required and give true & fair view in conformity with the accounting principles generally accepted in India-
 - a) In case of Balance Sheet, of the State of affairs of the Company as at 30th June, 2002 and
 - b) In case of Profit & Loss Account, of the profit for the year ended on that date.
7. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

Report Junction

For H. V. GODSE & CO.
Chartered Accountants

Place: Pune.
Date : 21st November, 2002.

H. V. GODSE
Proprietor

ANNEXURE TO AUDITORS' REPORT

Re: M/s Starlite Components Ltd - 30.06.2002.
(Referred to in paragraph 1 of Audit Report.)

1. The Company has maintained proper record 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 stock of raw materials, work in progress, finished goods, stores & spares 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 size of Company & nature of its business.
5. The discrepancies noticed on verification between physical stocks & 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 normally accepted accounting principles.
7. No loans have been taken from the Companies, firms or other parties listed in the Register maintained under section 301 of Companies Act 1956 or from Companies under same management as defined under section 370(1B) of Companies Act 1956. Hence our comments on rate of interest or terms & conditions of such loans are not required.



8. Loans/advances have been granted to Companies, firms or other parties listed in the register maintained u/s 301 or to Companies under same management as defined u/s 370(1B) of Companies Act 1956. **The Company has not charged interest on the same as was charged in previous year.**
9. In respect of loans or advances in the nature of loans given by the Company to the employees, the repayment is being made as stipulated.
10. In our opinion & according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company & nature of its business with regard to purchase of raw materials, stores, plant & machinery, equipments and other assets.
11. There were transactions of purchase or sale of materials, goods and services made pursuant to contract or arrangement entered in the register maintained u/s 301 and aggregating during the year to Rs.50000/- or more in respect of each party. The prices at which these transactions are entered into are reasonable as compared to the prevailing market prices of similar goods or services or the prices at which the transactions of similar nature have been made with other parties.
12. The Company doesn't 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 Sec.58 A of Companies Act 1956 and rules framed thereunder.
14. We have been informed that the Company has maintained reasonable records for the sale & disposal of realizable scrap & 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 but the same needs to be strengthened to make it commensurate with its size & nature of its business.**
16. The Company is not required to maintain cost records as prescribed by Central Government u/s 209(1)(d) of Companies Act 1956.
17. **Provident Fund & E.S.I. are applicable to the Company & the Company is not regular in paying its dues. Provident fund outstanding as on 30th June 2002 & not paid till the date of this report is Rs.72502/-. E.S.I outstanding as on 30th June 2002 & not paid till the date of this report is Rs. 26600/-.**
18. According to the information & explanations given to us, no undisputed amounts in respect of Income Tax, Wealth Tax, Custom Duty or Excise Duty were outstanding as at 30th June 2002, for a period of more than six months from due date. **Undisputed Sales Tax dues amounting to Rs. 468250/- are outstanding for a period of more than six months from due date.**
19. According to the information & 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 Sec.3 (1)(o) of Sick Industrial Companies (Special Provisions) Act 1985. 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 30th June 2002.
22. The Company has made investment in the shares of other Companies. However, the Company is not an investment Company as defined by MAOCARO – 1988 and hence our comments regarding the Investment Company, Chit Fund, Nidhi or Mutual Benefit Society are not attracted.

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

Place: Pune.
Date : 21st November 2002.

