



Annual Report 2010-2011

TWENTY ANNUAL REPORT 2010-11**● BOARD OF DIRECTORS:**

- Dr. Smt. Rochana Bharati, Chairperson
- Mr. Arvind Bharati, Managing Director
- Mr. G. K. Srikantan, Director
- Mr. Kannan Ranganathan, Additional 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, M.I.D.C. Area, Satpur, Nashik – 422007. (Maharashtra)

● FACTORIES:

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

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of STARLITE COMPONENTS LIMITED will be held at 64- B, M.I.D.C., Satpur, Nasik - 422 007 on Friday, March 30, 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, 2011 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 Mr. G. K. Srikantan, who retires by rotation and, being eligible, has offered 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.

Special Business:-

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Kannan Ranganathan, who was appointed as an Additional Director of the Company with effect from 30th May, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office till the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

By Order of the Board of
Directors

sd/-

(ARVIND BHARATI)
Managing Director

Place: Nasik
Date: 06/03/2012

Registered Office:
64-B, M.I.D.C. Area, Satpur,

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 28th March, 2012 to 30th March, 2012 (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. M/s. Universal Capital Securities Pvt. Ltd. (formerly known as 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.

Place: Nasik
Date: 06/03/2012

By Order of the Board of Directors

sd/-
(ARVIND BHARATI)
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 4 – APPOINTMENT OF DIRECTOR:**

The Board had appointed Mr. Kannan Ranganathan as an Additional Director with effect from 30th May 2011; he holds office of director in two private limited companies.

Notice has been received from a shareholder, along with requisite deposit, who has intimated his intention to propose the name of Mr. Kannan Ranganathan to be appointed as director of the Company whose term in office shall be liable to be determined by rotation. None of the Directors except Mr. Kannan Ranganathan is interested or concerned in the above resolution.

Place: Nasik
Date: 06/03/2012

By Order of the Board of Directors

sd/-
(ARVIND BHARATI)
Managing Director

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the audited statements of accounts for the year ended 30th June 2011.

FINANCIAL RESULTS

The financial results for the year ended 30th June 2011 are briefly stated below:

	(₹ In lacs)	
	2010-11	2009-10
Sales and Other Income	4314.97	1953.36
Operating Profit (Before Interest, Depreciation and Tax)	955.22	49.84
Less: Interest and other financial charges	134.30	183.60
Depreciation	20.67	15.95
Profit before Tax	800.25	(149.71)
Less: Provision for Diminution in Value of Investments	(17.32)	(17.32)
Provision for Impairment Loss on Assets	(146.74)	0.00
Profit after Tax/(Loss)	636.18	(167.03)

OPERATIONS

During the year, your Company achieved a turnover of ₹. 4314.97 lacs including other income, which shows a very remarkable improvement over the previous year. This is as anticipated by your management and as per the hope expressed in the previous report. The Company turned the corner and earned profit of ₹. 800.25 lacs before interest, depreciation and tax. However this profit includes waiver of interest of ₹. 1104.13 Lacs received from banks/financial institutions on account of One-Time Settlement scheme entered into with MSFC & Saraswat Bank. This interest waiver, being revenue in nature has been included while calculating the net profit before tax. Your Company has earned Profit after tax of ₹. 636.18 lacs, during the year under consideration. Your Company achieved these encouraging results due to its diversification plan into components of Compact Fluorescent Lamps, which are in great demand at present. After the consolidation of the electronics business, seeing the scope and potential, your Company has now diversified into the manufacture of LED, Halogen & Induction Lighting Products. Encouraged with the performance, the management feels even more confident and committed to repeat the performance and achieve still higher turnover during the current year.

DIVIDEND

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

FIXED DEPOSITS

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

DIRECTORS

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

The Board had appointed Mr. Kannan Ranganathan as an Additional Director with effect from 30th May 2011 and he holds office upto the ensuing annual general meeting. Notice has been received from a shareholder, along with requisite deposit, who has intimated his intention to propose the name of Mr. Kannan Ranganathan to be appointed as director of the Company whose term in office shall be liable to be determined by rotation

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.

VALUATION OF PLANT AND MACHINERY

Most of the Machines are more than 20 years old. The economics of operation in terms of quality and quantity cannot be achieved as many of these machines need to be scrapped and some machines need to be upgraded and refurbished. Due to technology changes, these machines are not suitable for production.

The management was willing to revalue these assets which have become obsolete for a long time. However all these aforesaid machines were mortgaged with Saraswat Bank & MSFC against the term loans obtained from the said institutions. During the year, your Company has settled the outstanding amounts by entering into One-time settlement scheme (OTS). As a result of this settlement, the banks / financial institutions have released the charge on these assets. Due to this, your Company has revalued the aforesaid machines with respect to its useful remaining life and its technical and technological relevance in the present day competitive world. Accordingly, your Company has obtained a valuation report from an approved valuer. Since majority of old machines have become obsolete and they cannot be utilised at their original productivity even after overhauling, repairs and upgrading is conducted on them, the Board of directors has decided to provide for impairment of assets i.e. machines in order to bring them to their realisable value as provided under Accounting standard – 26, "Impairment of Assets". Since the realisable value is very nominal, the entire amount of the Net block of the respective machines of ₹. 1,46,74,423/- has been charged, below the line, to revenue as "Impairment Loss on Assets".

CORPORATE GOVERNANCE

A detailed report on Corporate Governance along with certificate of Company's Statutory Auditors is annexed herewith.

BIFR

Hon'ble BIFR had directed the Company to prepare a revised Draft Rehabilitation Scheme (DRS). The Company had submitted the same to the operating agency. However since that time various favourable developments have taken place and the DRS needs to be revised again. The Board is awaiting the next date of hearing.

COMMENTS ON THE OBSERVATIONS OF THE AUDITORS

1. The Board of Directors is in process of taking the necessary steps in order to appoint 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.

LISTING FEES

The company's shares are listed on the Stock Exchanges at Mumbai, Pune, Ahmedabad and Coimbatore. The Bombay Stock Exchange had suspended trading in the shares of the company for failure to pay the listing fees in time. However, your Company has already taken steps to restore the trading on the Exchange by making necessary submissions and compliances with the terms and conditions of the Listing Agreement. The suspension of trading of shares has been revoked by the BSE & trading of shares has resumed.

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. 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, 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.

Place: Nasik.

Date: 06/03/2012

Registered Office:

64-B, M.I.D.C. Area, Satpur,

Nasik-422 007.

sd/-

(ARVIND BHARATI)

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 2011.

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	94284	56091
Total Amount (₹)	646963	363470
Average Rate/Unit (₹)	6.86	6.48
Own Generation	Nil	Nil
Others	Nil	Nil
B. Consumption per unit of production		
Electricity (Unit Per KPS.)	6.93	6.20

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there was no foreign exchange earning. However, there was an outgo / expense of ₹ 19,56,84,604/- 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

sd/-

(ARVIND BHARATI)

Managing Director

Place: Nasik.

