



starlite
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ANNUAL REPORT 2011-12

● **BOARD OF DIRECTORS:**

- Dr. Smt. Rochana Bharati, Chairperson
- Mr. Arvind Bharati, Managing Director
- Mr. G. K. Srikantan, Director
- Mr. Kannan Ranganathan, Director

● **AUDITORS:**

- M/s. HMA & Associates, Chartered Accountants, Pune

● **BANKERS:**

- State Bank of India
- HDFC Bank Ltd.
- CITI Bank N. A.

● **REGISTERED OFFICE:**

- 64-B-1, M.I.D.C. Area, Satpur, Nashik – 422007. (Maharashtra)
Tel: +91 253 – 2309016 / 2309019 ♦ Fax: +91 253 2309017

● **FACTORIES:**

- 64-B-1, M.I.D.C. Area, Satpur, Nashik – 422007. (Maharashtra)
- Survey No. 9/2/2, Besides Tiger Hill Hotel, Village - Vilholi,
Nashik – 422010. (Maharashtra)

Registered
Office

STARLITE COMPONENTS LIMITED

Address : 64-B-1, MIDC Area, Satpur, Nashik-422007, Maharashtra, INDIA
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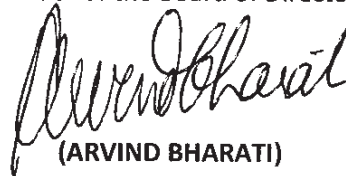
NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of M/s. STARLITE COMPONENTS LIMITED will be held at 64-B-1, M.I.D.C., Satpur, Nasik - 422007 on Monday, December 31, 2012 at 10:30 a.m. to transact the following businesses as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at June 30, 2012 and the audited Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Smt. Rochana Bharati, who retires by rotation and, being eligible, has offered herself for re-appointment.
3. To appoint a Director in place of Mr. Kannan Ranganathan, who retires by rotation and, being eligible, has offered himself for re-appointment.
4. 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



(ARVIND BHARATI)
Managing Director

Place: Nasik
Date: 30th August, 2012

Registered Office:
64-B-1, M.I.D.C. Area, Satpur,
Nasik-422 007.

Registered
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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. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Book will remain closed from 26th December 2012 to 31st December 2012 (both days inclusive).
4. Members/Proxies are requested to please bring their copies of the Annual Report together with the duly filled in attendance slip to the Meeting.
5. 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.
6. Pursuant to the provisions of the clause 47(f) of the Listing Agreement, the Company has designated a dedicated email-id investor@starlitecomponents.com exclusively for registering grievances and complaints of the Shareholders. All the Shareholders are requested to lodge their complaints and grievances etc., if any, at the said e-mail id.
7. M/s. Universal Capital Securities 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.

Place: Nasik
Date: 30th August, 2012

By Order of the Board of Directors


(ARVIND BHARATI)
Managing Director

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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited statements of accounts for the year ended 30th June 2012.

FINANCIAL RESULTS

The financial results for the year ended 30th June 2012 are briefly stated below:

	(₹. In lacs)	
	2011-12	2010-11
Sales and Other Income	3071.82	3110.19
Operating Profit (Before Interest, Depreciation and Tax)	-168.09	-188.61
Add: Exceptional Item (Waiver of Interest)	0.00	1143.83
Less: Interest and other financial charges	273.63	134.30
Depreciation	11.17	20.67
Profit before Tax	-452.89	800.25
Less: Provision for Diminution in Value of Investments	-17.32	-17.32
Provision for Impairment Loss on Assets	0.00	-146.75
Provision for Deferred Tax Asset	30.55	0.00
Profit after Tax/(Loss)	-439.66	636.18

*Figures of the previous periods / year have been regrouped and reclassified, wherever necessary to conform to the classification of the current period.

OPERATIONS

The year 2011-12 has been a stable year for the Company as during the year, your Company achieved a turnover of ₹. 3071.82 lacs including other income. Your Company incurred a loss of ₹. 439.66 lacs comprising mainly interest & financial charges, diminution in value of investment and depreciation. FY 2012 has been a year of lower growth for the domestic economy resulting primarily from high commodity and oil prices. After consolidation of the electronics business, and seeing the scope and potential, your Company had diversified into manufacture of LED, Halogen & Induction Lighting Products with the advanced technology and in house R&D. The management feels confident and committed to achieve higher turnover during the current year.