H. V. GODSE
Proprietor



STARLITE COMPONENTS LIMITED
BALANCE SHEET AS ON 30TH JUNE 2002

PARTICULARS	SCHEDULE NO.	AS ON 30/6/2002 Rs.	AS ON 30/6/2001 Rs.
A. SOURCES OF FUNDS			
1. Shareholders' Funds :			
i. Share Capital	1	84,300,000	84,300,000
ii. Reserves & Surplus	2	38,624,314	26,597,532
Total Shareholders' Funds (A)		122,924,314	110,897,532
2. Loan Funds :			
i. Secured Loans	3	65,533,690	63,530,785
ii. Unsecured Loans	4	2,337,176	1,712,870
Total Loan Funds (B)		67,870,866	65,243,655
TOTAL (A + B)		190,795,180	176,141,187
B. APPLICATION OF FUNDS			
3. Fixed Assets :	5		
i. Gross Block		115,785,954	83,462,957
ii. Less : Depreciation		24,391,372	19,391,582
iii. Net Block		91,394,582	64,071,375
iv. Capital Work-in-progress		-	32,540,500
Total fixed Assets (A)		91,394,582	96,611,875
4. Investments (B)	6	14,796,100	14,796,100
5. Current Assets, Loans & Advances :			
i. Inventories	7	22,513,775	21,480,347
ii. Sundry Debtors	8	34,572,064	24,157,026
iii. Cash & Bank Balances	9	1,468,538	1,982,593
iv. Loans & Advances	10	19,337,216	17,425,992
Total		77,891,593	65,045,959
Less : Current Liabilities & Provisions :			
i. Current Liabilities	11	10,666,446	9,998,208
ii. Provisions	12	233,315	518,040
Total		10,899,761	10,516,248
Net Current Assets : (C)		66,991,832	54,529,710
6. Deferred Tax Asset (D)		9,906,249	-
7. Misc. Expenditure (To the extent not written off or adjusted)			
i. Preliminary & Public issue expenses	13	1,582,118	2,157,435
ii. Preoperative & Deferred Rev. expenses	14	6,124,299	8,046,067
Total Misc. Expenditure : (E)		7,706,417	10,203,502
Total (A + B + C + D + E)		190,795,180	176,141,187

Notes on Accounts

23

As per our report of even date annexed herewith.

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

(H. V. GODSE)
PROPRIETOR

Place : Pune

Date : 21-11-2002

For and on behalf of the Board of Directors

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

Place : Nasik

Date : 21-11-2002



STARLITE COMPONENTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2002.

PARTICULARS	SCHEDULE NO.	YEAR ENDED 30/6/2002 Rs.	YEAR ENDED 30/6/2001 Rs.
INCOME			
Manufacturing Sales (Net of Returns)		16,549,874	13,545,159
Less : Excise Duty paid		1,068,970	1,449,348
Net Sales		15,480,904	12,095,811
Trading Sales		63,621,410	64,193,238
Other Income	15	434,889	1,023,744
Change in stocks	16	504,246	(2,873,156)
TOTAL (A)		80,041,449	74,439,637
EXPENDITURE			
Raw Material Consumed	17	6,604,210	9,204,333
Cost of Traded goods sold	18	44,306,680	36,464,201
Manufacturing expenses	19	3,149,568	5,146,021
Payment to & Provisions for employees	20	2,252,705	2,296,022
Admn. & Selling & Dist. expenses	21	4,703,988	5,614,901
Interest & Financial Charges	22	12,121,672	9,055,505
Depreciation		5,113,436	3,961,257
TOTAL (B)		78,252,259	71,742,240
Net Profit before Tax (A-B)		1,789,190	2,697,397
Provision for Taxation		(7,439)	(19,846)
Adjustment for Current years Deferred Tax Asset/(Liability)		(95,503)	-
Net Profit after Tax transferred to Balance sheet		1,686,248	2,677,551
Earnings Per Share (Basic)		0.20	0.32
Earnings Per Share (Diluted)		0.20	0.32

Notes on Accounts

23

As per our report of even date annexed herewith.

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

CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(H. V. GODSE)

PROPRIETOR

Place : Pune

Date : 21-11-2002

1. Arvind Bharati, Chairman & Managing Director

2. Smt. Rochana Bharati, Director

3. S. K. Soni, Director

Place : Nasik

Date : 21-11-2002

SCHEDULES FORMING PART OF BALANCE SHEET & P & L A/C FOR THE YEAR ENDED ON 30.6.2002

PARTICULARS	AS ON 30/6/2002 (Rs.)	AS ON 30/6/2001 (Rs.)
SCHEDULE-1.SHARE CAPITAL		
Authorised		
90,00,000 Equity Shares of Rs.10/- each	90,000,000	90,000,000
(Previous year 90,00,000 Equity Shares of Rs. 10/-each)		
Issued, Subscribed & Paid up		
84,30,000 Equity Shares of Rs.10/- each	84,300,000	84,300,000
(Previous year 84,30,000 Equity Shares of Rs.10/- each)		
(Including unrealised Stock invest worth Rs.1,42,000/-)		
(Previous year Rs. 1,42,000/-)		
TOTAL	84,300,000	84,300,000

