

2017-18



27<sup>th</sup>  
Annual Report  
STARLITE COMPONENTS LTD



## ANNUAL REPORT 2017-18

DIRECTORS & KMP :-

NAME OF THE DIRECTOR	DESIGNATION
Dr. Smt. Rochana Bharati	Chairperson & Non- Executive Director
Mr. Arvind Bharati	Managing Director
Mrs. Smita Patodkar	Executive Director
Mr. Vijay Tiwari	Non- Executive Independent Director
Mr. Shreekumar Menon	Non- Executive Independent Director
Mr. Sajid Salauddin Shaikh	Chief Financial Officer

**STATUTORY AUDITORS** :- *HMA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
1, Runwal Pratishtha, 1202/27,  
Shivajinagar, Apte Road,  
Behind Santosh Bakery,  
Pune 411 004.*

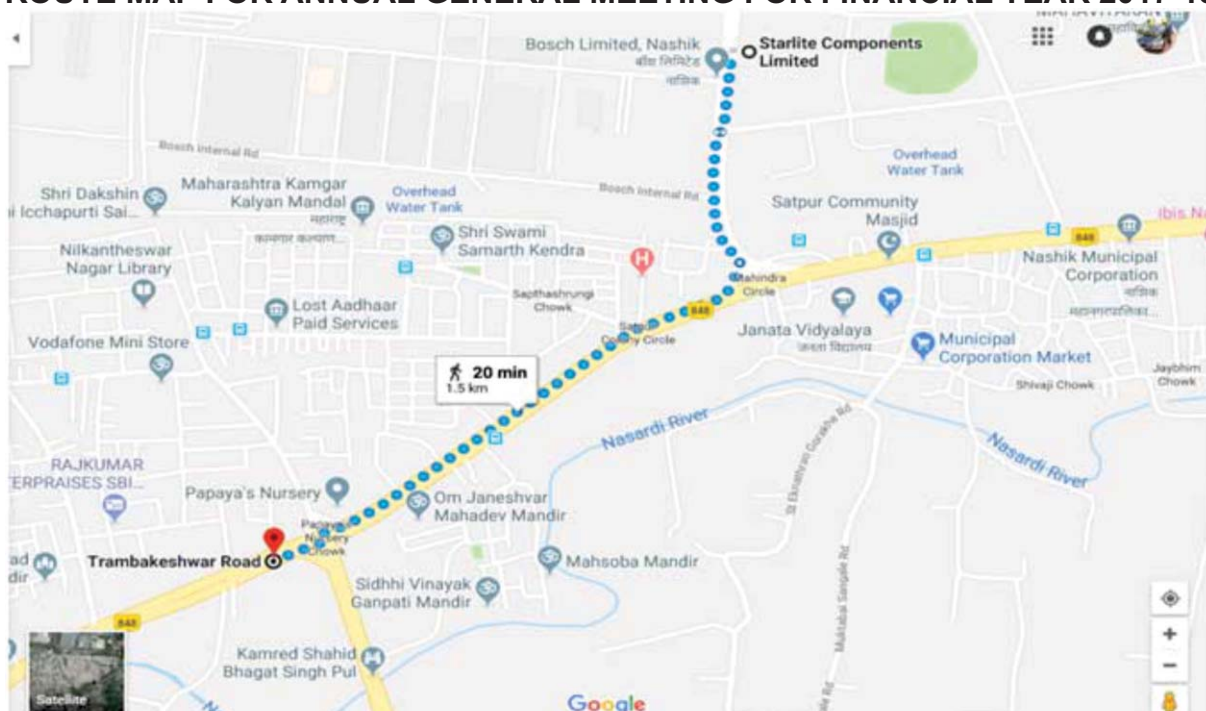
**REGISTRAR & SHARE  
TRANSFER AGENT** :- *UNIVERSAL CAPITAL SECURITIES PVT. LTD,  
21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali  
Caves, Road, Andheri (East), Mumbai, Maharashtra - 400093*