Date: 06/03/2012

CERTIFICATE

To The Members of **Starlite Components Limited**

We have examined the compliance of the conditions of Corporate Governance by Starlite Components Limited for the year ended June 30, 2011 as stipulated in Clause 49 of the listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement ***except the compliances in respect of Audit Committee.***

We state that in respect of investor grievances received during the year ended June 30, 2011 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For HMA & Associates
Chartered Accountants**

sd/-

**Place: Nasik
Date: 06/03/2012**

**Harshad Joshi
Partner
M. No. 131625
FRN – 100537W**

STARLITE COMPONENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

As the members are aware, the company is associated with the lighting industry for last over 19 years and manufactures Tungsten filaments from its own drawn wires, Lamp base caps. It has diversified into manufacture of Electronic Ballasts used by manufacturers of Compact Fluorescent Lamps & Discharge Lamps. After the consolidation of the electronics business, seeing the scope and potential SCL has now diversified towards the manufacture of LED, Halogen and Induction Lighting Products. This decision of the Management to diversify into manufacture of electronic ballasts and LED products has proved fruitful and the Company has been able to achieve significant increase in its turnover as compared to previous year. The Management is confident of a growth trend and to perform better and better in the years to come with the support of BIFR and other financiers.

With the start of the 21st century, 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. Management of the Company took the strategic decision to move into manufacture and production of electronic drivers and ballasts for Energy Efficient Lighting Products. Starlite has been extremely successful in this doing so and has a manufacturing capacity of over 40 million units of ballasts annually. Your company has started regaining a strong foothold in the market because of its long presence and contacts with the major players in the industry. Since GLS bulbs are being fast replaced with the CFL and similarly the tube lights chokes are being fast replaced by the electronic ballasts, your company has been able to secure good intents from prospective customers due to its ability to cater to the demands for diverse types of Ballasts and LED products. However the growth in the electronic ballast section is expected to help recover the past losses and earn good profits in future.

OPPORTUNITIES AND THREATS / RISKS AND CONCERNS

Fast replacement of GLS bulbs was a major risk and a concern but your management has already taken effective steps to overcome this and is now ready to take up the challenge of supplying these items to its customers. Due to sharp 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.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The segment wise and product wise performance is given in the schedule 20 containing Notes on Accounts to the annual accounts 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 Management 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. So, the Company expects to do good business in this segment and to cater to the domestic and overseas market for these products.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The adequacy of the internal control systems operating in the 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 of the industry. Moreover, during the year under consideration the company has been able to cut down its operating costs and recover the same except heavy interest costs. Due to heavy funds remaining tied up in old debtors, the operations and the performance of the company was, though improved, not up to the expected level. The 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 area now is arranging finance for the launch of full-scale production. The company is working on this and is hopeful to receive financial support during the current year. Barring unforeseen circumstances, the management is confident that financial performance of the 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. The company always paid special attention to the development of its people. The company inculcates the culture of personal growth and organizational excellence based on performance. This is one more reason why your management feels that nothing is impossible as the entire team is united and ready for the future.

As on 30th June 2011, the number of people employed by the company was 25.

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 always followed a tradition of fair and transparent corporate policies and practices while dealing with the Shareholders, Employees, 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.

• BOARD OF DIRECTORS

The Board of Directors of the Company presently consists of the following Directors:

Name of Director	Designation	Category	No. of other Directorships *	Membership of other Board Committees (other than SCL)
Smt. Rochana Bharati	Chairperson	Non - Executive / Non - Independent	1	-
Mr. Arvind Bharati	Managing Director	Executive	3	-
Mr. G.K. Srikantan	Director	Non - Executive	1	-
Mr. Kannan Ranganathan	Additional Director	Independent	-	-

* Excludes Directorships as contemplated under section 278 of the Companies Act, 1956.

• **BOARD PROCEDURE**

The Board of the Company met 9 (Nine) times on the following dates during the last financial year
 2nd July, 2010; 9th July, 2010; 29th July, 2010;
 28th October, 2010; 25th November, 2010; 27th January, 2011;
 27th April, 2011; 20th May, 2011; and 27th May, 2011.

The names of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting are given below:

Name of Director	<u>Attendance</u> Board Meeting	<u>Attendance</u> Last A.G.M.
Smt. Rochana Bharati	9	Yes
Mr. Arvind Bharati	9	Yes
Mr. G.K. Srikantan	8	Yes
Mr. Kannan Ranganathan	0	No

• **AUDIT COMMITTEE ETC.**

The Company has been registered as a sick company with the Board of Industrial and Financial Reconstruction (BIFR). The Company is unable to appoint Independent / Non-executive directors on its Board. Hence, the company could not form various committees as required.

• **REMUNERATION OF DIRECTORS**

a) Remuneration of Managing Director.

The terms of remuneration of Mr. Arvind Bharati – Managing Director were fixed by the Board of Directors and approved by the Shareholders. During the financial year 2010 - 2011, the particulars of remuneration paid to this Director are as under.

Particulars of Remuneration	Mr. Arvind Bharati (Amount ₹)
Salary	6,00,000
Allowances	1,20,000
Others	NIL

b) Remuneration of Non-Executive Directors

During the Financial year 2010-2011 no sitting fees or commission were paid or payable to the Non-Executive Directors.

• **SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Shareholders' / Investors' Grievance committee consists of the following:

Name	Designation	Executive / Non-Executive / Independent
Smt. Rochana Bharati	Chairperson	Non -Executive
Mr. Arvind Bharati	Member	Executive

The committee headed by Smt. Rochana Bharati looks into the Shareholders' / Investors' complaints pertaining to non receipt of Share Certificates, annual reports, dividends etc. apart from improving the means of communication with the shareholders and better Investor services and relations.

During the financial year 2010-11, the company received 3 complaints for non-receipt of Annual Reports etc. same have been redressed during the year. There was no complaint pending as on 30th June, 2011.

• GENERAL BODY MEETINGS

The location and time where the last three Annual General Meetings were held are as under:

Year	Date of Meeting	Time	Location
2007 – 2008	29 th December, 2008	10.00 a.m.	64 -B, M.I.D.C, Satpur, Nasik –422007.
2008 – 2009	31 st December, 2009	10.00 a.m.	64 -B, M.I.D.C, Satpur, Nasik –422007.
2009 – 2010	27 th December, 2010	10.00 a.m.	64 -B, M.I.D.C, Satpur, Nasik –422007.

No Special Resolution was passed at the last Annual General Meeting held on 27th December, 2010.

• DISCLOSURES

1. Transactions with related parties during the year & outstanding balances as on 30th June 2011:

PARTICULARS	SUBSIDIARY	KEY MANAGEMENT	RELATIVES
Sales of goods/services	-	369042242	-
Purchase of goods	-	63476463	-
Sale of fixed assets	-	-	-
Financial – Payment	-	6084882	234242
Financial – Receipt	-	356749639	74680
ICD Received	-	47976084	-
Sale of Investments	-	-	-

Names, Description and transactions of related parties-

• Key Management –

Starlite Lighting Ltd. – Sale/services ₹ 16,98,306/-, Payment ₹ Nil/-, Receipts ₹ 12,79,458/- and Debit Balance ₹ 51,47,339/-.

Solarcopyer Ltd. – Sales/services ₹ 36,73,43,936/-, Payment ₹ 50,60,000/- Receipts ₹ 30,42,67,602/-, ICD received (including interest) ₹ 4,79,76,084/-, Purchase ₹ 6,34,75,707/- and Debit Balance ₹ 3,39,88,083/-.

Reprolite Papers (I) P.Ltd. – Payment ₹ Nil/- Receipt ₹ Nil/-, Purchases ₹ 756/-, Balance Dr. ₹ 92250/-

Paragon Plastics Ltd. - Payment ₹ 1024882/- Receipts – ₹ 700000/- Debit Balance ₹ 2058207/-.