**SCHEDULE-2.RESERVES & SURPLUS**

Surplus as per last Balance sheet	24,936,314	22,258,763
Profit for the year	1,686,248	2,677,551
Adjustment for b/f Deferred Tax Asset/(Liability)	10,001,752	-
Capital subsidy	2,000,000	1,661,218
TOTAL	38,624,314	26,597,532

SCHEDULE-3. SECURED LOANS

From Nasik Peoples Co-op Bank Ltd.:		
Term Loan (secured against Hyp. of Machinery)	29,575,445	30,695,719
From Maharashtra State Financial Corporation		
Term Loan (secured against Hyp. of Machinery including interest of Rs. 52,57,913/-)	21,384,604	18,239,263
From U.T.I. Bank Ltd., Cash Credit (secured against Hypothecation of stocks and Book debts)	13,749,727	13,725,845
Loan against FDR	823,914	869,958
TOTAL	65,533,690	63,530,785

SCHEDULE-4. UNSECURED LOANS

From Western Maharashtra Dev.Corp.	146,377	143,251
Deferred Sales Tax loan	2,190,799	1,569,619
TOTAL	2,337,176	1,712,870

SCHEDULE-5. FIXED ASSETS

Particulars	Gross Block (at cost)			Depreciation			Net Block		
	Balance as on 1/7/2001	Additions During year	Deductions During year	Balance as on 30/6/2002	Total upto 30/6/2001	Rate of Dep. %	Provided for the year	Adjustment on sale	Total upto 30/6/2002
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
1. Building	1,484,998	-	-	1,484,998	255,506	3.34%	49,599	-	305,105
2. Plant & Machinery	80,372,563	32,540,500	-	112,913,063	18,643,509	4.75%	4,976,952	-	23,620,461
3. Electrical Installation	361,104	-	-	361,104	76,727	4.75%	17,152	-	93,879
4. Furniture & Fixture	563,657	-	-	563,657	184,565	6.33%	35,680	-	220,245
5. Office Equipments	279,794	-	-	279,794	77,431	4.75%	13,290	-	90,721
6. Vehicles	217,503	-	217,503	-	101,592	9.50%	12,054	113,646	-
7. R & D Equipments	183,338	-	-	183,338	52,252	4.75%	8,709	-	60,961
Total	83,462,957	32,540,500	217,503	115,785,954	19,391,582		5,113,436	113,646	24,391,372
Previous Year	83,384,320	78,637	-	83,462,957	15,430,325		3,961,257	-	19,391,582

SCHEDULE-6.INVESTMENTS (LONG TERM, UNQUOTED VALUED AT COST)

2000 shares of Rs. 25/- each fully paid in The Nasik Peoples' Co-op Bank Ltd.	50,000	50,000
National Savings Certificate	5,000	5,000
IN SUBSIDIARY COMPANY		
23549 Equity shares of Rs. 100/- each fully paid of Paragon Plastics Ltd.	3,091,100	3,091,100
10,80,000 Equity Shares of Rs. 10/- each fully paid up of Starlite Lighting Ltd.	10,800,000	10,800,000
Share Application Money in Starlite Lighting Ltd. (Pending allotment)	850,000	850,000
TOTAL	14,796,100	14,796,100

SCHEDULE-7.INVENTORIES (VALUED AT COST)

(As taken, valued and certified by Management)

Finished Goods	1,446,239	2,571,688
Semi-Finished Goods	4,669,457	3,039,762
Raw Material	2,384,421	2,776,732
Trading Goods	14,013,658	13,092,165
TOTAL	22,513,775	21,480,347

SCHEDULE-8.SUNDRY DEBTORS

Outstanding for more than 6 months

(Considered Good & recoverable)

Others	2,070,966	1,629,265
	32,501,098	22,527,761
TOTAL	34,572,064	24,157,026