**REGISTERED OFFICE** :- *64-B-1, M.I.D.C. Area, Satpur, Nashik – 422007.*

**CIN** :- *L31200MH1991PLC063980*

**NAME OF BANKERS** :- *CITI Bank  
ICICI Bank Ltd.  
State Bank of India  
HDFC Bank Ltd.*

## ROUTE MAP FOR ANNUAL GENERAL MEETING FOR FINANCIAL YEAR 2017-18



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### **NOTICE TO MEMBERS**

Notice is hereby given that the Twenty Seventh Annual General Meeting (AGM) of the Members of Starlite Components Limited (Company) is scheduled to be held on Saturday, September 29, 2018 at 5.00 P.M. at Plot No. 7, M.I.D.C. Area, Satpur, Nasik - 422007, to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2018 along with the reports of Board of Directors and the Auditors thereon on Financial Statement for the financial year ended March 31, 2018.
2. To appoint a Director in place of Dr. Smt. Rochana Bharati (DIN.00163408), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee, M/s. Jain Chhajer & Associates, Chartered Accountants, Nashik (Firm Registration No. 127911W), be and is hereby appointed in the place of M/s. HMA & Associates, Chartered Accountants, Pune (Firm Registration No. 100537W), whose terms have expired at this Annual General Meeting, as the Statutory Auditor of the Company for a period of 5 (Five) consecutive years, from the conclusion of this AGM till the conclusion of 32<sup>nd</sup> Annual General Meeting (“AGM”) of the Company on such remuneration plus GST as may be mutually agreed between the Board of Directors and Auditors and out of pocket expenses.”.

#### **SPECIAL BUSINESS:**

#### **4. Related Party Transaction Under Section 188 of Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/agreements/transactions and to enter into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on arm’s length basis with related parties, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and Related Parties.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.”

**Date: September 05, 2018**

**Place: Nasik**

**Registered Office:**

64-B-1, M.I.D.C., Satpur, Trimbak Road,  
Nasik - 422007

**For and On Behalf of Board of Directors of  
Starlite Components Limited**

sd/-

**Arvind Bharati  
Managing Director  
DIN:00148830**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Under the Companies Act, 2013, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 500,000. **A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
2. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
3. The Company has notified closure of Register of Members and Share Transfer Books from, Saturday, September 22, 2018 to Saturday, September 29, 2018 (both days inclusive) for convening the Annual General Meeting of the Company.
4. Members are requested to bring their copy of the Notice at the time of attending the Annual General Meeting.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, Universal Capital Service Private Limited, Mumbai, details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s after making requisite changes thereon
7. Non-resident Indian Shareholders are requested to inform the Company immediately:
  - a. Change in residential status on return to India for permanent settlement.
  - b. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
  - c. Copy of Reserve Bank of India permission.
8.
  - a. Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
  - b. Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
9. **Members may avail dematerialization facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialized.**
10. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
11. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent i.e. M/s Universal Capital Services Private Limited, Mumbai.
13. Members may also note that the Notice of the Annual General Meeting will also be available on the Company's website: [www.starlitecomponents.com](http://www.starlitecomponents.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@starlitecomponents.com](mailto:investor@starlitecomponents.com)
14. Instructions for members for voting electronically are as under:-
  - a) The voting period begins on Wednesday, 26<sup>th</sup> September, 2018 (09:00 am) and ends on Friday, 28<sup>th</sup> September 2018 (05:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - d) Click on Shareholders.
  - e) Now Enter your User ID
    - i. For CDSL: 16 digits beneficiary ID,
    - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - f) Next enter the Image Verification as displayed and Click on Login.
  - g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

h) If you are a first time user follow the steps given below:-

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for the relevant <STARLITE COMPONENTS LIMITED> on which you choose to vote.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p) Once you "CONFIRM" your vote on the resolution you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Date: September 05, 2018**