• Relatives –

Mrs. Rochana Bharati – Prop. Filaments & Filaments Payment ₹ 191338/- Receipt ₹ 74680/- and Debit Balance ₹ 59605/-

Mr. Ravindra Bharati – Prop. Universal Traders Payment ₹ Nil/- Receipt ₹ Nil/- and Credit Balance ₹ 795939/-

• MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It also helps in promoting management – shareholder relations.

I) Annual Report of the Company for each Financial Year including Notice convening the Meeting, Directors' and Auditors' Report, Cash Flow Statements, etc. are sent to each household of Shareholders. The Information is also uploaded on the Electronic Data Information Filing and Retrieval (EDIFAR) website.

- i) The quarterly results, published in the prescribed format given under the Listing Agreement, are approved and taken on record by the Board of Directors of the Company within stipulated time for the relevant quarter. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed.
- ii) The results are displayed on the Company's website, www.starlitecomponents.com
- iii) The annual report of the Company is also communicated to the Stock Exchanges where the Company's shares are listed and displayed on the Company's website.
- iv) Management Discussion & Analysis Report is a part of the Annual Report.

• **GENERAL SHAREHOLDER INFORMATION**

- a) **Annual General Meeting**
 - Date: 30th March, 2012
 - Time: 10.30 a.m.
 - Venue: 64-B, MIDC, Satpur, Nasik – 422 007 Maharashtra.
- b) **Financial Calendar**
 - Audited Annual Accounts for 2010 – 11: 6th March 2012
 - Annual General Meeting for the year ended 30th June, 2011: 30th March 2012
- c) **Date of Book Closure** 28th March, 2012 to 30th March, 2012 (both days inclusive)
- d) **Dividend Payment Date** No Dividend has been declared for the year 2010-11.
- e) **Listing on Stock Exchanges** The Equity Shares of the Company are listed on the Stock Exchanges at Mumbai, Pune, Coimbatore and Ahmedabad.

STOCK EXCHANGE	STOCK CODE
- The Stock Exchange, Mumbai	517548
- Pune Stock Exchange Limited, Pune	-
- Coimbatore Stock Exchange Limited, Coimbatore	21097
- The Stock Exchange, Ahmedabad	56817

The ISIN No. of the Company's equity shares in the dematerialized form is INE035C01014.

f) **Market Price Data**

Since the Stock Exchange – Mumbai has suspended trading in the Company's shares with effect from February 09, 2005, High / Low Market price (rupees per share) of the Company's equity shares on The Stock Exchange-Mumbai during each month in the last financial year is not available and hence not given. The suspension of trading of shares has been revoked by the BSE recently & trading of shares has resumed.

g) **Registrar and Transfer Agents**

The Registrar and Share Transfer Agents of the Company are: -
M/s. Universal Capital Securities Private Limited,
(Formerly known as M/s. Mondkar Computers Private Limited),
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East),
MUMBAI – 400 093.

h) **Share Transfer System**

The Equity Shares of the Company are traded in the Stock Exchange both in physical and dematerialized form. To expedite the process of share transfer, the Board of Directors has formed a share transfer committee that meets at least once in a fortnight.

Documents of transfer of shares in the physical form that is Transfer Deeds, Share Certificates etc., are received by the Company as well as by Transfer Agents. The Share Transfer Committee in its following fortnightly meeting approves such transfers and the same is informed to the Transfer Agents immediately after approval. The transfer agent then sends the shares to the transferee. The transfer requests in demat forms are also processed and confirmed within 21 days.

i) **Distribution of Equity Shareholding as on 30th June, 2011**

Since requisite data are not available from NSDL and CDSL information is not given.

j) **Pattern of Equity Shareholding as on 30th June, 2011**

The pattern of Equity Shareholding as on 30th June 2011 has been uploaded on the website of the company.

k) **Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are under compulsory demat segment and are listed on the Stock Exchanges at Mumbai, Pune, Coimbatore and Ahmedabad. The Company's shares are available for trading in the depository systems both NSDL and CDSL.

As on 30th June, 2011 data is not available for Equity Shares held in dematerialized form and Equity Shares held in physical form.

l) **Outstanding GDRs / ADRs / Warrants or Convertible Instruments**

The Company has not issued any GDRs / ADRs, Warrants or any Convertible Instruments.

m) **Plant Location**

- i) 64-B, M.I.D.C, Satpur, Nasik – 422 007 (Maharashtra)
- ii) Survey No.: 9/2/2, Besides Tiger Hill Hotel, Village Vilholi, Nashik – 422010. (Maharashtra)

n) **Address for Correspondence**

The Company's Registered Office is at 64-B, MIDC, Satpur, Nasik 422 007.

Correspondence from Shareholders should be addressed to:

M/s. Universal Capital Securities Private Limited,
(Formerly known as M/s. Mondkar Computers Private Limited),
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East),
MUMBAI – 400 093.

o) **Information Pursuant to Clause 49VI (A) of the Listing Agreement**

Information pursuant to Clause 49VI (A) of the Listing Agreement pertaining to particulars of Directors to be appointed/ re-appointed at the ensuing Annual General Meeting is given hereunder:

At the ensuing Annual General Meeting Mr. G. K. Srikantan is to be re-appointed.

- Mr. Srikantan is a Mechanical Engineer having industrial experience of more than 40 year to his credit. He has also acted as a free - lance consultant in the Lighting Industry and was a Technical Consultant to the Madhya Pradesh Financial Corporation. His experience will benefit the Company in the areas of production and quality control.

p) **Compliance Certificate of the Auditors**

The Company has obtained a Certificate from the auditors of the company regarding compliance with provisions relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Certificate is annexed with the Directors' report. The Certificate will also be sent to the Stock Exchange along with the Annual Reports to be filed by the Company.

ANNEXURE –I**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,

Starlite Components Ltd
64–B, M.I.D.C. Area,
Satpur, Nashik–422007.
Maharashtra

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I, Arvind Bharati, Managing Director of Starlite Components Limited hereby confirm that, all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct.

sd/-

Arvind Bharati
Managing Director

Place: Nashik
Date : 06/03/2012

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We certify that –

- a) We have reviewed the financial statements and the cash flow statement for the year ended 30th June, 2011 and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

MANAGING DIRECTOR

CFO

Place: Nashik
Date: 06/03/2012

AUDITOR'S REPORT

To

The members of **Starlite Components Limited**

We have audited the attached Balance sheet of **Starlite Components Limited** as at 30th June, 2011 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 and perform the Audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. An Audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An Audit also includes assessing the Accounting principles used and 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 Companies (Auditors Report) (Amendment) Order 2004 dt. 25th November 2004 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 and 5 of the said Order.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and 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 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June 2011 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 and 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 and 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 2011
 - b) In case of Profit & Loss Account, of the profit for the year ended on that date.
 - c) In case of Cash Flow Statement, of the cash flow for the year ended on that date.

Place – Nasik

Date – 6th March 2012

For HMA & Associates
Chartered Accountants

sd/-
Harshad Joshi
Partner
M. No. 131625
FRN – 100537W

ANNEXURE TO AUDITORS' REPORT

As per Companies (Auditor's Report)(Amendment) Order, 2004 dt.25th Nov.04.

Re: - Starlite Components Ltd. As on 30th June 2011.