DIVIDEND

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

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CORPORATE GOVERNANCE

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance and Management Discussion & Analysis Report as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

FIXED DEPOSITS

Your 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. Members are requested to appoint the Director.

Mr. Kannan Ranganathan, Director of the Company is retiring by rotation and, being eligible, has offered himself for reappointment. Members are requested to appoint the Director.

None of the Directors are disqualified from being appointed as Directors as specified in terms of Section 274(1) (g) of the Companies Act, 1956.

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 of the profit/loss 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.

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BIFR

As per the directions of Hon'ble BIFR, your Company has prepared a revised Draft Rehabilitation Scheme (DRS) and has submitted the same to the IDBI Limited, the operating agency for their consideration.

COMMENTS ON THE OBSERVATIONS OF THE AUDITORS

1. The Board of Directors have taken the necessary steps and appointed an internal auditor commensurate to the size & business of the Company.
2. The company has submitted a Draft Rehabilitation Scheme (DRS) with the Hon'ble BIFR. Once the same is approved, the company will take the necessary steps to pay the pending statutory dues.


AUDITORS

The Auditors of the Company, M/s. HMA & Associates, Chartered Accountants, Pune retire at the ensuing Annual General Meeting. They are eligible and willing for reappointment.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors.



(ARVIND BHARATI)
Managing Director

Place: Nasik.

Date : 30th August, 2012

Registered Office:

64-B-1, M.I.D.C. Area, Satpur,
Nasik-422 007.

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 2012.

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	107486	94284
Total Amount (₹)	972940	646963
Average Rate/Unit (₹)	9.05	6.86
Own Generation	Nil	Nil
Others	Nil	Nil
B. Consumption per unit of production		
Electricity (Unit Per KPS.)	10.50	6.93

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there was no foreign exchange earning. However, there was outgo / expense of ₹ 26,05,46,379/- on account of import of material and expenses.

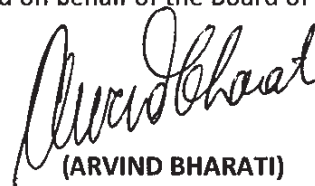
PARTICULARS OF EMPLOYEES

None of the employees are in receipt of remuneration exceeding the limits prescribed u/s.217 (2A) of the companies Act, 1956 and rules made there under, during 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 available.

For and on behalf of the Board of Directors



(ARVIND BHARATI)

Managing Director

Place: Nasik.

Date: 30th August, 2012

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company was established in the year 1991. It began operations with the production of tungsten filaments used in GLS lamps. It produced superior quality filaments and gained reputation in the market. Over the next years, Starlite has added to its range of products Metal Caps for GLS Bulb and Filaments for CFLs.

The management and promoters of the Company realized that the lighting industry was moving towards greener sources of energy and the future of lighting was in the field of Fluorescent Lighting and Light Emitting Diodes. So the Board of the Company took the strategic decision to move into manufacture and production of electronic drivers and ballasts for Energy Efficient Lighting Products. The Company has been successful in this venture and has created manufacturing capacity of over 40 million units of ballasts annually.

After the consolidation of the electronics business, seeing the scope and potential, your Company has now diversified for manufacture of LED, Halogen, Induction and Long Life Lighting Products.

Your Company's experience in manufacturing and its knowledge about the Indian market renders the prospects to be very promising. "Starlite" has become a very popular name in the Industry in the last 20 years. The management and promoters of your Company are veterans of the Indian Lighting Industry, with collective experience of over 40 years. In accordance with their vision, your Company has set its target towards becoming a leader in the Lighting Industry over the next decade.