**Place: Nasik**

**Registered Office:**

64-B-1, M.I.D.C., Satpur, Trimbak Road,  
Nasik - 422007

**For and On Behalf of Board of Directors of  
Starlite Components Limited**

**sd/-**

**Arvind Bharati  
Managing Director  
DIN: 00148830**

# STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

## Item No. 4:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The transaction(s) entered into by the Company, together with the transactions already entered with related parties, qualifies to be a Material Related Party transaction under Listing Regulations. It is also estimated that the value of transaction from current financial year onwards is likely to exceed 10% of the annual consolidated turnover of the Company.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended from time to time, the details in relation to the transactions with related parties, is as under:

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (CR)	Any other information relevant or important for the Members to take decision on the proposed resolution
Virtuoso Optoelectronics Pvt Ltd	Sales/Purchase & Other Etc	Mr. Sukrit Bharati	NA	Sales/Purchase	30,00,00,000	NA
Solarcopyer Limited	Sales/Purchase/ Other Etc	Mr. Sukrit Bharati	NA	Sales/Purchase	30,00,00,000	
Aura Light	Sales/Purchase Other Etc	Mr. Ravindra Bharati	NA	Sales/Purchase	5,00,000,00	

Based on past trend, the transactions as described above are likely to exceed 10% of the Annual Turnover as per last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of ordinary resolution.

As per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on said resolution.

Except Directors and their relative, none of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

## DIRECTORS' REPORT

To,  
The Members of  
Starlite Components Limited

Your Directors have pleasure in presenting their Twenty-Seven Annual Report, together with the Financial Statements together with Audit Report of the Company for the year ended 31<sup>st</sup> March, 2018.

1. **Financial Results -**

(Amount in Rs.)

PARTICULARS	CURRENT YEAR (2017-18)	PREVIOUS YEAR (2016-17)
Revenue from operations	774,570,659.00	602,007,438.00
Other income	4,827,980.00	6,964,859.00
Interest & finance expenses	3,325,130.00	30,14,528.00
Depreciation	6,302,534.00	53,14,383.00
Total Expenses	75,46,55,822.00	57,05,81,998.00
Profit / (Loss) Before Tax	15,115,153.00	30,061,388.00
Less : Provision for Taxation	109,434.00	-
Less: Provision for Deferred Tax Liability	4,904,110.00	97,53,417.00
Profit / (Loss) after Tax	10,101,609.00	2,03,07,971.00
Proposed Dividend – Equity	-	-
Proposed Dividend - Preference	-	-
Tax on Dividend	-	-

2. **Dividend:**

Directors do not recommend any dividend in the current financial year.

3. **Brief description of the Company's working during the year / State of Company's affair**

Due to continues effort put forth by the management during the year the Company has shown remarkable growth of 28.66% in turnover however the profit of the Company is reduced to 50.26 % during the year due to increase in overall cost. Further, the Company has achieved a turnover of Rs.774,570,659/- (against Rs.602,007,438 in the previous year). These figures clearly show that the steps taken by the company have worked and are reaping results.

This result is due to some fundamentally correct strategic decision taken by the management revolving around improvement of bottom line by stopping loss making or low margin product categories & by hedging business and market risks over a larger basket of customers. While commodity prices and inflation continued to come down, the second consecutive monsoon failure and resulting drought meant a distressed rural demand scenario in several parts of the Country. Competition continued to be aggressive. In such a challenging external environment, your Company remained focused on margin improvement and cost control to perform well and deliver profitable and responsible growth. This along with the effort put in by the entire team, the Company has managed to improve its overall position. The Company is now on the right path to achieve the challenging goals that it has set for the coming years. The Company is also strongly focusing on further strengthening its presence in E-Commerce, OEM Customer base and Government projects, which are beginning to give the Company consistent revenue & a more stability to its business model.

The management also has plans of increasing the manufacturing capacity of LED products, in the coming year, to provide quality products and to cater to the strong demand of the market. Encouraged with the performance of previous year and seeing the growing potential of the LED market, the management feels even more confident & committed of achieving better top and bottom line during the next financial year.