(Referred to in Paragraph 1 of Audit Report)

1. Fixed assets –
 - The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
 - The management, at the end of the year, has physically verified the fixed assets and we have been informed that no material discrepancies were noticed on such verification as compared to book records.
 - The Company has not disposed off substantial part of fixed assets during the year and hence the question of its effect on going concern basis does not arise. **However the company has provided for impairment of loss on assets as per Accounting Standard – 28, "Impairment of Assets" based on the valuation report obtained from approved valuer.**
2. Inventory –
 - The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of Company and nature of its business.
 - The Company is maintaining proper records of the inventory. The discrepancies noticed on verification between physical stock and book records were not material as reported by the management and the same have been properly dealt with in the books of accounts.

3. Loans –
- A. Loans granted - No loans – secured or unsecured - have been granted to Companies, firms or other parties listed in the register maintained u/s 301 of Companies Act 1956. Hence our comments on following matters are not attracted –
- Number of parties and amount involved in the transactions.
 - Whether the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the Company.
 - Whether receipt of principal and interest is regular.
 - In case overdue amount is more than ₹ 1 lakh, whether reasonable steps have been taken by the Company for recovery of principal & interest.
- B. Loans taken - loans – secured or unsecured - have been taken from Companies, firms or other parties listed in the register maintained u/s 301 of Companies Act 1956. Hence our comments on following matters are provided below –
- Number of parties – 1 and amount involved in the transactions - ₹ 5,05,02,579/- (including accrued interest).
 - Whether the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the Company - No.
 - No terms of payment of principal and interest have been specified.
4. Internal control system - In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the internal control system.
5. Contracts with interested parties –
- There were contracts or arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act.
 - The prices of such contracts or arrangements were reasonable having regard to prevailing market prices at the relevant time.
6. Deposits - The Company has not accepted any deposits from the public. Hence our comments on compliance of the directives of Reserve Bank of India, provisions of Sec.58A and 58AA or any other relevant provisions of the Act and the rules framed there under are not required. The nature of contravention is not applicable. No order has been passed by Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring any compliance.
7. **Internal audit system - The Company is required to have internal audit system commensurate with its size and nature of its business since the Company is listed. The company has implemented such system internally, but the same is not adequate considering the size of Company and nature of its business. It needs to be strengthened.**
8. Cost records - The Company is not required to maintain cost records as prescribed by Central Government u/s 209(1) (d) of Companies Act. Therefore our comments on the same are not attracted.
9. Statutory dues –
- ***The Company is not regular in depositing undisputed statutory dues within the prescribed period with appropriate authority. The amount of such dues outstanding on the last day of the financial year for a period more than six months from due date consists of Provident fund ₹ 4,78,383/-, ESI ₹ 2,05,135/-, Professional Tax ₹ 60,665/-, VAT ₹ 6,48,35,831/-, CST ₹ 17,968/-, Listing fees payable ₹ 70,050/-.***
 - No such dues were outstanding on account of any dispute pending with any forum.
10. Net worth & losses - The Company was registered on 13th November 1991. Hence the Company is registered for a period more than five years. Its accumulated losses at the end of financial year are ₹ 11,50,35,908/-, i.e. more than 100% of its net worth and have earned cash profit of ₹ 8,03,59,772/- during the financial year and cash loss of ₹. 1,33,76,045/- in the immediately preceding financial year.

11. Defaults in repayment - The company has settled the secured loans of banks / financial institutions outstanding under OTS scheme & there are no secured loans payable as at the year end to banks / financial institutions. Therefore our comment on defaults in repayment of loans is not required to be given.
12. Loans against pledge of securities - The Company has not granted loans or advances against the security of pledge of shares, debentures or other securities. Hence our comments on the adequacy of documents and records, or the deficiencies therein are not required.
13. Nidhi/Chit fund - The Company is not a chit fund or nidhi/mutual benefit fund/society. Hence our comments on compliance of any special statute, ratio greater than 1:20 of net own funds to deposit liability, compliance of prudential norms on income recognition and provisioning, adequacy of procedures for appraisal of credit proposal & repayment schedule based on repayment capacity of the borrower are not required.
14. Share/Security trading - The Company is not dealing or trading in shares, securities, debentures and other investments. Hence our comments on maintenance of proper records of the transactions and contracts, and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act are not required.
15. Third party guarantee - The Company has not given any guarantee for loans taken by others from bank or financial institutions. Hence our comments are not required on whether the terms and conditions are prejudicial to the interest of the Company.
16. Utilization of Term loans - There are no term loans utilized during the year. Therefore, our comment on whether the term loans taken by the Company were applied for the purpose for which the loans were obtained is not required to be given.
17. Utilization of short-term funds - The funds raised by the Company on short-term basis were not used for long-term investments.
18. Preferential allotment of shares - The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Hence our comments on whether the prices at which shares have been issued are prejudicial to the interest of the company or not are not attracted.
19. Debentures - The Company has not issued any debentures. Hence our comments on whether security or charge has been created in respect of debentures issued are not attracted.
20. Utilization of funds raised by public issue - The Company has not raised funds by way of public issue during the year. Hence our comments on disclosure by the management on the end use of money raised by public issues and its verification are not attracted.
21. Fraud - No fraud on or by the company has been noticed or reported during the year. Hence our comments on the nature of fraud and the amount involved are not required.
22. Reasons for qualification - The reasons for any of our unfavourable or qualified report/remark are mentioned in the relevant point itself.

Place – Nasik
Date – 6th March 2012.

For HMA Associates
Chartered Accountants

sd/
Harshad Joshi
Partner
M. No. 131625
FRN – 100537W

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

BALANCE SHEET AS ON 30TH JUNE 2011

PARTICULARS	SCHEDULE NO.	AS ON 30/6/2011	AS ON 30/6/2010
		Rs.	Rs.
A. SOURCES OF FUNDS			
1. Shareholders' Funds :			
i. Share Capital	1	84,300,000	84,300,000
ii. Reserves & Surplus	2	(115,035,908)	(189,561,671)
Total Shareholders' Funds (A)		(30,735,908)	(105,261,671)
2. Loan Funds			
i. Secured Loans	3	7,235,603	157,501,592
ii. Unsecured Loans	4	44,851,239	1,639,477
Total Loan Funds (B)		52,086,842	159,141,070
TOTAL (A + B)		21,350,934	53,879,399
B. APPLICATION OF FUNDS			
3. Fixed Assets :	5		
i. Gross Block		23,222,506	33,751,365
ii. Less : Depreciation		7,442,294	12,684,906
iii. Net Block		15,780,212	21,066,459
Total fixed Assets (A)		15,780,212	21,066,459
4. Investments (B) :	6	925,000	925,000
5. Current Assets, Loans & Advances :			
i. Inventories	7	22,485,606	8,884,583
ii. Sundry Debtors	8	92,398,477	85,157,339
iii. Cash & Bank Balances	9	164,910	116,590
iv. Loans & Advances	10	34,127,757	26,775,668
Total		149,176,749	120,934,181
Less : Current Liabilities & Provisions :			
i. Current Liabilities	11	142,907,476	87,511,083
ii. Provisions	12	1,623,552	1,535,158
Total		144,531,027	89,046,241
Net Current Assets : (D)		4,645,722	31,887,940
6. Deferred Tax Asset (C)		-	-
Total (A + B + C + D)		21,350,934	53,879,399
Notes on Accounts	20		
As per our report of even date annexed herewith.			
For HMA & ASSOCIATES		For and on behalf of the Board	
CHARTERED ACCOUNTANTS			
	1	Chairperson	
HARSHAD JOSHI	2	Managing Director	
PARTNER			
M. No. 131625			
FRN - 100537W			
Place : Nasik		Place : Nasik	
Date : 06/03/2012		Date : 06/03/2012	