OPPORTUNITIES AND THREATS / RISKS AND CONCERNS

The growing awareness of energy efficient lighting on one hand and the shortage of power supply on the other hand give rise to question of demand side management. Unless the demand side of power consumption is brought under control the power supply situation cannot be improved. By using electronic ballasts coupled with energy efficient lamps, it is possible to reduce over 50% of the lighting load. Due to this fact it is imperative to use electronic ballasts in all new installations with a planned phase out of the old inefficient lighting system. Energy-saving light-bulbs are actually miniature fluorescent tube lights—the sort of thing found in most offices. There they stay on all day and last for years, and thus give energy savings over incandescent bulbs.

Due to increase in turnover more funds will be required for smooth operations. There are more opportunities, many of them concrete in nature, based on which your Company is hopeful to get some funding support from bankers & private investors and regain its strength and position in the lighting industry.



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SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The segment wise and product wise performance is given in the note no: 50 containing Notes on Accounts to the annual report of the Company.

INDUSTRY OUTLOOK

The GLS industry in India with the new developments will remain stagnant or may reduce in size over a period of time. Therefore, the Directors decided to diversify into manufacture of electronic ballasts which form integral component part of Discharge Lamps. As everyone is now aware, CFL is an energy saving product and is also helpful in reducing pollution. Due to these features, it is in great demand today and will remain so for a long time in future. Hence, your Company expects to do good business in this segment and to garner substantial orders in the domestic and overseas market for its products. Moreover, your Company has focused on manufacture of LED, Halogen, Induction and Long Life Lighting Products to move towards greener sources of energy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The adequacy of the internal control systems operating in your Company is tested and monitored from time to time. These systems are also consistently re-engineered in line with the changing requirements.

DISCUSSION ON FINANCIAL PERFORMANCE W.R.T. OPERATIONAL PERFORMANCE

The Company's financial performance has been relatively satisfactory in light of the changing scenario in the industry. Moreover, during the year under consideration your Company has been able to cut down its operating costs and recover the same except heavy interest costs. Due to substantial funds remaining locked up in old debtors, the operations and the performance of your Company was, though improved, not up to the expected level. Your Company is taking more corrective actions in terms of change in client base, backward integration to cut cost and diversification to beat the changing trend. The major concern now is arrangement of finances for the launch of full-scale production. Your Company is working on this and is hopeful to receive financial support during the current year. Barring unforeseen circumstances, the Directors are confident that financial performance of your Company will improve in the coming years.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

During the year under review, the industrial relations remained cordial and stable. Your Company has always had special concern for development of human resources. Your Company inculcates the culture of personal growth and organizational excellence which is based on performance.

As on 30th June 2012, the number of people employed by the company was 39.



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STARLITE COMPONENTS LIMITED

CORPORATE GOVERNANCE REPORT

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. It further inspires and strengthens investor's confidence and commitment to the Company.

STARLITE COMPONENTS LIMITED (SCL) has followed a tradition of fair and transparent corporate policies and practices while dealing with the Shareholders, Employees, and Customers, Suppliers, Financial Institutions and others. Given below is the report on the implementation of the Corporate Governance code by the Company in accordance with the provisions of clause 49 of the Listing Agreement.

• COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company has maintained and it is always committed to its philosophy of resolving various issues by adhering to and complying with the prevalent laws and rules and regulations and in achieving complete satisfaction of all the ingredients of the organization. The Company's philosophy also includes maintaining harmonious relationship with all its Employees, Suppliers, Customers, etc and strengthening the same by continuous interaction leading to overall corporate growth. The Corporate Governance Structure in the Company assigns responsibility and authority to Board of Directors, its committees and the executive management, senior management employees etc.

This chapter, along with the chapter on additional shareholders information is not only the Company's disclosure on compliance with the mandatory requirements on Corporate Governance stipulated in Clause 49 of the Listing Agreement with BSE, but also reflects the true spirit in which these practices are followed at SCL.

The Company is also in compliance with the requirements of the guidelines on Corporate Governance. A code of conduct is framed and adopted in and the pursuit of excellence in Corporate Governance.

• BOARD OF DIRECTORS

The Board of Directors of SCL comprises of Executive and Non Executive Directors. Since the Chairperson is from the Promoters Group but Non Executive, the strength of independent Directors is mandated at 1/2 of the strength of the Board. The Board has 2 independent members in total strength of 4 at present. The independent Directors are professionals in their field and possess knowledge of financial, legal and technical matters.