Your Company aggressively pushed sales in the domestic market and successfully increased sales and achieved its sales revenues of Rs.774,570,659/- with a growth of 28.68% but the profit has reduced to Rs.10,101,609/- due to increase in operational cost and other undetermined overheads.

Domestic consumption remains a key growth engine for the Indian economy and with significant additions to the working age population; rising disposable incomes particularly in rural areas and the government revived spending on infrastructure and in the social sector to foster inclusive growth, will help India realize its long term development potential in a sustainable way. Your Company, with a clear and dedicated customer focus, is investing in its R&D capabilities, developing product lines with better profit margins and streamlining its production processes to eliminate waste from operations.

4. **Changes in the share capital of the Company during the financial year**

The Company has obtained the approval of shareholders of the Company under Section 42 of the Companies Act, 2013 for preferential allotment of shares to Promoters and Promoter group for cash and pursuant to conversion of loans obtained from them. In context to the above, the Company has filed an application to BSE Ltd for obtaining the In-Principle Approval for allotment of shares and the application is still pending for approval.

Thus, the Board of Directors of the Company have not allotted any shares to the Promoter & Promoter Group pursuant to the said preferential allotment

Further, the members of the Company have also passed the resolution for increase in authorised share capital of the Company from Rs.18,00,00,000/- (Rupees Eighteen Crores) divided into 1,80,00,000 Equity Shares of Rs. 10/- each to Rs.22,00,00,000/- (Rupees Twenty Two Crores ) divided into 2,20,00,000 Equity Shares of Rs. 10/- each

**5. Change In Nature Of Business, If Any -**

No change has taken place during the year in the nature of Company's business.

**6. Material Changes & Commitments Affecting The Financial Position Which Have Occurred Between Date Of Year End To The Date Of Report –**

There have been no material changes affecting the financial position which have occurred between dates of year end to the date of Report.

**7. Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future :**

During the Financial year under review, the Promoters of the Company which are also the Promoters of one Exclusively Listed Company (ELC) i.e. Comet Filaments Limited have failed to provide the Exit Offer to the shareholders of the ELC within the time line specified by the SEBI Circular **No. SEBI/HO/MRD/DSA/CIR/P/2017/92 dated August 1, 2018** and accordingly, the actions specified under the said SEBI Circular were initiated against the Company. This has also impeded the process of Preferential Allotment of shares to Promoter and Promoter Group for cash and pursuant to conversion of loan obtained from them.

**8. Details of Adequacy of Internal Financial Controls With Reference To The Financial Statements -**

Company has well devised Internal control systems adopted by the Management to assist in achieving management's objective of ensuring the orderly and efficient conduct of its business, including, adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The system of internal control is under continuing supervision by Management to determine that it is functioning as prescribed and is modified, as appropriate, for changes in conditions. Company endeavors to create the control environment with budgetary controls and an effective internal audit function.

Specific control procedures include –

- Control over movement of physical Assets, Goods & Services including Purchase and Payable, Sales and Receivables, Inventories etc.
- Control over timely Accounting, Legal compliances & Compliance of Accounting standards.
- Asset acquisitions & disposal – both tangible & intangible.
- Control over borrowings & liabilities.
- Control over expenses including employee benefits, taxes etc.
- Control over financial transactions.
- Comparing and analyzing the financial results with corresponding budgeted figures.

The controls include Preventive, Detective & Corrective controls. These controls are reviewed periodically & upgraded whenever necessary.

**9. The Names Of Companies Which Have Become Or Ceased To Be Its Subsidiaries, Joint Ventures Or Associate Companies During The Year**

Sr. no	Name of Company	CIN	Type of association	Date of joining/ Cessation
-----Nil-----				

**10. Report on the Performance of the Subsidiaries, Associate Companies and Joint Venture**

The Company does not have any Subsidiaries and Joint Venture Companies but Company has only one Associate Company.