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2011

PARTICULARS	SCHEDULE NO.	YEAR ENDED 30/6/2011	YEAR ENDED 30/6/2010
		Rs.	Rs.
INCOME			
Sale of Filaments, Caps, Electronic Ballasts & LED Products (less returns)		402,478,539	237,016,377
Less : Duties & Taxes recovered		86,394,592	44,232,020
Net Sales		<u>316,083,947</u>	<u>192,784,357</u>
Other Income	13	4,107,428	160,843
Change in stocks	14	(840,063)	2,390,378
Interest waiver received on OTS settlement		110,413,374	-
Reversal of Provision for Diminution in value of investments		1,732,350	-
T O T A L (A)		<u>431,497,036</u>	<u>195,335,578</u>
EXPENDITURE			
Material Consumed	15	297,697,601	161,192,811
Manufacturing expenses	16	28,078,657	22,250,903
Employees' Cost	17	4,051,041	2,915,618
Admin. Selling & Dist. expenses	18	6,147,173	3,992,008
Interest & Financial Charges	19	13,430,441	18,360,283
Depreciation	5	2,067,119	1,594,900
T O T A L (B)		<u>351,472,033</u>	<u>210,306,523</u>
Net Profit / (Loss) before Tax (A-B)		80,025,003	(14,970,946)
Provision for Taxation / FBT		-	-
Provision for Diminution in Value of Investments		(1,732,350)	(1,732,350)
Impairment Loss on Assets		(14,674,423)	-
Net Profit / (Loss) after Tax transferred to Balance Sheet		<u>63,618,230</u>	<u>(16,703,296)</u>
Earnings Per Share (Basic)		7.75	-1.78
Earnings Per Share (Diluted)		7.75	-1.78
Notes on Accounts	20		
As per our report of even date annexed herewith.			
For HMA & ASSOCIATES		For and on behalf of the Board	
CHARTERED ACCOUNTANTS			
	1		Chairperson
HARSHAD JOSHI	2		Managing Director
PARTNER			
M. No. 131625			
FRN - 100537W			
Place : Nasik		Place : Nasik	
Date : 06/03/2012		Date : 06/03/2012	

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

SCHEDULES FORMING PART OF BALANCE SHEET & P&L A/C FOR THE YEAR ENDED ON 30.06.2011

PARTICULARS	AS ON 30/6/2011 Rs.	AS ON 30/6/2010 Rs.
SCHEDULE - 1. SHARE CAPITAL		
Authorised :		
90,00,000 Equity Shares of ₹ 10/- each		
(Previous year 90,00,000 Equity Shares of ₹ 10/-each)	90,000,000	90,000,000
Issued, Subscribed & Paid up :		
84,30,000 Equity Shares of ₹ 10/- each fully paid up	84,300,000	84,300,000
(Previous year 84,30,000 Equity Shares of ₹ 10/- each fully paid up)		
T O T A L	84,300,000	84,300,000
SCHEDULE - 2. RESERVES & SURPLUS		
Capital Reserve -		
(Capital Receipt due to Term Loan Principal waiver from banks)	10,907,533	-
	10,907,533	-
Profit & Loss Account -		
Surplus as per last Balance Sheet	(191,561,671)	(174,858,375)
Profit for the year	63,618,230	(16,703,296)
Capital subsidy	2,000,000	2,000,000
	(125,943,441)	(189,561,671)
Total	(115,035,908)	(189,561,671)
SCHEDULE - 3. SECURED LOANS		
<u>From Saraswat Co-op. Bank Ltd. (Earlier Known as Nasik Peoples Co-op. Bank Ltd) Term Loan (secured against Hyp.of Machinery)</u>		
	-	58,161,838
<u>From Maharashtra State Financial Corporation</u>		
Term Loan (secured against Hyp. of Machinery)	-	92,750,655
<u>From UTI Bank Ltd. :</u>		
Cash Credit (secured against Hypothecation of Stocks and Book Debts) (After considering waiver and interest reversed by bank)	-	6,589,099
ICD from Solarcopyer Limited (Including Interest ₹ 2,35,603/-)	7,235,603	-
T O T A L	7,235,603	157,501,592
SCHEDULE - 4. UNSECURED LOANS		
From Western Maharashtra Dev.Corp.	4,268	59,482
Deferred Sales Tax loan	1,579,995	1,579,995
ICD from Solarcopyer Limited (Including Interest ₹ 22,90,892/-)	43,266,976	-
T O T A L	44,851,239	1,639,477

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

SCHEDULE - 5. FIXED ASSETS

Particulars	Gross Block (at cost)			Rate of Depreciation	Depreciation			Net Block			
	Balance as on 01.07.2010 Rs.	Additions / during the year	Deductions during the year		Balance as on 30.06.2011 Rs.	Total up to 01.07.2010 Rs.	Provided for the year Rs.	Adjustment during the year Rs.	Total up to 30.06.2011 Rs.	As on 30.06.2011 Rs.	As on 30.06.2010 Rs.
Building	1,562,016	-	-	1,562,016	0	720,544	52,171	-	772,715	789,301	841,472
Plant & Machinery	30,071,996	8,176,728	21,984,155	16,264,569	0	10,779,304	1,816,814	7,309,732	5,286,387	10,978,182	19,292,692
Electrical Installation	597,899	64,916	-	662,815	0	291,061	31,484	-	322,545	340,270	306,838
Furniture & Fixtures	869,288	709,952	-	1,579,240	0	555,401	99,966	-	655,367	923,873	313,887
Office Equipments	310,732	-	-	310,732	0	199,203	14,760	-	213,963	96,769	111,529
R & D Equipments	339,435	753,700	-	1,093,134	0	139,393	51,924	-	191,317	901,817	200,042
Building CWIP	-	1,750,000	-	1,750,000	-	-	-	-	-	1,750,000	-
Total	33,751,365	11,455,296	21,984,155	23,222,506		12,684,906	2,067,119	7,309,732	7,442,294	15,780,212	21,066,460
Previous year	33,303,907	447,458		33,751,365		11,090,006	1,594,900	12,684,906	21,066,459		

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

PARTICULARS	AS ON 30/6/2011 Rs.	AS ON 30/6/2010 Rs.
SCHEDULE-6. INVESTMENTS (Long term, Unquoted valued at Cost)		
National Saving Certificates	5,000	5,000
11549 Equity shares of ₹ 100/- each fully paid in Paragon Plastics Pvt. Ltd. (Previous year 11549 Equity Shares)	1,732,350	1,732,350
9,20,000 Equity Shares of ₹ 10/- each fully paid-up of Starlite Lighting Ltd. valued at ₹ 1/- per share (previous year 9,20,000 shares valued at ₹ 1/- per share)	920,000	920,000
	2,657,350	2,657,350
Less - Provision for Diminution on shares of Paragon Plastics Ltd.	(1,732,350)	(1,732,350)
T O T A L	925,000	925,000
SCHEDULE-7. INVENTORIES (Valued at Cost) (As taken, valued and certified by Management)		
Finished Goods	3,103,522	1,224,131
Semi-Finished Goods	3,370,587	2,120,773
Raw - Material	16,011,496	1,570,410
Machinery	-	3,969,268
T O T A L	22,485,606	8,884,583
SCHEDULE-8. SUNDRY DEBTORS		
Outstanding for more than 6 months (Considered Good & recoverable)	4,028,720	4,864,080
Others	88,369,757	80,293,259
T O T A L	92,398,477	85,157,339
SCHEDULE-9. CASH & BANK BALANCE		
Cash on Hand (As certified by the Management)	15,173	6,344
In Current A/c with Scheduled Banks	126,318	86,826
In Fixed Deposit Account with Banks	23,419	23,419
Balance with Other Bank	-	-
T O T A L	164,910	116,590
SCHEDULE-10. LOANS & ADVANCES (Unsecured but considered good)		
Advances recoverable in cash or in kind or for value to be received.	25,720,946	19,290,038
Advance to Group Companies	2,209,306	1,825,575
Advance for Capital Goods.	5,500,000	5,500,000
Sundry Deposits	697,505	160,055
T O T A L	34,127,757	26,775,668

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

PARTICULARS	AS ON 30/6/2011	AS ON 30/6/2010
	Rs.	Rs.
SCHEDULE-11. CURRENT LIABILITIES		
Sundry Creditors for goods & expenses		
Dues to Micro & Small Enterprises & others	58,613,726	23,981,797
Other Liabilities	84,293,750	63,529,286
T O T A L	142,907,476	87,511,083
SCHEDULE-12. PROVISIONS		
For Expenses	1,623,552	1,535,158
For Taxation/FBT	-	-
T O T A L	1,623,552	1,535,158
	2010-11	2009-10
	RS.	RS.
SCHEDULE-13. OTHER INCOME		
Misc. Income	430	3,145
Excess Provision Written Back	32,639	-
Machinery in Stock converted into Plant Machine	3,969,268	-
Rent received	105,000	105,000
Labour charges received	-	52,092
Interest received	91	606
T O T A L	4,107,428	160,843
SCHEDULE-14. CHANGE IN STOCKS		
Closing Stock :		
Finished Goods	3,103,522	5,193,399
Semi-Finished Goods	3,370,587	2,120,773
	6,474,110	7,314,173
Less: Opening Stocks :		
Finished Goods	5,193,399	3,901,134
Semi-Finished Goods	2,120,773	1,022,661
	7,314,173	4,923,795
INCREASE (DECREASE) IN STOCK	(840,063)	2,390,378
SCHEDULE-15. MATERIAL CONSUMED		
Opening Stock	1,570,410	5,322,411
Add: Purchases	312,138,687	157,440,811
	313,709,097	162,763,222
Less : Closing Stock	16,011,496	1,570,410
T O T A L	297,697,601	161,192,811

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

PARTICULARS	2010-11 Rs.	2009-10 Rs.
SCHEDULE-16. MANUFACTURING EXPENSES		
Consumable Stores	286,133	111,845
Freight Inward	13,560,621	5,174,314
Power, Fuel & Water	1,136,612	867,735
Other Manufacturing Expenses	13,087,551	16,071,344
Repairs to Plant & Machinery	7,740	25,664
T O T A L	28,078,657	22,250,903
SCHEDULE-17. EMPLOYEES' COST		
Salary & Wages	2,949,849	1,946,644
Directors' Remuneration	720,000	180,000
Festival Bonus	95,881	83,284
Contribution to PF / ESIC / Labour Welfare Fund	216,799	181,424
Labour Welfare	10,141	449,228
Leave encashment	58,371	75,038
T O T A L	4,051,041	2,915,618
SCHEDULE-18. ADMIN, SELLING & DIST. EXPENSES		
Selling Expenses	657,375	94,475
Audit fees	125,000	41,250
Travelling & Conveyance expenses	799,187	619,345
Telephone & Postage	89,871	52,205
Diwali expenses	16,615	1,200
Other Repairs	151,468	1,176,957
Insurance Charges	180,637	128,341
Legal & Professional Charges	1,536,104	669,430
Printing & Stationery	156,339	61,424
Rates & Taxes	2,500	1,413
Discount & Commission	-	481,537
Office & Misc. expenses	2,432,077	664,431
T O T A L	6,147,173	3,992,008
SCHEDULE-19. INTEREST & FINANCIAL CHARGES		
INTEREST		
On ICD	2807217	-
On Cash Credit	410,901	-
On Term Loan	12066298	19,752,662
	15,284,416	19,752,662
Bank Charges & Commission	108,163	135,072
Interest to others	149,766	27,048
Exchange Rate Difference	(2,111,904)	(1,554,499)
T O T A L	13,430,441	18,360,283

SCHEDULE 20: NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting:

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956. Accounts are prepared on going concern basis.

b) Use of Estimates – The preparation of financial statements requires the management of the Company to make an estimate & assumptions that affect the reported balances of Assets & Liabilities and disclosure relating to Contingent liabilities as at the date of financial statements & reported amounts of Income & Expenses during the year.c) Revenue Recognition – Sales are recognized including excise duty but net taxes. Expenditure & income are accounted on accrual basis including provisions/adjustments for committed obligations & amounts determined payable or receivable during the year except where expressly stated otherwise.d) Fixed Assets -

All fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost. Financial cost relating to borrowed funds attributable to construction or acquisition of fixed assets is included in the gross book value of fixed assets to which they relate.

Impairment losses recognized on the basis of WDV of the assets as stated in the Accounting Standard – 28, “Impairment of Assets”.

Carrying amount of these assets is more than its net selling price which is NIL. The company has duly obtained a valuation report from an approved valuer to this extent. Accordingly the impairment loss of ₹ 1,46,74,423/- has been charged to Profit & Loss Account below the line.

e) Depreciation:

Depreciation on fixed assets is provided on "straight line method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

f) Investments -

Long term Investments are valued at cost. However, in respect of the value of investment in M/s. Paragon Plastics Limited provision for diminution in the value has been made considering the fair market value of the investment.

g) Inventories –

Inventories are as verified, valued and certified by management and are valued at cost or market price whichever is less in the case of finished and semi finished goods and at cost in case of raw material. Cost comprises of cost of purchase, cost of conversion & other costs for bringing the inventory to present location & condition.

h) Current Assets, Loans & advances –

Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.

i) Retirement benefits –

Provision for Gratuity & leave encashment is done without Actuarial valuation as required by AS-15. Provident fund & ESI is charged to Profit & Loss Account on accrual basis.

j) Foreign currency Transactions –

The export sales are accounted with reference to the Bill of Lading at the exchange rates prevailing on the transaction date. Foreign exchange gains or losses on realisation are dealt with, as such, in the Profit and Loss account. At the close of the year, all foreign currency liabilities and current assets are stated at the relevant exchange rate prevailing at the close of the year. The exchange differences arising from foreign currency transactions are dealt with, as such, in the Profit & Loss Account. The exchange differences arising from foreign currency transactions on account of capital goods are dealt with, as such, in the value of respective capital asset.

k) Taxes on Income –

Current tax is determined on the amount of tax payable in respect of taxable income, if any, for the year ended on 31st March 2011.

Deferred Tax – subject to materiality – is recognized on timing differences, being the difference between the taxable income & the accounting income that originate in one period & are capable of reversal in one or more subsequent periods.

Deferred tax asset is recognized & carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

l) Provisions, Contingent Liabilities & Contingent assets – Provisions in respect of present obligations arising out of past events are made in accounts when reliable estimates can be made of the amounts of obligations. Contingent liabilities are not accounted but disclosed separately. Contingent assets are neither accounted nor disclosed in the financial statements.

m) Earnings per share – The earnings considered in ascertaining the Company's earnings per share are net profit after tax. The number of shares is considered on weighted average basis. There are no dilutive potential equity shares. Hence basic and diluted EPS is the same.

n) Borrowing cost – The Company has capitalized the cost of borrowing till the date the asset is put to use & for the balance period, the cost of borrowing is charged to revenue.

2. Figures for the previous year have been regrouped and rearranged wherever necessary.
3. The balances of debtors, creditors and loans and advances are subject to confirmation.
4. The company has shown amount due by it to Solarcopyer Limited under Secured Loans. The amount was paid by the said Solarcopyer Limited to Axis Bank Limited (formerly known as UTI Bank) as a proposed Strategic Investor. The Axis Bank subsequently assigned its charge over the assets of the company in favour of M/s Solarcopyer Limited vide Deed of Assignment dt. 09/02/2012. The process in respect of charge satisfaction of Axis Bank & charge registration of Solarcopyer Limited is still in process on the date of our report.
5. During the year the company has settled the outstanding amounts due to MSFC & Saraswat Bank by entering into One-time settlement scheme (OTS) with the respective financial institution / bank. As a result of this, the company has received a waiver of Term Loan Principal of ₹ 1,09,07,533/- & waiver of Term Loan interest of ₹ 11,04,13,374/-. The waiver of principal amount being capital in nature has been accounted as Capital Reserve under Reserves & Surplus. The waiver of interest being revenue in nature is separately accounted for as income in the Profit & loss account.
6. Estimated amount of contracts remaining to be executed on capital account and not provided for is R. NIL (previous year R. Nil).
7. Contingent liability not provided for in respect of:
 - a) Suits filed against the company and its directors amounting to ₹. 146.11 lacs as a counter measure to suits filed by the company and its directors involving an amount of ₹. 164.53 lacs against Market Creators Limited, its directors and their group concerns.
8. Working Directors Remuneration: -

Particulars	2010-2011 (1 Director)	2009-2010 (1 Director)
Remuneration	₹ 7,20,000/-	₹ 1,80,000/-

9. No Employee of the Company was in receipt of remuneration exceeding ₹ 24,00,000/- per annum, if employed throughout the year or ₹ 2,00,000/- per month, if employed for a part of the year.
10. Transactions with related parties during the year & outstanding balances as on 30th June 2011:

PARTICULARS	SUBSIDIARY	KEY MANAGEMENT	RELATIVES
Sales of goods/services	-	369042242	-
Purchase of goods	-	63476463	-
Sale of fixed assets	-	-	-
Financial – Payment	-	6084882	234242
Financial – Receipt	-	356749639	74680
ICD received	-	47976084	
Sale of Investments	-	-	-

Names, Description and transactions of related parties-

Key Management –

Starlite Lighting Ltd. – Sale/services ₹ 16,98,306/- Payment ₹ Nil/- Receipts ₹ 12,79,458/- and Debit Balance ₹ 51,47,339/-.

Solarcopyer Ltd. – Sales/services ₹ 36,73,43,936/-, Payment ₹ 50,60,000/-, Receipts ₹ 30,42,67,602/-, ICD received ₹ 4,79,76,084/-, Purchase ₹ 6,34,75,707/- and Debit Balance ₹ 3,39,88,083/-.

Reprolite Papers (I) P. Ltd. – Payment ₹ Nil/- Receipt ₹ Nil/-, Purchases ₹ 756/-, Balance Dr. ₹ 92,250/-

Paragon Plastics Ltd. - Payment ₹ 10,24,882/- Receipts – ₹ 7,00,000/- Debit Balance ₹ 20,58,207/-.

Relatives –

Mrs. Rochana Bharati – Prop. Filaments & Filaments Payment ₹ 1,91,338/- Receipt ₹ 74,680/- and Debit Balance ₹ 59,605/-

Mr. Ravindra Bharati – Prop. Universal Traders Payment ₹ Nil/- Receipt ₹ Nil/- and Credit Balance ₹ 7,95,939/-

11. Segment wise Revenue, Results & Capital employed:

• **Primary Segment – Business Segment**

<u>PARTICULARS</u>	<u>Filaments / Component/ LED Products</u>	<u>Others</u>	<u>TOTAL</u>
REVENUE FROM EXTERNAL CUSTOMERS	31,60,83,947	0	31,60,83,947
INTER SEGMENT TRANSACTIONS	0	0	0
SEGMENT RESULTS	6,36 ,18 ,230	0	6,36 ,18 ,230

Note: Since majority of the assets are located at single place and are of common nature, Management has decided not to bifurcate the same into segment wise assets and liabilities.

• **Secondary Segment – Geographic Segment.**

The Geographic Segments identified, as Secondary Segments are “Domestic Market” and “Export Market”. Since the Export Market Revenue is less than 10% of the total, the same has not been disclosed. The entire capital employed is within India.

12. **Auditors Remuneration:**

		2010-2011 (₹)	2009-2010 (₹)
A	Audit Fees	1,25,000	41,250
B	As Advisor in any other capacity in respect of		
	i Tax Audit Fees	75,000	33,750
	ii Company Law Matter	Nil	Nil
	iii Other Matters	6,000	Nil
	iv Reimbursement of expenses	Nil	Nil

13. EPS as per AS20 –

Particulars	Amount
Net Loss after Tax before extraordinary items	8,00,25,003
Less – Dividend & Tax thereon	NIL
Less - Impairment Loss on Assets	(1,46,74,423)
Profit attributable to Equity share holders (after extra-ordinary items)	6,53,50,580
No. of Equity shares at the beginning (nos.)	84,30,000
No. of Equity shares at the close (nos.)	84,30,000
No. of equity shares on weighted average basis (nos.)	84,30,000
E.P.S (Basic & Diluted)	₹ 7.75

Note – Provision for diminution in the value of investment of ₹ 17,32,350/- has not been considered for the purpose of calculation of EPS.

14. Information required under Para 4D of Part II of Schedule VI of the Companies Act, 1956.

- a) Value of imports calculated on CIF basis of Raw Materials, Components, Spares and Capital Goods is ₹ 28,23,50,100/- (Previous year ₹ 15,60,53,761/-)
- b) Expenditure in Foreign Currency during the year on account of Royalty, Know-how, Professional Fees, Consultation Fees, Interest, travelling and other matters is ₹ 1,36,375/- (Previous year ₹ Nil).
- c) Value of all imported raw materials, spare parts, components, etc., consumed / sold during the year on CIF basis ₹ 28,65,04,064/- (Previous year ₹ 15,33,21,654/-).
- d) Amount remitted during the year in foreign currency on account of dividend is ₹ Nil. (Previous year ₹ Nil).
- e) Earning in foreign exchange is ₹ Nil/- (Previous year ₹ Nil/-).

15. Additional information required pursuant to Para 3 and 4C of part II, of Schedule VI of the Companies Act, is given below to the extent applicable.

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

	Particulars.	2010 -2011		2009-2010	
		Quantity	Value	Quantity	Value
A	<u>Capacity Utilization.</u>				
	Licensed & Installed Capacity Production	NA	NA	NA	NA
	<u>Production</u>				
	i. Tungsten Filaments (Kgs)	-	-	-	-
	ii. B22 Caps / CFL Components (Kps)	13,321.25	-	9052.25	-
	iii. LED Products	243.80	-	-	-
B	<u>Opening Stock of Finished Goods</u>				
	i. Tungsten Filaments (Kgs)	18.300	43,911	18.300	2,45,004
	ii. B22 Caps / CFL Components (Kps)	92.37	11,80,220	210.22	7,44,533
	iii. LED Products	-	-	-	-
C	<u>Closing Stock of Finished Goods</u>				
	i. Tungsten Filaments (Kgs)	18.300	1,612	18.300	43,911
	ii. B22 Caps / CFL Components (Kps)	146.31	27,68,022	92.37	11,80,220
	iii. LED Products	3.48	3,33,889	-	-
D	<u>Raw Material Consumed</u>				
	i. Tungsten /Molybdenum Wire (Kgs)	-	-	-	-
	ii. Electronic Components/ Kits (Kps)	171,474.01	28,07,16,971	93,144.73	16, 11,92 ,811
	iii. LED Products	301.82	1,69,80,630	-	-
E	<u>Sales.</u>				
	i. Tungsten Filaments/scrap (Kgs)	-	Nil	-	Nil
	ii. B22 Caps / CFL Components (Kps)	13,267.31	29,17,87,234	9170.10	21,03,51,827
	iii. LED Products	240.32	1,85,31,643	-	-

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No. : L31200MH1991PLC06398 0

State Code : 11

Balance Sheet Date : 30/06/2011

(Refer Code List 1)

II. Capital Raised During the year (Amount in Rs. Thousand)

Public Issue

Nil

Right Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

21,351

Total Assets

21,351

Sources of Funds

Paid up Capital

84,300

Reserves & Surplus

(115,036)

Secured Loans

7,236

Unsecured Loans

44,851

Application of Funds

Net Fixed Assets

15,780

Investments

925

Net Current Assets

4,647

Deferred Tax Asset

0

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

431,497

Total Expenditure

351,472

Profit Before Tax

80,025

Profit After Tax

63,618

Earning Per Share in Rs.

7.75

Dividend rate %

Nil

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC)

81019809

Product Description

Tungsten Filaments

76069109

Lamp Bases

Lamp Components

15 Figures have been rounded off to the nearest rupee.

16 Provision for taxation has been made on the basis of Minimum Alternate Tax imposed on the book profits, if any, of the Company upto March, 2011

Signatures to Schedules 1 to 20

As per our report of even date annexed herewith,

For HMA & ASSOCIATES

For & on behalf of Board of Directors

CHARTERED ACCOUNTANTS

1

Chairperson
HARSHAD JOSHI

2

Managing Director
PARTNER
M. No. 131625
FRN - 100537W

Place: Nasik

Place: Nasik

Date: 06/03/2012

Date: 06/03/2012

STARLITE COMPONENTS LIMITED

Regd. Office: 64-B, M.I.D.C., Satpur, Nasik 422 007.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2011		
Particulars	YEAR ENDED 30/6/2011 Rs.	YEAR ENDED 30/6/2010 Rs.
A. NET CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extra Or	80,025,003	(14,970,946)
Adjustments for:		
Deferred Tax Asset/(Liability)	-	-
Depreciation	2,067,119	1,594,900
Written-off of Investment in NPCB shares	-	50,000
Provision for Diminution on value of investments	(1,732,350)	-
Expenses Written off	-	-
Interest received	(91)	(606)
Operating Profit before Working Capital changes	80,359,681	(13,326,651)
Adjustments for:		
Trade and other receivables	(14,055,777)	(44,598,750)
Inventories	(13,601,023)	1,361,623
Trade and other payables	55,484,787	33,854,147
Cash generated from operations	108,187,669	(22,709,632)
Interest paid	149,766	19,779,710
Cash Flow before Extra-ordinary Items	108,337,435	(2,929,921)
Extra Ordinary Items	-	-
Net Cash from operating activities	108,337,435	(2,929,921)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of F.A. (Including Capital WIP and Exps. Pending Capitalisation)	(11,455,296)	(447,459)
Sale of Fixed Assets	-	-
Capital Subsidy	-	-
Sale of Shares / Diminution in the value of Shares	-	-
Interest Received	91	606
Advance for Capital Goods	-	-
Sundry Deposits	(537,450)	38,400
Paid to Creditors for Capital Goods	-	-
Net cash used in Investing Activities	(11,992,655)	(408,453)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings - Other than waiver of principle	(150,265,989)	19,027,663
Repayment of Borrowings - Waiver of principle amount	10,907,533	-
Term Loan Instalments Paid	-	-
Interest Paid	(149,766)	(19,779,710)
Unsecured Loans	43,211,762	(2,325)
Net cash used in Financing Activities	(96,296,460)	(754,372)
Net increase/decrease in cash & cash equivalents	48,320	(4,092,746)
Cash and cash equivalent as at 1st July (OP.Bal)	116,590	4,209,336
Cash and cash equivalent as at 30th June (Cl.Bal)	164,910	116,590
	0	0
	For & on behalf of the Board of Directors	
Place : Nasik.	Chairperson	Managing Director
Date : 06/03/2012		
AUDITORS' CERTIFICATE		
We have verified above Cash Flow Statement of Starlite Components Ltd., Nasik derived from the Audited Financial Statement for the year ended 30th June, 2011 and year ended 30th June, 2010 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with Stock Exchanges.		
	For HMA & ASSOCIATES CHARTERED ACCOUNTANTS	
Place : Nasik	HARSHAD JOSHI	
Date : 06/03/20	PARTNER	
	M. No. 131625	
	FRN - 100537W	

STARLITE COMPONENTS LIMITED
 Regd. Office : 64-B, MIDC, SATPUR, NASHIK -422 007

PROXY

I/We _____
 of _____ in the
 District of _____ being a member/members of the above named
 Company hereby appoint _____
 of _____ in the district of _____
 or failing him/ her _____
 of _____ in the district of _____
 as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday, March
 30th, 2012 at 10.30 a.m. at 64-B, MIDC, Satpur, Nashik – 422 007 and at any Please affix 1 Rupee Revenue stamp adjournment there of.

Reg. Folio No. _____

No. of Shares held _____

Signed this _____ day of _____ 2012

N.B. – Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll only and the proxy need not to be a member. The form duly completed should be deposited at the Registered Office of the company at Nashik not later then 48 hours before the time for holding the meeting,

----- (TERE HERE) -----

ATTENDANCE SLIP
 TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the Member attending _____

Full Name of the First Joint – holder _____

Full Name of Proxy _____

I hereby record my presence at the 20th Annual General Meeting of the Company on Friday, March 30, 2012 at 10.30 a.m. at 64-B, MIDC, Satpur, Nashik – 422 007.

Reg. Folio No. _____

No. of Shares held _____

Member's/Proxy's Signature
 (To be signed at the time of handing over this slip)

Note: The Copy of the Annual Report may please be brought to meeting.

If Undelivered please return to :
STARLITE COMPONENTS LIMITED
Regd. Off : 64-B, M.I.D.C. Area, Satpur,
Nasik 422 007, Tel : 0253-2309016